

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

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

STAFF RECOMMENDATION

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to AmerenUE's Application for permission and authority to construct, own, operate and maintain a 345 kilovolt electric line and to obtain a certificate of convenience and necessity, submits this Staff Memorandum, attached hereto and incorporated herein, as Staff's position in this case.

The proposed electric line will cross only property owned by AmerenUE and Citizen's Electric Corporation with the terminus at Holcim (US) Inc., the entity to be served by the new line. The line will run 1.7 miles with only 2000 feet located outside AmerenUE's service territory in Jefferson County. The final 2000 feet in Ste. Genevieve County is served by Citizen's Electric.

There are no intervenors within the time established and a reply to Staff's recommendation is due May 2, 2007. The Staff recommends approval of the line and certificate as set forth in the attached Memorandum.

Respectfully submitted,

/s/ Steven C. Reed

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 20th day of April, 2007.

/s/ Steven C. Reed

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EA-2007-0319, Application of Union Electric Company, d/b/a
AmerenUE for Certificate of Convenience and Necessity to Construct,
Own, Operate and Maintain a 345 kilovolt Electric Transmission Line in
Jefferson and Ste. Genevieve Counties, Missouri

FROM: Daniel I. Beck, Energy Department – Engineering Analysis

<u>/s/ Lena M. Mantle 04/20/07</u> Energy Department / Date	<u>/s/ Steven C. Reed 04/20/07</u> General Counsel's Office / Date
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SUBJECT: Staff Recommendation

DATE: April 20, 2007

OVERVIEW

On March 2, 2007, Union Electric Company, d/b/a AmerenUE (AmerenUE) filed an Application with the Missouri Public Service Commission (Commission) seeking approval of a Certificate of Convenience and Necessity (CCN) to construct own, operate and maintain a 345 kilovolt (kV) electric line in parts of Jefferson County and Ste. Genevieve County in Missouri.

On March 5, 2007, an Order Directing Notice, Setting Intervention Date, and Directing Filing was issued in Case No. EA-2007-0319 that assigned an intervention period. No party intervened in this case. In addition, the Order directed Staff to file its Recommendation in this matter no later than April 20, 2007.

The electric line that is the subject of the Application is a 345 kV line, which is typically considered a transmission voltage, and will be approximately 1.7 miles in length. The proposed line will begin at AmerenUE's Rush Island Generating Plant's 345 kV switchyard located in Jefferson County and extend in a southerly direction to a breaker box near the cement plant which is being built and is owned by Holcim (US) Inc. Approximately 1.3 miles of the line will be located on AmerenUE's existing property and

the remainder will be located on property owned by Holcim (US) Inc. which is in Ste. Genevieve County and is part of Citizens Electric Corporation's service territory.

The Application explains 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 Application also explains that 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. AmerenUE maintains that the construction of this line is the most economical and reliable way to provide electric service for the new cement plant, which in turn promotes the economics of the new plant and its ability to provide a tax base and employment in the area in which the plant will be located.

The Application also includes a Connection Construction Agreement between Citizens Electric Corporation and Ameren Services Co., an agent for AmerenUE. Ultimately, the Application contemplates a separate Connection Agreement between Citizens Electric Corporation, AmerenUE (or its agent) and Midwest Independent Transmission System Operator, Inc. (MISO). The Application also states that the entire cost will be borne by Citizens Electric Corporation and will have no impact on AmerenUE's provision of retail electric service or on its retail electric service cost of service for ratemaking purposes in Missouri. Staff would note that the Connection Construction Agreement that is referred to as Exhibit 1 in this Application includes a provision that allows Citizens to terminate the agreement if an umbrella agreement between Citizens and Holcim is not reached.

STAFF RECOMMENDATION

The Staff recommends that the Commission approve the Application for a Certificate of Convenience and Necessity (CCN) to construct, own, operate and maintain a 345 kV electric line in parts of Jefferson County and Ste. Genevieve County in Missouri.

However, in paragraph 9 of the Application it states “Copies of letters from the above-non-AmerenUE companies waiving objection to the proposed construction shall be submitted separately in the near future.” Although the 4 CSR 240-3.105(1)(B)1. only requires that a list of all electric and telephone lines be provided with the Application and it is Staff’s understanding that these other electric and telephone utilities do not object to this line, the Commission should require that these letters be filed prior to granting the CCN as promised in the Application.

In addition, although AmerenUE discusses its view of the ratemaking impacts of this Application, the Commission’s Order should state that a determination as to the appropriate ratemaking treatment for this line will not be made at this time.

The Application, filed pursuant to Section 393.170 RSMo. 2000, 4 CSR 240-2.060 and 4 CSR 240-3.105, never specifically refers to the line as a transmission line; however, the voltage of the line, the possible involvement of the MISO and the reference to 4 CSR 240-3.105 all support the contention that this is a transmission line. 4 CSR 240-3.105 refers to applications for service areas in section (1)(A) and electric transmission lines or electric production facilities in (1)(B). A CCN is necessary because a portion of the proposed route is outside of AmerenUE’s certificated service area. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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OF THE STATE OF MISSOURI**

Application of Union Electric Company)
for Permission and Authority to)
Construct, Operate, Own and Maintain a)
345 kilovolt Transmission Line in)
Jefferson and Ste. Genevieve Counties,)
Missouri)

Case No. EA-2007-0319

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Daniel I. Beck, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Daniel I. Beck

Subscribed and sworn to before me this 20th day of April, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #08942086



Notary Public

My commission expires 9-21-10