STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 18th day of September, 1997.

In the Matter of Union Electric Company's Filing to Revise its Tariff Sheets Applicable to Underground Distribution System Extensions.	))))	**Case No. ET-98-110**

ORDER SUSPENDING TARIFF SHEETS AND GRANTING INTERVENTION

On July 22, 1997, Union Electric Company (UE) filed proposed tariff sheets for the revision of its regulations applicable to underground distribution extensions to residential subdivisions. On September 9, UE filed substitute tariff sheets and agreed to extend the effective date of the tariff sheets to September 19.

On September 8, Laclede Gas Company (Laclede) filed a Motion to Reject or, in the Alternative, Suspend Tariff Sheets, and Application for Intervention. Laclede stated in its Motion that UE's proposed tariff sheets contain a provision which would, for the first time, allow UE to make cash payments to builders and developers in amounts up to $150.00 per lot, based upon the average electric revenue generated by each lot. According to Laclede, the ostensible purpose of the payments is to offset costs incurred by builders and developers for installing UE's underground conduit and performing trenching work. Laclede's concern is that by conditioning the payments on average electric revenue generated by each lot, the extension policy will be used as a "load building" measure to

induce builders and developers to install electric rather than natural gas heating appliances.

Laclede asserts that UE's proposed extension policy is contrary to the Commission's Promotional Practices Rule. Section (1) of 4 CSR 240-14.020 prohibits a public utility from giving any consideration to a builder or developer for inducement to use the utility's services, for work done on property not owned or possessed by the utility or for the sale, installation, or use of appliances or equipment. Laclede requests the Commission to reject the revised tariff sheets or, in the alternative, to suspend the tariff sheets, set the matter for hearing, and allow Laclede to intervene. Laclede states it has a direct and substantial interest in the outcome of this case, and that its interest cannot be adequately represented by any other party.

On September 11, the Staff of the Commission (Staff) filed its recommendation regarding the proposed tariff revision. Staff stated it did not share Laclede's view that the payment will be used by UE as a "load building" measure to increase UE's share of the home heating market. Staff stated that it did not have objections to allowing the proposed tariff sheets to go into effect on September 19.

On September 15, UE filed its response to Laclede's motion. UE stated that Laclede's sole objection to the tariff provision is the potential for a one-time partial refund from the builder's non-cash contribution to install UE's underground distribution system, which is in lieu of current builder cash contributions of $125.00 to $250.00 per lot. UE states that no promotional practice is implicated because this is merely a continuation of the existing tariff option. UE further states that the proposed tariff revision does not violate 4 CSR 240-14.020(1) because UE owns the installed conduit, UE possesses through an easement the right-of-

way in which the system is installed, and UE does not sell any appliance or equipment. Therefore, UE requests that the Commission deny Laclede's motion.

On September 12, the International Brotherhood of Electrical Workers, AFL-CIO (IBEW) filed its Motion to Reject and/or Suspend Implementation of Union Electric Company's Proposed Revisions to its Tariff Sheets Applicable to Underground Distribution System Extensions along with an Application to Intervene. IBEW requests that the Commission reject the tariff sheets or in the alternative suspend the tariff sheets and grant intervention to IBEW on the grounds that IBEW has filed a grievance protesting the action as violative of the parties' collective bargaining agreement. IBEW states that the issues to be decided in this case could affect employees of UE represented by IBEW, that no other party will represent the interest it seeks to protect, that IBEW's expertise and experience will aid the Commission in resolving the issues, and that IBEW's intervention will serve the public interest.

On September 17, Laclede filed its Reply to Staff Recommendation and to Response of Union Electric Company. Laclede asserted that Staff and UE have not diminished the concerns expressed by Laclede that the program violates the requirements of the Promotional Practices Rule. Laclede reiterated its request that the Commission reject or suspend the tariff and grant intervention to Laclede.

Having reviewed UE's proposed tariff sheets, Laclede's motion, Staff's recommendation, UE's response to Laclede's motion, Laclede's reply and IBEW's motion and application to intervene, the Commission finds that the proposed tariff should be suspended for a period of one hundred and twenty days beyond the effective date of September 19, 1997, to January 17, 1998, and an additional two months until March 17, 1998, or until otherwise

ordered by the Commission. The Commission finds that Laclede and IBEW should be granted intervention on the grounds that their interests are different than that of the general public pursuant to 4 CSR 240-2.075(4)(A). The Commission finds that the motions to reject tariff sheets filed by Laclede and IBEW should be denied at this time. The parties shall file a proposed procedural schedule or stipulation and agreement on or before October 20, 1997.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets submitted by Union Electric Company are suspended for a period of one hundred and twenty days, plus an additional two months, beyond September 19, 1997, to March 17, 1998, or until otherwise ordered by this Commission:

MO. P.S.C. Schedule No. 5

3rd Revised Sheet No. 152 Cancelling 2nd Revised Sheet No. 152
5th Revised Sheet No. 153 Cancelling 4th Revised Sheet No. 153
10th Revised Sheet No. 154 Cancelling 9th Revised Sheet No. 154
3rd Revised Sheet No. 155 Cancelling 2nd Revised Sheet No. 155
2nd Revised Sheet No. 156 Cancelling 1st Revised Sheet No. 156

2. That Laclede Gas Company is granted intervention.

3. That the International Brotherhood of Electrical Workers, AFL-CIO, is granted intervention.

4. That the parties shall file a proposed procedural schedule or stipulation and agreement no later than October 20, 1997.

5. That the Motion to Reject Tariff Sheets filed by Laclede Gas Company is denied at this time.

6. That the Motion to Reject Tariff Sheets filed by the International Brotherhood of Electrical Workers, AFL-CIO is denied at this time.

7. That this order shall become effective on September 18, 1997.

BY THE COMMISSION

Cecil I. Wright
Executive Secretary

(S E A L)

Lumpe, Ch., Crumpton, Murray,
and Drainer, CC., concur.

ALJ: George