

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

In the Matter of the Joint Application of Union)
Electric Company d/b/a Ameren Missouri for)
Order Approving a Letter Agreement) **Case No. EO-2021-0401**
Allowing the Transfer of Certain Electric)
Customers to the Board of Municipal Utilities)
of the City of Sikeston, Missouri)

STAFF’S SUPPLEMENTAL RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Supplemental Recommendation*, advises the Commission that, having reviewed the *Joint Application* and the proposed *Territorial Agreement*, and noting that the Joint Applicants have now complied with all pertinent statutes and regulations, Staff is of the opinion that the *Joint Application* and attached *Territorial Agreement* are not detrimental to the public interest and should therefore be **APPROVED**, all as discussed in detail in the attached *Staff Memorandum*.

WHEREFORE, Staff recommends that the Commission **APPROVE** the *Joint Application* and attached *Territorial Agreement*; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Kevin A. Thompson
KEVIN A. THOMPSON
Missouri Bar Number 36288
Chief Staff Counsel

Missouri Public Service Commission
Post Office Box 360
Jefferson City, MO 65109
(573) 353-1512 Voice

Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing was served electronically, or by First Class United States Mail, postage prepaid, upon the parties herein according to the Service List maintained by the Commission's Data Center, **on this 3rd day of November, 2021.**

/s/ Kevin A. Thompson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2021-0401 – In the Matter of the Application of
Union Electric Company d/b/a Ameren Missouri For An Order Approving
a Letter Agreement Allowing the Transfer of Certain Electric Customers to
the Board of Municipal Utilities of the City of Sikeston, Missouri

FROM: Alan J. Bax – Engineering Analysis

Claire M. Eubanks, PE 11-03-2021 Kevin A. Thompson 11-03-2021
Manager - Engineering Analysis / Date Staff Counsel’s Office / Date

SUBJECT: Staff Memorandum Recommending Approval of Joint Application

DATE: November 3, 2021

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the Joint Submission of Territorial Agreement (“Joint Application”) of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and the Board of Municipal Utilities of the City of Sikeston, Missouri (“BMU”), collectively referenced as the Joint Applicants (“Joint Applicants”). Ameren Missouri and BMU request approval of their Joint Application that transfers a small area of Ameren Missouri’s certified service territory that lies entirely within the corporate limits of the City of Sikeston, Missouri, along with a small number of certain electric customers, to BMU, finding that the transaction is not detrimental to the public interest, pursuant to Sections 91.02, 394.312 and 416.041 RSMo. 2016, 20 CSR 4240-2.060, and 20 CSR 4240-3.130.

OVERVIEW

On May 19, 2021, the Joint Applicants filed a *Request for Waiver and Joint Application for Approval of Letter Agreement Regarding Transfer of Customers*

(“Letter Agreement”) seeking a Waiver from the 60-day filing requirement contained in 20 CSR 4240-4.017 and requesting approval to transfer six customer accounts from Ameren Missouri to BMU. The Joint Applicants had entered into a contractual agreement in 1996 that enabled Ameren Missouri to utilize BMU facilities to serve a number of its customers within a small area that lies in Section 12-Township 26N-Range 13W inside the city limits of Sikeston, Missouri. Ameren Missouri only supplies the meter associated with its service that is provided to this set of customers. Joint Applicants assert that the transfer of these customers to BMU is not detrimental to the public interest because it removes Ameren Missouri as an intermediary and allows these customers to have a direct relationship with BMU, which reduces the level of confusion realized by these particular customers when experiencing various service-related issues.

On May 20, 2021, the Commission issued an *Order Directing Notice and a Staff Recommendation* in which the Commission directed its Data Center to send a copy of this Letter Agreement to the six customers identified in Appendix A attached to said Letter Agreement. The Commission also directed Staff to file a recommendation by July 23, 2021.

In conducting an analysis and initial discovery, Staff contacted Ameren Missouri and informed them of the necessity for the Joint Applicants to enter into and file a Territorial Agreement in which distinct service areas would be clearly identified. However, having received no updated filing from the Joint Applicants that included a territorial agreement, despite three extension requests to provide time for submission of such document, Staff filed a motion to dismiss on October 6, 2021, recommending that Joint Applicants could refile upon completing such territorial agreement. Consequently,

later on October 6, 2021, Joint Applicants did update this case docket with the filing that included their Joint Application, but without the associated fee required by 20 CSR 4240 3.130 (3). On October 14, 2021, the Commission issued its *Order Directing Filing* in which it directed Staff to file its recommendation by October 27, 2021, or a pleading that specified a date its recommendation would be provided.

On October 27, 2021, Staff filed a recommendation to dismiss the Joint Application as the Joint Applicants had yet to remit the required \$500 payment per 20 CSR 4240-3.130 (3). Later that same day, Ameren Missouri filed a Response in which it apologized for not submitting said fee earlier and that the \$500 fee would arrive sometime next week. This required \$500 fee was received on Monday, November 1, 2021.

BMU is a municipally-owned electric system organized in part under Chapter 91, RSMo., and authorized to provide service to its customers that lie within the city limits of Sikeston, Missouri. Although the Commission has limited jurisdiction over municipal electric systems, BMU is subject to the jurisdiction of the Commission in this case under Section 394.312, RSMo. 2016.¹

BMU is not required to file annual reports or pay assessment fees. Further, Staff is not aware of any pending or final unsatisfied judgments against BMU from any state or federal court involving customer service or rates within three years of the date of this filing.

