STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 3rd day of May, 2007.

In the Matter of Union Electric Company for Permission)
and Authority to Construct, Operate, Own, and Maintain) <u>Case No. EA-2007-0319</u>
a 345-Kilovolt Line in Jefferson and Ste. Genevieve)
Counties, Missouri.)

ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Issue Date: May 3, 2007 Effective Date: May 13, 2007

On March 2, 2007, Union Electric Company, d/b/a AmerenUE, filed a verified application with the Commission requesting authority to construct, own, operate, and maintain a 1.7-mile long, 345-kilovolt transmission line in Jefferson and Ste. Genevieve Counties in Missouri. About 2,000 feet of the proposed line would be located outside of Ameren's current service territory in Ste. Genevieve County, in an area currently served by Citizens Electric Corporation and owned by Holcim (US), Inc. The remainder of the line is proposed to be located within Ameren's current certificated area.

The terminus of the line will be at a breaker station to be constructed and owned by Citizens Electric near the site of a cement plant being built and owned by Holcim. Citizens Electric, in accordance with applicable requirements of the Federal Energy Regulatory Commission and the Midwest Independent Transmission System Operator, Inc., requested construction of the proposed line to serve its customer, Holcim. Ameren

requested that the Commission issue an order granting it a certificate of convenience and necessity no later than July 1, 2007, so that sufficient time will exist to construct the line.

Ameren stated that the other certificated utilities whose facilities will be crossed by the proposed line include Citizens Electric and AT&T Missouri, Inc. Notice of the application was sent to Citizens Electric and AT&T. Neither company responded. Ameren indicated that letters from Citizens Electric and AT&T indicating a waiver of any objection to the Application would be filed at a later date.

In an order issued on March 5, 2007, the Commission gave notice and allowed interested entities the opportunity to intervene. No applications to intervene were filed. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. Since no one has asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the verified application and the Staff Recommendation which are hereby admitted into evidence.

On April 20, 2007, Staff filed a Recommendation in which it recommends that the Commission grant the application. Staff also recommends that the Commission require the waiver letters to be filed before the application is granted.

The proposed line will be constructed using fourteen steel pole structures, nine in Jefferson County and five in Ste. Genevieve County, with each structure averaging 110 feet in height and a total estimated cost of \$5.9 million. The route of the line will cross only the

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¹ State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

property owned by Ameren and by Holcim. This line is needed to meet the large energy requirement of the cement plant, estimated at 80 megawatts when the plant is in full operation. Ameren states that the construction of this line is the most economical and reliable way to provide electric service for the new cement plant, which will provide a tax base and employment in the area.

The entire cost of the construction will be borne by Citizens Electric Corporation. Ameren alleges in its Application that the project will have no impact on Ameren's provision of retail electric service or on its retail electric service cost of service for ratemaking purposes in Missouri. Staff requests that the Commission's Order should state that a determination as to the appropriate ratemaking treatment for this line should not be made at this time.

The Commission finds it is necessary and convenient for the public interest for Ameren to construct and operate the transmission line as described in the application, and shall grant a certificate of convenience and necessity. The Commission declines to direct Ameren to submit the waiver letters from AT&T and Citizens Electric since those letters are not required by the Commission's rules and both companies were given notice and an opportunity to intervene.

IT IS ORDERED THAT:

1. Union Electric Company, d/b/a AmerenUE, is granted a certificate of public convenience and necessity to construct, own, operate, and maintain a transmission line in Jefferson and Ste. Genevieve Counties as described in its application filed on March 2, 2007.

2. Nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

3. The Commission reserves the right to consider the ratemaking treatment to be afforded the expenditures and properties herein involved, and the resulting cost of capital, in any later proceeding.

4. This order shall become effective on May 13, 2007.

5. This case shall be closed after May 14, 2007.

BY THE COMMISSION

Colleen M. Dale Secretary

(SEAL)

Davis, Chm., Murray, Gaw, Clayton, and Appling, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge