

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Exhibit No. 2
Date 1-18-00 Case No. EO-2000-630
Reporter na

In the Matter of the Application of Union Electric)
Company d/b/a AmerenUE and Lewis County)
Rural Electric Cooperative for Approval of a Written) Case No. EO-2000-630
Territorial Agreement Designating the Boundaries of)
Each Electric Service Supplier within Portions of)
Lewis, Clark, Shelby, Knox, Adair, Schuyler, Scotland)
and Marion Counties in Missouri.)

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the undersigned parties to this proceeding and for their Unanimous Stipulation and Agreement ("Stipulation and Agreement"), respectfully state as follows:

I. Procedural History

1. On April 7, 2000, Union Electric Company d/b/a AmerenUE ("Company" or "AmerenUE") and the Lewis County Rural Electric Cooperative ("Cooperative") filed a Joint Application pursuant to Section 394.312 RSMo. 1994 (the "Joint Application"), requesting that the Missouri Public Service Commission (the "Commission"): (1) approve a territorial agreement between the Company and the Cooperative designating the boundaries of each electric service supplier in Lewis, Clark, Shelby, Knox, Adair, Schuyler, Scotland, and Marion Counties in Missouri (the "Territorial Agreement"); (2) authorize the Company and Cooperative to perform in accordance with the terms and conditions of the Territorial Agreement; (3) find that the Territorial Agreement does not impair Company's certificates of convenience and necessity, except as specifically limited by the Territorial Agreement; (4) approve changes to Company's tariffs; and (5) make such other findings as are appropriate under the circumstances.

2. In the Joint Application, Company and Cooperative seek Commission approval of the Territorial Agreement. Company and Cooperative have agreed to displace competition

between themselves in Lewis, Clark, Shelby, Knox, Adair, Schuyler, Scotland, and Marion Counties, as allowed by law and have set out the terms of the Territorial Agreement, which is attached to the Joint Application and marked as Exhibit A. The Territorial Agreement sets forth the exclusive service area boundaries for new structures of both AmerenUE and Cooperative in Lewis, Clark, Shelby, Knox, Adair, Schuyler, Scotland, and Marion counties. The Territorial Agreement also provides that Company and Cooperative shall be entitled to continue serving those existing structures it was serving as of the date of this Agreement. Thus, Company and Cooperative are not required to transfer any customers and/or facilities to implement the Territorial Agreement.

3. On April 12, 2000, the Commission issued an order and notice concerning, among other things, the intervention of interested parties. Applications for intervention were to be filed no later than May 2, 2000. As of the date of this filing, no parties have filed for intervention.

4 On May 16, 2000, the Commission issued an order setting procedural schedule, which among other things set the evidentiary hearing on the Territorial Agreement for July 18, 2000 at 10:00 AM.

5. The Staff of the Commission, the Office of the Public Counsel, Company, and Cooperative (hereinafter collectively known as "the Parties"), having reviewed the Joint Application and associated Territorial Agreement and having considered the position of the Parties and the issues to be resolved in this case, have entered into this Stipulation and Agreement.

II. The Parties Have Reached the Following Stipulation and Agreement:

6. The Parties assert and, in consideration of the promises and covenants herein contained, state that the Territorial Agreement between Company and Cooperative is not detrimental to the public interest and therefore should be approved.

7. The Parties further assert and state that the Company's illustrative tariff sheets, as shown in Exhibit D to the Joint Application are acceptable in format and substance, provided the following changes are made: i) Sheet 13, Clark County, section 4 of Township 65 North, Range 6 West should be moved from the delta/underlined listing to the non-delta listing in the same township-range listing; ii) in the header for Sheet 14, change the Cancelling MO. P.S.C Schedule revision number from "7th Revised" to "SEVENTH REVISED"; and iii) Sheet 24, add sections 35 and 36 to the delta/underlined listing for Knox County, Township 62 North, Range 11 West. With these modifications, the Parties believe that the illustrative tariff sheets reflect the Company's service area changes due to the Territorial Agreement, and that revised tariff sheets based upon the illustrative tariff sheets, and including the aforementioned changes, are in the public interest and therefore should be approved. Within 30 days of the effective date of an Order approving the Territorial Agreement, Company agrees to file for review and approval revised tariff sheets consistent with the illustrative tariff sheets and incorporating the aforementioned changes for the Company's service area in Adair, Clark, Knox, Lewis, Marion, and Scotland Counties.

