

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)
Union Electric Company and Ozark Border)
Electric Cooperative for an Order Approving)
the Change in Electric Supplier for Reasons) Case No. EO-99-475
in the Public Interest and Authorizing the)
Sale, Transfer and Assignment of Certain)
Electric Distribution Facilities, Easements)
and Other Rights Generally from Union)
Electric Company to Ozark Border Electric)
Cooperative)

ORDER AUTHORIZING CHANGE OF ELECTRIC SERVICE PROVIDER AND AUTHORIZING SALE OF FACILITIES

On April 20, 1999, Union Electric Company d/b/a AmerenUE (AmerenUE) and Ozark Border Electric Cooperative (Cooperative) (jointly, Applicants) filed their *Joint Application and Request for Expedited Treatment*, requesting that the Commission authorize a change of electric service provider, and a transfer of certain distribution facilities. The application indicates that AmerenUE currently serves about 320 customers located in and around the City of Williamsville in Wayne and Butler Counties, and also the Mobil Pump Station near Doniphan. These AmerenUE customers are geographically and electrically isolated from other AmerenUE service areas. Applicants state that the City of Williamsville is connected to a metering point served by Associated Electric Cooperative and the Mobil Pump Station is served by Arkansas Power and Light, both suppliers serving AmerenUE customers through interconnection

agreements. Applicants also requested sale of AmerenUE's distribution substation and related distribution facilities in the Williamsville area to Cooperative.

On June 11, 1999, Staff filed its memorandum of recommendations regarding the Application. The recommendations covered two areas: the change of electric supplier and the sale of facilities.

Change of Electric Supplier: Staff's memorandum indicates that based on its review of the application, information provided by Applicants, and Staff's field inspection, Staff is of the opinion that the change of electric supplier is in the public interest. Staff also indicates that the change is not for the reason of a rate differential. Furthermore, Staff states that the change of electric supplier will allow each of the Applicants to operate more efficiently and that the customers would benefit by having a local service provider. Staff states that Applicants have notified all of the affected customers concerning the proposed change of electric service provider and of the favorable impact of the proposed change on these customers' electric bills. Staff concludes that the proposed transaction will not be detrimental to existing AmerenUE customers or to the public. Staff notes that the Cooperative has facilities in place that can provide electric service to the customers subject to the change of supplier. Staff recommends approval of the Joint Application.

Sale of facilities: Staff stated that \$400,000 is the proposed sale price of the distribution substation and related distribution facilities

in the Williamsville area belonging to AmerenUE. The Joint Application states that the net book value of these assets is about \$385,887.96. Staff states that it has reviewed AmerenUE's method of calculating net book value of the equipment subject to the proposed sale and believes that the method used by AmerenUE is reasonable.

Upon review of the Joint Application and the Staff's recommendation, the Commission finds that it has jurisdiction over the Joint Application by virtue of Section 394.315.2, RSMo 1998. The Commission further finds that the proposed transfer of service is for a reason other than a rate differential and is in the public interest, and that the proposed transfer of facilities is in the public interest.

IT IS THEREFORE ORDERED:

1. That Union Electric Company d/b/a AmerenUE and the Ozark Border Electric Cooperative are authorized to change the electric service provider for the about 320 customers located in and around the City of Williamsville in Wayne and Butler Counties, and also the Mobil Pump Station near Doniphan.

2. That Union Electric Company d/b/a AmerenUE is authorized to sell its distribution substation and related distribution facilities in the Williamsville area to Ozark Border Electric Cooperative.

3. That Union Electric Company d/b/a AmerenUE file revised tariff sheets to reflect changes in its service territory no later than ten (10) days after the effective date of this order.

4. That Union Electric Company d/b/a AmerenUE conform to the Uniform System of Accounts for electric utilities in its accounting treatment of this sale.

5. That Union Electric Company d/b/a AmerenUE file copies of all journal entries made in connection with this sale no later than ninety (90) days after the completion of the sale.

6. That Staff shall file a memorandum advising the Commission:
(a) when the change of electric service provider has been completed and Union Electric Company d/b/a AmerenUE is providing electric service, and
(b) when the sale of the subject property has been completed.

7. That nothing in this order shall be considered a finding by the Commission of the value for ratemaking purposes of the properties or transactions herein involved.

8. That the Commission reserves the right to consider any ratemaking treatment to be afforded the properties or transactions herein involved in a later proceeding.

9. That this order shall become effective on July 6, 1999.

BY THE COMMISSION

A handwritten signature in dark ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, somewhat stylized script.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Bill Hopkins, Senior Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1)
(November 30, 1995) and
Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 23rd day of June, 1999.

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JUN 23 1999

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION