

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

In the Matter of the Joint Application of)	
Union Electric Company, d/b/a AmerenUE,)	
and Pemiscot-Dunklin Electric Cooperative,)	
Inc. for an Order Approving the Change in)	
Electric Supplier for Certain Customers,)	Case No.
Authorizing the Sale, Transfer and Assignment)	
of Certain Electric Distribution Facilities and)	
Easements from AmerenUE to Pemiscot-Dunklin)	
Electric Cooperative and Approving the Territorial)	
Agreement between AmerenUE and Pemiscot-Dunklin)	
Electric Cooperative in Dunklin County, Missouri.)	

JOINT APPLICATION

COME NOW, Union Electric Company d/b/a AmerenUE (Company), a Missouri corporation, and Pemiscot-Dunklin Electric Cooperative, Inc. (Cooperative), (collectively, Joint Applicants) and for their Joint Application to the Missouri Public Service Commission (Commission) for an order: (1) approving a change in the electric supplier for approximately 2,700 structures in Dunklin County from Company to Cooperative pursuant to Section 393.106, RSMo 2000; (2) authorizing the sale, transfer, and assignment of certain electric distribution facilities, easements, and other rights (the Assets) generally constituting Company's electric utility assets associated with said structures pursuant to Section 393.190, RSMo 2000; and (3) approving Joint Applicants' Territorial Agreement (Territorial Agreement) pursuant to Section 394.312, RSMo 2000, respectfully state as follows:

1. Joint Applicants -- Company is a corporation organized and existing under the laws of the State of Missouri, in good standing in all respects, with its principal office and place of business located at One Ameren Plaza, 1901 Chouteau Avenue, St. Louis,

Missouri 63103. Company is an electrical corporation subject to the jurisdiction of the Commission and engaged in the sale and distribution of electricity in portions of Missouri, including Dunklin County. Company is a subsidiary of Ameren Corporation. Company has previously filed with the Commission, in Case No. GO-98-486, a Fictitious Name Registration as filed with the Missouri Secretary of State's Office. A certified copy of Company's Certificate of Corporate Good Standing was filed in Case No. EF-2008-0293. Company has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three (3) years which involve customer service or rates. Company has no annual report or assessment fees overdue.

Cooperative is a corporation organized and existing under the laws of the State of Missouri and has its principal office at Highway 412 West, PO Box 657, Hayti, Missouri 63851. It is a Chapter 394 RSMo rural electric cooperative corporation engaged in the distribution of electric energy and service to its members within Pemiscot, Dunklin and New Madrid Counties in Missouri.

2. Correspondence and Communication -- Correspondence, communications, orders and decisions in regard to this Application should be directed to:

For Company

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3. Change in Supplier -- Company currently supplies retail electric energy through permanent facilities to the structures that are owned or occupied by the customers listed in Exhibit A of Exhibit 1, incorporated by reference and made a part hereof for all purposes. Joint Applicants are requesting to transfer from Company to Cooperative the authority to serve approximately 2,700 structures in Dunklin County, and their related electric service accounts. Joint Applicants seek an order from the Commission approving a change in supplier as to these structures from Company to Cooperative pursuant to Sections 393.106 and 394.315, RSMo 2000.

4. Contract to Exchange Company Facilities -- Subject to the terms and conditions of a *Contract for Exchange of Distribution Facilities between Union Electric Company d/b/a AmerenUE and Pemiscot-Dunklin Electric Cooperative, Inc.* (the Contract), attached hereto as Exhibit 1, which is incorporated by reference and made a part hereof for all purposes, Company and Cooperative will exchange assets in which Cooperative will take the assets as described in Exhibit B of Exhibit 1, that generally constitute Company's entire works and system, necessary or useful in the performance of Company's duties to provide retail electric service to the approximately 2,700 structures, which are owned or occupied by the customers listed in Exhibit A of Exhibit 1. The

closing date of the Contract shall be no later than fifteen days after the interconnection with transmission facilities adequate to serve the facilities being transferred. In no event shall the closing date be later than December 1, 2008. Pursuant to Section 393.190, RSMo 2000, Company seeks an order from the Commission authorizing the exchange of the Assets in accordance with the terms and conditions of the Contract.

