

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 7th
day of July, 1992.

In the matter of the application of Union Electric)
Company for permission and authority to construct,) CASE NO. EA-92-218
operate and maintain a 34.5 kV transmission line)
in Phelps County, Missouri.)

ORDER GRANTING CERTIFICATE

On March 9, 1992, Union Electric Company (UE) filed an application for a certificate of public convenience and necessity to build approximately 5.1 miles of electric transmission line in Phelps County, Missouri. The proposed line would extend from UE's Phelps substation into Rolla, Missouri (Rolla). UE intends the proposed line to provide additional capacity to Rolla's municipal system.

On March 31, 1992, the Commission issued an Order and Notice directing its Executive Secretary to send notice of the application. The Commission stated that if no one filed an application to intervene or motion for hearing, UE would be allowed to submit evidence in support of the application by verified statement. No application to intervene nor motion for hearing was filed.

On June 11, 1992, the Staff of the Commission (Staff) filed a memorandum regarding UE's application. Staff indicated that construction of the proposed line began in September, 1991, at which time UE indicated it had not realized the need for a certificate to construct the proposed line.

On March 31, 1992, Staff made a field investigation of the route for the proposed line. Staff indicated that, at that time, a majority of the poles had been set and most of the conductor had been strung. UE crews were working that day on the line north of Interstate 44. A Rolla substation near an

industrial park was already receiving service through a portion of the proposed line. On May 1, 1992, UE informed Staff that construction of the proposed line was stopped pending Commission action on the application. Nonetheless, Staff emphasized in its memorandum that UE continued construction of the proposed line even after it became aware that it was without the requisite authority, and that such an action is in violation of Missouri statutes.

Nevertheless, Staff recommended that the Commission approve UE's application. Staff stated that there is a need for the proposed line, and that the route, design and cost of the proposed line appear reasonable.

According to Staff, a portion of the route for the proposed line parallels existing transmission facilities and portions of it would pass through established neighborhoods in order to reach Rolla's distribution substations. Staff stated that the proposed route is direct and passes an existing substation which would provide a direct tap for Rolla. Staff also indicated that the circuit is to be constructed on a single pole which would minimize the lateral incumbrance of the proposed line and help reduce any possible affects of magnetic fields because the conductors will be close together. Staff further stated that the proposed line is to be constructed in accordance with the National Electric Safety Code to ensure adequate clearance for the overhead lines.

UE maintains that the proposed line is needed because of the limitations of the existing circuits, particularly if an interruption occurs on one of the lines. Rolla and UE have reviewed plans that would alleviate the overloading of the existing lines in emergency situations. UE argues that the proposed line will provide added delivery capacity for Rolla's growing load, provide operational diversity when maintenance is necessary, and improve system reliability.

UE indicates that the eight alternatives which were considered were narrowed to three, including reconductoring an existing circuit; construction of

the entire length of the proposed line; or partial construction of the proposed line with completion in 1994. UE estimated the cost of construction for the entire length of the proposed line to be \$760,022 and indicates that constructing the entire proposed line would be the most cost effective alternative. UE further states that the added capacity would allow it to serve Rolla's growing load for several years and would alleviate the need to continually strengthen weak links in the transmission delivery system over the next ten years.

The Commission finds that the proposed line will provide added capacity to serve Rolla's growing load, and that the reliability of service will be enhanced by having an additional circuit. The Commission also finds that the route of the proposed line is reasonable in that it is a direct route designed to meet Rolla's electric needs. In addition, the Commission finds that the design of the proposed line will minimize lateral incumbrance and will ensure adequate clearance for the overhead lines. The Commission further finds that the proposed line is the most cost effective alternative. Thus, the Commission determines that UE should be granted authority to construct its proposed lines as it is necessary and convenient for the public service.

Nevertheless, the Commission is of the opinion that UE should conduct a review of its policies and procedures for determining whether Commission authorization is necessary before starting construction of facilities. Additionally, the Commission intends to make clear that should any other construction begin without the necessary Commission approval, the Commission will consider seeking penalties from UE.

IT IS THEREFORE ORDERED:

1. That Union Electric Company is hereby granted a certificate of convenience and necessity to construct, operate and maintain 5.1 miles of electric transmission line in Phelps County, Missouri, along the route contemplated by the application and this Order.

2. 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 included, nor as an acquiescence in the value placed on said properties by Union Electric Company.

3. That 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 its resulting cost of capital in any later proceeding.

4. That Union Electric Company shall review, and modify as necessary, its internal policies and procedures for determining whether Commission authorization is necessary before beginning construction of facilities.

5. That Union Electric Company shall file the results of the review directed in Ordered Paragraph 4 within ninety (90) days of the effective date of this Order.

6. That this Order shall become effective on July 17, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe, CC., Concur.