

d the highest bills in
old size.

Columbia Public Hearing

Exhibit No. _____

Date 8/28/00 Case No. CR-2000-512

Reporter _____

In their study "On the Brink of Disaster: A State-by-State Analysis of Natural Gas Winter Home Heating Bills" (1995) Roger Colton and M. Sheehan provide the average winter natural gas heating burdens for various low-income populations. They document that the average winter income of LIHEAP recipients was \$1,537, the average winter gas bill is \$210.94 and the bill as a percent of income is 13.7%. For TANF recipients their average winter income is \$826, average winter gas bill is \$210.94 and the bill as a percent of income is 24.1% for Missouri consumers.

It might be argued by some that with the lowest unemployment rate in 30 years and the presumed success of welfare reform, people are better off and can afford a higher energy burden. However, the issue is poverty and low wages. A recent study by the Missouri Department of Social Services of families that left the welfare rolls showed that 58% of them remained in poverty. Moreover the present prosperity has not been shared with low income wage earners. The Center on Budget and Policy Priorities shows that between 1997 and 1999 the top 20% of households increased their annual after tax income by 43% and the bottom fifth lost 9% in after tax income.

It is in this context that we urge the Commission to evaluate the impact of AmerenUE's request for a residential increase in natural gas of 22.1% and to deny that request. According to the recent forecast by the Energy Information Administration " We are projecting that natural gas price at the wellhead will increase by about 55 percent this winter (October-March) compared to last winter." Low income consumers will be burdened by these new costs and certainly do not need the additional burden of another permanent increase in natural gas bills.

On September 11, 1997 I attended the Natural Gas Roundtable Discussion Group "Managing Consumer Energy Payment and Assistance in a Time of Change" sponsored by the Missouri Public Service Commission. Dr. Wayne L. Williams, Director of the Bureau of Consumer Services, the Pennsylvania Public Utility Commission gave a presentation on " Innovative Consumer Usage Reduction and Payment Programs." He recommended we consider a " business approach with two objectives: minimize long term costs for serving negative ability to pay and maximize realistic customer payments." It is important to note that targeted utility rate funded weatherization with arrearage forgiveness for low income consumers who maintain a percent of income payment plan started as a pilot project in Pennsylvania. It was the UTLITY COMPANIES that requested the adoption and implementation of a state wide program. Moreover Dr. Williams argued that this program was cost effective by reducing finance charges to carry arrearages, cost of collection activity and uncollectibles (Bad debt write-offs).

I bring this to the attention of the Commission because of a chronic problem low income consumers have with AmerenUE and other utilities that have cold weather rule or budget payment plans. We have seen people placed on a 12 month payment plan, as high as \$180 a month for natural gas only, that have an income of \$292 a month. People sign these agreements to remain connected at the time, usually at the beginning of winter. Needless to say, this does not encourage people to be responsible for payment of their energy bills.

Therefore, we implore the Missouri Public Service Commission to either adopt an arrearage forgiveness program connected to a percent of income payment plan for low income consumers in this rate case, or preferably, as a state wide program with all of Missouri utilities. This is not only cost effective, but it allows payments for low income consumers that is reasonable related to their income, which encourages people to be responsible for their energy bills.

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PO Box 66149
St. Louis, MO 63166-6149
314.621.3222
314.554.2514
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Tbyrne@ameren.com

September 25, 2000



M. Diane Drainer
Vice Chair
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102-0360

RE: Case No. GR-2000-512
Union Electric Company d/b/a AmerenUE Gas Rate Case

Dear Vice Chair Drainer:

As you may recall, at the public hearing held in the above-referenced proceeding in Columbia on August 28, 2000, you asked some questions regarding the closing of AmerenUE's local business offices and the provision of return envelopes with AmerenUE bills. In addition, you asked the Company to provide an on-the-record explanation of billing discrepancies experienced by Ms. Simone Parks, one of the Company's customers who testified at the hearing. In response to your questions, AmerenUE offers the following answers:

1. Question: How many of AmerenUE's local business offices have been closed in the past year so that customers do not have the convenience of paying their bills locally? (TR pp. 69-70).