8. AmerenUE has on its illustrative tariff sheets the following footnote: "In the underscored Sections/U.S. Surveys above, Company's right and obligation to serve in [County Name] is limited by the terms of the Territorial Agreement between Company and Lewis County Electric Cooperative approved in Case No. EO-2000-630". This language shall be interpreted (i)

to permit AmerenUE, in accordance with Article 2 of the Territorial Agreement, to continue to serve all other Existing Structures that it is serving on the Effective Date of the Agreement regardless of their location (even if that location is in the exclusive service area of Cooperative) and (ii) to allow AmerenUE to serve customers in accordance with Article 8 of the Territorial Agreement, the Case-by-Case Exception Procedure, without having to file with the Commission for a certificate of convenience and necessity or to revise its tariffs.

9. This Stipulation and Agreement shall be binding upon the successors and assigns of Company and Cooperative.

III. General Matters

10. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the signatories to take other positions in other proceedings.

11. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties and participants waive, with respect to the issues resolved herein: their respective rights, pursuant to §536.080 RSMo. 1994, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 1994; their respective rights to seek rehearing pursuant to §386.500 RSMo. 1994; and their respective rights to seek judicial review pursuant to §386.510 RSMo. 1994. Notwithstanding the foregoing each party may

present oral testimony at the evidentiary hearing supporting the fact that the Territorial Agreement is not detrimental to the public interest. The Parties agree to cooperate with each other in presenting for approval to the Commission this Stipulation and Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

12. The Staff shall file suggestions or a memorandum in support of this Stipulation and Agreement, and the other parties shall have the right to file responsive suggestions or prepared testimony.

13. The Staff shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

14. None of the Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any rate-making principle or any method of cost determination or cost allocation underlying or allegedly underlying the Stipulation and Agreement, except as the Commission finds that the Territorial Agreement is in the public interest.

WHEREFORE, the Parties respectfully request the Commission to issue its Order:

A. Finding that the designated electric service areas are not detrimental to the public

interest and approving the Territorial Agreement, (Exhibit A to the Joint Application);

B. Authorizing Company and Cooperative to perform in accordance with the terms and conditions of the Agreement;

C. Finding that the Territorial Agreement does not impair Company's certificates of convenience and necessity, except as specifically limited by the Agreement; and

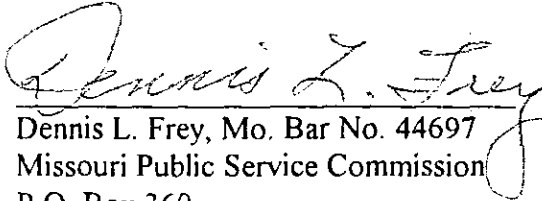
D. Directing that AmerenUE file, within thirty days of the effective date of said Commission Order, revised tariff sheets with respect to its service area in Adair, Clark, Knox, Lewis, Marion, and Scotland Counties, as illustrated in Exhibit D to the Joint Application, and incorporating the changes set forth in Paragraph 7 hereinabove.

E. Authorizing Company to enter into, execute, and perform in accordance with the terms of all other documents reasonably necessary and incidental to the performance of the transactions which are the subject of the Agreement;

F. Approving all of the terms of this Stipulation and Agreement.

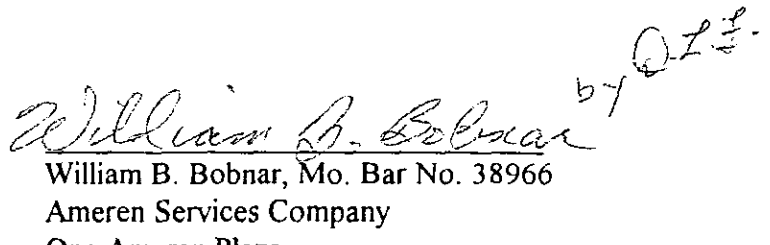
Respectfully submitted,

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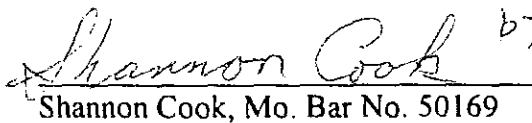
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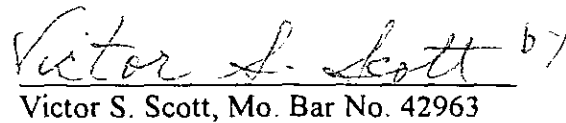
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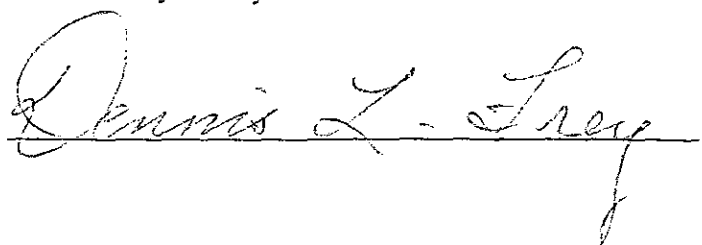

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 12th day of July 2000.



Service List for
Case No. EO-2000-630
July 12, 2000

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