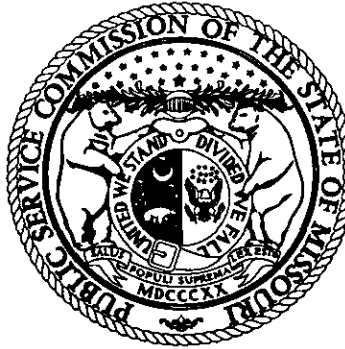


**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**



In the Matter of the Application of Union )  
Electric Company d/b/a AmerenUE and Boone )  
Electric Cooperative for Approval of a Written )  
Territorial Agreement Designating the )  
Boundaries of Each Electric Service Supplier )  
within Portions of Audrain, Boone, Callaway, )  
Cole, Cooper, Howard, Moniteau, Monroe, and )  
Randolph Counties; Authorizing the Sale, )  
Transfer, and Assignment of Certain Electric )  
Distribution Facilities, Easements, and Other )  
Rights Generally Constituting AmerenUE's )  
Electric Utility Business Associated with Its )  
Customers Transferred Pursuant to the Terri- )  
torial Agreement; and AmerenUE's Application )  
for a Certificate of Convenience and Necessity )  
Authorizing It to Own, Control, Manage, and )  
Maintain an Electric Power System for the )  
Public in Certain Portions of Audrain, Boone, )  
Callaway, Cole, Cooper, Howard, Moniteau, )  
Monroe and Randolph Counties. )

Case No. EO-99-267

---

**REPORT AND ORDER**

---

**Issue Date: March 4, 1999**

**Effective Date: March 16, 1999**

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Application of Union	)	
Electric Company d/b/a AmerenUE and Boone	)	
Electric Cooperative for Approval of a Written	)	
Territorial Agreement Designating the	)	
Boundaries of Each Electric Service Supplier	)	
within Portions of Audrain, Boone, Callaway,	)	
Cole, Cooper, Howard, Moniteau, Monroe, and	)	
Randolph Counties; Authorizing the Sale,	)	
Transfer, and Assignment of Certain Electric	)	
Distribution Facilities, Easements, and Other	)	<b>Case No. EO-99-267</b>
Rights Generally Constituting AmerenUE's	)	
Electric Utility Business Associated with Its	)	
Customers Transferred Pursuant to the Terri-	)	
torial Agreement; and AmerenUE's Application	)	
for a Certificate of Convenience and Necessity	)	
Authorizing It to Own, Control, Manage, and	)	
Maintain an Electric Power System for the	)	
Public in Certain Portions of Audrain, Boone,	)	
Callaway, Cole, Cooper, Howard, Moniteau,	)	
Monroe and Randolph Counties.	)	

**APPEARANCES**

**William B. Bobnar**, Attorney at Law, One Ameren Plaza, 1901 Chouteau Avenue, P.O. Box 149 (MC 1310), St. Louis, Missouri 63166-6149, for Union Electric Company d/b/a/ AmerenUE.

**Victor S. Scott**, Attorney at Law, Andereck, Evans, Milne, Peace & Baumhoer, L.L.C., 305 East McCarty Street, P.O. Box 1438, Jefferson City, Missouri 65102-1438, for Boone Electric Cooperative.

**Shannon Cook**, Assistant Public Counsel, P.O. Box 7800, Jefferson City, Missouri 65102-7800, for the Office of the Public Counsel and the public.

**Dennis L. Frey**, Assistant General Counsel, P.O. Box 360, Jefferson City, Missouri 65102, for the Missouri Public Service Commission.

**SENIOR REGULATORY LAW JUDGE:**    **Bill Hopkins**

## REPORT AND ORDER

On December 10, 1998, Union Electric Company d/b/a AmerenUE (AmerenUE) and Boone Electric Cooperative (Boone), collectively referred to as Applicants, filed for approval of a territorial agreement pursuant to Section 394.312, RSMo 1994. No one intervened.

Applicants requested that the Commission: (1) approve the territorial agreement between the Applicants as not detrimental to the public interest; (2) find that the territorial agreement shall not impair AmerenUE's certificates of convenience and necessity, except as specifically limited by the territorial agreement; (3) waive the Commission's billing practices rule to allow the Applicants to disconnect electric service to a customer who fails to pay the final bill of the other Applicant; (4) grant authority to change electric service providers for certain customers, pursuant to the terms of the territorial agreement; (5) grant authority to transfer certain property, pursuant to the terms of the territorial agreement; and (6) grant a certificate of public convenience and necessity to AmerenUE, authorizing AmerenUE to install, acquire, build, construct, own, operate, control, manage, and maintain an electric power system for the public within Audrain County, Section 33, Township 52 North, Range 12 West.

