

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2013-0044, Application of Union Electric Company,
d/b/a Ameren Missouri for Authority to Sell or Transfer a Portion
of Its Franchise, Works or System to Bussen Quarries, Inc.

FROM: Lisa M. Ferguson, Auditor IV - Auditing Unit – Utility Services Department

/s/ Mark L. Oligschlaeger 9/17/12 /s/ Jennifer Hernandez 9/17/12
Manager, Auditing Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff Memorandum Recommending Approval of Application

DATE: September 17, 2012

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the Application of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) requesting authority to sell or transfer a portion of its franchise, works or system to Bussen Quarries, Inc. (“Bussen”) and find the transaction is not detrimental to the public interest pursuant to Section 393.190.1 RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.110.

OVERVIEW

On August 3, 2012, Ameren Missouri filed an Application before the Commission requesting authorization to sell one 1,000 kVa transformer, one 40-foot class 3-wood pole, and 110 feet of 15 kVa cabling to Bussen for the purchase price of approximately \$9,376 “as is” under the terms set forth in the Bill of Sale, included as Appendix 2 to the Company’s Application. Ameren Missouri requests that the Commission approve the transaction as not detrimental to the public interest pursuant to Section 393.190.1 RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.110. In support, Ameren Missouri notes that its ratepayers will receive full,

**** Denotes Highly Confidential Information ****

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depreciated net book value for the transformer and related facilities and that the Company and its customers will avoid the future costs associated with removing those assets. Further, Ameren Missouri asserts that the impact on tax revenues, if any, to the City of St. Louis resulting from the proposed transaction will be negligible since the value of those assets being sold to Bussen are less than \$10,000.

DISCUSSION

Bussen is a Missouri corporation located in St. Louis County at 5000 Bussen Road, St. Louis, Missouri. Bussen is one of the Midwest's largest limestone producers, and has supplied crushed limestone to the St. Louis area for more than a century. Bussen also provides climate-controlled, underground storage facilities in quarries where limestone no longer is being mined. Bussen currently receives electric service through facilities owned by Ameren Missouri. Bussen informed Ameren Missouri over two years ago that Bussen intended to buy and install a new heavy-duty rock crusher at one of its quarries. Ameren Missouri advised Bussen that the Company would need to install new 34,000 kV distribution facilities and that a new substation would be needed in order to meet the power requirements of the new rock crusher. Bussen decided it would build its own substation, which Bussen would then connect to the new distribution facilities that were to be built by Ameren Missouri. Bussen also requested that Ameren Missouri sell to it an existing 1,000 kVa transformer and related facilities, and that equipment would be used to serve one of the existing rock crushers from the new Bussen-owned substation.

Ameren Missouri's response to Staff Data Request No. 1 indicates that Ameren Missouri's net book value associated with the transformer and related items were calculated as

depicted in the chart that follows:

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_____	_____	_____	_____
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CONCLUSION

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BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

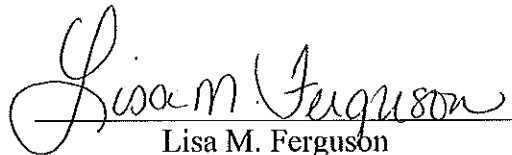
In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for)
Authority to Sell or Transfer a Portion of its)
Franchise, Works, or System to Bussen)
Quarries, Inc.)

File No. EO-2013-0044

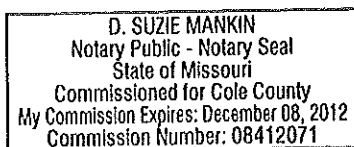
AFFIDAVIT OF LISA M. FERGUSON

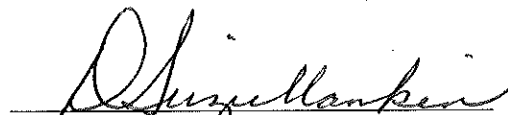
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

Lisa M. Ferguson, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of her knowledge and belief.


Lisa M. Ferguson

Subscribed and sworn to before me this 17th day of September, 2012.




Notary Public