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January 7, 2002

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³

JAN 07 2002

RE: Case No. EM-2001-695

Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **NONUNANIMOUS STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Robert V. Franson
Associate General Counsel
(573) 751-6651
(573) 751-9285 (Fax)
rfranson@mail.state.mo.us

RVF:ccl
Enclosure
cc: Counsel of Record

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

FILED³

JAN 07 2002

**Missouri Public
Service Commission**

In the Matter of the Joint Application of)
Union Electric Company and Lewis)
County Rural Electric Cooperative for an)
Order Approving the Change in Electric)
Supplier for Reasons in the Public Interest)
and Authorizing the Sale, Transfer, and)
Assignment of Certain Electric)
Distribution Facilities, Easements and)
other Rights Generally from Union)
Electric Company to Lewis County Rural)
Electric Cooperative)

Case No. EM-2001-695

NONUNANIMOUS STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a AmerenUE ("Company"), the Lewis County Rural Electric Cooperative ("Cooperative") (Collectively, "Applicants"), and the Staff of the Missouri Public Service Commission ("Staff") (hereinafter the "Parties") and for their Nonunanimous Stipulation and Agreement ("Stipulation and Agreement"), respectfully state as follows:

I. PROCEDURAL HISTORY

1. On June 15, 2001, Union Electric Company d/b/a AmerenUE and the Lewis County Rural Electric Cooperative filed a Joint Application (the "Joint Application"), requesting that the Missouri Public Service Commission ("Commission") issue an Order pursuant to Sections 393.106 and 393.190 RSMo. 2000: (1) authorizing Company to sell, transfer, and assign to Cooperative certain 34.5 kV and 12 kV distribution facilities, related secondary and service

facilities, and easements ("the Assets"), as more particularly described in the Exchange Agreement for Purchase and Sales of Distribution Facilities and Customer Exchange, (hereinafter "Exchange Agreement"); (2) approving a change in electric supplier for approximately 550 structures in and around the Cities of Durham, Maywood, Novelty, Monticello, Medill, Arbela, and Granger from Company to Cooperative; (3) authorizing Company to perform in accordance with the terms of the Exchange Agreement, and to enter into and execute all other documents reasonably necessary and incidental to the performance of the transactions which are the subject of the Exchange Agreement and this Joint Application; and (4) granting such other relief as deemed necessary to accomplish the purposes of this Joint Application and to consummate the sale, transfer and assignment of the Assets and related transactions.

2. On July 6, 2001, the Commission issued an Order Directing Notice that directed Company to provide additional customer notice for this case to the customers listed in Exhibit A of the Joint Application and set the intervention date for interested entities. Applications for intervention were to be filed no later than August 21, 2001. As of this date of this filing, no entities have filed for intervention.

3. In cooperation with Staff and the Office of the Public Counsel, Applicants developed a written notice providing the case number and the necessary contact information to any customer who wished to contact either the Commission's General Counsel or the Office of the Public Counsel regarding this case. Company mailed said written notice to each customer listed in Exhibit A to the Joint Application on or about August 2, 2001.

4. On September 21, 2001, the Commission issued an order setting a prehearing conference for September 28, 2001, and requiring the filing of a procedural schedule. At the

prehearing conference Staff, the Office of the Public Counsel, Company and Cooperative agreed to a partial procedural schedule, which among other things set an evidentiary hearing on the Joint Application for March 1, 2002, at 10:00 A.M. The Parties also requested additional time to negotiate and file a Joint Stipulation and Agreement to resolve the issues presented and a later filing for a detailed and complete procedural schedule if a negotiated settlement was not achieved. The Parties filed a joint proposed partial procedural schedule to that effect on October 4, 2001. This schedule did not require any additional public hearings.

5. On October 25, 2001, the Commission ordered the Parties to file any agreed upon Stipulation and Agreement no later than November 9, 2001. If no Stipulation and Agreement was reached, then the Commission ordered the Parties to file a complete and detailed procedural schedule not later than November 16, 2001, said procedural schedule to provide for a hearing no later than March 1, 2002.

6. Applicants and Staff, having reviewed the Joint Application and associated Exchange Agreement and having considered the position of the Parties and the issues to be resolved in this case, have entered into this Stipulation and Agreement.