On February 16, 1999, the parties filed a unanimous Stipulation and Agreement (Agreement), signed by Applicants, the staff of the Missouri Public Service Commission (Staff) and Office of the

Public Counsel. It is attached as Attachment A. The Agreement states that all parties support the granting of the Application.

The Agreement generally stated that the following were not detrimental to the public interest and therefore should be approved: (1) the territorial and exchange agreement between AmerenUE and Boone; (2) the customer exchange between AmerenUE and Boone; (3) the facilities exchange between AmerenUE and Boone; and (4) AmerenUE's illustrative tariff sheets filed on February 11, 1999.

Staff did not file a separate memorandum or recommendation but made their views known in the Agreement. The Agreement stated that Staff had reviewed the joint application along with supporting information, and had performed a field inspection of the area subject to the territorial and exchange agreement. Staff stated that the public interest will be served by reducing duplication of facilities and by enabling each utility to plan for future needs as the sole electric supplier in their respective designated areas, as set forth in the territorial and exchange agreement. Staff also stated that the rate impact will be minimal for customers who would be transferred.

On February 19, 1999, the Commission convened an evidentiary hearing wherein all of the testimony and exhibits confirmed every point in the Agreement.

The Commission specifically finds that the Commission's designation of electric service areas is in the public interest pursuant to Section 394.312.2 RSMo. Also, that the Commission, after hearing, has determined that approval of the territorial agreement in

total is not detrimental to the public interest pursuant to Section 394.312.4 RSMo.

**IT IS THEREFORE ORDERED:**

1. That the Joint Application filed December 10, 1998 is approved.

2. That the Stipulation and Agreement, Attachment A to this order, is approved.

3. That the territorial agreement will not impair Union Electric Cooperative d/b/a AmerenUE's existing certificates of convenience and necessity, except as specifically limited by the territorial agreement.

4. That the Commission waives 4 CSR 240-13.010 *et seq.* and authorizes Applicants to disconnect the service of any customer who fails to pay the final bill of the other Applicant.

5. That Union Electric Cooperative d/b/a AmerenUE and Boone Electric Cooperative are authorized to change electric suppliers for certain of their customers as set forth in the Joint Application.

6. That Union Electric Company d/b/a AmerenUE is authorized to sell, transfer and assign part of its franchise, works or system to Boone Electric Cooperative as set forth in the Joint Application.

7. That Union Electric Company d/b/a AmerenUE is granted a Certificate of Convenience and Necessity to own, control, manage, and maintain an electric power system in Audrain County, Section 33, Township 52 North, Range 12 West.

8. That nothing in this order shall be considered a finding by the Commission of the value for ratemaking purposes of the

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

9. That this order shall become effective on March 16, 1999.

10. That this case shall be closed on March 17, 1999.

BY THE COMMISSION

A handwritten signature in dark ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Lumpe, Ch., Crumpton, Murray,  
Schemenauer, and Drainer, CC.,  
concur and certify compliance  
with the provisions of  
Section 536.080, RSMo 1994.

Dated at Jefferson City, Missouri,  
on this 4th day of March, 1999.

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**FILED**

FEB 16 1999

Missouri Public  
Service Commission

In the Matter of the Joint Application of )  
Union Electric Company d/b/a AmerenUE )  
and Boone Electric Cooperative for )  
Approval of a Written Territorial )  
Agreement Designating the Boundaries of )  
Each Electric Service Supplier Within )  
Portions of Audrain, Boone, Callaway, )  
Cole, Cooper, Howard, Moniteau, Monroe, )  
and Randolph Counties; Authorizing the )  
Sale, Transfer, and Assignment of Certain )  
Electric Distribution Facilities, Easements, )  
and Other Rights Generally Constituting )  
AmerenUE's Electric Utility Business )  
Associated With Its Customers Transferred )  
Pursuant to the Territorial Agreement; and )  
AmerenUE's Application for a Certificate )  
of Convenience and Necessity Authorizing )  
It to Own, Control, Manage, and Maintain )  
an Electric Power System for the Public in )  
Certain Portions of Audrain, Boone, )  
Callaway, Cole, Cooper, Howard, )  
Moniteau, Monroe, and Randolph Counties. )

