

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
MAY 31 1996
MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of the application of)
Union Electric Company and Black River)
Electric Cooperative, Inc. for approval)
of a written territorial agreement)
designating the boundaries of each)
electric service supplier within)
portions of Cape Girardeau, Dent,)
Iron, Madison, Reynolds, Perry, St.)
Francois, Scott, Stoddard, Washington)
and Wayne Counties, Missouri)

Case No. EO-95-400
et al

BLACK RIVER ELECTRIC COOPERATIVE COMPLIANCE WITH COMMISSION ORDER

In its Report and Order of March 22, 1996, as a condition precedent to approval of the Territorial Agreement and other relief requested in the above-captioned proceeding, Black River Electric Cooperative was required to send Notice to its members proposed to be transferred as customers to Union Electric Company pursuant to the Territorial Agreement between Union Electric Company and the Cooperative.

Attached hereto as Exhibit 1 is a Consumer Information brochure that was sent to all of Black River's members who are being transferred as customers to Union Electric. Attached hereto as Exhibits 2A, 2B and 2C are copies of the cover letter sent with the consumer information brochure (Exhibit 1).

Under Black River's record keeping system, each account is shown as a separate membership. Any individual consumer may have more than one account. For example a consumer may have an account at his home and at his place of business, or a consumer may have

more than one farm or place of business with a separate meter at each, or the barn may be metered separately from other locations on the farmstead.

These consumers with multiple accounts are kept on the Cooperative's records as multiple members. Under State law and the Cooperative's Bylaws, regardless of the number of accounts, members are entitled to one and only one vote on any issue submitted to the vote of the membership. Black River has handled this by designating one account as the master or voting account with the remaining accounts shown as non-voting. The proposed transfer of certain structures for electric service by Union Electric Company instead of Black River Electric Cooperative created three types of situations. One class would be where the only or all accounts the member had are being proposed to be transferred to Union Electric. In that case the consumer will cease to be a member of the Cooperative and will become a customer of Union Electric as to all services currently with the Cooperative.

The second class of consumers involves persons who have more than one account with the Cooperative and in which some of the accounts but not all will be transferred to Union Electric Company. These consumers will, as to certain structures and certain services, continue to receive service from the Cooperative and will remain a member of the Cooperative but that one or more of these locations now being served by the Cooperative will instead be served by Union Electric Company. These consumers will remain members of the Cooperative and will continue to earn capital

credits at those locations that the Cooperative continues to serve. Some of these consumers will be losing the account that has been designated as the voting account while others will be losing the accounts that have been designated non-voting.

Exhibits 2A, 2B and 2C were designed to explain to the member what his future relationship with the Cooperative would be depending upon which category his services fell into.

Attached hereto as Exhibit 3 is the Certificate of the Postal Authority showing that these various Notices were mailed to the consumers affected.

The references in Exhibits 2A, 2B and 2C, to the consumers receiving additional notification is intended to refer to the notification that Black River and Union Electric Company will give to the consumers prior to the actual changeover of accounts.

Black River Electric Cooperative believes that this notification constitutes compliance with the conditions to approve of the territorial agreement contained in the Commission's Report and Order of March 22, 1996. Black River and co-applicant Union Electric Company recognize that other conditions and filings will also be required, but this can be easily resolved. Union Electric Company and Black River Electric Cooperative have made some of those filings and are in the process of gathering the information to complete the remaining requirements of the Order.

If the Commission deems this Notice to be inadequate, Black River Electric Cooperative requests that it be informed specifically of what further information the Commission requires so

that it may communicate it to the consumers affected.

