

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

In the Matter of the Application of the Citizens)	
of Iron County, Northwest End of Reynolds)	Case No. EO-2007-0155
County, Edgehill and Black Area, for Change)	
of Electrical Supplier.)	

ANSWER

COMES NOW Union Electric Company d/b/a AmerenUE (AmerenUE or Company),
and for its Answer, states as follows:

1. On October 17, 2006, the Missouri Public Service Commission (Commission) ordered AmerenUE to file its Answer to a request for a change of electric supplier (Request).
2. The Request contains a group of signatures and three descriptions of outages about which individuals complain. AmerenUE notes that many service addresses had more than one signature. Additionally, two of the three descriptions detailing specific complaints appear to have been written by the same person and none of the three contained a signature.

Response to Request for Change of Electric Supplier

3. Union Electric became the supplier of electric service to this area pursuant to Commission approval of a Territorial Agreement to transfer certain customers from Black River Electric Cooperative, Inc. (Black River) to Union Electric. *Order Finalizing Approval of Territorial Agreement, Granting Certificate of Convenience and Necessity, and Approving Tariffs*, June 7, 1996, Case No. EO-95-400, et. al.
4. This territory is very rural and includes some of the most densely wooded areas of the AmerenUE system. Large portions of the lines serving this area run through Mark Twain National Forest. Tree trimming and other work on AmerenUE's lines in this area are subject to the rules and regulations of the United States Forest Service. This elevates the difficulty of

providing reliable electric service above the normal challenges found in a typical rural area. For example, AmerenUE is not allowed to use any type of herbicide in the management of the vegetation along its lines. Additionally, there are restrictions on the type of equipment that may be brought in to complete trimming and restoration work. The Viburnum feeder that serves these customers is approximately 198 miles long, runs through a densely forested area and takes almost a year to trim. AmerenUE has made attempts to add an additional line in the Mark Twain National Forest area but its request for permission from the U.S. Forest Service to place a line next to Chandler Road was denied. The letter denying this request is Attachment A to this pleading.¹ In spite of these challenges, AmerenUE has trimmed the Viburnum feeder in accordance with the recommended six year rural trimming schedule.

5. These individuals request to be “reinstated” with Black River. AmerenUE is opposed to any such transfer. Indeed, such a transfer has not been properly requested and AmerenUE does not believe that there exists a basis for transfer under current Missouri law under the circumstances existing in any event.

6. A transfer is improper for several reasons. First, the Commission has already determined that service by AmerenUE is in the public interest, as evidenced by the Commission’s approval of the Territorial Agreement between AmerenUE and Black River as cited above.

7. Further, the “anti-flip-flop” provisions of Section 393.106 RSMo 2004 provide that once a utility lawfully commences supplying retail electric service through permanent facilities, no other supplier shall have the right to provide service to that customer. The limited exceptions are municipal annexation pursuant to Sections 386.800 RSMo and 394.080 RSMo;

¹ AmerenUE is not asserting that construction of this line would have resolved the problems which are the subject of this case, but rather provides it to the Commission as an example of the difficulty it faces in providing service to customers in this area.

through a territorial agreement pursuant to Section 394.312 RSMo; or when the Commission finds that a change of supplier is in the public interest.

These three exceptions do not apply to the situation before the Commission. Obviously, this is not a situation where a municipality is attempting to annex the property. There is no territorial agreement other than the one that authorized AmerenUE to service this area, which the Commission found to be in the public interest. Finally, there is no evidence that the public interest would be better served by transferring these individuals to Black River. AmerenUE has regularly invested in the utility plant serving this area since this area became a part of AmerenUE's service territory upon Commission approval in 1996. The public interest would not be served by changing the supplier for this area.

Response to Specific Complaints

8. The first complaint involves Mrs. Donald Chandler and a power loss experienced by her business on September 20, 2006. The description is written in the third person and does not contain a signature. The issue appears to be that the power was restored earlier than an AmerenUE customer service representative (CSR) had indicated would occur and workers at the Chandler business had already been sent home, because of the inaccurate information.