Response: None of AmerenUE's local business offices has been closed in the past year. However, prior to last year, the Company closed all but three of its local business offices, in conjunction with the development of its centralized call center. The Columbia office was closed on June 11, 1999. The three remaining local business offices, in Cape Girardeau, Dexter and Caruthersville, no longer accept bill payments.

2. Question: How were customers notified of the closing of the local offices? (TR p. 70).

Columbia
Public Hearing Exhibit No. 1
Date 8-28-00 Case No. GR-2000-512
Reporter _____
a subsidiary of Ameren Corporation

Reporter _____
Date _____
Case No. _____
Exhibit No. _____

Response: AmerenUE's customers were notified of the closing of the local business offices by letters, fliers, press releases and signs posted at the local offices. With respect to the closing of the Columbia business office, on February 24, 1999, AmerenUE sent a letter to the City Manager of Columbia announcing the closing (See Attachment A). On May 7, 1999, the Company issued a press release concerning the closing, and the closing was reported in the May 28, 1999 Columbia Tribune (See Attachment B). In addition, fliers announcing the closing were distributed to patrons in the weeks leading up to the closing. Immediately prior to and after the closing of the Columbia office, a sign was placed on the office door (See Attachment C). Finally, a letter was sent to customers who frequented the business office notifying them of the closing of the office and explaining their options for paying their bills, which include paying at their local pay stations, direct payment through their bank, payment by phone or payment through the internet (See Attachment D).

3. Question: When did AmerenUE stop providing envelopes for customers to use to pay their bills? (TR p. 69).

Response: To the best of the Company's knowledge, it has never made it a general practice to provide customers with envelopes to use in paying their bills. Several years ago, envelopes were provided with a very limited number of delinquent bills, but this practice has been discontinued.

4. Question: Provide an on-the-record explanation of billing discrepancies identified by Ms. Parks at the local public hearing. (TR pp. 17-18).

Response: Ms. Parks testified that she believed her gas bill was inaccurate because she was out of town for all but 12 days of the period from July 13 to August 13, yet her gas bill for that period was only 25 cents lower than it was for the previous month when she was home every day. (TR pp. 16-18).

Representatives of the Commission Staff reviewed Ms. Parks' bills for the periods in question. Because both periods occurred during the summer, Ms. Parks' usage was low during both periods. Moreover, July-August usage was only 4 Ccf less than her usage during the previous month, despite the fact that she was out of town for all but 12 days. AmerenUE's unscheduled summer PGA increase, which took effect on July 24, 2000, almost completely offset the effect of the lower usage during the month when she was out of town. The Staff and Company both concluded that Ms. Parks had been billed correctly, and the reasons that the bill amounts were similar for the two months were fully explained to Ms. Parks.

M. Diane Drainer
Page 3
September 25, 2000

If you have any additional questions about these or any other matters, please do not hesitate to request additional information from the parties to this case.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Byrne", with a long horizontal flourish extending to the right.

Thomas M. Byrne
Associate General Counsel

TMB/dhb
Attachments

cc: Commission Records Department (9 copies)
All Parties of Record

February 24, 1999

Mr. Ray Beck
City Manager
City of Columbia
P.O. Box N
Columbia, MO 65205

Dear Ray:

As we discussed, AmerenUE is planning to close its business office at 310 E. Walnut to walk-in and drive-up customer traffic in either June or July. As I indicated, we are not yet at a point of making this announcement public, but plans are being made to do so in a proactive manner well in advance of the eventual closing date.

During the last several years, we have taken advantage of new technologies in the areas of telecommunications, order processing and bill payment options. These efforts have lead to a significant decline in the number of customers that use the local offices to conduct business with AmerenUE. As a result, we have successfully closed, with limited impact upon our customers, customer service offices throughout our service territory -- including offices in Boonville, Jefferson City, Mexico, Moberly, St. Charles, Wentzville and the Tucker Blvd. location in St. Louis. Today, only the Columbia, Caruthersville, and Cape Girardeau business offices remain open to walk-in customer traffic.

