

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

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri)
for Authority to Sell or Transfer a Portion)
of Its Franchise, Works, or System to)
Mercy Health East Communities,)
Southern Region.)

File No. EO-_____

APPLICATION

Comes now Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”) and, pursuant to and in accordance with Section 393.190.1, RSMo, 4 CSR 240-2.060, and 4 CSR 240-3.110, hereby seeks authority from the Missouri Public Service Commission (Commission) to sell, transfer, and otherwise dispose of a portion of the Company's franchise, works, or system to Mercy Health East Communities, Southern Region (Mercy Health). In support of its Application, Ameren Missouri states as follows:

INTRODUCTION

1. Ameren Missouri and Mercy Health have concluded discussions regarding Mercy Health's purchase of a transformer, which it currently rents, from Ameren Missouri. The sale of this transformer may be considered the sale of an asset subject to Commission jurisdiction. Accordingly, Ameren Missouri is submitting its application pursuant to 4 CSR 240-2.060, which governs applications generally, as well as 4 CSR 240-3.110, which governs the filing requirements necessary to request approval for the authority to sell, assign, lease or transfer assets. Accordingly, this Application is divided into the following sections:

- I. 4 CSR 240-2.060(1), (A) through (M)
- II. 4 CSR 240-3.110(1), (A) through (F)
- III. Additional Considerations

The information required by both rules is discussed in more detail below.

I. 4 CSR 240-2.060(1), (A) through (M)

Paragraph (A) - Applicant

2. Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri, 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 engaged in providing electric and gas utility services in portions of Missouri as a public utility under the jurisdiction of the Commission. Company is a subsidiary of Ameren Corporation.

3. While not a party to this proceeding, Mercy Health is the purchaser of the asset. Mercy Health is a Missouri corporation whose principle place of business is located at 1400 US Highway 61 S, Crystal City, Missouri 63019. Mercy Health is a non-profit 501(c)(3) religious organization established to provide health care in the state of Missouri. Because of the nature of its business, Mercy Health is not subject to the regulatory jurisdiction of the Commission, and will not become subject to the Commission's regulatory jurisdiction if the transaction described in this application is approved.

Paragraph (B) – Articles of Incorporation; Paragraph (E) – Fictitious Name; Paragraph (G) – Information Previously Submitted; Paragraph (H) – Character of Business;¹

4. Company previously submitted to the Commission a certified copy of its Articles of Incorporation (See Case No. EA-87-105), its Fictitious Name Registrations as filed with the Missouri Secretary of State's Office (See File Nos. EN-2011-0069 and GN-2011-0070), and a copy of its Certificate of Corporate Good Standing (See File No. EO-2017-0044). These documents are incorporated by reference and made a part of this Joint Application for all

¹ Paragraphs (C), (D), and (F) do not apply to the Applicant.

purposes.

Paragraph I – Correspondence and Communication

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

Paula N. Johnson
Senior Corporate Counsel
Ameren Missouri
1901 Chouteau Avenue
MC 1310
St. Louis, MO 63103
(314)554-3533 (phone)
(314)554-4014 (fax)
pjohnson4@ameren.com

Paragraph (K) – Actions, Judgments, and Decisions; Paragraph (L) – Fees²

6. Company has no final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates that have occurred within three 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.

Paragraph (M) – Affidavit

7. An Affidavit in support of this application by an authorized individual is included with this Joint Application as Appendix 1.

II. 4 CSR 240-3.110(1), (A) through (F)

Paragraph (A) – Brief Description of the Property Involved in the Transaction

8. Mercy Health currently receives electric service from Ameren Missouri at the Small Primary Service Rate. Mercy Health recently informed Ameren Missouri that it wanted to purchase the transformer enabling service to its customer-owned, primary service facility in

² Paragraph (J) does not apply to the Applicant.

Crystal City; currently, Mercy Health rents the transformer installed at this facility. Mercy Health wants to purchase this transformer because the facility is currently undergoing expansion, and the transformer is an integral part of the expansion design. Additionally, Mercy Health's purchase of this transformer will eliminate its current rental fee of \$169.39 per month. All maintenance to the transformer after the sale will be the financial responsibility of Mercy Health. Subject to the Commission's approval of the proposed transaction, Ameren Missouri has agreed to sell the facilities to Mercy Health for \$3,317.08, which represents the total installed reproduction costs less overhead depreciation, plus income taxes (Transformer \$2,043.32 + Income Tax \$1,273.76 = \$3,317.08). See Appendix 2 for the calculation of the transformer cost.

