

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 8th
day of March, 1991.

In the matter of the application of Union Electric Company)
for permission and approval of the Commission to construct)
several microwave towers in various locations in and around) Case No. EA-91-253
the company's electric service territory.)
)

ORDER GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY

On January 14, 1991 Union Electric Company (UE) filed an application requesting the Commission grant UE a certificate of convenience and necessity to build two microwave towers at separate locations in southeast Missouri. One microwave tower is to be located on a parcel of land at Township 18 North, Range 10 East in Pemiscot County, Missouri; and the other tower is to be located at Township 22 North, Range 9 East in Dunklin County, Missouri. Notice of the application was given and no persons sought intervention.

On February 22, 1991 Commission Staff filed a memorandum recommending the Commission grant the certificate as requested, but that 7.02 percent of the costs of construction of the towers not be included in rate base. Staff states that the 7.02 percent represents costs associated with the excess capacity of the towers.

Staff indicates that UE in its application indicated it would lease the excess capacity of the facilities to other persons. Staff states that in response to a data request, UE indicated that the cost of the excess capacity would be approximately 7.02 percent or \$17,979.67. Staff states that the disallowance of this cost is required by Section 393.135, R.S.Mo. (Cum. Supp. 1990), and is consistent with prior Commission decisions. RE: KCPL, 23 Mo. P.S.C. (N.S.) 474, 486 (1980); and RE: KCPL, 28 Mo. P.S.C. (N.S.) 228, 369 (1986).

On March 7, 1991, UE filed a response to Staff's recommendation.

The Commission has considered Staff's recommendation and finds that the authority requested will be granted. The two microwave towers will provide tele-metering capability of real time measurement of peak demands, instantaneous protective relaying and switching, and will provide two-way mobile communications for UE vehicles used in its operations.

The Commission is of the opinion that it need make no decision on whether there will be excess capacity when the two towers are completed. UE estimates there will be excess capacity but projects future growth will fully utilize the facilities. Whether there is excess capacity is more appropriately determined in the context of a general rate proceeding when recovery of the cost of the two towers will be sought. Since UE has agreed not to file a general rate case until at least July, 1992, any decision on excess capacity would be premature. The Commission will reserve any ratemaking decision on the inclusion of the costs associated with the construction of the two towers until UE's next general rate proceeding.

IT IS THEREFORE ORDERED:

1. That Union Electric Company is hereby granted a certificate of convenience and necessity to construct two microwave towers as described in this order.

2. That Union Electric Company shall file tariffs with the metes and bounds descriptions of the two areas where the microwave towers will be constructed.

3. That nothing in this order shall be considered as a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by Union Electric Company. Furthermore, the Commission reserves the right to consider the ratemaking treatment to be afforded the facilities constructed pursuant to the certificate of

convenience and necessity granted herein, and their resulting cost of capital, in any later proceeding.

4. That this order shall become effective on the 19th day of March, 1991.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Rauch, McClure and
Letsch-Roderique, CC., concur.
Steinmeier, Chm., absent.