Most of the decline in customer traffic can be directly attributed to the implementation of our 24-hour, 7 day per week, customer phone service. In addition, since we established three automated pay stations, located at both Gerbes Supermarkets and Nowell's on W. Worley, we have seen a significant decline in the amount of customers that utilize the business office to pay their AmerenUE service bills.

Fortunately, our decision to close the Columbia business office will not involve any layoffs or forced relocations. Five employees currently work out of the business office location: 3 Regional Clerks, 1 Customer Service Advisor and myself. Our plans include a minor remodeling of our Orr St. location, so that employees who currently work at our Walnut St. business office can work from the same location as our other 45 Columbia-based employees.

My duties and those of the Customer Service Advisor will not change. The duties of the three Regional Clerks will be reassigned to address the workload requirements of our outage analysis, automated meter reading and telecommunications systems.

As stated previously, we are not yet at a point of making this announcement public. However, if you would like to discuss this issue in additional detail I ask that you give me a call so that we can set up a meeting at your convenience.

Michael K. Holman
AmerenUE



AmerenUE News Release

**Ameren Services
101 Madison/P.O. Box 780
Jefferson City, MO 65102**

May 7, 1999

Contact:

Mike Cleary
(573) 681-7137

FOR IMMEDIATE RELEASE

**AMERENUE WILL CLOSE COLUMBIA BUSINESS OFFICE;
WORKS HEADQUARTERS WILL REMAIN**

COLUMBIA, MO., (date)—AmerenUE will close its Columbia, Mo. business office at 310 E. Walnut at the end of the business day Friday, June 11, 1999. But the company's Columbia works headquarters on Orr St. will remain, and service crews will continue to be dispatched from there to provide quick response to customer needs. The five employees affected by the office closing will relocate to the Orr St. facility, and no jobs will be lost due to the office closing.

"In recent years, customers have used the Columbia business office mainly to pay bills, but in an increasingly competitive environment, walk-in offices are very costly to maintain for such limited use," says Mike Holman, area office/sales supervisor for AmerenUE. "Except for paying bills locally—all business with AmerenUE can now be done by phone, and customers can call 24 hours a day, seven days a week."

Holman says the vast majority of AmerenUE customers pay their bills by mail, and two years ago the company introduced three new payment plans—**Direct Payment**, **Pay-by-Phone** and **Pay-by Web**. With Direct Payment, customers can choose to have their payment amount automatically deducted from their checking or savings account, without writing a check, addressing an envelope or using a stamp. Customers who choose Pay-by-Phone use a special four-digit personal identification number (PIN) and touch-tone phone to authorize payment directly from their bank. With Pay-by-Web, computer users with access to the Internet can use a special PIN number to pay their bill or simply view account information.

* more *

first add

While Direct Payment and Pay-by-Web are free, Pay-by-Phone costs 25 cents for each payment—less than the cost of a first-class stamp. Customers who sign up for one of these plans may cancel at any time.

For customers who prefer to pay bills in person, AmerenUE has three “full service” pay stations in Columbia—all of which are open longer hours than business office the company is closing. They’re located at Gerbes, 2900 Paris Road and 1729 W. Broadway, and at Nowell’s, 1005 W. Broadway. These pay stations can accept late payments and delinquent payments as well as regular payments—just like the current AmerenUE business office.

Holman says AmerenUE is increasingly relying on new technologies to improve customer service. Of special interest to Columbia’s large student population is a new service AmerenUE introduced last year that enables students to sign up for service over the Internet. To use this service, students can go to the company’s Web site (<http://www.ameren.com>), then click on **Customer Service, AmerenUE, and Student Application for Service**.

“Despite closing the Columbia business office, AmerenUE will continue to maintain a strong presence in the Columbia area, supporting economic development efforts and other community activities,” Holman says. “We remain committed to providing low-cost energy and to investing in facilities and services that provide the greatest possible value to our customers.”

Based in St. Louis, AmerenUE provides energy services to 1.3 million customers in Missouri and Illinois.

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Eastwood Motel owner retires after 44 years

MAY 22, 1999

By ANDREW WATERS
of the Tribune's staff

Mark Todd is ending his long stay in the motel business.

Todd, 81, built the Eastwood Motel at 2518 Business Loop 70 E. in 1955 and operated the business more than four decades before selling to B.J. Bhakta on April 30.