5. The Territorial Agreement -- Joint Applicants have specifically designated the boundaries of the exclusive electric service area of each Applicant following the completion of this transaction, which are more particularly described in the Territorial Agreement. Joint Applicants have attached a copy of the Territorial Agreement to this Application as Exhibit 2 and it is incorporated by reference into this Application and made a part hereof for all purposes. Pursuant to Section 394.312, RSMo 2000 the Joint Applicants seek an order from the Commission approving the Territorial Agreement.

A metes and bounds description of the area to be transferred to the Cooperative is shown in Exhibits B of Exhibit 2 and is incorporated by reference into this Application and made a part hereof for all purposes. County highway maps depicting the service area impacted by the Territorial Agreement are part of Exhibit A of Exhibit 2 and are incorporated by reference into this Application and made a part hereof for all purposes.

The Territorial Agreement only establishes amended electric service territories for the Applicants in Dunklin County; it does not affect, in any way, the rights of or the service area of any other electric service provider.

6. Resolutions of Boards of Directors -- A certified copy of the Resolution of the Board of Directors of Cooperative authorizing the consummation of the transaction

contemplated by this Joint Application is attached hereto as Exhibit 3, is incorporated by reference and made a part hereof for all purposes. A certified copy of the Resolution of the Board of Directors of Company authorizing the consummation of the transaction contemplated by this Joint Application is attached hereto as Exhibit 4, is incorporated by reference and made a part hereof for all purposes.

7. Articles of Incorporation -- There is already on file with the Commission a certified copy of (1) the Company's Restated Articles of Incorporation (see Commission Case No. EO-96-431), (2) the registration of the fictitious name, AmerenUE, with the Secretary of State (see Commission Case No. E0-99-267) and a certified copy of Company's Certificate of Corporate Good Standing. (see Commission Case No. EF-2008-0293. Said documents are incorporated by reference and made a part hereof for all purposes. Other than cases that have been docketed at the Commission, Company has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three (3) years which involve customer service or rates. Company has no annual report or assessment fees that are overdue.

A certified copy of Cooperative's Articles of Incorporation from the Secretary of State and a Certificate of Good Standing are attached hereto as Exhibit 5.

8. Tax Impact Statement -- A statement filed pursuant to section 393.190, RSMo 2000 showing the impact of the sale on the tax revenues of the political subdivisions in which any of the facilities transferred between Applicants are located is attached as Exhibit 6, which is incorporated by reference and made a part hereof for all purposes.

9. Impact of Sale on Company -- Company has analyzed this transaction by

evaluating the present value of expected future cash flows. The results show a positive benefit to Company when the transaction is evaluated over periods up to 20 years. This satisfies Company's economic acceptance criteria for a transaction of this type.

10. Right to Serve -- The Cooperative has statutory authority to provide service in the areas it proposes to serve under the Territorial Agreement. In addition, no other regulated electric supplier provides electric service in the area sought to be certificated.

11. Other Electric Suppliers – There is no other Rural Electric Cooperative that serves in the territory covered by the Territorial Agreement. In addition, there is no municipal electric supply system operating within the area covered by the Territorial Agreement.

12. The Territorial Agreement and Transfer of Structures and Assets are not detrimental to the public interest – While the Commission standard only requires that the transfer be not detrimental to the public interest, the Territorial Agreement and related asset transfer goes beyond that standard as approval would provide a benefit that is in the public interest. Currently, the portion of the AmerenUE system being transferred to the Cooperative operates as an “island” in that it does not directly connect to the rest of the AmerenUE electric utility system. This island is completely encircled by territory served by the Cooperative. Currently, power is provided through an interconnection agreement with Entergy Arkansas, Inc. rather than from AmerenUE owned transmission facilities. Additionally, AmerenUE does not have any service personnel stationed within the boundaries of the territory being transferred by the Territorial Agreement.

The transfer of this territory to the Cooperative will improve the response time for the transferred customers for maintenance and repairs. The Cooperative will

have service personnel located in the impacted territory and will be able to respond to service requests in a more timely manner than can currently occur.

The establishment of exclusive service territories will prevent future duplication of electric service facilities, will result in economic efficiencies and future cost savings, and will benefit the public safety and community aesthetics. The Territorial Agreement will also allow future customers to know with certainty the supplier of their electric service.

In general, Joint Applicants believe that it is in the public interest to transfer the customers listed in Exhibit A of Exhibit 1 and their associated electric service facilities at this time because the transfer (i) will improve electric service reliability, (ii) will provide emergency personnel certainty in knowing which utility serves a particular facility, (iii) will permit Company and Cooperative to prudently employ their capital resources, (iv) will limit the duplication of facilities, and (v) will improve efficiency by decreasing travel time to operate and maintain facilities, which will result in shorter outage periods.

