

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Consideration of Adoption	)	
Of the PURPA Section 111(d)(14) Time-Based	)	
Metering and Communications Standard as	)	Case No. EO-2006-0496
Required by Section 1252 of the Energy Policy	)	
Act of 2005.	)	

**RESPONSE OF AMERENUE**

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE) and for its response to the prepared list of questions set forth in the Commission's *Order Sustaining Motion for Late Filing of Procedural Schedule, Setting Technical Conference, and Directing Filing*, states as follows:

**I. BACKGROUND**

1. On August 8, 2005, the Energy Policy Act of 2005 (EPAcT 2005) became law and amended the Public Utilities Regulatory Policies Act of 1978 (PURPA). EPAcT 2005 added five new standards within PURPA §111(d). Each standard must be considered by state commissions and a determination made of whether or not to adopt the standard. The standards to be considered involve net metering, interconnection standards, fuel sources, fossil fuel generation efficiency and time-based metering. PURPA §111(b) states that consideration is to include public notice and a hearing.

2. As an exception to the requirement that a state commission consider a standard, PURPA ¶112(a) provides that state commissions do not have to consider a standard if, prior to the enactment of EPAcT 2005, the state has implemented the standard or a comparable standard, if the state commission has held a proceeding considering the standard or a comparable standard or if the state's legislature has voted on the implementation of the standard or a comparable standard.

3. On June 23, 2006, the Missouri Public Service Commission (Commission) established this case to consider and make a determination as to whether to adopt the fossil fuel generation efficiency standard set forth in Section 1252 of EPAct 2005. Specifically, the time-based metering and communication standard, the standard in question, requires the Commission to make a determination as to whether

(A) ... [E]ach electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology.

(B) The types of time-based rate schedules that may be offered under the schedule referred to in subparagraph (A) include, among others--

(i) time-of-use pricing whereby electricity prices are set for a specific time period on an advance or forward basis, typically not changing more often than twice a year, based on the utility's cost of generating and/or purchasing such electricity at the wholesale level for the benefit of the consumer. Prices paid for energy consumed during these periods shall be pre-established and known to consumers in advance of such consumption, allowing them to vary their demand and usage in response to such prices and manage their energy costs by shifting usage to a lower cost period or reducing their consumption overall;

(ii) critical peak pricing whereby time-of-use prices are in effect except for certain peak days, when prices may reflect the costs of generating and/or purchasing electricity at the wholesale level and when consumers may receive additional discounts for reducing peak period energy consumption;

(iii) real-time pricing whereby electricity prices are set for a specific time period on an advanced or forward basis, reflecting the utility's cost of generating and/or purchasing electricity at the wholesale level, and may change as often as hourly; and (iv) credits for consumers with large loads who enter into preestablished peak load reduction agreements that reduce a utility's planned capacity obligations.

(C) Each electric utility subject to subparagraph (A) shall provide each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively. (PURPA §111(d)(14).)

4. On August 17, 2006, the Commission issued an *Order Sustaining Motion for Late Filing of Procedural Schedule, Setting Technical Conference, and Directing Filing*. This order requested all parties to file responses to a prepared list of questions no later than September 15, 2006. The questions posed are as follows:

**Question:** Can this case be closed based on “prior state actions” as provided in Section 1251(b)(3) of the Act [16 U.S.C. 2622(d)], and why or why not?

**Question:** Can this case be consolidated with any, some or all of the following cases – EO-2006-0493, EO-2006-0494, EO-2006-0496 and EO-2006-0497 – because the issues addressed in one or more of these cases are similar, and why or why not?

**Question:** What type of proceeding (e.g., rulemaking, rate case implementation, etc.) should the Commission use to address the issues in this case in order to meet the Public Utility Regulatory Policies Act of 1978 (“PUPRA”) Section 111(a) and 111(b) “consideration and determination” requirements [16 U.S.C. 2621(a), 2621(b)], and why?

## **II. COMMISSION CONSIDERATION OF REAL-TIME METERING AND COMMUNICATIONS STANDARD**

**A. Question** - Can this case be closed based on “prior state actions” provided in Section 1251(b)(3) of the Act [16 U.S.C. 2622(d)], and why or why not?

5. There has not been prior State action as defined by Section 1251(b)(3).

Accordingly, AmerenUE does not believe this case can be closed based upon this exception.

**B. Question-** Can this case be consolidated with any, some or all of the following cases – EO-2006-0493, EO-2006-0494, EO-2006-0496 and EO-2006-0497 – because the issues addressed in one or more of these cases are similar, and why or why not?

6 AmerenUE believes this case is best left unconsolidated with any of the cases cited in the question. There is not a significant enough tie between this standard and the other standards which would suggest the Commission should consolidate this case with any other.

**C. Question:** What type of proceeding (e.g., rulemaking, rate case implementation, etc.) should the Commission use to address the issues in this case in order to meet the Public

Utility Regulatory Policies Act of 1978 (“PURPA”) Section 111(a) and 111(b) “consideration and determination” requirements [16 U.S.C. 2621(a), 2621(b)], and why?

7. AmerenUE believes this standard is best addressed within rate cases as they are filed by Missouri electric utilities. All of the investor owned electric utilities in Missouri have some form of a time-based rate offering for their major customer classes. However, these utilities have only installed time-based metering where necessary for billing or for load research purposes. Real-time metering and communications can be costly and technologically complicated. AmerenUE’s practice of installing meters only when necessary promotes AmerenUE’s overall goal of keeping rates as low as reasonably possible. Additionally, developing a uniform standard appropriate for all electric utilities would be inappropriate as, at a minimum, the following may vary by utility: a) generation mix, b) cost structure, c) rate structure, d) customer density levels, and e) system load characteristics. Due consideration of these relevant factors supports a utility by utility examination of whether and when a real time metering communication standard should be established.

WHEREFORE, AmerenUE respectfully requests that the Commission accept this Response to its Order of August 17, 2006 and further, that the Commission determine that it is best to consider this standard within specific rate case filings as they are made by electric utilities in Missouri.

Respectfully submitted,

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d/b/a AmerenUE

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Dated: September 15, 2006

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 15<sup>th</sup> day of September, 2006.

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