Bhakta is the father-in-law of Paul Desai, who owns the Ramada Inn at 1111 E. Broadway.

"I had always said they'd carry me out in a box. That's not too realistic, I guess," Todd said. "My health's not too good, and it just got to be too much."

A lot has changed since Todd quit the insurance business 44 years ago to open his own motel — especially the number of new hotel rooms, which he said has made it tough to keep occupancy up and workers employed.

"It's getting overbuilt," he said of the local market. "People come into Columbia on a football weekend or a graduation weekend and they can't

find a room, so they think this is the place to build a hotel. But this is a 365-day-a-year business."

Todd said he was approached about the sale by Bhakta, who is a purchasing manager at the India Palace restaurant, located inside the Ramada on Broadway, and an employee of the downtown hotel for the past four years.

Bhakta said he doesn't plan to change much at the 36-room Eastwood, which charges \$30-\$40 a night for rooms.

He said the focus will be on fostering a family-friendly atmosphere with such amenities as a heated outdoor pool, playground, exercise room and hot tub. "It's a small motel," he said, "but the service is good."

COMPLEX PROBLEMS

Broadway Partners, an Illinois limited partnership that owns Broadway Apartments at 2309 W. Broadway, has defaulted on a loan and filed for Chapter 11 bankruptcy protection to stop a foreclosure.

The company's bankruptcy filing lists \$2.6 million in assets, including a 136-unit apartment complex on five acres, and \$2.4 million in liabilities.

The mortgage holder is Barkley

Center General Partnership, co-owned by John Peters and Joe Dittmer.

Barkley Center bought the mortgage in 1993 to keep a Chicago savings, and loan from foreclosing. Peters said, adding that the problems stem from "deferred maintenance" at the apartment complex. "It's up to code," Peters said of the building, "but there's a number of units there that are unrentable for various reasons."

The general partner of Broadway Partners is local Realtor Bill Payne, who did not return a phone message. His attorney, John Reed of Jefferson City, said the company is scheduling a meeting with creditors and will attempt to reorganize.

KEENE LOCATION

The Missouri State High School Activities Association plans to build new headquarters in east Columbia.

The association recently closed on a deal to purchase three acres along Keene Street at Broadway from Triple D Farms LLC for \$475,000, executive director Becky Oakes said. The deal included the acquisition of an existing multi-year contract with Whiteco Metrocom Inc., which leases rights to maintain a billboard on the property.

After the move, which is at least two years off, the association will sell the 13,300-square-foot building it owns and occupies at 1808 I-70 Drive S.W., spokesman Rick Kindhart said.

The new structure is being designed by Simon Oswald Associ-

ates. Oakes added that tentative plans call for a 20,000- to 22,000-square-foot building.

MSHSAA is an independent not-for-profit governing organization for state high school activities with an annual budget of about \$3.3 million. The organization coordinates the activities of 21 sports and 70 state championships. It also licenses some 5,000 high school sports officials and runs a full-time printing operation.

LOAN OPTIONS

Car Title Loans of America has leased the former Zipp's hamburger stand at 815 Business Loop 70 E. from building owner Jack Maher. The quickie loan office is slated to open June 7.

Car Title Loans is a privately-held company based in Laurel, Miss., that makes loans secured by a vehicle title. Customers can get a 30-day loan for up to \$1,500 without a credit check, spokeswoman Denise West-erfield said, as long as they're willing to pay the company's hefty 25 percent interest rate.

Car Title Loans of America is not to be confused with Atlanta-based Title Loans of America, which recently opened a branch office under the name Missouri Title Loans at 603 Business Loop 70 W.

Missouri Title Loans, located in the former Western Auto building at Parkade Center, offers loans of up to a third of the book value of a vehicle at 23.5 percent interest. Local store manager Bill Kellum said his company is not affiliated with his competi-

tor down the street.

GAS STATION

AmerenUE plans to close its business office at 310 E. Walnut on June 11 and relocate the five-person staff to the company's maintenance facility at Orr Street and Park Avenue. "This is way too big," local supervisor Mike Holman said of AmerenUE's 6,200-square-foot Walnut office, located in a building owned by the Harold E. Johnson Cos. "We serve very few of our total customers here."

