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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 November, 1994.

In the matter of the Application of)
Union Electric Company to sell)
distribution equipment to Purolator)
Products Company.)
Case No. EM-95-79

ORDER APPROVING THE SALE OF CERTAIN ASSETS

On September 3, 1994, Union Electric Company (UE) filed an application with the Commission requesting the approval of the Commission to sell certain electrical distribution equipment to an existing customer, Purolator Products Company (Purolator), located at Dexter, Missouri. UE is a Missouri corporation, in good standing, with its principal office located in St. Louis, Missouri, and is an electrical corporation and public utility, regulated by the Commission, and engaged principally in the operation, transmission, distribution, and sale of electrical energy.

Purolator is an existing customer of UE, receiving service at its Dexter facility under the large general service rate classification. UE, in its application, states that the existing transformers serving the Purolator facility will be removed and the remaining distribution facilities will be sold to Purolator for \$26,264.00. UE states that this equipment has a net book value of \$10,668.00. Purolator will have new transformers installed through a third party at its own expense. Service will then be provided to Purolator on the small primary service rate by UE.

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On November 17, 1994, the Staff of the Commission filed its recommendation. The Staff stated that, after inspection, the requested sale does not appear to be detrimental to the remaining customers of UE from a reliability or service standpoint. The Staff noted that the safe operation of the customer-owned equipment would be the responsibility of Purolator, and Purolator should note the various tariffed requirements for customer-owned equipment in UE's tariffs.

In regard to the accounting treatment of this transaction, the Staff and UE have agreed that all property will be retired with a credit to the plant-in-service account and a debit to the reserve account. The Staff states that this is in conformance with the Uniform System of Accounts for electric companies. The gain on this sale will be given above-the-line treatment. The Staff, therefore, recommends approval of this transaction.

The Commission, having considered the application and Staff's accompanying recommendation, finds that a hearing in this matter is unnecessary and that the proposed transaction is not detrimental to the public interest. The Commission also finds that, given the agreed upon above-the-line accounting treatment, the sale will have no adverse impact on ratepayers and should be approved.

IT IS THEREFORE ORDERED:

1. That Union Electric Company is hereby authorized to sell those assets to Purolator Products Company as proposed and at the sale price as set out in its application, and to execute and perform all acts and things reasonably necessary to accomplish the approved transaction.

2. That Union Electric Company will give any and all gain from this sale above-the-line accounting treatment and will comply with

the remainder of the agreed upon accounting treatment as set out above in the body of this order.

3. That Union Electric Company will furnish the Staff of the Commission with copies of all journal entries made in connection with this sale at the time the transaction is completed.

4. That the Commission, by issuance of this order, is making no determination as to the ratemaking treatment to be given this transaction and is reserving ratemaking treatment for any subsequent rate case.

5. That this order shall become effective on December 6, 1994.

BY THE COMMISSION

A handwritten signature in cursive script that reads "David L. Rauch".

David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.