Presently, the communities of Cardwell, Arbyrd, Senath, Hornersville and Hollywood are served by the Company. After the transfer, the Cooperative will serve these communities from sources closer to the facilities, which will shorten the time to respond to outages and other service requests.

13. Other Findings and Orders Required from the Commission – Each of the Joint Applicants will still have occasion to construct, operate and maintain facilities in the electric service territory of the other as described in the Territorial Agreement. Each Applicant will continue to have service responsibilities beyond the boundaries of the

Territorial Agreement, unaffected by the terms of the Territorial Agreement. As stated in the Territorial Agreement, each Applicant will have the right to serve existing customers within the electric service area of the other for the indefinite future. In general, Applicants will need the authority to construct, operate and maintain facilities throughout the electric service area of the other. In particular, Company requires a finding of the Commission that the Territorial Agreement will not impair the Company's certificates of public convenience and necessity, except as specifically limited by the Territorial Agreement.

14. Customer Notification -- A list of all customers whose utility service would be transferred is listed on Exhibit A of Exhibit 1. Customers were notified by letter of this proposed transfer from Company to Cooperative on or about October 3, 2007. The notification letters invited customers to meet representatives of the Applicants on October 22, 2007, from 4 to 7 p.m. at Senath Church of Christ Fellowship Hall, 202 E. Commercial St. in Senath. Exhibit 8 is a copy of a typical customer notification letter. All customers who attended this meeting were asked if they supported the transaction and all who responded, but one, indicated that they did. The only opposition was from an individual who was happy with the service provided by the Company and saw no need to change electric providers.

Exhibit 7 is a list of cities with which the Company has franchise agreements. As of the effective date of the Contract, Cooperative will have in place its own franchise agreements to allow it to serve these communities.

15. Judgments, Actions and Fees -- Company has no final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which judgments or decisions have occurred within three (3)

years of the date of this Joint Application. By the nature of its business, Company has, from time-to-time, pending actions in state and federal agencies and courts involving customer service or rates. Company has no annual report or assessment fees overdue to this Commission.

WHEREFORE, Company and Cooperative respectfully request that the Commission issue an order:

(1) authorizing Company to sell, transfer, and assign to Cooperative the Assets, as more particularly described in the Contract, which is attached as Exhibit 1 hereto;

(2) finding the change in electric supplier for approximately 2,700 structures in Dunklin County from Company to Cooperative, for reasons other than rate differential, is in the public interest and approving such change;

(3) finding that the designated electric service areas of the Joint Applicants as set forth in the Territorial Agreement, which is attached as Exhibit 2 hereto, are not detrimental to the public interest, and approving the Territorial Agreement;

(4) finding that the Joint Applicants may construct, operate and/or maintain facilities in the electric service territory of the other as described in the Territorial Agreement;

(5) finding that the Territorial Agreement shall not impair the Company's certificates of public convenience and necessity, except as specifically limited by the Territorial Agreement;

(6) authorizing Company to perform in accordance with the terms of the Territorial Agreement and Contract, and to enter into and execute all other documents

reasonably necessary and incidental to the performance of the transactions which are the subject of the Contract and this Joint Application; and

(7) granting such other relief as is deemed necessary to accomplish the purposes of this Joint Application and to consummate the sale, transfer, and assignment of the Assets and related transactions.

Respectfully submitted,

/s/ Wendy Tatro

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EXHIBITS TO JOINT APPLICATION

Exhibit Number and Description

1. Contract for Exchange of Distribution Facilities
 - Exhibit A List of Customers to Be Transferred to Cooperative
 - Exhibit B Company Facilities to Be Transferred to Cooperative
 - Exhibit C Assets to be Transferred to Company
 - Exhibit D Bill of Sale
2. Territorial Agreement
 - Exhibit A Maps depicting the Service Areas of Cooperative
 - Exhibit B Metes and Bounds Description of Service Area of Cooperative
3. Cooperative's Board of Directors' Resolution
4. Company's Board of Directors' Resolution
5. Cooperative's Articles of Incorporation/Certificate of Good Standing
6. Tax Impact Statement
7. AmerenUE Franchises for Dunklin County
8. Customer Notification Letter