Paragraph (B) – Copy of the Contract or Agreement of Sale

9. Mercy Health has agreed to purchase, and Ameren Missouri has agreed to sell, the transformer located at Mercy Health's Crystal City facilities for \$3,317.08, which represents the depreciated net book value of the facilities, plus income taxes, as of the date of the parties' transaction. A Bill of Sale between the parties, which provides, *inter alia*, that Ameren Missouri will sell the facilities to Hunter on an "as is" basis without any warranties whatsoever with respect to those facilities, is attached to this application as Appendix 3.

Paragraph (C) – Verification of Property Authority

10. A verification of property authority affirming that Ameren Missouri's signatory to the Bill of Sale had the authority to bind the Company to that agreement is attached to this application, included as Appendix 1.

Paragraph (D) – Not Detrimental to the Public Interest

11. The proposed transaction is not detrimental to the interests of Ameren Missouri, Mercy Health, or the Company's other ratepayers. Mercy Health benefits because it will directly

control this asset intended for its direct benefit and at its own expense, as well as because it can purchase the existing fixture at a cost that is less than it would incur to acquire and install new fixtures. Ameren Missouri and its customers benefit because the sale of the transformer will enable the Company to recover a fair price for the transformer, while foregoing future maintenance expenses for the asset.

Paragraph (E) – Balance Sheet and Income Statement

Because Mercy Health is not subject to the Commission's regulatory jurisdiction, this application does not include a balance sheet or income statement showing the impact of the proposed purchase on Mercy Health.

Paragraph (F) – Statement of Tax Impact

12. Because the value of the asset being sold to Mercy Health is less than \$50,000, the property tax impact of the proposed transaction should be minimal. While Ameren Missouri has accounted for income taxes in the sale price, sales taxes are not applicable; Mercy Health has been granted a Limited Exemption from Missouri Sales and Use Tax on Purchases and Sales by the State of Missouri.

III. Additional Considerations

13. Ameren Missouri does not anticipate that this matter is, or will become, a contested case because the Commission has held that an application regarding a transfer of assets under Section 393.190, RSMo, is not a contested case:

Moreover, this is not a contested case pursuant to 536.010(2) because it does not involve a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing. Neither Section 393.190, nor Section 393.106, nor any other provision of law requires a hearing to be held for these determinations.³

Accordingly, 4 CSR 240-4.020(2) does not require the Company to file a 60-day Notice of Filing.

14. Although Ameren Missouri is not requesting expedited treatment of this application, the parties would like to complete the transaction in a timely manner.

WHEREFORE, having shown that the proposed transaction is not detrimental to the public interest, and for all other reasons stated in this application, the Company respectfully requests the Commission issue an order finding and determining that:

(i) The proposed sale of the assets from Ameren Missouri to Mercy Health, as set forth in the Bill of Sale and described in this application, is approved;

(ii) Ameren Missouri and Mercy Health are authorized to do such other acts and things, including making, executing, and delivering any and all documents that may be necessary, advisable, or proper to consummate the transaction reflected in the Bill of Sale, and to implement the authority granted by the Commission in this case; and

(iii) Any other relief deemed appropriate by the Commission under the circumstances is granted.

³ *In the Matter of the Application of the Empire District Electric Company for Authority to Sell and Transfer Part of Its Work or System to the City of Monett, Missouri*, Case No. EO-2009-0159, Order Approving the Transfer of Assets, Footnote 4, February 11, 2009.

Respectfully submitted,

By: /s/ Paula N. Johnson
Wendy K. Tatro, #60261
Director and Assistant General Counsel
Paula N. Johnson, #68963
Senior Corporate Counsel
Ameren Missouri
1901 Chouteau Ave.
P. O. Box 149 (MC 1310)
St. Louis, MO 63166
(314) 554-3533 (telephone)
(314) 554-4014 (facsimile)
AmerenMOService@ameren.com

**ATTORNEYS FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

EXHIBITS TO APPLICATION

Appendix Number and Description

- Appendix 1 - Company's Affidavit in Support of Application and Verification of Proper Authority
- Appendix 2 - Calculation of Cost
- Appendix 3 - Bill of Sale

In the Matter of the Application of Union)
 Electric Company d/b/a Ameren Missouri)
 for Authority to Sell or Transfer a Portion)
 of Its Franchise, Works, or System to)
 Mercy Health East Communities,)
 Southern Region.)

File No. EO-_____

AFFIDAVIT OF DAVID N. WAKEMAN

STATE OF MISSOURI)
) ss
 CITY OF ST. LOUIS)

David N. Wakeman, being first duly sworn on his oath, states:

1. My name is David N. Wakeman. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri as Senior Vice President Customer Operations.

