

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

In the Matter of the Application of)	
Union Electric Company d/b/a AmerenUE)	
for an Order Authorizing the Sale and)	Case No. EO-2010-0263
Transfer of Certain Assets of AmerenUE)	
to St. James Municipal Utilities)	
and Rolla Municipal Utilities.)	

RESPONSE TO MS. HAWLEY’S PROPOSED PROCEDURAL SCHEDULE

Come now the City of Rolla, Missouri (Rolla), by and through Rolla Municipal Utilities, and the City of St. James (St. James), by and through St. James Municipal Utilities, and, for their response to the “Proposed Procedural Schedule” filed by Donna D. Hawley (Ms. Hawley), on July 23, 2010, respectfully state as follows to the Missouri Public Service Commission (Commission):

BACKGROUND

1. On July 23, 2010, Union Electric Company, d/b/a AmerenUE (AmerenUE), on behalf of itself, the Staff of the Commission (Staff), Rolla and St. James, filed a proposed procedural schedule asking that the following procedural schedule be established:

List of Issues, List and Order of Witnesses, Order of Cross-Examination and Order of Opening/Closing Statements	August 25, 2010
Statements of Position	September 1, 2010
Evidentiary Hearing	September 8-9, 2010

2. Also on July 23, 2010, Ms. Hawley filed a proposed procedural schedule requesting the following schedule be established:

List of Issues, List and Order of Witnesses, Order of Cross-Examination and Order of Opening/Closing Statements	September 15, 2010
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Statements of Position	October 15, 2010
Evidentiary Hearing	No sooner than November 15, 2010

3. Ms. Hawley's stated reason for the additional two months she requested is "to allow sufficient time for document requests and responses that will be necessary to prepare testimony." Hawley Pro. Sch., para. 3. In particular, Ms. Hawley refers to the necessity of the R.W. Beck engineering study prepared for the City of Rolla (more formally known as the 2007 Power Delivery Master Plan completed by R. W. Beck). Rolla and St. James believe these reasons are not adequate to support the schedule proposed by Ms. Hawley.

ISSUE TO BE HEARD IS NOT COMPLEX

4. The referenced engineering study, which concerns planning for the Rolla owned and operated municipal system, is not relevant to the question before the Commission. The Facilities to be sold do not serve any Commission-jurisdictional customers, Rolla's municipal utility is not regulated by the Commission and Rolla does not require the Commission's permission to purchase the subject assets. The only Commission approval required in this matter is for AmerenUE, as a regulated utility, to sell the subject assets.

5. The standard to be applied by the Commission is whether AmerenUE's sale is not detrimental to the public interest *Fee Fee Trunk Sewer*, 596 S.W.2d 466, 468 (Mo.AppE.D. 1980). "Before a utility can sell assets that are necessary or useful in the performance of its duties to the public it must obtain approval of the Commission. § 393.190 RSMo. (1969). *The obvious purpose of this provision is to ensure the continuation of adequate service to the public served by the utility.* The Commission may not withhold its approval of the disposition of assets unless it can be shown that such disposition is

detrimental to the public interest. *State ex rel. City of St. Louis v. Public Service Commission of Missouri*, 335 Mo. 448, 73 S.W.2d 393, 400 (Mo. banc 1934).” *Id.* (emphasis added).

6. Thus, the hearing in this matter should be fairly straight forward as *the subject facilities do not serve any Commission-jurisdictional customers.*

AMERENUE PROPOSED SCHEDULE PROVIDES SUFFICIENT TIME FOR DISCOVERY

7. In the alternative, to the extent the engineering study is thought to be relevant by the Commission, the Rolla Board of Public Works, on July 19, 2010, approved a motion to make additional portions of the 2007 Power Delivery Master Plan an open record. A copy of the approved redacted document was sent to Ms. Hawley on Thursday, July 22, 2010. It has been reported to Rolla that the document was delivered to Ms. Hawley by Federal Express at 9:37 a.m. on Friday, July 23, 2010¹.

8. Ms. Hawley alleges that the report leaves out “key data, charts, projections and assumptions pertaining to the current RMU electric system,” “analysis and projections for the entire alternative plan 3B” and “entire pages.” Hawley Pro. Sch., para. 3. This is not the case.

9. There are no key data, charts, projections or assumptions left out. A summary of the information that has been redacted is provided as **Appendix A**. Alternative plan 3B was not included in Exhibit 5 of the redacted version because it was not included in the original report. Article 4.2.4 of the Report explains that Alternative Plan 3B was eliminated from consideration in favor of Alternative Plan 3D for the reasons stated therein. Finally, any full page that has been held back is indicated by a new page with the text “PAGE CONTAINS CLOSED RECORD MATERIAL.”

¹ A portion of the document will remain a closed record in accordance with Chapter 610.021, RSMo.

10. Moreover, a highly confidential version of the complete study, as well as a copy of the public version was provided to both the Staff and the Office of the Public Counsel (Public Counsel) on Thursday, July 22, 2010. With the expedited data request process that has been proposed by the parties in this case (10 days to answer, 5 days to object or indicate an extension is needed), there are over six weeks or approximately, forty-three days between now and the proposed evidentiary hearing date. Accordingly, the potential exists for three additional rounds of data requests.

11. As was indicated to the Commission in the Motion for Expedited Treatment filed on July 1, 2010, since this proceeding was initiated by Ameren in late March, Rolla has endeavored to adhere to the original project schedule by focusing efforts on work unrelated to the AmerenUE asset sale. These activities were in anticipation of a timely Commission approval and are essential to maintain timelines as required by the financing of Rolla's portion of the project.

12. Rolla has delayed other actions because of the uncertainty presented by the status of this proceeding. The AmerenUE assets that are the basis of this application are just a part of a much larger project that is ongoing in terms of increasing system reliability for the customers of Rolla and St. James. This construction project will have a significant economic impact in the Rolla and St. James area due to the presence of these work crews.

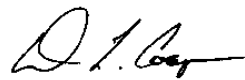
13. Further, Rolla and St. James continue to incur Wholesale Distribution Charges for the use of the AmerenUE facilities each month. These will be eliminated effective with the closing of the sale of these AmerenUE assets and both cities will then begin to realize the

savings mentioned in paragraph 7 of their Motion to Dismiss the Application to Intervene of Donna Hawley.

14. Ms. Hawley's dispute with Rolla concerning this matter did not start with this case. To the extent that the issues she has raised are deemed by the Commission to be relevant, the place to assess those issues is at a hearing. There is no reason to delay the hearing of this matter.

WHEREFORE, Rolla and St. James pray that the Commission issue its Order establishing that procedural schedule proposed by AmerenUE in its Proposed Procedural Schedule.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on July 27, 2010, to the following:

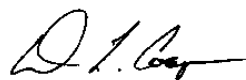
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APPENDIX A

The following is a summary of the material that has been redacted from the public version of the 2007 Power Delivery Master Plan by resolution of the Rolla Board of Public Works:

- Section 2 – Deleted identifiers
- Exhibit 1 – Deleted identifiers
- Exhibit 3 – Deleted identifiers. The results remain intact.
- Exhibit 4 – System diagrams removed.
- Exhibit 6 – Deleted proposed substation configuration.