ANDERECK, EVANS, MILNE
PEACE & BAUMHOER

BY Victor S. Scott
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ATTORNEYS FOR BLACK RIVER ELECTRIC
COOPERATIVE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of Black River Electric Cooperative's Compliance with Commission Order was mailed first class, postage prepaid this 31st day of May, 1996, to David C. Linton, Attorney at Law, Union Electric Company, 1901 Chouteau Ave., P.O. Box 149, St. Louis, Missouri 63166, Norman Robinson, RR 2, Box 195, Potosi, MO 63664, Office of the Public Counsel, P. O. Box 7800, Jefferson City, Missouri 65102, Kenneth L. Schmidt, District Manager, Union Electric Company, P.O. Box 640, Union, Missouri 63084, John C. Farris, Manager, Black River Electric Cooperative, P.O. Box 31, Fredericktown, Missouri 63645.

Victor S. Scott
Patrick Baumhoer
Victor S. Scott

Q. Why is a territorial agreement needed?

A. Currently, Black River Electric Cooperative and Union Electric both provide electrical service in many of the same areas. Because building and maintaining a system is expensive, it does not make sense for both utilities to duplicate service and equipment when one utility is capable of serving an entire area. Duplications end up costing the customers in the long run. The defined areas were based on each utility's ability to serve an area now and into the future. BREC has excess capacity in Wayne County, while UE is better positioned to serve your area.

The agreement reduces customer confusion and increases public safety. It will also provide better reliability for an entire region without a significant impact on customers.

Approximately 3,000 BREC consumers and 3,000 UE customers will have a change in suppliers because of the agreement.

Q. When will the transfer take place?

A. The current plan is to make the changes in September, 1996. According to the Public Service Commission, the two utilities must complete the transfers within one year from April 2, 1996. BREC consumers will receive another notice, either personal contact or letter, before any changes are made.

Q. Do I need to be home for the transfer?

A. No. You don't have to do anything. Since UE will continue to use the same meter you have now, your electricity will not have to be turned off and then back on.

Q. Will I still get my capital credits?

A. Yes. Transferred consumers are entitled to receive their capital credits. Each time a general refund is declared by the Board of Directors, former consumers will receive a refund based upon the amount of money in their capital credits accounts.

Q. Will I continue earning capital credits after the transfer?

A. No. Capital credits are based on the amount of electricity purchased from BREC. When an account no longer purchases electricity from BREC, additional capital credits can't be earned.

Q. Is the money shown on my capital credits statement in a bank account?

A. No. Most of the money has been spent for improvements to the electrical system. A small amount is always set aside for emergency repairs or unexpected expenses.

Q. Why can't BREC pay my capital credits in a lump sum when I'm transferred?

A. BREC Bylaws, Rural Electrification Administration and Cooperative Finance Corporation mortgages, and tax regulations permit lump sum payments only to the estate of a deceased current or former member.

Q. What happens to my capital credits if I still have a BREC account?

A. Each consumer is assigned one capital credit's number that tracks the capital credits regardless of the number of accounts. If a consumer who is transferring still has an account, all the capital credits earned by current and former accounts are maintained with that number. You will continue to get the benefit of those credits through general refunds.

Q. If my address changes, how will I get my capital credit refunds?

A. Anytime you change addresses, just drop us a note with your new address and we will put it on file and mail the refunds to you.

Q. Will my bills be higher or lower as a result of the transfer?

A. According to the residential rate comparisons cited in the PSC's ruling, the two utilities' rates are comparable. UE uses a winter rate and a summer rate. BREC uses a year round rate. UE's winter rate is less than BREC's rate while the summer rate is a little higher. Some consumers will see a slight increase and some will see a decrease. Overall, there is less than 1% difference in the rates.

Q. What happens to my deposit?

A. If you will be completely leaving the system, all applicable deposits, memberships and prepayments will be added together and subtracted from your final bill. If the deposits, etc. total more than the bill, you will receive a refund check by mail. Otherwise, you will be billed only for the difference.

Total Bill For Usage
- Total Credits
Total Amount Owed or Refunded

Q. If I will still have an account with BREC how will my bill be handled?

A. Assuming the remaining account(s) has a good paying record and deposit on file, your deposits and a member ship will be refunded as mentioned above.

