

**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)
For Permission to Transfer an Interest in)
Transmission Assets under 393.190.1) **File No. EM-2022-0292**

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and respectfully states as follows.

1. On April 19, 2022, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) filed a Verified application, pursuant to Section 393.191.1, of the Revised Statutes of Missouri (RSMo), requesting Commission approval to transfer an undivided 49% interest in certain transmission facilities in, around, and near the City of Hannibal, Missouri. Ameren Missouri seeks to transfer these facilities to the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”). According to Ameren Missouri’s verified application, the requested transfer will enable Ameren Missouri to replace aged infrastructure and improve reliability in the Hannibal area and Northeast Missouri at a lower cost, which allows the use of a collaborative effort and cost sharing arrangement among Ameren Missouri, MJMEUC, and the City of Hannibal Municipal Utility.

2. On April 20, 2022, the Commission ordered the Staff to file a recommendation regarding the Application, or a status report indicating when it will file its recommendation by June 6, 2022.

3. On May 23, 2022, Staff filed a Suggestion to Join City of Hannibal, Associated Electric Cooperative, Inc., and Ameren Illinois as Parties, and the Commission

ordered that any Party that wishes to respond to Staff's Suggestion shall do so by June 13, 2022.

4. A meeting was held with the Applicant, Ameren Missouri, on May 24, 2022, which produced numerous Data Requests after said meeting and was sent to Ameren Missouri on May 25, 2022.

5. Staff conducted an investigation and has provided a memorandum attached to this pleading as Appendix A. Staff's memorandum outlines the reasons why Staff recommends the Commission approve Ameren Missouri's Verified Application to transfer an undivided 49% interest in certain transmission facilities in, around, and near the City of Hannibal, Missouri. Staff further states that Ameren has met the requirements set forth in Section 393.191.1, RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-10.105.

6. Staff's investigation further found that the transaction is not detrimental to the public interest.

7. Ameren Missouri is current on all assessment fees and annual report filings. Staff is not aware of any other matter before the Commission that affects or is affected by this filing, nor is Staff aware of any pending or final unsatisfied decision against Ameren Missouri from any state or federal court involving customer service or rates within the last three years that would affect or is affected by this filing.

8. Staff recommends the Commission approve Ameren Missouri's request, as described in the Verified Application, to transfer a 49% undivided interest as described above to MJMEUC for a purchase price of approximately \$7.7 million subject to the terms and conditions set forth in the Joint Ownership Agreement.

9. Staff also recommends approval of the transfer of assets subject to the following conditions:

a. Plant-in-service and accumulated reserve will be reduced for retirements of replaced Ameren Missouri property and for the portion of capital costs received from MJMEUC and Hannibal.

b. Any O&M costs for which Ameren Missouri receives proceeds from MJMEUC are to be recorded as a contra-expense, where the proceeds received are a direct offset to the expense recorded on Ameren Missouri's books and records. In addition, the 49% of the transferred new capital investment will relieve Ameren Missouri of that portion of cost of removal.

c. Order Ameren Missouri to provide all final journal entries and the final bill of sale as part of this docket and also maintain all components of this transaction within its books and records for Staff's review as part of Ameren Missouri's next general rate proceeding.

d. Order Ameren Missouri to provide the "official" JOA with the Hannibal Board of Public Works upon gaining FERC approval, and further, to update its Response to Staff Data Request No. 19 in providing the associated FERC contracts with AECI and AIC regarding the new connections with respective associated substations noted in the application.

e. Order Ameren Missouri to provide the final bill of sale and record the proceeds of the transferred assets and the approximately \$1.23 million contribution from the City of Hannibal as an offset to plant in service and accumulated reserve,

record the reimbursed expenses as a contra-expense and provide the final journal entries for the transfer as part of this docket.

f. Staff also recommends that the Commission order Ameren Missouri to maintain its books and records demonstrating all aspects of the project – additions, retirements, O&M and, Hannibal Proceeds and asset transfer to MJMEUC for review in a future rate proceeding.

WHEREFORE, Staff prays that the Commission approve the requested transfer of assets as set forth in Ameren Missouri’s Verified Application, and recommends the Commission require the proposed conditions set forth above, and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/s/ J. Scott Stacey
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 9th day of August, 2022.

/s/ J. Scott Stacey