

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 April, 1992.

In the matter of the application of Union Electric)
Company to sell certain substation equipment, or,) CASE NO. EM-92-118
in the alternative, motion to dismiss.)

ORDER GRANTING APPLICATION FOR RECONSIDERATION AND MODIFYING ORDER

On March 30, 1992, Union Electric Company (UE) filed an application for rehearing of the Commission's order issued in this case March 18, 1992. In its order the Commission approved the sale of UE's substation in Arnold, Missouri, to Metal Containers Corporation (MCC) but reserved the right to examine the ratemaking treatment to be afforded this transaction until UE's next rate case. UE asks that the Commission decide in this case, at least in principal, whether the gain from its substation should be reflected in rates or flow solely to UE's shareholders.

In support of its application UE states that the Commission has all the facts it needs in this docket to decide this issue in this case and, if it does not, the Commission should order that the parties provide additional information in order that the Commission might reach a decision. UE asserts that it needs the Commission's decision in order to decide whether it should sell other substations and/or transformers to other customers over the next approximately five years. Company estimates that perhaps 30 additional customers might be asking to purchase such equipment.

The Commission determines that UE's application should be granted since UE asserts that it cannot make informed decisions as to whether to sell such equipment in the future unless the Commission decides this issue now. The Commission further determines that the gain from the sale of this equipment should be given above-the-line treatment in the manner recommended by Staff. It is possible that the remainder of UE's customers will eventually be asked to pay

more in rates to make up for the loss of annual revenue from MCC arising from the sale of the substation to MCC. Without knowing how this loss of approximately \$83,000 in annual revenue might be offset by other benefits, the Commission can shield ratepayers from possible detriment only if the gain from this sale is available to offset such loss in UE's next rate case.

IT IS THEREFORE ORDERED:

1. That the application for reconsideration filed in this case by Union Electric Company on March 30, 1992, be granted hereby as set forth herein.
2. That the Order Approving Sale issued in this case by this Commission on March 18, 1992, be modified hereby as set forth herein.
3. That this order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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