Q. Who do I call to report an outage or service problem?

A. Call BREC. Until the change actually occurs, it's business as usual. If you need to report an outage, request a repair, ask a billing question, etc. call BREC. The toll free number is 1-800-392-4711. After the transfer is complete, you will begin calling UE to report outages, service problems, etc.

Q. What if I need a new service built in this area?

A. If you want a new service built in the area that UE will begin serving, you will need to contact one of their offices. Any new services will be built to their specifications.

Q. Will UE contact me before the change?

A. Yes. They will be giving you information on their billing procedures, phone numbers, programs, account management, etc. before the change occurs.

Q. What if I still have some questions about this agreement and what it will mean to me?

A. Simple, just call BREC at 1-800-392-4711 during normal working hours 8:00 a.m to 5:00 p.m. Monday - Friday.

**Black River Electric Union Electric
Territorial Agreement
April 1996**

This offer is available to every member leaving the system as a result of the territorial agreement. If you have any questions please call 1-800-392-4711.

BREC Location # _____

Consumer Information

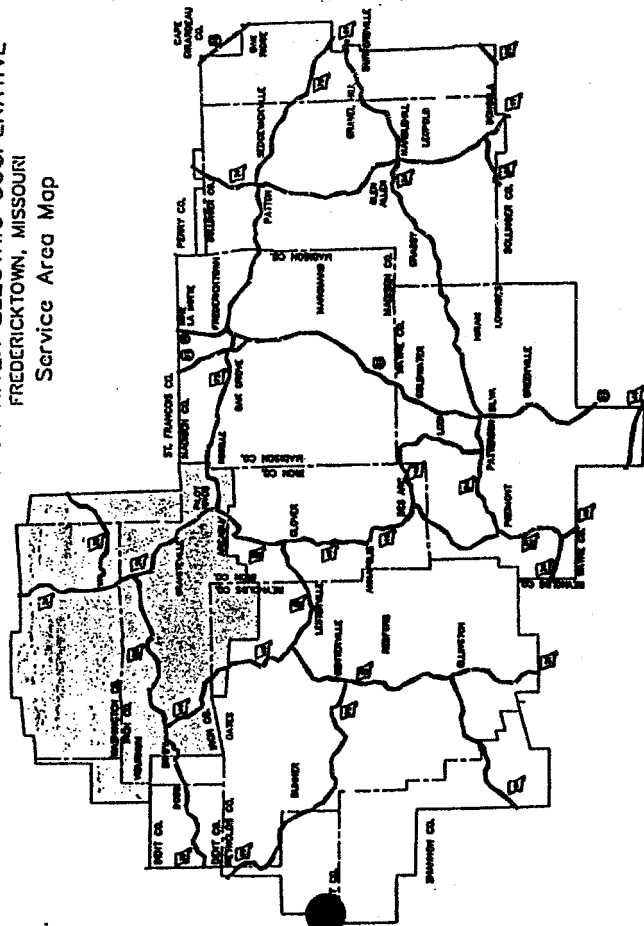
*A Territorial Agreement
Question & Answer Guide
for BREC consumers*



Black River Electric Cooperative

1-800-392-4711

BLACK RIVER ELECTRIC COOPERATIVE
FREDERICKTOWN, MISSOURI
Service Area Map



The above map shows the Black River Electric Cooperative Distribution System. The shaded area in the upper left hand corner represents the area that will be served by Union Electric after the transfer is complete. It is also the area where both utilities now provide duplicate service. BREC will serve residents in Greenville, Piedmont, Mill Spring, Leeper and their surrounding rural areas. The agreement means a change in suppliers for approximately 6,000 customers (3,000 of each utility).



