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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of July, 1999.

In the Matter of the Application of Union)
Electric Company d/b/a AmerenUE for Authority) Case No. EM-99-550
to Sell Assets to the City of Marceline,)
Missouri.)

ORDER APPROVING SALE OF ASSETS

Union Electric Company d/b/a AmerenUE ("Company") filed an Application with the Commission on May 10, 1999, seeking approval for the sale of a 69/4kV substation and approximately 2.7 miles of a 69kV radial distribution line to the City of Marceline, Missouri (the "City").

The Commission provided notice and an opportunity to intervene by the provisions in its Order and Notice issued May 18, 1999. No applications for intervention were filed.

The City is an existing wholesale customer of the Company. The City requested the purchase and sale in order to take advantage of wholesale rates with delivery at 69kV. The Company agreed to sell the equipment as set forth in the Bill of Sale that was included as Appendix 1 of the Application. The proposed sale price of the equipment is \$125,000. The book value of the subject property is \$36,832.27.

On completion of the sale, the City will be responsible for maintenance and safe operation of City owned facilities. In all other respects, electric service to the City will continue as prior to this transaction.

In addition to the Bill of Sale, the Company's application included a detailed inventory of the subject property. The Company also complied with Section 393.190, RSMo 1994, by providing a tax impact statement related to the sale. The Commission provided this information to the County Clerk of Linn County as required by the statute.

The Commission's staff conducted field inspections of the property subject to sale on June 3, 1999. On June 29, 1999, staff filed its memorandum and recommendation. Staff verified matters presented in the application and determined the calculations of net book value for the subject property to be reasonable and accounting for the proposed transaction to be consistent with the Uniform System of Accounts for electric utilities and with prior sale applications of this type. The staff recommended approval of the sale, subject to certain conditions, stating that the sale of the property would not be detrimental to the public interest or to the Company's remaining customers. Staff recommended that the Commission reserve ratemaking treatment for the transaction and that the Company should report journal entries made in connection with the sale no later than 90 days after completion of the sale.

The Commission has reviewed the application and documentation filed by the Company and the staff recommendation and finds that the sale is not detrimental to the public interest. The Commission will approve the sale as set out in the application, with the conditions recommended in the Staff memorandum.

IT IS THEREFORE ORDERED:

1. That the proposed sale of a 69/4kV substation and approximately 2.7 miles of a 69kV radial distribution line to the City of Marceline, Missouri, as set out in detail in the application of Union Electric Company d/b/a AmerenUE filed on May 10, 1999, is hereby approved.

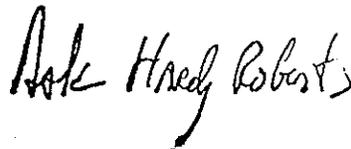
2. That this order is not a finding by the Commission of the value of the transactions herein involved.

3. That the Commission reserves the right to consider any ratemaking treatment to be afforded the transactions herein involved in a later proceeding for ratemaking purposes.

4. That Union Electric Company d/b/a AmerenUE file a copy of all journal entries made in connection with this sale with the Commission no later than 90 days after closing the sale.

5. That this order shall become effective on July 16, 1999.

BY THE COMMISSION



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

(S E A L)

Lumpe, Ch., Drainer, Murray,
and Schemenauer, CC., concur.
Crompton, C., absent.

Thornburg, Regulatory Law Judge

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COMMISSION COUNCIL
PUBLIC SERVICE COMMISSION