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# BEFORE THE PUBLIC SERVICE COMMISSION

## OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Union )  
Electric Company and the Board of Municipal )  
Utilities of the City of Sikeston for an Order ) Case No. EM-99-373  
Authorizing the Sale, Transfer, and Assignment )  
of Certain Electric Distribution Facilities and )  
Customers. )

### ORDER APPROVING SALE OF ASSETS

On March 3, 1999, Union Electric Company doing business as AmerenUE (UE) and the Board of Municipal Utilities of the City of Sikeston, Missouri (Board), filed their joint application seeking approval of the sale by UE to the Board of certain assets used to distribute electricity to customers residing within an area recently annexed by the City of Sikeston. On March 5, 1999, the Commission issued its Notice of Deficiency. On March 22, 1999, the parties supplemented their application, curing the deficiencies cited in the order of March 5, 1999.

Thereafter, on July 21, 1999, the Commission by order directed the Staff of the Missouri Public Service Commission (Staff) to review the joint application, investigate the attendant circumstances and, on or before August 20, 1999, file its report including a recommendation as to whether or not the joint application should be granted and, if so, upon what conditions. The Staff filed its memorandum on July 5, 1999.

Staff states in its report that UE proposes to sell to the Board the distribution plant used to supply power to six customers now located, due to an annexation, within the municipal limits of the City of Sikeston. The Board will become the supplier of electrical service to these six customers and their rates will drop because the Board's rates are lower than UE's. All of the affected customers have been notified and none have expressed any opposition to the sale and change of supplier. The Board will pay \$11,500 for the assets involved, the estimated book value of which is \$7,031 as of June 30, 1999. Staff recommends that the sale be approved because it will permit both UE and the Board to serve current and new customers more efficiently and the change is not solely for the purpose of a rate differential. Staff recommends that the Commission reserve the consideration of the transaction for ratemaking purposes and that conditions be placed on the sale. In particular, Staff recommends that UE treat the sale for accounting purposes in conformance with the Uniform System of Accounts for electric utilities and that UE file in this case, and submit to Staff, a copy of all journal entries made in connection with the sale within 90 days of the completion of the transaction.

The Commission has considered the joint application along with the recommendation of Staff and concludes that the joint application should be granted. The parties have notified the affected customers of the proposed sale and change of supplier. No requests for intervention have been received and no party has requested a hearing. The requirement for a hearing is met when the opportunity for hearing has been provided

and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has requested a hearing, the Commission may grant the relief requested based on the verified application.

**IT IS THEREFORE ORDERED:**

1. That Union Electric Company doing business as AmerenUE is authorized to sell the assets described in the joint application filed on March 3, 1999, to the Board of Municipal Utilities of the City of Sikeston, Missouri, for \$11,500. Union Electric Company doing business as AmerenUE is authorized to take all lawful acts necessary to complete the transaction herein approved.

2. That Union Electric Company doing business as AmerenUE shall treat the transaction herein approved for accounting purposes in conformance with the Uniform System of Accounts for electric utilities.

3. That Union Electric Company doing business as AmerenUE shall, within 90 days of the completion of the transaction herein approved, file in this case, and provide a copy to the Staff of the Missouri Public Service Commission, a copy of all journal entries made in connection with the transaction.

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

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

6. That the electric service provider for the structures and customers described in the joint application filed on March 3, 1999, is changed from Union Electric Company doing business as AmerenUE to the Board of Municipal Utilities of the City of Sikeston, Missouri.

7. That this order shall become effective on August 19, 1999.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

(S E A L)

Kevin A. Thompson, Deputy Chief  
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 9th day of August, 1999.

RECEIVED  
AUG 09 1999  
COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION