

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

In the Matter of the Application of)	
Union Electric Company d/b/a AmerenUE)	
for an Order Authorizing the Sale and)	Case No. EO-2010-0263
Transfer of Certain Assets of AmerenUE)	
to St. James Municipal Utilities)	
and Rolla Municipal Utilities.)	

APPLICATION TO INTERVENE

I am making this application to intervene because I have a direct interest in this proceeding that is different from that of the Missouri public and could be adversely affected by the results of this proceeding. Additionally, Rolla citizens' interests will not be adequately protected by any other participant in this proceeding, and my intervention is in the public's interest as well as my own.

As a citizen of Rolla and a former City Council Representative, I am requesting that the Missouri Public Service Commission delay approval of this sale until such time as Rolla Municipal Utilities (RMU), can provide and does openly publish substantial, verifiable data to support the need to purchase Phelps substation transformers and lines at a time when RMU's summer peak demand capacity has reduced by more than twenty-five percent. RMU annual revenues from electricity sales have declined approximately \$3 million since the RW Beck power system study was performed, which jeopardizes RMU's ability to meet financing payments for the this project.

I am also requesting that the Commissioners delay these proceeding until after a timely public notice is served in the local area newspaper, the Rolla Daily News, RDN. To date, the RDN has not notified the Rolla public (through advertisement of the Missouri Public Service Commission's Notice) that they have the right to comment or intervene in this matter. I spoke with their representative who indicated that she could not find a copy of the MPSC notice. It is possible that the RDN did not received one.

In addition, I am requesting that the MPSC require RMU to openly publish the entire RW Beck power system study to allow any citizen in Rolla or St. James an opportunity to evaluate the system studies' parameters and conclusions. I have requested to review a copy as a citizen and also as a City Council representative but was denied access by RMU management due to lacking the proper clearances for Homeland Security closed records. According to Timothy R Corrigan, RW Beck Executive Vice President, Energy Sector, there appears to be no "Homeland Security" clearance that can be obtained and even if there were, this study was characterized as,

“fairly straightforward system improvement studies, and from our perspective it was engineering based, not security based.” There is no reasonable justification for confidentiality with regard to this planning information.

While this substation and electrical transmission lines are essential components in the retail electric service that RMU and St. James utilities provide, the proposed sale with dual transformers and line upgrades will provide for overbuilding of the RMU system with an associated financial burden to the Rolla and St. James public. St. James recently passed a bond issue solely due to the fact that Rolla is planning this project to build a separate substation and not share the Phelps substation with St. James. This would result in St. James bearing all financial costs – either paying the entire AmerenUE facilities costs for maintaining the Phelps substation or the alternative which is to purchase the Phelps substation and rebuild it to suit St. James needs.

The 2006 power system study prepared by R.W. Beck for RMU utilized load growth data based on peak summer demand. This data is no longer accurate as it was based on the continued Rolla presence of large industrial electricity customers such as Briggs & Stratton (manufactures lawn engines) and Cantex (manufactures PVC pipe) over the next twenty years. In early 2006, Briggs & Stratton announced the first in a series of layoffs. By September 2007, the Rolla Briggs & Stratton plant was closed. Its industrial building continues to sit empty. In September 2009 Cantex also announced that they planned to shutdown their Rolla plant with final closure in October. Further consideration over the lack of load growth should be taken over the fact that MoDOT has announced that it will not undertake the Fifth interchange for Hwy 63 over I44 in the foreseeable future due to MoDOT's declining revenues. The area west of the proposed interchange is locally called Rolla West, which was promoted as a major development for Rolla. Without access to the RW Beck study's parameters, it is impossible to determine whether RMU included load growth projections for this project.

Pulling peak demand historical data from various sources such as the annual MoPEP Stats for Rolla, the RMU annual audit reports and the RMU quarterly newsletters, it can be shown that RMU's peak summer demand has dropped twenty-five percent to 51 MW in August 2009 from a high of 68 MW in August 2007. The Executive Summary states “Only summer loads were used to plan RMU's long-term needs since summer ambient temperatures limit subtransmission ratings more than winter.” It is apparent from Figure that RW Beck and RMU used a system load increase of approximately 2.25 percent per year, which is not sustainable or realistic in the current local, state or national economy. Even if that rate were possible, at the current 51 MW peak demand, it will take RMU several years to achieve the Load 1 forecast shown of approximately 68 MW. A more realistic projection might be 1 percent growth, which would yield 68 MW in the year 2034.

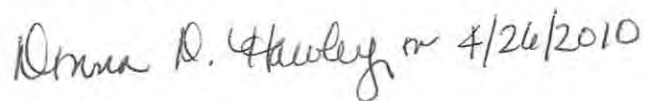
Since RMU may not achieve Load 1 peak demand for twenty years, there are two financial parameters that should be re-evaluated. Given the lower system load, RMU has not demonstrated a compelling need to purchase both Phelps transformers to serve customers.

Furthermore, by the time RMU does reach 68MW peak, those transformers could quite literally be well over thirty to forty years old (having been purchased by AmerenUE in 1985 and 1997) and their useful life spent.

In addition, the financial considerations have changed considerably if the AmerenUE Facilities charges are based in any part on peak demand. RW Beck indicates that when RMU reaches Load level 1, the facilities charges will more than double and will triple by Load level 20 to \$1 Million annually. However, at the 65 MW peak demand, the AmerenUE facilities charges were just under \$300,000 annually. If these charges were to be reduced to reflect current peak demand in the 51 MW range, then the twenty year economic feasibility has drastically changed for the most expensive option which was chosen. It certainly would be more economically desirable and in the public's best interest to not overbuild the system but choose Alternative 1 from the Executive Summary described as making the line upgrades and paying the AmerenUE substation facilities charges. Facilities charges are a significant factor when choosing the best solution especially under the current economic reality that RMU's revenues continue to decline. In FY 2007, electric revenues jumped by \$5M due to a series of rate hikes to an all-time high of \$29.9 million. By FY 2009, RMU electric revenues dropped to \$26.5 million largely due to the loss of industrial customers like Briggs & Stratton or Cantex. The MAMU lease-purchase payments for the Bayers Landesbanke GIC, held in a MAMU Cayman Islands account, could become a financial burden to the citizens of Rolla through the necessity of a rate hike or possibly a revenue tax if Bayers Landesbanke continues to receive ratings downgrades in its securities pushes financing costs upward at a time when RMU revenues are decreasing.

The 2006 power system study also indicates several alternative plans that might be not only financially viable, but preferred within the current downturn of RMU peak demand. However, RMU refuses to openly publish the full R.W. Beck study due to potential terrorist activity. Nondisclosure prevents Rolla citizens or members of the City Council from accurately assessing the quality of the alternatives not chosen and their financial impact on the City of Rolla. The RW Beck study's executive summary does mention that the AmerenUE Phelps substation facilities charge is based on peak demand so it follows that the twenty-year projections with increasing peak demand to over 100MW played a significant factor in the RMU choice of alternatives.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Donna D. Hawley", followed by the date "4/26/2010". The signature is written in a cursive, flowing style.

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