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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, Farmers' )  
Electric Cooperative and Mr. Willie )  
Hibner for an Order Authorizing the Sale, )  
Transfer, and Assignment of Certain )  
Electric Distribution Facilities, )  
Easements, and Other Rights which )  
Generally Constitute a Portion of Union )  
Electric Company's Distribution System to )  
Farmers' Electric Cooperative, which is )  
Necessary to Provide Retail Electric )  
Service to Mr. Hibner, Changing Hibner's )  
Electric Service Provider from Union )  
Electric Company to Farmers' Electric )  
Cooperative. )

Case No. EO-98-416

**ORDER AUTHORIZING CHANGE OF SUPPLIER AND SALE OF FACILITIES**

On April 1, 1998, Union Electric Company d/b/a AmerenUE (AmerenUE), Farmers' Electric Cooperative (Farmers'), and Willie Hibner filed a joint application pursuant to Sections 393.106 and 393.190, RSMo 1994, seeking authorization of the Missouri Public Service Commission (Commission) for the sale, transfer and assignment of certain electric distribution facilities, easements and other rights of AmerenUE to Farmers', and for a change of electric service provider for Hibner Sawmill, from AmerenUE to Farmers'.

The joint application states that the proposed sale of assets will not be detrimental to the public interest, and the change of electric service provider for Hibner Sawmill will be in the public interest. Applicants explain that Hibner Sawmill is currently served from an approximately 25-mile 34.5 kV line which serves no other customers, but

that after the change to Farmers', the sawmill will be served from a three-phase 13.2 kV distribution line in the immediate area. This line is at a standard voltage and will have considerably less exposure than the current line.

The negotiated sale price of the assets is \$100. However, applicants state that AmerenUE will realize an estimated savings of \$18,866 per year in operation and maintenance costs. The application is signed and verified by AmerenUE, Farmers' and Willie Hibner. Attached to the application as Exhibit C is a Contract for Purchase and Sale of Distribution Facilities, which more fully describes the proposed transaction. In addition, applicants state that the tax revenues of Livingston County will be reduced by approximately \$1,000 as a result of the sale of AmerenUE's facilities serving the Hibner Sawmill.

On June 25, Staff filed its Memorandum in which it recommends approval of the application. Staff states that it conducted a field inspection and found all equipment to be operational and well maintained. Staff states that the proposed transaction will not be detrimental to the public interest or existing AmerenUE customers.

Staff recommends that the Commission reserve the right to consider the ratemaking treatment to be afforded the foregone revenues associated with this sale until a future time. Staff further recommends that AmerenUE's accounting treatment for this sale be in conformance with the Uniform System of Accounts, and that AmerenUE file a copy of all journal entries made in connection with this sale in the official case papers in this case no later than 90 days after completion of the sale.

Upon review of the application and the Staff's recommendation, the Commission finds that the proposed sale is not detrimental to the public

interest. The Commission finds that the proposed transfer of the customer Willie Hibner from AmerenUE to Farmers' is in the public interest. The transaction should be approved and the conditions recommended by Staff regarding the reservation of ratemaking treatment and the submission of journal entries should be adopted.

**IT IS THEREFORE ORDERED:**

1. That the sale of certain electric distribution facilities, easements and other rights of Union Electric Company d/b/a AmerenUE to Farmers' Electric Cooperative is hereby approved, subject to the terms and conditions set forth in this order.

2. That Union Electric Company d/b/a AmerenUE is hereby authorized to take any and all other actions necessary to effectuate the transaction contemplated by the application and this order.

3. That Union Electric Company d/b/a AmerenUE shall file a pleading notifying the Commission of the closing date of the sale of assets within ten days of its completion.

4. That Union Electric Company d/b/a AmerenUE shall provide a copy of all journal entries made in connection with this sale to the Director of Utility Operations of the Missouri Public Service Commission no later than 90 days after completion of the sale for inclusion in the official case papers in this case.

5. That nothing in this order shall be considered a finding by the Commission of the value for ratemaking purposes of the properties herein involved, or as an acquiescence in the value placed upon said properties by Union Electric Company d/b/a AmerenUE. Furthermore, the

Commission reserves the right to consider the ratemaking treatment to be afforded this transaction in any later proceeding.

6. That Willie Hibner may change electric suppliers to the Hibner Sawmill from Union Electric Company d/b/a AmerenUE to Farmers' Electric Cooperative.

7. That Union Electric Company d/b/a AmerenUE shall inform Commission Staff when the change of electric supplier ordered in Ordered Paragraph 6 is complete and the Hibner Sawmill becomes a customer of Farmers' Electric Cooperative.

8. That Commission Staff will monitor the change of supplier and file a memorandum with the Commission when it is satisfied the change of supplier has been successfully and safely accomplished.

9. That this order shall become effective on September 8, 1998.

BY THE COMMISSION



Dale H. Roberts  
Chief Regulatory Law Judge/Secretary

(S E A L)

Lewis R. Mills, 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 28th day of August, 1998.