

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 29th
day of October, 1997.

In the Matter of the Application of)	
Union Electric Company for Authority)	<u>Case No. EM-98-62</u>
to Sell Assets to Southeast Missouri)	
Stone Company.)	

ORDER APPROVING SALE OF ASSETS

On August 12, 1997, Union Electric Company (UE) filed an application with the Commission requesting approval of a sale of a 34 kV line and transformer bank to Southeast Missouri Stone Company (SEMO Stone). UE states that SEMO Stone is an existing customer and presently receives service on the large general service rate at its facility located in Cape Girardeau, Missouri. SEMO Stone has asked to purchase the equipment from UE in order to take advantage of lower billing rates as a primary service customer. The proposed sale price of the equipment is \$49,124.39 and the net book value is \$25,822.54.

On October 8 the Staff of the Commission (Staff) filed its recommendation. In that recommendation the Staff states that it has conducted a field inspection of the equipment and found that the equipment consists of three transformers, ten poles, and associated equipment. The Staff states that all equipment was operational and appeared to be well-maintained. The Staff observed no violations of the safety code.

The Staff states that the method used to calculate the value of the equipment is reasonable and concludes that the proposed transaction will not be detrimental to the public interest. The Staff recommends that the Commission approve the sale.

The Commission has reviewed the application, accompanying documentation, and Staff recommendation and determines that the sale is not detrimental to the public interest. The Commission will approve the sale as set out in the application in this case. The Commission will also adopt the recommendation of the Staff and reserve the right to consider the ratemaking treatment to be afforded the revenues associated with this sale, specify 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:

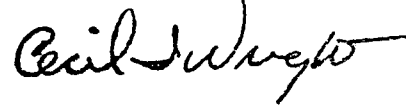
1. That the proposed sale of three transformers and related equipment to Southeast Missouri Stone Company, as set out in detail in the application of Union Electric Company in this case, is hereby approved.

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

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 November 12,
1997.

BY THE COMMISSION

A handwritten signature in cursive script, appearing to read "Cecil I. Wright".

**Cecil I. Wright
Executive Secretary**

(S E A L)

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

Derque, Regulatory Law Judge