AmerenUE is the local gas utility provider in Columbia. About 5,000 of the company's 30,000 local customers pay their bills by walking into the downtown service office or by using its drive-through window, Holman said. The rest pay bills by mail, phone, the Internet — www.ameren.com — or automatically from a bank account.

For customers who still want to pay in person, AmerenUE has pay stations inside Gerbes grocery stores at 2900 Paris Road and 1729 W. Broadway and Nowell's at 1005 W. Worley.

Andrew Waters is the Tribune's business editor. Send your comments, business news, information or questions to Street Talk, the Tribune, P.O. Box 798, Columbia, Mo., 65205-0798, fax to 815-1701, e-mail to awaters@tribmail.com or call 815-1706.



NOTICE TO OUR CUSTOMERS:

EFFECTIVE WITH THE CLOSE OF BUSINESS ON FRIDAY, JUNE 11, 1999

THE COLUMBIA BUSINESS OFFICE WILL CLOSE FOR WALK-IN CUSTOMER SERVICE AND BILL PAYMENT ACTIVITIES. AFTER THIS DATE YOU CAN CONTINUE TO MAKE YOUR BILL PAYMENT LOCALLY AT THE PARIS RD. OR BROADWAY GERBES SUPERMARKETS OR NOWELLS ON W. WORLEY.

PAYMENTS CAN ALSO BE MAILED TO:

**AMERENUE
PO BOX 66529
ST. LOUIS, MO 63166-6529**

OR ASK ONE OF OUR CUSTOMER SERVICE REPRESENTATIVES ABOUT OTHER BILL PAYMENT OPTIONS.

CUSTOMER SERVICE REQUESTS CAN BE CONDUCTED THROUGH OUR CUSTOMER SERVICE CENTER 24 HOURS PER DAY, 7 DAYS PER WEEK BY DIALING:

1-800-552-7583

May 27, 1999

Dear Customer:

Due to AmerenUE's on-going efforts to reduce rates, along with continued technological advances that are being put in place to provide additional service options to our customers, our Columbia business office located at 310 E. Walnut will close at the end of the business day Friday, June 11.

AmerenUE has undertaken an aggressive goal to reduce costs through many avenues. We have significantly reduced our employee base through attrition by identifying workload adjustments and operational improvements. As a result we have been able to reduce operational costs without negatively impacting the level of service provided to our customers. The employees who work in the Columbia business office will be assigned other duties within the Columbia operating division.

We feel confident that the programs and additional service offerings we have put in place will ensure you will not be negatively affected by this decision.

Bill Payment: Most customers pay their bills by mailing their payment to our payment processing center, P.O. Box 66529 St. Louis, MO 63166-6529. For your convenience we have enclosed a one-year supply of mailing labels. As an additional convenience we have introduced three new "Customer Choice" bill payment options.

- * By using *Direct Payment*, you can choose to have your payment automatically deducted from your checking or savings account, without writing a check, addressing an envelope or using a stamp.
- * By using *Pay-by-Phone*, you can use a special four-digit personal identification number (PIN) and touch-tone phone to authorize payment directly from your bank.
- * By using our newest payment option, *Pay-by-Web*, computer users with access to the Internet can use a special four-digit PIN number to pay their bill or simply view account information at our World Wide Web site, <http://www.ameren.com>.

If you prefer to pay your AmerenUE bill in person, we have established three local paystations in the Columbia area.

Authorized paystation locations:

Gerbes Supermarkets - 1729 W. Broadway and 2900 Paris Rd.
Nowell's United Super - 1005 W. Worley.

All three of the authorized paystations can accept partial payments, late payments, and

delinquent payments, as well as regular payments -- just like the current AmerenUE business office -- please be sure to bring your bill.

Service requests, payment arrangements and service problems: You can conduct business with AmerenUE when it is convenient for you, *24 hours a day, 7 days a week -- even on holidays @ 1-800-552-7583.*

Thank you for your understanding. We appreciate having you as a customer!

AmerenUE

Enclosure