Black River Electric Cooperative

P.O. Box 31, Highway 72 East
Fredericktown, Missouri 63645
(573) 783-3381 or 800-392-4711 (in Missouri)
Fax (573) 783-7496
April 19, 1996

Account Information

Location #
Account #
Equity #

Voting
accts

CHANGE OF ELECTRIC SUPPLIERS

The Missouri Public Service Commission (PSC) has approved a territorial agreement between Black River Electric Cooperative and Union Electric that defines the areas where each utility can provide service. Defining the boundaries of these areas will provide better reliability, reduce duplication of lines and facilities, and increase public safety. However, because of these boundaries, BREC cannot continue to serve the account listed above. Union Electric will begin providing your electric service later this year. The enclosed Consumer Information brochure provides details on the transfer.

The transfer is expected to occur in early to mid fall. *Consumers will receive additional notification before any changes are made.* Service will not be interrupted and no one needs to be present for the change to occur. At the time of transfer, cooperative personnel will read the meter and calculate a final bill. Any deposits, non-voting memberships and prepayments will be deducted from that amount. Since this account has a "voting membership," and one or more additional accounts in this name will remain with BREC, the voting membership will be automatically transferred to an account that currently has a non-voting membership. A non-voting membership on file will be refunded.

Each consumer's capital credits (regardless of the number of accounts) are maintained by one unique equity number. Since there are one or more accounts in your name which will remain with BREC after the transfer, the capital credits information for your account(s) will not change.

Please refer to the brochure for more information on billing, capital credits, rates, etc. Until the transfer occurs, contact BREC for consumer services such as billing questions and outage reporting. Union Electric will provide each account with their service information. If you have any questions, you may call BREC at 1-800-392-4711. Thank you for your cooperation.

Sincerely

John C. Farris

John C. Farris
General Manager

District Offices

Ellington
663-2226

Marble Hill
238-2621



Black River Electric Cooperative

P.O. Box 31, Highway 72 East
Fredericktown, Missouri 63645
(573) 783-3381 or 800-392-4711 (in Missouri)
Fax (573) 783-7496
April 19, 1996

Account Information

Location #
Account #
Equity #

Non
Voting
members

CHANGE OF ELECTRIC SUPPLIERS

The Missouri Public Service Commission (PSC) has approved a territorial agreement between Black River Electric Cooperative and Union Electric that defines the areas where each utility can provide service. Defining the boundaries of these areas will provide better reliability, reduce duplication of lines and facilities, and increase public safety. However, because of these boundaries, BREC cannot continue to serve the account listed above. Union Electric will begin providing your electric service later this year. The enclosed Consumer Information brochure provides details on the transfer.

The transfer is expected to occur in early to mid-fall. *Consumers will receive additional notification before any changes are made.* Service will not be interrupted and no one needs to be present when the change occurs. At the time of transfer, BREC personnel will read each meter. A final bill will be prepared and mailed to you. Applicable deposits, non-voting memberships and prepayments will be deducted from the final bill amount.

Each consumer's capital credits (regardless of the number of accounts) are maintained by one unique equity number. Since there are one or more accounts in your name which will remain with BREC after the transfer, the capital credits information for your account(s) will not change.

Please refer to the brochure for more information on billing, capital credits, rates, etc. Until the transfer occurs, contact BREC for consumer services such as billing questions and outage reporting. Union Electric will provide each account with their service information. If you have any questions, you may call BREC at 1-800-392-4711. Thank you for your cooperation.

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General Manager

Enclosure

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April 19, 1996

Account Information

Location #
Account #
Equity #

*Losing
All Accts*

CHANGE OF ELECTRIC SUPPLIERS

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The transfer is expected to occur in early to mid fall. *Consumers will receive additional notification before any changes are made.* Service will not be interrupted and no one needs to be present for the change to occur. At the time of transfer, cooperative personnel will read the meter and calculate a final bill. All applicable deposits, memberships and prepayments will be deducted from that amount. If there is a credit balance, it will be refunded.

Consumers transferring to UE will continue to receive general refunds of their capital credit accounts at the same rate as current consumers. According to BREC Bylaws, the balance of a capital credit account can only be refunded upon the death of a consumer (either former or current).