Ameren Missouri is an electrical corporation subject to the jurisdiction of the Commission as specified, in part, by Chapters 386 and 393, RSMo. 2016.

¹ Section 394.312.4 states, in relevant part, that "...before becoming effective, all territorial agreements entered into under the provisions of this section, including any subsequent amendments to such agreements, or the transfer or assignment of the agreement or any rights or obligations of any party to an agreement, shall receive the approval of the public service commission by report and order..."

Ameren Missouri is authorized to provide electricity around the area that is the subject of this Joint Application.

Ameren Missouri is current on all assessment fees and annual report filings. The 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 decisions 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.

DISCUSSION

Joint Applicants entered into an “agreement”² in 1996 that enabled Ameren Missouri to serve a group of customers utilizing BMU facilities. Schedule ajb-1, attached to this Staff Recommendation, depicts the area entirely in the city limits of Sikeston, Missouri, in Section 12-Township 26N-Range 13W. In this arrangement, Ameren Missouri only supplied the meter associated with its service and paid BMU for providing the associated electricity per the terms of this 1996 agreement. The Joint Applicants assert that the 1996 agreement is outdated and customers’ level of confusion persisted on who to contact upon experiencing service problems. Moreover, transferring these customers to BMU would facilitate a traditional utility experience for these customers with their electric service provider.

The 1996 agreement did not just become outdated in May 2021; it was already outdated in 2019 and 2020 when Ameren Missouri added customers in this area. Following the addition of a new customer in April 2021, less than a month later, the Joint Applicants

² Staff was unable to verify that the 1996 “agreement” had been approved by the Commission.

requested that the Commission approve their Letter Agreement that would transfer the remaining six customers being served by Ameren Missouri via this 1996 agreement to BMU.

In its Response to Staff Data Request No. 1, Ameren Missouri noted the six customers listed in the initial filing of said Letter Agreement in May 2021 were indeed the last remaining customers receiving service from Ameren Missouri via this 1996 agreement. All other Ameren Missouri customers in this area whose electric service was established using the terms of this 1996 agreement have become inactive through attrition.

Since there was an “agreement” that facilitated Ameren Missouri’s unique provision of electric service to this pocket of customers, Staff ascertained that it would then be necessary to file a territorial agreement as this pocket of customers was located entirely within the city limits of Sikeston, Missouri. Although it reportedly concurred with Staff’s assessment that a territorial agreement was a better method in pursuing a transfer of these customers from Ameren Missouri to BMU in the current situation, the Joint Applicants nonetheless procrastinated in filing this Joint Application until October 2021. Furthermore, they delayed the remittance of the fee of \$500 required to be submitted when filing a territorial agreement per 20 CSR 4240-3.130 (3) until November 1, 2021.

Staff agrees that the 1996 agreement Ameren Missouri has used in establishing electric service to this pocket of customers is outdated and that these customers would be more beneficially served by BMU, experiencing a reduced level of anxiety regarding whom to contact concerning service issues. Commission approval of the Joint Application should ensure that no other customers will be served by Ameren Missouri in this associated area

via the 1996 agreement. Terms of the Territorial Agreement stipulate that both Ameren Missouri and BMU will make best efforts to limit any power fluctuations, momentaries, or outages in transferring these customers to BMU. Staff would note that SEMO Electric Cooperative, headquartered in Sikeston, Missouri, is also an electric service provider in Scott County, Missouri but is not affected by the Joint Application and does not serve anyone in the area identified in the Joint Application.

Staff recommends the Commission note that no ratemaking determinations are being made. The Staff also recommends that the Commission order Ameren Missouri to revise its tariff to reflect the terms of this Joint Application in its authorized service territory. The exemplary revised tariff provided with the Joint Application does not reflect the associated case number.

The Joint Application is meant to be enforced in perpetuity. However, Section 9 of the Territorial Agreement does provide the procedure should either of the Joint Applicants desire to terminate this Territorial Agreement in the future.

CONCLUSION

For the reasons stated above, Staff recommends the Commission approve the Joint Application, finding that this Territorial Agreement between Ameren and BMU, filed with the Commission on October 6, 2021, is not detrimental to the public interest, pursuant to Sections 91.02, 394.312 and 416.041 RSMo, 2016, 20 CSR 4240-2.060, and 20 CSR 4240-3.130. The Joint Application will enable six existing Ameren Missouri customers, located in Section 12-Township 26N-Range13W, in an area entirely within the city limits of Sikeston, MO, to be transferred to BMU. The legal description of the area to be transferred from Ameren Missouri to BMU, in addition to a listing of these six customers,

is included in the Territorial Agreement attached as Appendix A to the Joint Application. Transferring these customers to BMU will enable these six customers to establish a traditional relationship with their electric service provider, ensuring these customers know with certainty who to contact upon experiencing any service-related issues.

Staff recommends that the Commission state that no rate making determinations are being made in this case. In addition, Staff recommends the Commission order Ameren Missouri to issue a tariff revision reflecting the changes in its certificated area as specified in the Territorial Agreement.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI


In the Matter of the Joint Application of)
Union Electric Company, d/b/a Ameren)
Missouri for Order Approving a Letter) File No. EO-2021-0401
Agreement Allowing the Transfer of)
Certain Electric Customers to the Board of)
Municipal Utilities of the City of Sikeston,)
Missouri)

AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ALAN J. BAX, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff's Supplemental Recommendation*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

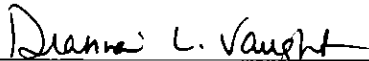


ALAN J. BAX

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 3rd day of November, 2021.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377



Notary Public