Case No. EO-99-267

**STIPULATION AND AGREEMENT**

**I. Procedural History**

1. On December 10, 1998, Union Electric Company d/b/a AmerenUE (AmerenUE or Company) and Boone Electric Cooperative, Inc. (Cooperative), hereinafter collectively known as "the Applicants," filed a Joint Application pursuant to Sections 394.312 RSMo 1994 (Joint Application), requesting that the Missouri Public Service Commission (Commission): (1) approve a territorial agreement between the Applicants, based on a finding that it is not detrimental to the public interest; (2) find that the territorial agreement shall not impair

AmerenUE's certificates of convenience and necessity, except as specifically limited by the territorial agreement; (3) waive the Commission's Billing Practices Rule and allow the Applicants to disconnect electric service to a customer who fails to pay the final bill of the other Applicant; (4) grant Applicants the authority to change electric service providers for certain customers, pursuant to the terms of the territorial agreement; (5) grant Applicants the authority to transfer certain property, pursuant to the terms of the territorial agreement; and (6) grant permission, approval, and a Certificate of Public Convenience and Necessity authorizing AmerenUE to install, acquire, build, construct, own, operate, control, manage, and maintain an electric power system for the public within Audrain County, Township 52 North, Range 12 West, Section 33.

2. On December 9, 1998, AmerenUE and Cooperative entered into an agreement, the terms of which are set out in a document entitled "Territorial and Exchange Agreement," which is attached to the Joint Application as Exhibit A. The Territorial and Exchange Agreement sets forth exclusive service area boundaries for both AmerenUE and Cooperative for the purpose of providing service to new structures in Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, Monroe, and Randolph Counties. The Territorial and Exchange Agreement also provides that AmerenUE and Cooperative shall exchange certain customers, who are listed in Exhibits H and I to the Joint Application, along with the facilities that are used to serve the exchanged customers. The facilities to be exchanged are described in Exhibits 3 and 4 to the Territorial and Exchange Agreement. Finally, the Territorial and Exchange Agreement provides that both AmerenUE and Cooperative shall continue to serve those remaining existing structures,



within the exclusive service area boundaries of the other supplier, that each was serving as of the date of said agreement.

3. Prior to filing the Joint Application, the Applicants mailed notices to all consumers and members proposed to be transferred to a new supplier pursuant to the Territorial and Exchange Agreement. In addition, the Applicants held public meetings in Rocheport on August 25, 1998 at the Community Hall, in Ashland on August 26, 1998 at the Ashland Optimist Building, and in Renick on August 27, 1998 at the Renick School. A total of fifteen consumers attended the three meetings and made comments on the proposed agreement. (Four consumers were Cooperative members who would be transferred to AmerenUE, eight consumers were AmerenUE customers who would be transferred to Cooperative, and three consumers were not affected by the change of supplier provisions of the Territorial and Exchange Agreement.) A representative of the Commission Staff attended all three meetings.

4. On or about January 25, 1999, AmerenUE, at the request of the Office of the Public Counsel (Public Counsel), provided additional notice to its customers who would be transferred to Cooperative pursuant to the Territorial and Exchange Agreement by sending them a letter. The letter informed the affected customers of the filing of the Joint Application and provided them with the names and telephone numbers of individuals working for the Commission Staff (Staff), Public Counsel, AmerenUE and Cooperative who could be contacted in the event the customers had questions. On or about January 29, 1999, Cooperative sent a like letter to its members who would be transferred to AmerenUE. Exhibit A to this Stipulation and Agreement is an example copy of the customer notification letters. As of the date of filing of this Stipulation and Agreement, Staff and Public Counsel had received only one response to these

letters. The responding customer, who expects to be transferred to Cooperative, called with a billing-related question that has since been resolved.

5. On December 15, 1998, the Commission issued an Order and Notice providing for, among other things, the intervention of interested parties. The Order and Notice further directed that notice be sent to the interested parties and applications for intervention were to be filed no later than January 14, 1999. As of the date of this filing, no parties have filed for intervention.

6. The Staff, Public Counsel, AmerenUE, and Cooperative (hereinafter collectively known as "the Parties"), having reviewed the Joint Application and associated Territorial and Exchange Agreement, and having considered the positions of the Parties and the issues to be resolved in this case, have entered into this Stipulation and Agreement.