Please refer to the brochure for more information on billing, capital credits, rates, etc. Until the transfer occurs, contact BREC for consumer services such as billing questions and outage reporting. Union Electric will provide each account with their service information. If you have any questions, you may call BREC at 1-800-392-4711. Thank you for your cooperation.

Sincerely

John C. Farris

John C. Farris
General Manager

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663-2226

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United States Postal Service

Statement of Mailing With Permit Imprints First-Class Mail

(For Priority Mail, Use Form 3605-R)

MAILER: Complete all items by typewriter, pen, or indelible pencil. Use Form 3606 if you need a receipt.

Post Office of Mailing FREDERICKTOWN MO		Date	Processing Category <input type="checkbox"/> Letters (DMM C060) <input type="checkbox"/> Flats (DMM C050) <input type="checkbox"/> Automation-Compatible Flats (DMM C820) <input type="checkbox"/> Irregular Parcels (DMM C050)		USPS Authorized Mailing ID Code(s)
Permit No.	Federal Agency Cost Code	Mailing Statement Seq. No.			
Permit Holder's Name & Address (Include ZIP Code)	Telephone Number (573) 783-3381	Receipt No.			
SLACK RIVER ELECTRIC COOPERATIVE P. O. BOX 37 FREDERICKTOWN, MO 63645		No. Sacks	No. Trays	No. Pallets	No. Other
		Weight of a Single Piece _____ pounds			
CTAS Cust. Ref. ID		Total Pieces in Mailing 3023	Total Weight of Mailing		Barcoded Flats Sacking Based On (DMM M823) <input type="checkbox"/> 125 pcs. <input type="checkbox"/> 15 lbs.
Name & Address of Individual or Organization for Which Mailing is Prepared (If other than the permit holder)		Name and Address of Mailing Agent (If other than the permit holder)		Check All That Apply <input type="checkbox"/> Centralized Postage Payment <input type="checkbox"/> Plant loaded to <input type="checkbox"/> BMAU Entry at <input type="checkbox"/> Orig. <input type="checkbox"/> Dest. A / O ZIP _____ <input type="checkbox"/> Orig. <input type="checkbox"/> Dest. SCF 3D ZIP _____ <input type="checkbox"/> Orig. <input type="checkbox"/> Dest. ADC _____	
<i>Not a permit mailing -</i> <i>Proof of mailing only</i>					
<input type="checkbox"/> For mailings of automation-compatible letter-size pieces (see DMM C810), other than cards, go to Part A on the reverse of this form. <input type="checkbox"/> For mailings of non-automation-compatible letter-size pieces (see DMM C050), other than cards, weighing .5875 lb. (11 ounces) or less, go to Part B on the reverse of this form. <input type="checkbox"/> For mailings of non-letter-size pieces (see DMM C050), other than cards, or of automation-compatible flats (see DMM C050), weighing .5875 lb. (11 ounces) or less, go to Part C on the reverse of this form. <input type="checkbox"/> For mailings of postal cards and postcards (see DMM E100), go to Part D on the reverse of this form.			Postage (From Reverse Side)	Part A	\$ _____
				Part B	\$ _____
				Part C	\$ _____
				Part D	\$ _____
<input type="checkbox"/> Additional Postage Payment (State reasons)		<input type="checkbox"/> Special Service (Specify)		No. Pieces	Rate/Fee Per Pc. \$ _____
Total Postage					\$ _____

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Total Pieces	Total Weight	
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Check One <input type="checkbox"/> Verification Not Scheduled <input type="checkbox"/> Presort Verification Performed as Scheduled	Date Mailed	Contact
I CERTIFY that this mailing has been inspected concerning: (1) accuracy of the postage claimed; (2) proper preparation (and presort where required); (3) proper completion of the statement of mailing; and (4) payment of the required annual fee.		By (Initials)
Signature of Weigher	Time	Round Stamp (Required)