

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 1<sup>st</sup> day of December, 2021.

In the Matter of the Joint Application of )  
Union Electric Company, d/b/a Ameren )  
Missouri for Order Approving a Letter )  
Agreement Allowing the Transfer of Certain )  
Electric Customers to the Board of )  
Municipal Utilities of the City of Sikeston, )  
Missouri )

**File No. EO-2021-0401**

**REPORT AND ORDER APPROVING TERRITORIAL AGREEMENT**

Issue Date: December 1, 2021

Effective Date: December 11, 2021

This order approves the Territorial Agreement between Union Electric Company, d/b/a Ameren Missouri and the Board of Municipal Utilities of the City of Sikeston, Missouri (BMU) (collectively “Joint Applicants”) that will make BMU the exclusive service provider for six customers previously served by Ameren Missouri located within the boundary of the City of Sikeston in Scott County, Missouri. The Joint Applicants have also requested a waiver of the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017.

**Findings of Fact**

1. Ameren Missouri is a corporation engaged in the generation, transmission, distribution, and sale of electricity in portions of Missouri. Ameren Missouri is an “Electrical corporation” and “Public utility” under Section 386.020(15) and (43), RSMo and is subject to the jurisdiction, supervision and control of the Commission under Chapters 386 and

393, RSMo. Ameren Missouri's principal office and place of business are at One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103. <sup>1</sup>

2. BMU is a municipally owned electric utility operating under Chapter 91 RSMo, with its principal office at 107 East Malone Avenue, Sikeston, Missouri, 63801. BMU is engaged in the distribution of electric energy and service, but is not considered an electric corporation pursuant to Section 386.020.15 RSMo. The Commission's jurisdiction over BMU is limited.<sup>2</sup>

3. Ameren Missouri currently provides service to six customer accounts via an existing agreement with BMU that has been in place since 1996. Ameren Missouri owns only the metering and the bare minimum in the way of infrastructure to provide service to these customers, and must provide service via BMU pursuant to the 1996 agreement in order to facilitate that service.<sup>3</sup>

4. Ameren Missouri supplies power purchased from BMU at a negotiated rate, and transferred through infrastructure mainly owned by BMU. Ameren Missouri is operating as an intermediary between BMU and these six customer accounts. Shifting these six customers to BMU removes Ameren Missouri as an intermediary.<sup>4</sup>

5. When there are service issues for the six customers, Ameren Missouri must often require those customers to contact BMU for resolution, potentially causing confusion for customers, because BMU serves nearby customers who are not impacted by the 1996

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<sup>1</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021).

<sup>2</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021).

<sup>3</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021).

<sup>4</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021).

agreement. Additionally, service quality is expected to improve by allowing these customers to be served by a single electric distribution utility.<sup>5</sup>

6. These six customers are the last remaining customers in this area receiving service from Ameren Missouri. All other customers that were receiving service under the 1996 agreement have become inactive through attrition.<sup>6</sup>

7. BMU and Ameren Missouri agree that these customers will receive an improved customer service experience and the utilities will experience improved operational efficiencies.<sup>7</sup>

8. On May 19, 2021, the Joint Applicants filed a joint application with the Missouri Public Service Commission to approve a letter agreement transferring six Ameren Missouri electric customer accounts to BMU.<sup>8</sup>

9. The Commission issued notice of the change of supplier and directed its Staff (Staff) to file a recommendation on the transfer of customers by July 23, 2021. Staff filed a request for an extension of time to file its recommendation on July 23, 2021. Staff's request states, "Based on Staff's review and investigation, Staff recommends that the applicants need to enter into a territorial agreement to clearly delineate their respective service areas. Staff requests an extension...to allow time for the Joint Applicants to consider a territorial agreement and submit an updated filing with the Commission." The Commission ultimately granted three extensions at Staff's request.

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<sup>5</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021).

<sup>6</sup> Staff's Supplemental Recommendation (November 3, 2021), attached Memorandum.

<sup>7</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021).

<sup>8</sup> Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers (May 19, 2021). The names and addresses of the six customer accounts, as well as the legal descriptions of the area in question, are found in Attachments A and B to Appendix 1 of the application.

