

**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, and Consolidated)
Electric Cooperative for an Order Approving an)
Addendum to a Territorial Agreement Regarding)
Service to Customers in Audrain County, Missouri)

File No. EO-2024-0144

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), and submits its recommendation that the Missouri Public Service Commission (“Commission”) approve the Joint Application of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Consolidated Electric Cooperative (“CEC”)¹, requesting approval of their Addendum No. 1 to their Territorial Agreement. The Joint Applicants also requested a variance per 20 CSR 4240-4.017(1)(D) and expedited treatment per 20 CSR 4240-2.080(14). Staff recommends that the Commission find that the transaction is not detrimental to the public interest, pursuant to Sections 394.312 and 416.041, RSMO 2021, as well as 20 CSR 4240-2.060 and 20 CSR 4240-3.130. Staff recommends a waiver of 20 CSR 4240-4.017(1)(D) and approval of the addendum.

Addendum No. 1 will make CEC the exclusive electric service provider for two new structures being built in Audrain County, Missouri. The first is a single-family home at 11370 Audrain Road 929, Mexico Missouri. The second is also a single-family home at 19570 State Highway FF, Mexico, Missouri. These two properties now lie within the exclusive service territory of Ameren Missouri per the terms of the current territorial agreement. However, CEC has existing facilities currently routed on the two parcels that

¹Ameren Missouri and CEC may be referred to together as “joint applicants.”

have capacity to provide the requested service to the two new structures. The CEC facilities are closer to the two new structures than Ameren Missouri's existing service lines. Additionally, if Ameren Missouri were to extend service to the structures, Ameren Missouri would not only be duplicating facilities, but would have to be adjacent to CEC's existing facilities to do so; and would require extensive new over line construction at a significant cost to the homeowners at the two new structures. CEC and Ameren Missouri are in agreement on these points. Their joint request states that they have agreed that CEC may begin providing temporary service to the customers upon the filing of the joint application. To provide legal validation of the existing facts on the ground and greater assurance to the all parties that the temporary service can remain permanent, the parties have asked for expedited approval of Addendum 1 to their territorial agreement.

Staff is filing its Official Case File Memorandum with this recommendation. It fully sets out Staff's investigation, findings and recommendations. To summarize succinctly: Section 9 of the current territorial agreement, entitled "case-by-case exception procedure," contains protocols for the above-described situation. Their purpose is to prevent unnecessary facilities duplication in the areas subject to the territorial agreement, with resulting cost savings, increased economic efficiencies and enhanced public safety. Making CEC the electric service provider for the property is consistent with those purposes.

Section 394.312.5, RSMo, provides that the Commission may approve an application if it determines that approval of the territorial agreement in total is not detrimental to the public interest. Based on its investigations and findings,

Staff recommends that the Commission find that the proposed amendment is not detrimental to the public interest. Staff recommends that the Commission approve the application. The application, Appendices 3 and 4, contains the verified declarations requisite for waiver of 20 CSR 4240-4.017(1)(D). Staff recommends waiver of the 60-day notice rule. Staff further recommends that the Commission note that no ratemaking determinations are being made as a part of its report and order Ameren Missouri to file revised tariffs that reflect the corresponding change in its certificated electric service area in Audrain County, Missouri.

WHEREFORE, Staff respectfully submits this recommendation in compliance with the Commission's orders.

Respectfully Submitted,

/s/ Paul T. Graham #30416

Senior Staff Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Mo 65102-0360
(573) 522-8459
Paul.graham@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

The undersigned by his signature below certifies that the foregoing pleading was served upon all counsel of record on this November 29 2023, by electronic filing in EFIS, electronic mail, hand-delivery, or U.S. postage prepaid.

/s/ Paul T. Graham

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2024-0144, In the Matter of the Joint Application of
Union Electric Company d/b/a Ameren Missouri and Consolidated
Electric Cooperative for an Order Approving an Addendum to a
Territorial Agreement Regarding Service to Customers in Audrain County,
Missouri

FROM: Alan J. Bax – Associate Engineer, Engineering Analysis Department

/s/ Alan J. Bax 11/29/2023
Engineering Analysis Department / Date

SUBJECT: Staff Memorandum Recommending Approval of Application

DATE: November 29, 2023

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the Joint Application of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Consolidated Electric Cooperative (“CEC”), collectively referred to as the Joint Applicants (“Joint Applicants”), requesting approval of the Joint Applicants’ First Addendum to their Territorial Agreement (“Addendum No. 1”), finding the transaction is not detrimental to the public interest, pursuant to Sections 394.312 and 416.041 RSMo 2021. The filing contains the necessary requirements specified in 20 CSR 4240-2.060 and 20 CSR 4240-3.130.

OVERVIEW

On October 27, 2023, Ameren Missouri and CEC filed their Joint Application with the Commission requesting approval of Addendum No. 1 that would allow CEC to be the exclusive electric service provider to two new structures indicated to being built in Audrain County, Missouri. As depicted on Schedule AJB-1, the first structure is a single-family home constructed at 11370 Audrain Road 929, Mexico, Missouri, which is located in the NW $\frac{1}{4}$ of Section-28, Township-51 North, Range-09 West (“Location No. 1”). The second structure is a single-family home being constructed

at 19570 State Highway FF, Mexico, Missouri, which is located in the SE ¼ of Section-29, Township-51 North, Range-09 West (“Location No. 2”). The Joint Applicants’ Territorial Agreement (“TA”), dated April 25, 1997, was filed with the Commission on May 7, 1997, in File No. EO-97-0493, and was approved in a Commission *Report and Order* on August 13, 1997. In this current Joint Application, the Joint Applicants assert that CEC currently has adequate facilities installed on these two parcels capable of providing the level of electric service that is anticipated and/or has been requested by the respective property owners, which would prevent an otherwise necessary duplication of facilities.