## **II. The Parties Stipulate and Agree as Follows:**

7. The Parties assert and, in consideration of the promises and covenants herein contained, state that the Territorial and Exchange Agreement between AmerenUE and Cooperative is not detrimental to the public interest and therefore should be approved.

8. The Parties further assert and state that the customer exchange between AmerenUE and Cooperative is in the public interest and therefore should be approved.

9. The Parties further assert and state that the facilities exchange between AmerenUE and Cooperative is in the public interest and therefore should be approved.

10. The Parties further assert and state that the Company's illustrative tariff sheets, as shown in Revised Exhibit J to the Joint Application, which was filed on or about February 11, 1999, are acceptable in substance and format. This format is consistent with the format approved

by the Commission in Case Numbers EO-95-400 and EO-99-146 (respectively, the AmerenUE/Black River Electric Cooperative and AmerenUE/Crawford Electric Cooperative territorial agreements). Accordingly, in the event the Commission decides to issue an Order approving the Territorial and Exchange Agreement and this Stipulation and Agreement, the Company shall file for review and approval, revised tariff sheets, bearing a 30-day effective date, consistent with the illustrative tariff sheets. Such filing shall be accomplished within 10 days of the effective date of such Order.

11. The Parties further assert and state that AmerenUE's certificates of convenience and necessity shall not be impaired, except as provided by the Territorial and Exchange Agreement, limiting the Company's rights and responsibilities regarding the provision of service to new structures in areas of Audrain, Boone, Callaway, Howard, Monroe, and Randolph Counties designated as the exclusive service area of Cooperative.

12. This Stipulation and Agreement shall be binding upon the successors and assigns of AmerenUE and Cooperative.

### **III. General Matters**

13. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void, and no signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the signatories to take other positions in other proceedings.

14. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein: their respective rights, pursuant to §536.080 RSMo. 1994, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 1994; their respective rights to seek rehearing pursuant to §386.500 RSMo. 1994; and their respective rights to seek judicial review pursuant to §386.510 RSMo. 1994. The Parties agree to cooperate with each other in presenting for approval to the Commission this Stipulation and Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

15. The Staff has reviewed the Joint Application along with supporting information, and has performed a field inspection of the area subject to the Territorial and Exchange Agreement. The public interest will be served by reducing duplication of facilities and by enabling each utility to plan for future needs as the sole electric supplier in their respective designated areas, as set forth in the Territorial and Exchange Agreement. The rate impact will be minimal for customers that would be transferred. The rate structures are different for each utility but when compared on an annual basis, the cost of electricity is about the same. Staff concurs as a signatory to the Stipulation and Agreement, and recommends approval of the Joint Application.

16. The Staff shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice as to when the Staff

shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure.

17. None of the Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any rate-making principle or any method of cost determination or cost allocation underlying or allegedly underlying the Stipulation and Agreement, except as the Commission finds that the Territorial and Exchange Agreement is not detrimental to the public interest. Further, the Parties recommend that the Commission reserve the right to consider the rate-making treatment to be afforded these transactions in any later rate-making proceeding, including but not limited to, the determination of customer credits and rate reductions under the Experimental Alternative Regulation Plan of AmerenUE.

WHEREFORE the Parties respectfully request the Commission to issue its Order:

- A. Approving all of the terms of this Stipulation and Agreement;
- B. Finding that the Territorial and Exchange Agreement, (Exhibit A to the Joint Application) is not detrimental to the public interest, and therefore approving the Territorial and Exchange Agreement;
- C. Authorizing AmerenUE and Cooperative to perform in accordance with the terms and conditions of the Territorial and Exchange Agreement;
- D. Finding that the Territorial and Exchange Agreement shall not impair AmerenUE's certificates of convenience and necessity, except as specifically limited by the Territorial and Exchange Agreement;
- E. Waiving the Commission's Billing Practices Rule and allowing the Applicants to disconnect electric service to a customer who fails to pay the final bill of the other Applicant;

F. Granting Applicants the authority to change electric service providers for certain customers, pursuant to the terms of the Territorial and Exchange Agreement;


G. Granting Applicants the authority to transfer certain property, pursuant to the Territorial and Exchange Agreement;

H. Granting permission, approval, and a Certificate of Public Convenience and Necessity authorizing AmerenUE to install, acquire, build, construct, own, operate, control, manage, and maintain an electric power system for the public within Audrain County, Township 52 North, Range 12 West, Section 33;

I. Authorizing AmerenUE to enter into, execute, and perform in accordance with the terms of all other documents reasonably necessary and incidental to the performance of the transactions that are the subject of the Territorial and Exchange Agreement; and


J. Directing that AmerenUE file revised tariff sheets with respect to its service area in Audrain, Boone, Callaway, Howard, and Randolph Counties in accordance with the requirements set forth in Paragraph 10 hereinabove.