10. On October 6, 2021, the Joint Applicants filed their Joint Submission of Territorial Agreement and Territorial Agreement, along with an exemplar tariff sheet reflecting the change in Ameren Missouri's service area. The Territorial Agreement provides that BMU will acquire six customers located within the boundary of Sikeston, Missouri.<sup>9</sup>

11. On November 3, 2021, Staff recommended the Commission approve the Joint Submission of Territorial Agreement and associated Territorial Agreement and order Ameren Missouri to file compliance tariff sheets describing the modification to its service territory. Staff also recommend that the Commission state that no rate-making determinations are being made in this case.<sup>10</sup>

12. Approval of a territorial agreement requires that that the Commission issue a more inclusive notice than in a change of electrical supplier request.<sup>11</sup>

13. On November 5, 2021, the Commission issued notice to the General Assembly representing Scott County, Missouri, and to the newspapers and media serving that county. The Commission also set an intervention deadline and a deadline to respond to Staff's recommendation.<sup>12</sup> No intervention requests or responses were received.

14. Based on the information provided in the verified Second Amended Joint Application filed on July 20, 2021, and Staff's recommendation, the Commission finds the Territorial Agreement establishes exclusive service territories for the two electric suppliers. It will also improve service quality for the six affected customers and minimize customer confusion within a limited geographic area. The establishment of exclusive

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<sup>9</sup> Joint Submission of Territorial Agreement (October 6, 2021), Attachment A, Territorial Agreement, and Attachment B, exemplar tariff revision.

<sup>10</sup> Staff's Supplemental Recommendation (November 3, 2021), and attached Memorandum.

<sup>11</sup> Section 394.312.4 RSMo.

<sup>12</sup> Order Directing Filing, November 5, 2021.

service territories will prevent any potential duplication of electric service facilities. The Commission finds that the designation of the electric service area stated in the Territorial Agreement and exemplar tariff sheet is in the public interest and that the Territorial Agreement is not detrimental to the public interest.

### **Conclusions of Law**

A. Section 394.312, RSMo, gives the Commission jurisdiction over electric service territorial agreements, including those between electrical corporations and municipally owned utilities.<sup>13</sup>

B. Pursuant to subsections 394.312.3 and .5, RSMo, the Commission may approve the designation of electric service areas if in the public interest and approve a territorial agreement in total if not detrimental to the public interest.

C. Section 394.312.5, RSMo, provides the Commission must hold an evidentiary hearing on the proposed territorial agreement unless an agreement is made between the parties and no one requests a hearing. Since an agreement was made and no hearing was requested, the Commission may make a determination without an evidentiary hearing.<sup>14</sup>

### **Decision**

Based upon the uncontroverted verified pleadings and Staff's recommendation, the Commission now determines that the material facts in this matter demonstrate the electric service area designation made in the Joint Submission of Territorial Agreement, Attachment B, is in the public interest and that the Territorial Agreement is not detrimental

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<sup>13</sup> Section 394.312.1 and .4, RSMo.

<sup>14</sup> *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm'n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

to the public interest. The Commission will approve the Territorial Agreement. The Commission makes no rate-making determinations in connection with its approval of the Territorial Agreement. So that the parties can expedite the filing of compliance tariffs and the change of utilities for these six customers, the Commission will make this order effective in less than 30 days.

**THE COMMISSION ORDERS THAT:**

1. The Commission will grant a waiver of the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017.
2. The Territorial Agreement presented in the Joint Submission of Territorial Agreement, Attachment A, is approved.
3. Ameren Missouri and BMU are authorized to perform the Territorial Agreement and all legal acts and things necessary to performance.
4. No later than December 11, 2021, Ameren Missouri shall file compliance tariff sheets describing the modification of its service territory which include a metes and bounds legal description of the affected parcels.
5. This order shall become effective on December 11, 2021.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and Kolkmeier CC., concur and certify compliance with the provisions of Section 536.080, RSMo (2016).

Clark, Senior Regulatory Law Judge


**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 1<sup>st</sup> day of December, 2021.**



  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**December 1, 2021**

**File/Case No. EO-2021-0401**

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**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

**Sincerely,**



**Morris L. Woodruff  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.