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January 7, 2002

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ROBERT SCHALLENBERG
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Secretary/Chief Regulatory Law Judge
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General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³
JAN 07 2002

RE: Case No. EO-2002-178

Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **NONUNANIMOUS STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Robert V. Franson
Associate General Counsel
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RVF:ccl
Enclosure
cc: Counsel of Record

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

FILED³

JAN 07 2002

Missouri Public
Service Commission

In the Matter of the Joint Application of)
Union Electric Company and Gascosage)
Electric Cooperative for an Order)
Approving a Change in Electric Supplier)
for Reasons in the Public Interest;)
Authorizing the Sale, Transfer, and)
Assignment of Certain Electric)
Distribution Facilities, Substations, and)
Easements from Union Electric Company)
and Approving the First Amendment of)
the Union Electric Company and)
Gascosage Electric Cooperative Territorial)
Agreement)

Case No. EO-2002-178

NONUNANIMOUS STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a AmerenUE ("Company"), the Gascosage Electric Cooperative ("Cooperative") (hereinafter collectively referred to as "Applicants"), Karl Brandt and 30 other employees of Gascosage Electric Cooperative ("Employees of Gascosage"), and the Staff of the Missouri Public Service Commission ("Staff") (hereinafter the "Signatories") and for their Nonunanimous Stipulation and Agreement ("Stipulation and Agreement"), respectfully state as follows:

I. PROCEDURAL HISTORY

1. On October 10, 2001, Company and Cooperative filed a Joint Application (the "Joint Application"), requesting that the Missouri Public Service Commission ("Commission") issue an Order: (1) approving a change in the electric supplier for approximately 1200 structures in and around the Cities of Brumley and Ulman from Company to Cooperative pursuant to

Section 393.106 RSMo. 2000; (2) authorizing the sale, transfer, and assignment of certain substations and electric distribution facilities, and easements (hereinafter, collectively referred to as "the Assets"), as more particularly described in the Exchange Agreement for Purchase and Sale of Distribution Facilities between Company and Cooperative dated October 9, 2001 (the "Exchange Agreement") pursuant to Section 393.190 RSMo. 2000; (3) approving Applicants' First Amendment to the existing Territorial Agreement that was approved by the Commission by Report and Order in Case No. EO-98-279 (the "First Amendment") pursuant to Sections 394.312 RSMo. 2000; (4) finding that the First Amendment shall not impair the Company's certificates of public convenience and necessity, except as specifically limited by the First Amendment; (5) approving Company's change to its tariffs; (6) authorizing Company to perform in accordance with the terms of the First Amendment and Exchange Agreement, 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, the First Amendment, and this Joint Application; and (7) granting such other relief as deemed necessary to accomplish the purposes of this Joint Application and to consummate the sale, transfer and assignment of the Assets and related transactions.

2. On November 6, 2001, the Commission issued an Order and Notice directing notice and setting a date of November 28, 2001 for interested entities to file a request for intervention. The Order also set a prehearing conference for November 28, 2001 at 10:00 a.m. and the filing of a proposed procedural schedule by November 30, 2001.

3. In cooperation with Staff and the Office of the Public Counsel, Applicants developed a written notice providing the case number and the necessary contact information to any customer who wished to contact either the Commission's General Counsel or the Office of

the Public Counsel regarding this case. Company mailed said written notice to each customer to be transferred to the Joint Application on or about November 9, 2001.

4. On November 28, 2001, the Signatories and all other parties to the case appeared for the Prehearing Conference. The Signatories and all other parties to the case discussed a proposed procedural schedule. Direct testimony was filed by Company on October 30, 2001 and by Cooperative on November 28, 2001. On November 30, 2001, the Signatories and all other parties to the case filed a Joint Proposed Procedural Schedule. On December 14, 2001, the Commission issued its Order Adopting Procedural Schedule.

5. On November 21, 2001, the Commission issued an Order Granting Intervention to the International Union of Operating Engineers, Local No. 148, AFL-CIO ("OE Local 148") and the International Brotherhood of Electrical Workers Local No. 1455, AFL-CIO ("IBEW Local 1455"). On December 20, 2001, the Commission issued an Order Granting Intervention to Karl Brandt and 30 other employees of Gascosage Electric Cooperative.

6. The Staff filed rebuttal Testimony in this case on December 18, 2001. Surrebuttal testimony was filed by the Applicants on December 27, 2001. On January 4, 2001, Intervenor OE Local 148 and IBEW Local 1455 filed a request for leave to withdraw from Commission on Case No. EO-2002-178.

7. Applicants, the Employees of Gascosage, and Staff having reviewed the Joint Application, the First Amendment and the Exchange Agreement and having considered the position of the Signatories and the issues to be resolved in this case, have entered into this Stipulation and Agreement.

II. THE SIGNATORIES HAVE REACHED THE FOLLOWING STIPULATIONS AND AGREEMENTS:

8. The Staff, Company, the Employees of Gascoage, and Cooperative assert and, in consideration of the promises and covenants herein contained, state that the Exchange Agreement between Company and Cooperative is in the public interest and therefore should be approved.

