

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

In the Matter of the Transfer of Certain     )  
Assets by Union Electric Company d/b/a     ) Case No. EM-99-230  
AmerenUE to First Morgan L.L.C.            )

**ORDER APPROVING SALE OF ASSETS**

Union Electric Company d/b/a AmerenUE (AmerenUE) filed an Application on November 23, 1998, requesting permission to sell to First Morgan L.L.C. (Morgan) a 2000kva padmounted, three phase General Electric transformer. Morgan has agreed to buy the equipment as set forth in the Bill of Sale that is included with the Application.

AmerenUE states that the asset is presently used by AmerenUE to provide part of the electric service to Morgan. The negotiated, proposed sale price of the equipment is \$22,694,67. The net book value of the equipment is \$16,381.31. In compliance with Section 393.190, RSMo 1994, which provides that AmerenUE shall submit a statement showing the impact from the proposed sale on the tax revenues of the political subdivisions in which it has any facilities, AmerenUE states that due to the large number of taxing authorities to which this property is allocated and the relatively small dollar amount of the property proposed to be sold, any such tax impacts of this sale would be minimal.

On May 3, 1999, the Staff of the Commission (Staff) filed its recommendation. Staff states that Morgan is an existing retail customer

of AmerenUE. Morgan has requested purchasing the transformer to receive service from AmerenUE under rate 4(M), Small Primary Service. In all other respects, electric service to Morgan would continue as before.

A restaurant currently located in Morgan's building no longer will be a retail customer of AmerenUE, but will be charged rent by Morgan which will include electrical service and is in compliance with AmerenUE's tariffs. Morgan has had discussions with the restaurant owners explaining the changes to their service. Originally, upon completion of the sale, Morgan was planning to bill the restaurant using KWH readings from an existing AmerenUE meter. After a review of the tariffs, Staff informed AmerenUE that this is not allowed under AmerenUE's tariffs since it constitutes resale of service which is prohibited. Now AmerenUE and Morgan have agreed that upon completion of the sale, the existing meter will be removed, which will prevent Morgan from billing the restaurant for electrical usage based on KWH readings in violation of AmerenUE's tariffs.

Staff states that the proposed transaction will not be detrimental to the public interest, will not be detrimental to existing AmerenUE customers, and recommended that the Commission approve the sale. Staff also recommends the reservation of ratemaking and proposes that AmerenUE file a copy of all journal entries made in connection with the sale no later than 90 days after completion of the sale.

The Commission has reviewed the application, documentation of the parties, and Staff recommendation and determines that the sale is not detrimental to the public interest. The Commission will approve the sale

as set out in the application, with the conditions recommended in the Staff memorandum.

**IT IS THEREFORE ORDERED:**

1. That the proposed sale of the padmounted transformer to First Morgan L.L.C., as set out in detail in the application of Union Electric Company d/b/a AmerenUE filed on November 23, 1998 is hereby approved.

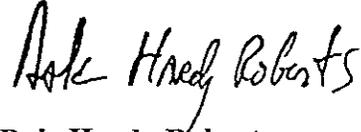
2. That nothing in this order shall be considered a finding by the Commission of the value for ratemaking purposes of the transactions herein involved.

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

4. That Union Electric Company d/b/a AmerenUE file with the Commission a copy of all journal entries made in connection with this sale no later than 90 days after completion of the sale.

5. That this order shall become effective on May 20, 1999.

BY THE COMMISSION



**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 10th day of May, 1999.