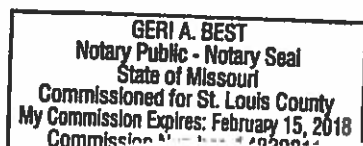
2. Attached hereto is the Application, including the exhibits thereto, of Union Electric Company d/b/a Ameren Missouri for an order approving its sale of a transformer to a customer currently renting the same, Mercy Health East Communities, Southern Region.

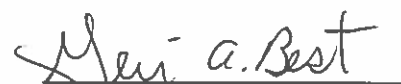
3. I have read the Application and affirm that the information contained therein is true and correct to the best of my knowledge, information, and belief.

4. Additionally, I affirm that the signatory to the Bill of Sale attached to and incorporated as part of that application, Mr. Stephen R. Brophy, Director Meramec Valley, has the proper authority to sign the Bill of Sale.


 David N. Wakeman

Subscribed and sworn to before me this 26th day of October, 2016.




 Notary Public

AMEREN MISSOURI
SALE OF FACILITIES

JEFFERSON MEMORIAL HOSPITAL, CRYSTAL CITY

PRICED AS OF July 28, 2016

Year of In																				Alternate Reproduction Cost from the Asset Management System										Reproduction Cost and Reproduction Cost Depreciated										Original Cost and Original Cost Depreciated																			
										Vintage Year Basis										Current Year										Vintage Year Basis																													
										Asset Management System Detail										AMS										Current Year																													
																				Current Year										Installation Year										Current Year										Original Cost and Original Cost Depreciated									
																				Current Year										Five Year										Total Installed										Vintage Year Basis									
																				Current Year										Remaining Life										Reproduction										Multiple Rate									
																				Current Year										Depreciation										Cost With										Depreciation									
																				Current Year										2016										Overhead										Total Installed									
																				Current Year										Percent										Amount										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									
																				Current Year										Overhead										Cost Including										Original Cost									

*Form 383
Rev. 7/82

BILL OF SALE

This indenture made this day of SEPTEMBER 2016
by and between UNION ELECTRIC COMPANY, a Missouri Corporation, hereinafter called Vendor
and MERCY HEALTH EAST COMMUNITIES SOUTHERN REGION hereinafter
called Vendee (if corporation, specify State of incorporation MISSOURI).

WITNESSETH:

That Vendor for and in consideration of the sum of Three Thousand Three Hundred
(\$ 3317.08) to be paid by Vendee within 60 days after receipt of an invoice
for that amount from Vendor, does by these presents sell, assign, transfer and convey
unto Vendee, its successors and assigns all its right, title and interest in and to the
following described property, to-wit:

ONE TRANSFORMER - PAD MOUNT 12.47KV TO 120/208 W/ 3Ø 4W
KNOWN AS AN LC 500Z
SERIAL Number 790940195

The location and description will appear more fully on the detailed plat
thereof, hereto attached and made a part of this Bill of Sale.

The property sold under this Bill of Sale is purchased by Vendee 'as is'.
VENDOR DISCLAIMS ALL WARRANTIES WITH REGARD TO THE ABOVE DESCRIBED PROPERTY, INCLUDING
ALL WARRANTIES OF MERCHANTABILITY AND FITNESS. In no event shall Vendor be liable for
any damages, including, but not limited to, special, direct, indirect or consequential
damage arising out of, or in connection with, the use or performance of the above
described property. Any description of the equipment contained in this Bill of Sale
is for the sole purpose of identifying the property, is not a part of the basis of the
bargain, does not constitute a warranty that the property shall conform to that descrip-
tion, and does not constitute a warranty that the property will be fit for a particular
purpose. No affirmation of fact or promise made by Vendor, not contained in this Bill
of Sale, shall constitute a warranty that the property will conform to the affirmation
or promise.

It is understood that Vendor does not warrant the title to any right-of-way
or easement upon which the property herein described is or may be located.

The parties hereto acknowledge that each has read this agreement, understands
it, and agrees to be bound by its terms. The parties further agree that this document
constitutes the full understanding of the parties, and no terms, conditions, understand-
ings or agreements purporting to modify or vary the terms of this document shall be
binding unless hereafter made in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this instrument as of the day
and year first above written.

VENDOR
UNION ELECTRIC COMPANY

By

Steven R. Buehly
DIRECTOR MORGAN VALLEY
Title

VENDEE

Richard E. Mearns
MERCY HEALTH EAST Communities - Southern Region
DIRECTOR OF FACILITIES
Title