

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

In the Matter of the Application of Macon Electric)	
Cooperative and Union Electric Company, d/b/a)	Case No. EO-2006-0096
AmerenUE for Approval of Case-By-Case Addendum)	
No. 1 to a Written Territorial Agreement)	

STAFF RECOMMENDATION

Comes now the Staff of the Missouri Public Service Commission (Staff) and files its recommendation (Appendix A) that the Missouri Public Service Commission (Commission) should approve the Case-By-Case Addendum No. 1 to the Territorial Agreement of Macon Electric Cooperative (Macon) and Union Electric Company, d/b/a AmerenUE (AmerenUE) filed on August 30, 2005. Pursuant to Section 394.312 RSMo 2000 and 4 CSR 240-3.130, the Staff has determined that the Case-By-Case Addendum No. 1 respecting the provision of electricity service by Macon Electric Cooperative to structures not previously receiving electricity service from AmerenUE is in the public interest.

Wherefore the Staff submits its attached recommendation that the Commission should approve the Case-By-Case Addendum No. 1 to the Territorial Agreement of Macon Electric Cooperative and Union Electric Company, d/b/a AmerenUE.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/Steven Dottheim
Steven Dottheim
Chief Deputy General Counsel
Missouri Bar No. 29149

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7489 (Telephone)
(573) 751-9285 (Fax)
e-mail: steve.dottheim@psc.mo.gov

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 13th day of October 2005.

/s/ Steven Dottheim

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2006-0096, Joint Application of the Union Electric Company d/b/a AmerenUE and Macon Electric Cooperative for Approval of a Notice of Addendum to the Approved Territorial Agreement Designating Service for Structures Located in Linn County, Missouri

FROM: Alan J. Bax, Energy Department – Engineering Analysis

<u>/s/ Lena Mantle 10/13/05</u> Energy Department / Date	<u>/s/ Steven Dottheim 10/13/05</u> General Counsel's Office / Date
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SUBJECT: Staff Recommendation

DATE: October 13, 2005

OVERVIEW

On August 30, 2005, Union Electric Company d/b/a AmerenUE (AmerenUE) and Macon Electric Cooperative (Macon), referred to collectively as the “Applicants”, filed a Notice of Addendum To Approved Territorial Agreement (Notice of Addendum) with the Missouri Public Service Commission (Commission) seeking approval of the Case-By-Case Addendum No. 1 to the Applicants’ Territorial Agreement for Macon to provide permanent service to structures not previously receiving electricity, a grain bin, three barns and a possible future residential home, all on property owned by Mr. Gerald Morris. This property is located on Jewel Road outside of Brookfield, Missouri (Township 58 North, Range 19 West, Section 22 Southwest Corner, Linn County, Missouri). The Notice of Addendum was filed per the terms contained in Section 8 (Addendum Procedure) of the Territorial Agreement, which was filed by the Applicants with the Commission in July 1996 (Case No. EO-97-6) and approved by the Commission on October 29, 1996. This agreed to and approved addendum procedure includes filing

the present Notice of Addendum using the original case number of the Territorial Agreement.

On September 2, 2005, an Order was issued in Case No. EO-2006-0096 that assigned an intervention period and stated that the Staff of the Missouri Public Service Commission (Staff) and/or the Office of the Public Council (OPC) have 45 days to respond to this Notice of Addendum as provided in the terms of Section 8 of the aforementioned Territorial Agreement.

DISCUSSION

Included in the Notice of Addendum was a map that depicted the general area that encompassed the specific structures on the property of Gerald Morris that is the subject of the filing. This map is attached to this memo as Exhibit 1. The relative location of both AmerenUE's and Macon's existing facilities in the area, in relation to Mr. Morris's property, is shown as well as an illustration of the boundary that separates the exclusive service territory of each Applicant as approved in the aforementioned Territorial Agreement. Should AmerenUE provide electric service to this property, an approximate 5,500 foot (1.2 mile) extension would be necessary, including crossing a nearby creek, as illustrated on the map.

The Staff visited the property in question on September 21, 2005. A line extension was in progress that would allow Macon to provide temporary service to this property as alluded to in the Notice of Addendum and attached Case-By-Case Addendum No. 1. This temporary service will be provided in accordance with Section 8 of the approved Territorial Agreement and will comply with Section 393.106 RSMo 2000. The extension was being constructed along the south side of Jewell Road, heading east

approximately a half mile. The conductor will then cross back to the north side of Jewell Road and be connected to Macon's existing infrastructure as depicted on the map attached as Exhibit No. 1. This extension is just over a half mile in length, less than half the distance of what would be AmerenUE's extension and without the otherwise necessary creek crossing. The Applicants agree that it is in the public interest to avoid the otherwise duplication of facilities and minimize expense to Mr. Morris by seeking Commission approval of allowing Macon to be the electric service provider to this property as described in the Notice of Addendum and Case-By-Case Addendum No. 1.

STAFF RECOMMENDATION

The Staff recommends that the Commission approve the Case-By-Case Addendum No. 1 to the Territorial Agreement as being in the public interest. As pointed out in the Notice of Addendum, this property is geographically located in AmerenUE's exclusive service territory as approved in the Applicants' Territorial Agreement. However, AmerenUE would have to extend its facilities nearly 1.2 miles and cross a nearby creek in order to provide electric service to Mr. Morris's property. Macon, on the other hand, could provide an extension from facilities just over a half-mile away, at a considerable cost savings to Mr. Morris. Macon is now providing temporary service to this property as depicted in Exhibit No. 1. Approval of the present Case-By-Case Addendum No. 1 will in no way effect the terms and conditions of the Territorial Agreement as approved by the Commission on October 29, 1996.

Given Macon is a rural electric cooperative, the Commission does not require annual reports or assessment fees. Further, Macon does not have pending or final

unsatisfied decisions against it from any state or federal court involving customer service or rates within three years of the date of filing this Notice of Addendum.

AmerenUE is current on its required annual report filings and assessment fees. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing; however, the following electric cases involving AmerenUE are open:

1. EC-2002-1 – Overearnings Complaint
2. EC-2005-0398 – Damon Anderson vs. AmerenUE
3. EC-2006-0002 – John Jackson vs. AmerenUE
4. EE-2005-0486 – Grand View Towers Meter Variance
5. EE-2006-0124 – Kingsbury Terrace Meter Variance
6. EO-2006-0098 – Callaway Decommissioning Trust Fund Changes
7. EO-2006-0145 – Girardeau Stevedores – Change of Electric Provider
8. EW-2004-0583 – Tree Trimming Investigation/Storm Report