

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

In the matter of the Application of Union Electric)	
Company d/b/a Ameren Missouri and Three Rivers)	
Electric Cooperative for Authority for Ameren Missouri)	File No. EO-2015-0328
to Sell or Transfer a Portion of Its Franchise, Works,)	
or System to Three Rivers, and to Approve the Transfer)	
of Customers Between Electric Suppliers.)	

**APPLICATION FOR AUTHORITY TO SELL OR TRANSFER ASSETS
AND TO TRANSFER CUSTOMERS BETWEEN ELECTRIC SUPPLIERS**

Under authority of, and in accordance with, Section 393.190.1, RSMo, 4 CSR 240-2.060, and 4 CSR 240-3.110, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”) seeks an order authorizing it to sell, transfer, and otherwise dispose of a portion of the Company’s franchise, works, or system to Three Rivers Electric Cooperative (“Three Rivers” or “the Cooperative”). In addition, under authority of, and in accordance with, Sections 393.106 and 394.315, RSMo, 4 CSR 240-2.060, and 4 CSR 240-3.140, Ameren Missouri and Three Rivers jointly seek an order authorizing (1) the transfer to Ameren Missouri of thirty-nine customers currently receiving retail electric service from Three Rivers, and (2) the transfer to Three Rivers of eighteen customers currently receiving retail electric service from Ameren Missouri. In support of their respective requests, the applicants state:

1. Ameren Missouri, a Missouri corporation, provides electric and gas utility services to customers in its Missouri service areas. The Company’s principal office is at 1901 Chouteau Avenue, St. Louis, Missouri 63103. Ameren Missouri is an “electrical corporation,” a “gas corporation,” and a “public utility,” as each of those terms is defined in Section 386.020, RSMo, and therefore is subject to the general regulatory jurisdiction and supervision of the Commission, as provided by law.

2. Three Rivers, a Missouri corporation organized under Chapter 394 of the Revised Statutes of Missouri, is a rural electric cooperative providing electric energy and related services to cooperative members in Cole, Miller, Franklin, Gasconade, Maries, Moniteau, and Osage Counties. The Cooperative’s principal office is at 1324 East Main, Linn, Missouri, 65051. Three Rivers is neither an “electrical corporation” nor a “public utility,” as each of those terms is defined in Section 386.020,

RSMo. Therefore, the Commission has only limited regulatory jurisdiction over the Cooperative, as provided by law.

3. Correspondence, communications, orders, and other documents and notices related to this application should be sent to the following representatives of the applicants:

For Ameren Missouri

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4. Ameren Missouri previously has filed with the Commission (i) a certified copy of the Company's Articles of Incorporation (Case No. EA-87-105); (ii) a copy of its fictitious name registrations, as filed with the Missouri Secretary of State's Office (Case Nos. GO-98-486 and EN-2011-0069); and (iii) a copy of the Company's Certificate of Corporate Good Standing (Case No. EA-2013-0502). Those documents are incorporated by reference and made a part of this application for all purposes, as authorized by 4 CSR 240-2.060(1)(G).

5. Three Rivers previously filed a certified copy of the Cooperative's Articles of Incorporation and a copy of its Certificate of Corporate Good Standing in Case No. EO-2004-0217. Those documents are incorporated by reference and made a part of this application for all purposes, as

authorized by 4 CSR 240-2.060(1)(G). Three Rivers does not have a fictitious name registration on file with the Missouri Secretary of State.

6. Ameren Missouri has no overdue Commission Annual Reports or assessment fees, and has no pending or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates and that have occurred within the three years immediately preceding the filing of this application, except for the appeal of the Company's 2014 electric rate case (File No. ER-2014-0258), which is pending before the Missouri Court of Appeals, Western District (WD78688).

7. Three Rivers has no overdue Commission Annual Reports or assessment fees, and has no pending or final unsatisfied judgments or decisions against it from any state or federal agency or court that involves customer service or rates and that have occurred within the three years immediately preceding the filing of this application.

I. PROPOSED SALE OR TRANSFER OF ASSETS TO THREE RIVERS

8. On May 19, 2015, Ameren Missouri and Three Rivers entered into the "Contract for Transfer of Distribution Facilities between Union Electric Company d/b/a Ameren Missouri and Three Rivers Electric Cooperative" ("Asset Transfer Agreement"). A copy of that agreement is attached to this application as Appendix A, and is incorporated by reference and made a part of this application for all purposes. Under their agreement, the Company proposes to sell or transfer to the Cooperative a portion of Ameren Missouri's electric distribution system in Cole and Osage Counties, including the exclusive right to provide retail electric service to eighteen customers served by those transferred assets. In exchange, Three Rivers will transfer to the Company a portion of the Cooperative's electric distribution system in Cole and Miller Counties, including the exclusive right to provide retail electric service to thirty-nine customers served by those transferred assets. The portion of its facilities Ameren Missouri proposes to transfer to Three Rivers is described or identified in Exhibit C of the Asset Transfer Agreement, and the names and addresses of the eighteen customers served by those facilities are listed in Exhibit A of that agreement. The portion of its facilities Three Rivers proposes to transfer to Ameren Missouri is described

or identified in Exhibit E of the Asset Transfer Agreement, and the names and addresses of the thirty-nine customers served by those facilities are listed in Exhibit B of that agreement.