II. THE PARTIES HAVE REACHED THE FOLLOWING STIPULATIONS AND AGREEMENTS:

7. The Company, Cooperative and the Commission Staff assert and, in consideration of the promises and covenants herein contained, state that the Exchange Agreement between Company and Cooperative is in the public interest and therefore should be approved.

8. The Commission Staff, Company, and Cooperative further assert and state that the sale, transfer and assignment of Assets between Company and Cooperative pursuant to

Section 393.190 RSMo 2000 is not detrimental to the public interest and therefore should be approved.

9. The Commission Staff, Company and Cooperative further assert and state that the change in electric supplier for approximately 550 structures in and around the Cities of Durham, Maywood, Novelty, Monticello, Medill, Arbela, and Granger from Company to Cooperative pursuant to Section 393.106.2 RSMo 2000 is in the public interest for a reason other than rate differential and therefore should be approved.

III. GENERAL MATTERS

10. This Stipulation and Agreement has resulted from extensive negotiations among the Parties and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other proceedings.

11. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to §536.080 RSMo. 2000; to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 2000; their respective rights to seek rehearing pursuant to §386.500 RSMo. 2000; and their respective rights to seek judicial review pursuant to §386.510 RSMo. 2000. Notwithstanding the foregoing, each Party may present oral testimony at the evidentiary hearing supporting the fact that the Exchange Agreement and the parts thereof as

set out in paragraphs 7, 8 and 9 of this Stipulation and Agreement are in the public interest. The Parties agree to cooperate with each other in presenting for approval to the Commission this Stipulation and Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

12. Staff has reviewed the Joint Application, investigated the electrical facilities of each utility serving the area where customers are subject to a change of supplier and conducted a field inspection. Staff supports this application and is of the opinion that approval of the change of electric supplier is in the public interest. The customers affected by this change of electric supplier from Company to the Cooperative are within the electric service territory of the Cooperative, pursuant to the Territorial Agreement approved in Case No. EO-2000-630. This area was determined in order to allow the Cooperative to utilize its existing facilities more efficiently. The change of electric supplier will reduce duplication and allow each utility to plan for the long-range needs of the exclusive territories.

13. The Staff shall file suggestions or a memorandum in support of this Stipulation and Agreement, and the other Parties shall have the right to file responsive suggestions or prepared testimony.

14. The Staff shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to

matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

15. This Stipulation and Agreement shall be binding upon the successors and assigns of Company and Cooperative.

16. None of the Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying the Stipulation and Agreement. Further, the Parties agree that each party reserves any and all arguments before the Commission about the ratemaking treatment to be afforded this transaction in any ratemaking proceeding.

WHEREFORE the Parties respectfully request the Commission to issue its Order:

A. Authorizing Company to sell, transfer and assign to Cooperative the Assets, as more particularly described in the Exchange Agreement,

B. Approving a change in electric supplier for approximately 550 structures in and around the Cities of Durham, Maywood, Novelty, Monticello, Medill, Arbela, and Granger from Company to Cooperative,

C. Authorizing Company to perform in accordance with the terms of the Exchange Agreement, and to enter into and execute all other documents reasonably necessary and incidental to the performance of the transactions, which are the subject of Exchange Agreement and this Joint Application,

D. Granting such other relief as deemed necessary to accomplish the purposes of this Joint Application and to consummate the sale, transfer and assignment of the Assets and related transactions.

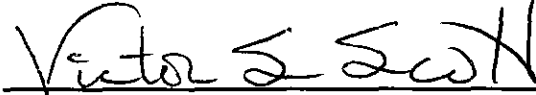
E. Approving all of the terms of this Stipulation and Agreement.

Respectfully submitted,

DANA K. JOYCE
General Counsel



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**ATTORNEY'S FOR LEWIS COUNTY
RURAL ELECTRIC COOPERATIVE**



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**ATTORNEY FOR UNION ELECTRIC
COMPANY d/b/a AmerenUE**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 7th day of January 2002.

Robert V. Trammell

Service List for
Case No. EM-2001-695
Verified: January 7, 2002 (ccl)

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