STATE OF MISSOURI PUBLIC SERVICE COMMISSION JEFFERSON CITY February 5, 2002

CASE NO: EA-2002-131

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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

Ask Hard Blasts

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 5th day of February, 2002.

Application of Union Electric Company) for Permission and Authority to) Construct, Operate, Own, and Maintain) a 345 Kilo-Volt (kV) Transmission Line) in Jefferson, St. Francois, and Ste.) Genevieve Counties, Missouri ("Rush) Island-St. Francois 2")	<u>Case No. EA-2002-131</u>
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ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On September 3, 2001, Union Electric Company filed an application with the Commission requesting authority to construct, own, and operate a transmission line in Jefferson, St. Francois, and Ste. Genevieve Counties. About 6 miles of the proposed line would be outside of Union Electric's current service territory. Union Electric proposes to build a 345 kV line approximately 17 miles long parallel to an existing 345 kV line. Higher energy demand is causing an overloading of the existing line, and power flow on the existing line sometimes exceeds equipment ratings. Furthermore, an outage on the existing line would cause other lines to exceed their equipment ratings, possibly leading to outages or the need to use more expensive generation. Union Electric states that building the proposed line is the most efficient way to relieve these overloading conditions. Union Electric has given notice to affected property owners and public officials in the area, and

conducted a public workshop to provide information about the proposed line. In an order issued on September 19, 2001, the Commission gave notice and allowed interested entities the opportunity to intervene. No applications to intervene were filed. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence.¹ Since no one has asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the application.

On January 29, 2002, Staff filed a Recommendation in which it recommends that the Commission grant the application. Staff notes that Union Electric plans to use an existing 345 kV transmission line corridor to minimize the width of the required additional right-of-way. Staff agrees with Union Electric that the existing line is overloaded many times during the year, and that loss of the existing line could impose significant constraints in delivering power. Staff states that placement of the new structures next to the existing structures will minimize impacts on landowners. Staff states that the proposed transmission line is necessary for Union Electric to be able to continue to provide reliable service to its customers. The proposed line will relieve the heavy loading on an existing line and enhance system reliability.

The Commission finds it is necessary and convenient for the public interest for Union Electric to construct and operate the transmission line as described in the application, and so will grant a certificate of convenience and necessity.

¹ State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

IT IS THEREFORE ORDERED:

1. That Union Electric Company is granted a certificate of public convenience and necessity to construct, own, operate and maintain a transmission line in Jefferson, St. Francois, and Ste. Genevieve Counties as described in its application filed on September 3, 2001.

2. That nothing in this order shall be considered 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.

3. That the Commission reserves the right to consider the ratemaking treatment to be afforded the expenditures and properties herein involved, and the resulting cost of capital, in any later proceeding.

4. That this order shall become effective on February 25, 2002.

5. That this case may be closed after February 26, 2002.

BY THE COMMISSION

Hole Hold Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

Simmons, Ch., Murray, Lumpe, Gaw and Forbis, CC., concur

Mills, Deputy Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 5th day of Feb. 2002.

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

the Hard Roberts