

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Union Electric)
Company and Lewis County Rural Electric Cooperative)
Association for an Order Approving the Change in Electric)
Supplier for Reasons in the Public Interest and Authorizing) **Case No. EO-2007-0104**
the Sale, Transfer, and Assignment of Certain Electric)
Distribution Facilities and Easements from Union Electric)
Company to Lewis County Rural Electric Cooperative)
Association.)

ORDER GRANTING CHANGE OF ELECTRIC SERVICE SUPPLIER **AND TRANSFER OF ASSETS**

Issue Date: November 8, 2006

Effective Date: November 18, 2006

Syllabus: This order grants a change of electric service supplier for certain structures in Wakonda State Park from Union Electric Company, d/b/a AmerenUE (“AmerenUE”) to Lewis County Rural Electric Cooperative Association (“the Cooperative”) and authorizes the sale, transfer, and assignment of certain electric distribution facilities and easements from AmerenUE to the Cooperative.

On September 15, 2006, AmerenUE and the Cooperative filed a joint application asking the Missouri Public Service Commission for an order: (1) approving a change of electric service provider for certain structures in Wakonda State Park (“the Park”), which is located in Lewis County, Missouri, from AmerenUE to the Cooperative; and (2) authorizing the sale, transfer, and assignment of certain electric distribution facilities and easements from AmerenUE to the Cooperative.

The Park is currently located in the service territory of the Cooperative as defined by the territorial agreement between AmerenUE and the Cooperative approved by the Commission in Case No. EO-2000-0630 (the Territorial Agreement). However, since existing structures in the Park were served by AmerenUE prior to the Territorial Agreement, AmerenUE continued to serve its existing customers in the Park. The Missouri Department of Natural Resources (“DNR”) now seeks to add new facilities in the Park which would be served by the Cooperative under the Territorial Agreement.

AmerenUE and the Cooperative propose to make the Cooperative the supplier for both the existing structures and any new structures in the Park. They also purpose that AmerenUE sell to the Cooperative the part of the distribution system that is located in the Park, but maintain possession of the transformers and revenue meters. The Applicants identify several benefits that would result from this including avoiding duplicative facilities, cost savings by the Cooperative from reusing part of the distribution system it would purchase from AmerenUE, having a single supplier to the park which would reduce confusion during an emergency, and possible improvements in reliability of service to the Park since it is currently radially fed but will be integrated into the Cooperative’s system.

On October 20, 2006, the Staff of the Missouri Public Service Commission filed its recommendation. Staff stated that in its opinion the request for a change in supplier was in the public interest for a reason other than a rate differential. Staff recommended that the Commission approve the request for a change in supplier. Staff also recommended that the Commission authorize the proposed sale, transfer and assignment of distribution facilities and easements. However, Staff recommended that the Commission explicitly state it was making no determination as to ratemaking treatment at this time.

Section 393.106, RSMo 2000, gives the Commission authority to order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential. The Commission has reviewed the Joint Application and Staff's verified recommendation, which are hereby admitted into evidence. The Commission finds that the proposed change of supplier will allow the Cooperative to serve both existing and future structures in the area, and allow AmerenUE to remove service in an area where it cannot serve any additional structures. Also, the DNR consents to the change. The Commission finds that the change of supplier is in the public interest for a reason other than a rate differential. Therefore, the Commission shall grant the application.

Section 393.190.1 RSMo 2000, requires a public utility to obtain Commission authorization prior to the sale or transfer of any of its assets that are "necessary or useful in the performance of its duties to the public." Once the application for a change of supplier is approved, the assets in question will no longer be of value to AmerenUE in the provision of service to its customers. Accordingly, the Commission will authorize the proposed transfer of assets, but will decline to make any determination as to appropriate ratemaking treatment at this time.

IT IS ORDERED THAT:

1. The Joint Application for a change of electric supplier for certain structures in Wakonda State Park, Lewis County, Missouri, from Union Electric Company, d/b/a AmerenUE to Lewis County Rural Electric Cooperative Association is granted.
2. The Joint Application for authorization to sell, transfer, and assign certain electric distribution facilities and easements from Union Electric Company, d/b/a AmerenUE to Lewis County Rural Electric Cooperative Association is granted.

3. This order shall become effective on November 18, 2006.
4. This case will close on November 19, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Cherlyn D. Voss, Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 8th day of November, 2006.