9. AmerenUE admits an outage occurred on September 20, 2006. When customers call in to notify the Company of an outage, the CSR will give the customer an estimate of when power will be restored. Of course, this time is only an estimation. In this case, AmerenUE was able to restore power earlier than it had anticipated. Typically this result is one that is good for our customers. Estimated power restoration times are difficult and rarely are they 100% accurate. AmerenUE routinely reviews its estimation process in order to improve it and to provide the best information possible to its customers.

10. The second and third complaints are centered on the loss of power caused by the July 2006 storms which hit the AmerenUE territory. Roger Price was out of power from July 19, 2006 through July 22, 2006. Charles and Rick Freeman lost power on July 19, 2006 and had it restored on July 24, 2006. Both complaints appeared to have been written by the same person (same handwriting) and neither was signed.

11. Mr. Price and the Freemans are served by AmerenUE's Viburnum substation (as is Mrs. Chandler, above). There are 198 miles of line between the substation and the last customer on the line. Any problem on the line will disrupt service to everyone downstream of the incident. Additionally, as discussed above, these individuals live in a very rural and wooded area, making restoration efforts difficult.

12. Mr. Price's complaint indicates that AmerenUE has no record of his calls prior to July 22nd. AmerenUE is unclear where this information came from, but an examination of AmerenUE's records indicates this to be untrue. Specifically, the records show that AmerenUE received an automated report that his meter had stopped on July 19th at 11:37 p.m. AmerenUE's records also indicate that it received calls from Mr. Price on July 20th at 8:30 a.m.; on July 21st at 12:23 p.m.; on July 22nd at 3:23 p.m.; on July 23rd at 2:48 p.m.; on July 24th at 3:35 p.m., at 7:01 p.m. and at 7:33 p.m.

13. These specific outages were part of the tremendous number of outages resulting from the July 19th storm. The Company was faced with hundreds of thousands of outages on its system and damage from a storm which was unprecedented in AmerenUE's history. The Company responded appropriately under the extreme circumstances and called in crews from other utilities to assist in its efforts to restore service as quickly as possible. The Commission is currently reviewing these efforts in Case No. EO-2007-0037.

14. AmerenUE believes that it has at all times acted properly and that it is not in the public interest for any of the customers to be transferred to Black River.

WHEREFORE, AmerenUE respectfully requests that the Commission issue its order dismissing this Request because it seeks relief (“transfer” to Black River) which is not allowed under the current circumstances and because the Request is without merit.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a AmerenUE

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November 16, 2006

United States
Department of
Agriculture

Forest
Service

Mark Twain National Forest
Potosi/Fredericktown Ranger Districts
Route 2 Box 175, Fredericktown, MO 63645
Commercial (573) 783-7225
FAX (573) 783-7746

RECEIVED
UNION ELECTRIC CO

Caring for the Land and Serving People

JUN 12 '97

Reply to: 2720

AMERENUE, MO

Date: June 10, 1997

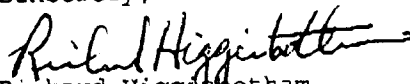
Mr. Joseph L. Whitener
Union Electric
10 Church Street
Park Hills, MO 63601

Dear Mr. Whitener:

This letter is a follow up to our telephone conversation about the Chandler power line that crosses National Forest land in T38N, R1W Section 1. UE first requested approval to relocate this section, which currently runs south across country, so it would parallel the Chandler road. This was dropped because a private property owner would not allow the power line across his property. UE then requested approval to relocate the line along the Brooks Creek road.

Paul Johnson, Potosi/Fredericktown District Ranger, and I looked at all of the alternatives and Mr. Johnson decided to deny this final request. He felt that locating the power line along the Chandler road would adversely affect the visual quality of the area. As stewards of our National Forest land it is our responsibility to make decisions that best care for the land and serve the interest of the people. It is felt that the current location best meets this objective. We understand your reasons for wanting to relocate your power lines along roads and will work with you where ever we can to meet your needs. We appreciate your understanding of this decision and look forward to working with you in the future.

Sincerely,


Richard Higginbotham
Assistant Ranger

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 16th day of November, 2006.

Thomas M. Byrne

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