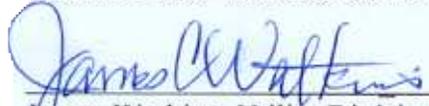


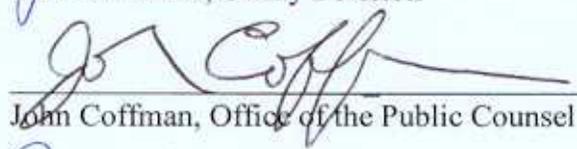
MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EE-2003-0282, Kansas City Power & Light Company

FROM: Electric Meter Variance Committee



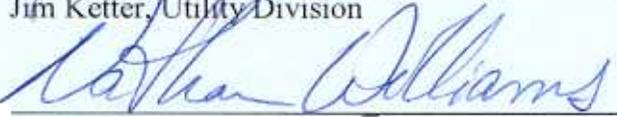
James Watkins, Utility Division



John Coffman, Office of the Public Counsel



Jim Ketter, Utility Division



Nathan Williams, Office of the General Counsel

SUBJECT: Recommendation for Approval of Variances from Individual Electric Metering requirement of Rule and Tariff for service to a new building located at 4301 Madison Avenue, Kansas City, Missouri.

DATE: May 5, 2003

On February 11, 2003 Kansas City Power & Light Company filed an application for a variance from the individual metering requirement of 4 CSR 240-20.050(2) for the construction of a new eight story, 126-unit apartment building located at 4301 Madison Avenue, Kansas City, Missouri. On April 25, 2003 Kansas City Power & Light Company supplemented its application with additional information and added a request for a variance from the metering requirements contained in KCPL Tariff Sheet No. 1.19, Section 5.03(b).

The Electric Meter Variance Committee met on May 5, 2003 and considered the application as supplemented.

The new apartment building is planned as an expansion of existing Bishop Spencer Place facilities that consist of an apartment building housing 155 residents over the age of sixty, in independent living apartments, assisted living suites or nursing home facilities. The existing apartment building has individually metered rooms and Bishop Spencer Place pays all utilities in that building except individual resident telephone service.

For the new building, Bishop Spencer Place plans a large common area on the first and second floors consisting of an auditorium, arts and crafts room, grill bistro, computer room, exercise room, beauty shop and activity areas; all of the 126 apartments in the eight-story new building will be for independent living for residents over the age of sixty; there will be central heating and cooling systems for the apartments; and Bishop Spencer Place will pay all utilities except individual resident telephone service.

4 CSR 240-20.050(2) provides:

Each residential and commercial unit in a multiple-occupancy building construction of which has begun after June 1, 1981 shall have installed a separate electric meter for each residential or commercial unit.

4 CSR 240-20.050(6) provides:

The commission, in its discretion, may approve tariffs filed by an electric corporation which are more restrictive of master metering than the provisions of this rule.

Kansas City Power & Light Company's General Rules And Regulations Applying To Electric Service, Section 5.03 (b), state, in part:

With respect to any multiple-occupancy premises, the Company will not supply [sic] electric service to the owner, lessee, or operator thereof, as the Customer of the Company, and permit redistribution by such Customer to his office or residential tenants therein, except for those premises being supplied such service on the effective date of this schedule (emphasis added).

The effective date of this schedule, Second Revised Sheet No. 1.19, is January 19, 1981.

The Commission's rule is aimed at compliance with certain sections of the Public Utility Regulatory Policies Act of 1978 codified in Chapter sixteen of the United States Code. That Chapter includes the provision following at 16 U.S.C. section 2625(d):

Master metering

Separate metering shall be determined appropriate for any new building for purposes of section 2623(b)(1) of this title if –

- (1) there is more than one unit in such building,
- (2) the occupant of each such unit has control over a portion of the electric energy used in such unit, and

(3) with respect to such portion of electric energy used in such unit, the long-run benefits to the electric consumers in such building exceed the costs of purchasing and installing separate meters in such building.

Kansas City Power & Light Company supports the owner's request for master metering for this building because a master meter will allow construction at a lower cost for both the owner and Kansas City Power & Light Company. The new eight story, 126-unit apartment building will be for independent living for residents over the age of sixty; there will be central heating and cooling systems for the apartments; and Bishop Spencer Place will pay all utilities except individual resident telephone service. The owner estimates that if required to separately meter each apartment, it will incur additional costs of approximately \$87,000 (about \$701.61 per apartment). Kansas City Power & Light Company states that in Case No. EO-2000-251 it estimated that it would cost Kansas City Power & Light Company \$49.40 per apartment to separately meter each apartment rather than master meter the building. Using that cost per apartment in this case leads to an additional cost to Kansas City Power & Light Company of \$6,126. Bishop Spencer Place will be responsible for the payment of all utilities except individual resident telephone service; therefore, individual metering will cause an unnecessary increase in both the owner's construction costs to individually wire each apartment and Kansas City Power & Light Company's costs to provide separately metered service to each apartment.

The Electric Meter Variance Committee has considered the potential benefits to consumers of individual metering, i.e., the ability to directly receive the financial benefits of individual conservation and efficiency efforts and the potential for individual choice in selecting an electricity provider at some time in the future. The Committee finds that these potential benefits are likely to be of little value to consumers living in these apartments. Furthermore, since Bishop Spencer Place will be responsible for paying the electric bill(s), individual consumers would not directly receive the financial benefits of individual conservation and efficiency efforts in any event; and receiving, processing and paying separate bills for electric service would be unnecessary and costly.

Kansas City Power & Light Company has no outstanding assessments and is current in its filing of annual reports.

The Electric Meter Variance Committee, for good cause shown, recommends the Commission issue an order granting both a variance from the Commission's Rule 4 CSR 240-20.050 (requiring separate metering) and a variance from the metering requirements contained in KCPL Tariff Sheet No. 1.19, Section 5.03(b) (requiring separate metering) for electric service to Bishop Spencer Place's planned new eight-story, 126-unit apartment building to be located at 4301 Madison Avenue, Kansas City, Missouri. The Electric Meter Variance Committee also recommends that the Commission order Kansas City Power & Light Company to file revised tariff sheets to list all variances from the Commission's Rule 4 CSR 240-20.050 and KCPL Tariff Sheet No. 1.19, Section 5.03(b), the Commission has granted, including these variances, if granted.

Copies: **Director – Utility Operations Division**
 Director – Utility Services Division
 General Counsel
 Manager – Financial Analysis Department
 Manager – Accounting Department
 Manager – Energy Department
 Michael A. Rump, Attorney, KCPL
 Office of Public Counsel