9. The proposed sale or transfer of a portion of Ameren Missouri's facilities to Three Rivers is not detrimental to the interests of the Company, the customers who will be transferred, or the customers who will remain on Ameren Missouri's system. Indeed, the transaction likely will produce significant benefits for both the Company and its customers. The facilities Ameren Missouri proposes to transfer to Three Rivers are at the end of radial distribution lines that extend into areas where the Cooperative already serves the majority of customers. Consolidating service in those areas in a single electrical supplier would promote efficiency and reduce confusion. It also would eliminate the need to construct or maintain Ameren Missouri facilities that duplicate Three Rivers' facilities. One portion of the facilities the Company proposes to transfer is an underground distribution line that has failed numerous times during the past ten years. Because Three Rivers has facilities in place that can more reliably serve customers served by that underground line, it would make little financial sense to either Ameren Missouri or its customers to require the Company to incur costs necessary to repair or replace the underground line if customers served by that line can be better and more cost-effectively served by Three Rivers. The proposed transfer also will eliminate confusion for emergency personnel who must respond in areas where currently it is unclear whether electrical lines and facilities belong to, and customers are served by, the Company or the Cooperative.

10. As required by 4 CSR 240-3.110(C) and (F), this application includes as Appendix B a schedule showing the estimated property and sales tax impacts of the proposed transaction on the political subdivisions where the assets are located. The application also includes as Appendix C and Appendix D, respectively, affidavits verifying the authority of David N. Wakeman to execute the Asset Transfer Agreement on behalf of the Company and Duane Paulsmeyer to execute the Asset Transfer Agreement on behalf of the Cooperative. Each of these appendices is incorporated by reference and made a part of this application for all purposes.

11. As previously noted, the Commission's jurisdiction over Three Rivers is limited by law. The scope of that jurisdiction will not be affected in any way by Ameren Missouri's proposed sale or transfer of a portion of its facilities to the Cooperative.

II. PROPOSED CHANGE OF ELECTRIC SUPPLIERS

12. The Asset Transfer Agreement obligates Ameren Missouri to transfer to Three Rivers eighteen customers currently being served by facilities the Company proposes to sell or transfer to the Cooperative. A list showing the names and addresses of the affected customers is attached to the Asset Transfer Agreement as Exhibit A. The customers are located in portions of Cole or Osage Counties where the cooperative already serves the majority of customers, and consolidating service in those areas in a single electrical supplier would be more economical for both the Company and its customers. Consolidation also would avoid unnecessary duplication of facilities and reduce confusion to customers, who reside in an area served by two electrical suppliers, and emergency service providers, who need to quickly identify a customer's electrical supplier.

13. The Asset Transfer Agreement obligates Three Rivers to sell or transfer to Ameren Missouri a portion of the Cooperative's facilities in Cole and Miller Counties, and transfer to the Company thirty-nine customers currently being served by those facilities. A list showing the names and addresses of all the affected customers is attached to the Asset Transfer Agreement as Exhibit B. All but three of the customers listed on Exhibit B are located within or adjacent to areas in Cole County that have been annexed into Jefferson City. By law, Three Rivers is only authorized to serve customers who reside in a "rural area," which Section 394.020(3), RSMo, defines as any city, town, or village having a population not in excess of fifteen hundred. And although Three Rivers can continue to serve its existing customers in the annexed territory, it cannot serve any new customers in those areas. Ameren Missouri's certificate of convenience and necessity obligates the Company to serve all customers within the corporate boundaries of Jefferson City. Therefore, new customers within the annexed areas will be served by Ameren Missouri. Because it cannot serve new customers within the annexed areas, requiring Three Rivers to continue to serve existing customers in those areas would be uneconomic for the Cooperative

and would cause unnecessary confusion for customers. The proposed change of electrical suppliers eliminates both problems.

