

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 6th day of
January, 2016.

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 to Sell or Transfer a Portion) File No. EO-2015-0328
of Its Franchise, Works, or System to Three Rivers, and to)
Approve the Transfer of Customers between Electric Suppliers)

ORDER GRANTING APPLICATION

Issue Date: January 6, 2016

Effective Date: February 5, 2016

The Missouri Public Service Commission is authorizing changes of supplier to certain structures, and a transfer of assets associated with serving those structures, (“transactions”) between Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Three Rivers Electric Cooperative (“Three Rivers”).

Filings

Ameren Missouri and Three Rivers (“applicants”) filed the application,¹ which Ameren Missouri later supplemented,² and amended.³ The Commission approved a notice to the applicants’ customers.⁴ The Commission’s staff (“Staff”) filed a recommendation⁵

¹ Electronic Filing and Information System (“EFIS”) No. 8 (August 25, 2015) *Application for Authority to Sell or Transfer Assets and to Transfer Customers between Electric Suppliers.*

² EFIS No. 14 (September 4, 2015) *Response to Order to Supplement Application.*

³ EFIS No. 13 (September 4, 2015) *Amendment to Application for Authority to Sell or Transfer Assets and to Transfer Customers between Electric Suppliers.*

⁴ EFIS No. 24, (October 1, 2015) *Order Approving Customer Notice.*

and the Commission received no reply to the recommendation within the time allowed by Commission regulation.⁶ The Commission received four public comments. No party or commenter asks the Commission to determine any ratemaking treatment for the transactions.

Jurisdiction and Standards

The Commission has jurisdiction over Ameren Missouri's assets:

No . . . electrical corporation . . . shall hereafter . . . dispose of . . . any part of its . . . works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the commission an order authorizing it so to do [;⁷]

and the applicants' rights to supply electricity:

Once [either applicant] lawfully commences supplying retail electric energy to a structure through permanent service facilities, it shall have the right to continue serving such structure, and other suppliers of electrical energy shall not have the right to provide service to the structure [.] The public service commission, upon application made by an affected party, may order a change of suppliers [.⁸]

The Commission determines the application in accordance with the public interest as to both assets⁹ and the right to supply electricity to a structure.¹⁰ As to the transfer of assets, the Commission will only deny the application if approval would be detrimental to the public

⁵ EFIS No. 35 (December 15, 2015), *Staff Recommendation to Approve Transfer of Assets*.

⁶ 4 CSR 240-2.080(13).

⁷ Section 393.190.1, RSMo 2000. The Commission's regulations also require the Commission's order authorizing the transfer of any asset. 4 CSR 240-3.110(1).

⁸ Sections 393.106.2 and 394.312.2, RSMo 2000.

⁹ *State ex rel. City of St. Louis v. Public Serv. Comm'n of Missouri*, 73 S.W.2d 393, 400 (Mo. 1934); and Regulation 4 CSR 240-3.110(1)(D).

¹⁰ Sections 393.106.2 and 394.312.2, RSMo 2000.

interest.¹¹ As to the change of supplier, a rate differential does not support the application.¹²

Discussion

The transactions consist of changing the suppliers to structures in the counties of Cole and Osage, and the transfer of assets used to provide service to those structures. Service to those structures is billed to 50 Ameren Missouri customers or Three Rivers members. Of those customers or members, 15 customers of Ameren Missouri will change supplier to Three Rivers, and 35 members of Three Rivers will change supplier to Ameren Missouri. Of those Three Rivers members, four are the source of the public comments on the change of supplier.

Three commenters asked for a public hearing on the change of supplier, but only one commenter set forth the result that they wanted from the public hearing, which was to learn the details of considerations that support the change of supplier. Much of that information is in Staff's recommendation.¹³ The recommendation also states that the applicants convened "a public meeting on September 15, 2015, to provide further explanation of the Application and to respond to questions and concerns of attendees."¹⁴

¹¹ State ex rel. City of St. Louis v. Public Serv. Comm'n of Missouri, 73 S.W.2d 393, 400 (Mo. 1934); and Regulation 4 CSR 240-3.110(1)(D).

¹² Sections 393.106.2 and 394.312.2, RSMo 2000.

¹³ EFIS No. 35 (December 15, 2015), *Staff Recommendation to Approve Transfer of Assets*.

¹⁴ EFIS No. 35 (December 15, 2015), *Staff Recommendation to Approve Transfer of Assets*, page 2 paragraph 3.

And, though the customer notice included instructions on how to intervene,¹⁵ the Commission received no application for intervention. No party has asked for any hearing.¹⁶

Three commenters opposed the change of supplier based on rates and service. Each of those commenters cited anticipated higher rates for residential and streetlight service, but rates will also decline for other customers and members, and the Commission is not basing its decision on any rate differential.¹⁷ One commenter also anticipated a reduced quality of service from Ameren Missouri, but much of the application's purpose is to remedy service failures by substituting more reliable facilities.¹⁸ And if Ameren Missouri's service is not safe and adequate, or Ameren Missouri's rates are not just and reasonable, customers have recourse to the Commission.

Staff's recommendation favors granting the application. Staff emphasizes that the transactions will allow each applicant to abandon inefficient and unreliable facilities in favor of facilities that will provide more efficient and reliable service to most of the structures. No party or commenter disputes that assessment. Therefore, the Commission concludes that granting the application is in the public interest and the Commission will grant the application.

¹⁵ EFIS No. 23 (October 1, 2015) *Joint Motion to Submit Notice*.

¹⁶ The Office of the Public Counsel "may represent and protect the interests of the public in" this action under Section 386.710.1(2), RSMo 2000, and is a party to this action under 4 CSR 240-2.010(10), but has elected to enter no appearance in this action.

¹⁷ Sections 393.106.2 and 394.312.2, RSMo 2000.

¹⁸ EFIS No. 35 (December 15, 2015), *Staff Recommendation to Approve Transfer of Assets*, Memorandum, page 2, and 4 to 5.

THE COMMISSION ORDERS THAT:

1. The *Application for Authority to Sell or Transfer Assets and to Transfer Customers between Electric Suppliers* is granted.
2. Union Electric Company d/b/a Ameren Missouri and Three Rivers Electric Cooperative are authorized to execute the transactions described in the body of this order.
3. This order does not determine any ratemaking treatment for the transaction.
4. This order shall become effective on February 5, 2016.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and
Coleman, CC., concur.

Jordan, Senior Regulatory Law Judge