Respectfully submitted,

  
William B. Bobnar MoBar #38966

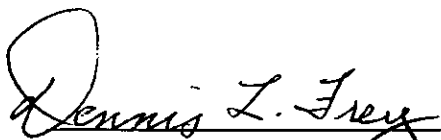
Ameren Services Company  
One Ameren Plaza  
P. O. Box 149  
St. Louis, MO 63166-6149  
314-554-3148  
314-554-4014 (fax)

Attorney for Union  
Electric Company d/b/a AmerenUE

  
Victor A. Scott MoBar #42963

Andereck Evans, Milne, Peace & Baumhoer  
305 E. McCarty Street  
P.O. Box 1438  
Jefferson City, MO 65102-1280  
573-634-3422  
573-634-7822 (fax)

Attorney for the Boone Electric  
Cooperative, Inc.



Dennis L. Frey      MoBar #44697  
Assistant General Counsel  
Missouri Public Service  
Commission  
P. O. Box 360  
Jefferson City, MO 65102  
573-751-8701  
573-751-9285 (fax)

Attorney for the Staff of  
the Missouri Public Service  
Commission

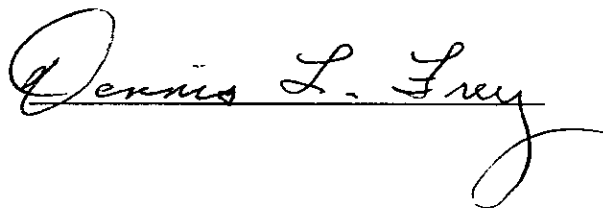


Shannon Cook      MoBar #50169  
Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, MO 65102  
573-751-4857  
573-751-5562 (fax)

Attorney for the Office  
of the Public Counsel

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 16th day of February, 1999.



**EXHIBIT A**  
**Example Customer Notification Letter**

January 27, 1999

Dear AmerenUE Customer:

On August 11, 1998, you were informed that AmerenUE was discussing a territorial agreement with Boone Electric Cooperative. The proposed territorial agreement would enable both utilities to operate more efficiently by eliminating costly duplication of service. It would also benefit customers by helping to keep rates down while improving service and providing for orderly growth in the area. In addition, the proposed agreement would require the exchange of certain customers and facilities. As we stated in our earlier letter, you are one of the customers who would be served by Boone Electric Cooperative under the proposed agreement.

A territorial agreement between the parties has been reached and on December 10, 1998, AmerenUE and Boone Electric Cooperative filed a joint application with the Missouri Public Service Commission requesting approval of a territorial agreement.

If you have any questions or wish to discuss this exchange, please call either Bob Alderson at Boone Electric Cooperative, telephone 800.225.8143 or 573.449.4181 or Ronald Loesch at AmerenUE, telephone 573.473.5012.

If you have questions or you want more details concerning this application, you may call, write, fax, or e-mail as follows:

Missouri Public Service Commission

Mr. James L. Ketter  
Electric Department  
P. O. Box 360  
Jefferson City, MO 65102  
573.751.2314  
573.751.1847 (fax)  
jketter@mail.state.mo.us  
Commission's Consumer Hot Line  
800.392.4211

Office of the Public Counsel

Ms. Shannon Cook  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102  
573.751.4857  
573.751.5562 (fax)  
mopco@mail.state.mo.us

Sincerely,

Ronald W. Loesch  
District Manager  
AmerenUE



**SERVICE LIST FOR  
CASE NO: EO-99267  
February 16, 1999**

**Shannon Cook**  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

**William B. Bobnar**  
Ameren Services Company  
One Ameren Plaza  
P.O. Box 149  
St. Louis, MO 63166

**Victor S. Scott**  
Andereck Evans Milne Peace Baumhoer  
P.O. Box 1438  
Jefferson City, MO 65102