14. Of the remaining three customers to be transferred to Ameren Missouri, two are in Cole County and are served by Three Rivers' radial distribution facilities that extend into areas where the Company serves the majority of customers. Allowing Three Rivers to transfer these customers to Ameren Missouri benefits both the applicants and their customers because it allows service to be consolidated in a single electric supplier. The final customer to be transferred is located in Miller County just outside the corporate limits of the City of Eldon, which already is served by Ameren Missouri. The Cooperative currently serves this customer via a long underground cable that is susceptible to lengthy outages. Therefore, in addition to the benefits the utilities would realize from consolidation, transferring this customer to Ameren Missouri also likely would improve service reliability.

15. Approving the proposed change of electric suppliers is in the best interests of Ameren Missouri, Three Rivers, and their respective customers. The proposed change also is in the public interests. Both the Company and the Cooperative are able to provide safe and reliable electric service to customers that would be transferred and fully support the proposed change in electrical suppliers. As required by 4 CSR 240-3.140(H), Ameren Missouri and Three Rivers has each provided a verified statement consenting to the transfer of customers, and those statements are attached to this application as Appendices E and F, and are incorporated by reference and made a part of this application for all purposes.

16. In its *Order Approving the Transfer of Assets* in Case No. EO-2009-0159,¹ the Commission determined an application for authority to sell or transfer utility assets:

is not a contested case pursuant to 536.010(2) because it does not involve a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be **determined after hearing**. (Emphasis added). Neither Section 393.190, nor Section 393.106, nor any other provision of law requires a hearing be held for these determinations.²

¹ *In the Matter of the Application of The Empire District Electric Company for Authority to Sell and Transfer Part of its Works or System to the City of Monett, Missouri* (February 11, 2009).

² *Id.*, p. 2, footnote 4.

Similarly, statutes authorizing a change in electrical suppliers – Sections 393.106 and 394.315, RSMo – do not require “the legal rights, duties or privileges of specific parties . . . to be determined after hearing.” Therefore, the requests of Ameren Missouri and Three Rivers to exchange customers also do not satisfy the statutory definition of “contested case.” Because none of the issues raised by this application create or involve a contested case, the applicants believe the sixty-day notice provisions of 4 CSR 240-4.020(2) do not apply. However, in an abundance of caution, on June 4, 2015, Ameren Missouri filed a *Notice of Likely Contested Case* to comply with the sixty-day notice requirement of 4 CSR 240-4.020(2).

WHEREFORE, having shown the proposed transaction is in the public interest and also in the best interests of Ameren Missouri and Three Rivers, the Company requests the Commission issue an order:

- (i) Approving the proposed sale or transfer of assets by Ameren Missouri to Three Rivers under the terms specified in the Asset Transfer Agreement;
- (ii) Approving changes in electrical suppliers for eighteen customers currently served by the Company and thirty-nine customers served by the Cooperative; and
- (iii) Granting such other relief as the Commission deems appropriate under the circumstances.

Respectfully submitted,

By: /s/ L. Russell Mitten

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**ATTORNEYS FOR THREE RIVERS
ELECTRIC COOPERATIVE**

VERIFICATION

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

DAVID N. WAKEMAN, being duly sworn on oath, deposes and says that he is the Vice President of Energy Delivery-Distribution Services of Union Electric Company d/b/a Ameren Missouri; that he has read the foregoing application and knows the contents thereof; and that the information contained in that application is true and correct to the best of his knowledge and belief.

UNION ELECTRIC COMPANY
d/b/a AMEREN MISSOURI



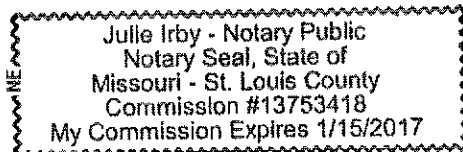
DAVID N. WAKEMAN

Subscribed and sworn to before me, the undersigned Notary Public in and for the county and state aforesaid, on the 16th day of August, 2015.



Notary Public

My Commission expires:



VERIFICATION

STATE OF MISSOURI)
) ss
COUNTY OF OSAGE)

Tom Werdenhause, being duly sworn on oath, deposes and says that he is the General Manager of Three Rivers Electric Cooperative; that he has read the foregoing application and knows the contents thereof; and that the information contained in that application is true and correct to the best of his knowledge and belief.

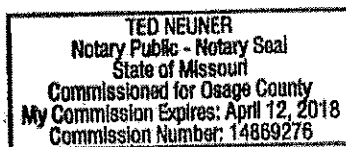
THREE RIVERS ELECTRIC
COOPERATIVE

BY: Tom Werdenhause

Subscribed and sworn to before me, the undersigned Notary Public in and for the county and state aforesaid, on the 7th day of August 2015.

Ted Neuner
Notary Public

My Commission expires: April 12, 2018



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing application has been served on the following parties, via electronic mail, on this 25th day of August, 2015.

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/s/ L. Russell Mitten