

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union )  
Electric Company d/b/a AmerenUE for an )  
Order Authorizing the Sale and Transfer )  
of Certain Assets of AmerenUE to St. )  
James Municipal Utilities and Rolla )  
Municipal Utilities. )

Case No. EO-2010-0263

**STAFF’S STATEMENT OF POSITION**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its  
Statement of Position states:

1. The issue listed by all the parties except intervener Donna Hawley poses the following question: Is the proposed transfer of the assets described in the Application filed in this case detrimental to the public interest? It is the Staff’s position that it is not.
2. As described in its application Union Electric Company d/b/a AmerenUE is proposing to sell a substation, plant associated with the substation and existing 34.5 kV circuits to the Cities of Rolla and St. James, acting through their respective boards of public works—Rolla Municipal Utilities and St. James Municipal Utilities. All the assets to be sold are used to deliver electricity to Rolla Municipal Utilities and St. James Municipal Utilities who provide electrical service at retail.
3. The sale price to Rolla is Four Million Seven Hundred Seventy Eight Thousand Eight Hundred Twenty One Dollars and Ninety Three Cents (\$4,778,821.93) and the sale price to St. James is One Million Eight Hundred Ninety Thousand Four Hundred Fifteen Dollars and Seventy-Six Cents (\$1,890,415.76).

4. Staff has found no indication these sale prices are the result of anything but arms' length bona fide negotiations between AmerenUE and Rolla Municipal Utilities and St. James Municipal Utilities, each with self-interest to reach the most advantageous deal.

5. Moreover, because they are boards of municipalities whose members are appointed by the mayor and confirmed by the common council of the municipality—elected officials, the citizens of the municipalities have, among others, the power of their vote to protect their interests in actions the boards may take.

6. Presently, to service the substation, related plant and circuits it is proposing to sell, AmerenUE dispatches material, equipment and personnel from a location over an hour away.

7. The City of Rolla had R.W. Beck perform an engineering study of the present and future electric service needs of the City of Rolla. Staff has reviewed that study. R.W. Beck recommends that to enhance reliability and reduce outage durations, the City of Rolla build and use a substation closer to the city than the substation owned by AmerenUE. Rolla Municipal Utilities is buying assets in the substation from AmerenUE as part of its execution of R.W. Beck's recommendation. Implementing the R.W. Beck recommendation will enhance the reliability of and reduce the outage durations of electrical service in Rolla.

8. Further, after St. James Municipal Utilities buys the substation, St. James Municipal Utilities plans to upgrade the substation for service to St. James by installing a new transformer and use the circuits its is buying for providing service in St. James. Once the City of St. James owns the substation, transformer and feeder circuits, its customers also should experience improved reliability and reduced outage duration in electric service.

9. It is Staff's opinion that consummation of the transaction for which AmerenUE seeks authority from this Commission to complete is beneficial not only to AmerenUE, but also to Rolla Municipal Utilities and St. James Municipal Utilities and their customers, and is not detrimental to AmerenUE's ratepayers.

**Wherefore**, Staff submits the foregoing as its statement of position.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams  
Deputy Staff Counsel  
Missouri Bar No. 35512

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-8702 (Telephone)  
(573) 751-9285 (Fax)  
e-mail: nathan.williams@psc.mo.gov

#### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronically mailed to all counsel of record this 1<sup>st</sup> day of September 2010.

/s/ Nathan Williams