9. The Staff, Company, the Employees of Gascoage, and Cooperative, in consideration of the promises and covenants herein contained, state that the change in electric supplier for approximately 1200 structures in and around the Cities of Brumley and Ulman from Company to Cooperative pursuant to Section 393.106.2 RSMo 2000 is in the public interest for a reason other than rate differential and therefore should be approved. Signatories agree that all prefiled testimony in this case should be received into evidence.

10. The Staff, Company, and Cooperative further assert and state that the sale, transfer and assignment of Assets between Company and Cooperative pursuant to Section 393.190 RSMo 2000 is not detrimental to the public interest and therefore should be approved.

11. The Staff, Company, the Employees of Gascoage, and Cooperative further assert and state that the First Amendment to the existing Territorial Agreement between Company and Cooperative in total is not detrimental to the public interest pursuant to 394.312.4 RSMo 2000 and therefore should be approved.

12. The Staff, Company, the Employees of Gascoage, and Cooperative further assert and state that the Union Electric Company illustrated tariffs as shown in Exhibit 5 to the Joint Application are acceptable in format and substance, with the following exceptions:

- a. Tariff Sheet No. 26.6 shall be revised as follows:

Township 40 North, Range 14 West the Sections/U.S. Surveys should read 3, 4, 5, 6, 7, 8, 9, 17, 18, Δ1, 2, 10, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36.

Township 40 North, Range 15 West the Sections/U.S. Surveys should read 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, Δ13, 24, 25, 36.

- b. Tariff Sheet No. 26.7, Township 41 North, Range 14 West section 36 should be revised to read Δ36. In addition, a footnote identical to the one shown on Illustrative Tariff Sheet No. 26.6 should be included on Tariff Sheet No. 26.7.

Within 30 days of issuance of an Order approving the Territorial Agreement, Company is to file revised tariff sheets consistent with the illustrated tariffs but incorporating the above modifications. With these modifications, Staff, Company, the Employees of Gascosage, and Cooperative believe that the tariff sheets should be approved.

13. The Staff, Company, the Employees of Gascosage, and Cooperative also agree that the First Amendment or this Stipulation and Agreement shall not impair the Company's certificates of public convenience and necessity, except as specifically limited by the First Amendment.

III. GENERAL MATTERS

14. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof. The stipulations

herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings.

15. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to §536.080 RSMo. 2000; to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 2000; their respective rights to seek rehearing pursuant to §386.500 RSMo. 2000; and their respective rights to seek judicial review pursuant to §386.510 RSMo. 2000. Notwithstanding the foregoing, each Party may present oral testimony at the evidentiary hearing supporting the fact that the Exchange Agreement and the First Amendment are in the public interest. The Signatories agree to cooperate with each other in presenting for approval to the Commission this Stipulation and Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

16. Staff has reviewed the Joint Application, investigated the electrical facilities of each utility serving the area where customers are subject to a change of supplier and conducted a field inspection. Staff supports this application and is of the opinion that approval of the change of electric supplier is in the public interest. The customers affected by this change of electric supplier from Company to the Cooperative are within the electric service territory of the Company, pursuant to the Territorial Agreement approved in Case No. EO-98-279, thus requiring the First Amendment to address the issue of future customers. This exchange will allow each utility to plan for the long-range needs of the exclusive territories, it will allow Cooperative to make use of Company's existing facilities into its distribution system including

the addition of substations and looped service to the Northwestern part of its current service territory.

17. The Staff shall file suggestions or a memorandum in support of this Stipulation and Agreement, and the other Signatories shall have the right to file responsive suggestions or prepared testimony.

18. The Staff shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other Signatories with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

19. This Stipulation and Agreement shall be binding upon the successors and assigns of Company and Cooperative.

20. None of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying the Stipulation and Agreement. Further, the Parties agree that each party reserves any and all arguments before the Commission about the ratemaking treatment to be afforded this transaction in any ratemaking proceeding.

WHEREFORE the Signatories respectfully request the Commission to issue its Order:

A. Authorizing Company to sell, transfer and assign to Cooperative the Assets, as more particularly described in the Exchange Agreement and approving the Exchange Agreement,

B. Finding a change in electric supplier for approximately 1200 structures in and around the Cities of Brumley and Ulman for reasons other than rate differential is in the public interest and approving such change,

C. Finding that the designated electric service areas of the Applicants as set forth in the First Amendment are not detrimental to the public interest, and approving the First Amendment,

D. Authorizing Company to perform in accordance with the terms of the First Amendment and Exchange Agreement, and to enter into and execute all other documents reasonably necessary and incidental to the performance of the transactions, which are the subject of Exchange Agreement and this Joint Application,

E. Finding that the First Amendment shall not impair the Company's certificates of public convenience and necessity, except as specifically limited by the First Amendment

F. Directing that Company, within thirty days of a Commission Order approving the First Amendment, file revised tariff sheets with respect to its service area in accordance with the requirements set forth in Paragraph 12 of this Stipulation and Agreement.

G. Granting such other relief as deemed necessary to accomplish the purposes of this Joint Application and to consummate the sale, transfer and assignment of the Assets and related transactions.

H. Approving all of the terms of this Stipulation and Agreement.

Respectfully submitted,

DANA K. JOYCE
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**ATTORNEY FOR UNION ELECTRIC
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 7th day of January 2002.

Robert V. Franson

**Service List for
Case No. EO-2002-178
Verified: January 2, 2002 (ccl)**

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