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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 23rd
day of September, 1997.

Application of Union Electric Company)
for Authority to Sell Assets to)
C.A.P.S. Inc.)

Case No. EM-98-9

ORDER APPROVING SALE OF ASSETS

On July 7, 1997, Union Electric Company (UE) filed an application with the Commission requesting approval of a sale of a pad-mounted transformer to C.A.P.S. Inc. (CAPS), an existing customer of UE.

UE states that CAPS presently takes service from UE under the large general service rate (3M) at its facility located in Bridgeton, Missouri. UE states that CAPS is anticipating expanding its electrical usage and has agreed to purchase the primary transformer used to serve it in order to take advantage of lower rates. UE has attached the terms and conditions of the sale to its application, as Appendix 1. CAPS will maintain the facilities after purchase. UE states that the annual savings, as estimated by CAPS, will be approximately \$23,000 after switching to the small primary service rate (4M) from the 3M rate.

On September 2, 1997, the Staff of the Commission (Staff) filed its recommendation. The Staff states that a filed inspection revealed that the transformer in question was operational and well-maintained and that no National Electrical Safety Code violations were noted. The Staff also states that the method of calculating net book value used by UE in placing a value on the transformer is reasonable. The sale will not affect any

other UE customer. The Staff states that the sale is not detrimental to the public interest and recommends the Commission approve the application.

The Commission has reviewed the recommendation of the Staff, application, and accompanying documents and finds the sale not detrimental to the public interest. The Commission will approve the sale as set out in the application in this case. The Commission will adopt the recommendations of the Staff and reserve the right to consider the ratemaking treatment to be afforded the revenues associated with this sale, specify that the accounting treatment to be afforded this sale be in conformance with the Uniform System of Accounts, and order UE to file in this docket a copy of all journal entries made in connection with this sale upon completion.

IT IS THEREFORE ORDERED:

1. That the proposed sale of a transformer by Union Electric Company to C.A.P.S. Inc., as set out in detail in the application of Union Electric Company in this case, is hereby approved.

2. That the Commission reserves for a future proceeding the right to afford ratemaking treatment to the revenues associated with this approved sale, as specifically provided in Case No. ER-95-411, the experimental alternative regulation plan now in effect.

3. That Union Electric Company will conform with the Uniform System of Accounts for electric utilities in accounting for the proceeds of this sale and will file a copy of all journal entries made in connection with this transaction upon completion of the sale.

4. That this order shall become effective on October 3, 1997.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Cecil I. Wright", written over the printed name.

Cecil I. Wright
Executive Secretary

(S E A L)

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

ALJ: Derque