

B-  
R-  
WCH

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 16th  
day of December, 1997.

In the Matter of the Application and     )  
Request for Expedited Treatment of     )  
Union Electric Company for Permission     )  
and Authority to Reroute an Existing     )  
161 kV Transmission Line, and in its     )  
Place to Construct, Operate and     )  
Maintain a New Double Circuit 161 kV     )  
Transmission Line in the County of     )  
Cape Girardeau, Missouri.     )

Case No. EO-98-150

**ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

On October 8, 1997, Union Electric Company (UE or Applicant) filed an application with the Commission for permission and authority to reroute an existing 161 kilovolt (kV) transmission line, and in its place to construct, operate and maintain a new double circuit 161 kV transmission line on property owned by Proctor and Gamble Company (P&G) in Cape Girardeau County. UE filed with its application a request for expedited treatment so that the construction of the project can begin by January 15, 1998.

UE stated in its application that the proposed line is required because of the increase in demand for electricity by P&G and because the existing line is blocking the construction of a new P&G tissue and towel production facility north of Cape Girardeau. P&G, a retail electric customer of Citizens Electric Corporation (Citizens), requested UE to reroute the existing 161 kV transmission line at the western edge of P&G's property and to build a new double circuit 161 kV line from that point to Citizen's new Charmin Substation which will serve P&G's load. P&G

4"

requested that the proposed line be energized by August 1, 1998, which will require UE to begin construction of the proposed line by January 15, 1998.

UE stated in its application that the proposed line will be approximately 0.9 miles in length and that the entire reroute of the proposed line is outside of UE's certified service area. UE submitted a legal description and map of the proposed line attached to its application as Exhibit 1 and Exhibit 2, respectively. UE estimated that the proposed line will cost \$1 million, and UE stated that P&G will reimburse UE for all costs associated with rerouting and replacement of the line. According to UE the proposed line will provide more adequate, reliable and economic service to P&G and will support economic development in Cape Girardeau County and in surrounding areas in Missouri. Applicant therefore asserts that the proposed line is in the public interest and will serve the public convenience and necessity.

Applicant filed an amendment to its application on November 24 and filed revised Exhibits 1 and 2 which correctly identify the proposed rerouted line as the "Cape-Wedekind 2" line. The exhibits originally filed with the application incorrectly identified this line as the "Rivermines-Cape" line.

The Commission issued an Order and Notice on October 10, 1997, which set an intervention date of November 10. Citizens filed a timely application to intervene. Citizens claimed an interest in this proceeding different from that of the general public because the specific request for authority by UE in this case is for the purpose of providing wholesale service to Citizens. Citizens stated that it supports the application and request of UE. The Commission granted the application to intervene of Citizens by order issued on November 21.

On December 5 the Staff of the Missouri Public Service Commission (Staff) filed a memorandum to the official case file and recommended that the Commission grant UE a Certificate of Convenience and Necessity for the proposed project. Staff stated that authority from the Commission is needed because the proposed line would be outside of UE's certified service area and in Citizens' service territory.

Staff stated in its memorandum that the need for a double circuit arose from P&G's request that UE build a second 161 kV transmission line parallel to the proposed rerouted line for redundancy of the electric power supply at Citizens' New Charmin substation; however, this second line will not be energized until the year 2001 when UE will bring a new line from the Wedekind substation. In the year 2001, UE will apply to the Commission for another certificate to construct a new 161 kV transmission line from Wedekind substation and juncture of the de-energized 161 kV transmission line to Citizens' New Charmin substation. In this manner, P&G will not need to shut down its production facility due to construction of the new line in the year 2001.

Staff reviewed UE's preliminary load flow analysis which indicated that total loading on the line in 1998 will be 42 percent of the summer normal rating of the line. In the year 2000, the loading will increase to 55 percent, and in the year 2001 it will increase to 61 percent. Staff reviewed Citizen's assessment of the need for additional power supply in the area and UE's proposed solution for improving the reliability and assuring continuity of service to its customer, Citizens. Staff stated that the proposed rerouted line and the second transmission line are in the public interest and that the Commission should issue an order granting UE a certificate of convenience and necessity constituting permission and authority to reroute the existing 161 kV transmission line

and in its place to construct, operate and maintain a double circuit 161 kV transmission line as described in the revised exhibits. Further, Staff recommends that the Commission direct UE to file tariff sheets which reflect the Commission's issuance of permission and authority to UE to reroute, construct, operate and maintain the line and which contain concise route descriptions of the subject transmission line. Staff additionally recommends that the Commission reserve for a future proceeding the right to consider the ratemaking treatment to be afforded costs associated with this project.

The Commission has reviewed the application filed by UE, the amendment to application with revised Exhibits 1 and 2, the recommendation filed by Staff, and the entirety of the file. The Commission finds that it is in the public interest for UE to reroute the existing 161 kV transmission line and in its place to construct, operate and maintain a double circuit 161 kV transmission line which would be on the property of P&G in Cape Girardeau County as described in the revised exhibits filed on November 24. The Commission will order UE to file tariff sheets which reflect the Commission's issuance of permission and authority to reroute, construct, operate and maintain the line and which contain concise route descriptions of the subject 161 kV transmission line. The Commission will reserve for a future proceeding the right to consider the ratemaking treatment to be afforded costs associated with this transmission line project. The Commission would note that the certificate granted to UE in this case is for transmission of electricity and that it does not interfere with the area certificate granted to Citizens Electric Corporation for distribution of electricity in Cape Girardeau County.

**IT IS THEREFORE ORDERED:**

1. That Union Electric Company is granted a certificate of public convenience and necessity to reroute the existing 161 kV transmission line and in its place to construct, operate and maintain a double circuit 161 kV transmission line which would be on the property of Proctor & Gamble Company in Cape Girardeau County as described in the revised exhibits filed on November 24, 1997, which are incorporated herein by reference.

2. That Union Electric Company shall file with the Commission tariff sheets reflecting the permission and authority granted in ordered paragraph 1, and showing concise route descriptions of the double circuit 161 kV transmission line.

3. 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 involved, nor as an acquiescence in the value placed on said property.

4. That the Commission reserves the right to consider the ratemaking treatment to be afforded the facilities constructed pursuant to this order, and the resulting cost of capital, in any later proceeding.

5. That this order shall become effective on December 26,  
1997.

**BY THE COMMISSION**

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

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

(S E A L)

Lumpe, Ch., Crumpton, Murray,  
and Drainer, CC., concur.

G. George, Regulatory Law Judge