CEC is organized under Chapter 394 RSMo 2021 to provide electric service to its members located in all or part of seven Missouri counties, including Audrain County, in which lie the properties, Location No. 1 and Location No. 2, identified in the Joint Application. The Commission has limited jurisdiction over rural electric cooperatives such as CEC. However, as specified in Chapter 394 RSMo 2021, CEC is subject to the jurisdiction of the Commission for the current case under Section 394.312.4 RSMo 2021.¹

Rural electric cooperatives, such as CEC, are not required to pay assessment fees or to file annual reports with the Commission. Furthermore, Staff is not aware of any unsatisfied judgements or decisions against CEC in any state or federal agency or court involving customer service or rates within the last three years that would have bearing on the immediate Case. The Staff is not aware of any other matter before the Commission that affects, or is affected by, 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 2021. Ameren Missouri is current on filing its annual reports and payments of its assessment dues. Staff is currently not aware of any unsatisfied judgments or decisions against Ameren Missouri in any state or federal agency or court involving customer service or rates that would have bearing on

¹ Section 394.312.4 RSMo 2020 states in relevant part, “The provisions of sections 386.310 and 393.106 and sections 394.160 and 394.315 to the contrary notwithstanding, before becoming effective, all territorial agreements entered into under the provisions of this section, including any subsequent amendments to such agreements...shall receive the approval of the public service commission by report and order...”

the immediate Case. The Staff is not aware of any other matter before the Commission that affects, or is affected by, this filing.

DISCUSSION

The Joint Applicants' *TA* created exclusive electric service areas for Ameren Missouri and CEC, as between them, within Audrain, Monroe, and Randolph Counties. The reasons for seeking approval of this *TA* include making the most efficient use of existing facilities in their respective systems and limiting the installation of duplicating facilities in future planning of their respective systems. While the *TA* has proven to be beneficial to the Joint Applicants in this regard over the past two decades plus, particular situations may arise that warrant a different course of action that would otherwise conflict with the explicit terms of the *TA*, i.e. the establishment of exclusive service territories. Such a situation has occurred considering the provision of electric service to new single-family homes being constructed on two parcels located in Audrain County Missouri, Location No. 1 and Location No. 2 as identified on a map identified in Schedule AJB-1. These two parcels lie within the exclusive service territory of Ameren Missouri per the terms of the *TA*. However, as illustrated on maps provided in the Joint Application², CEC has existing facilities currently routed on these two parcels that have available capacity to provide the requested service to these two new structures. Therefore, having CEC be the electric service provider to this premise is in line with upholding the stated merits of the *TA* in that this makes the most efficient use of existing facilities while preventing an otherwise duplication of facilities required if Ameren Missouri were to provide the desired electric service.

Section 9 of the *TA*, which is entitled "Case-By-Case Exception Procedure", contains the protocols that the Joint Applicants followed in regard to addressing such a circumstance as described in their Amendment No. 1 included in the Joint Application. Moreover, the Joint Applicants note that CEC has established temporary service to these new structures³ as is contemplated in aforementioned Section 9 of the *TA*.

²Appendix 8 of Joint Application – Map illustrating Location No. 1

Appendix 9 of Joint Application – Map illustrating Location No. 2

³As footnoted on Page 1 of the Joint Application, "...the Joint Applicants have agreed that the Cooperative may begin providing temporary service to the customers upon the filing of this Joint Application.

Included in the Joint Application in Appendix 10⁴ is an exemplar tariff revision that would be necessary for Ameren Missouri to update and file if the Commission approves the Joint Applicants' requested Amendment No. 1. In addition, the Joint Application includes a statement from each of the property owners expressing their desire that CEC be the provider of electric service to their respective properties.⁵

The Joint Applicants also requested a variance from providing a sixty-day notice of filing its Joint Application, as required by 20 CSR 4240-4.017. Staff concurs that the Joint Applicants provided good cause in support of its request for a variance per 20 CSR 4240-4.017(1)(D). The Joint Applicants also requested expedited treatment per 20 CSR 4240-2.080(14) to enable CEC to provide permanent service to this property as soon as practical.

CONCLUSION

As described above, Staff recommends that the Commission approve the request made by the Joint Applicants regarding Amendment No. 1 to their TA that would allow CEC to be the electric service provider to new single-family homes being constructed at Location No. 1 and Location No. 2 respectively, per the terms contained in the Joint Applicants' TA. Location No. 1 and Location No. 2 lie within the exclusive service territory of Ameren Missouri per the terms of the Joint Applicants' TA previously approved by Commission in August 1997. The Staff recommends the Commission determine that this request of the Joint Applicants is not detrimental to the public interest pursuant to Section 394.312 and 416.041 RSMo 2021. The Joint Application contains the requirements specified in 20 CSR 4240-2.060 and 20 CSR 4240-3.130. Approval of the Joint Application allows the most efficient use of the existing electric facilities installed in this area of Audrain County, Missouri and prevents an otherwise necessary duplication of facilities if Ameren Missouri would provide the desired electric service.

In recommending approval of this request, Staff suggests the Commission note that no ratemaking determinations are being made as a part of its Order in this case. In addition,

⁴ P.S.C. Mo. Schedule No. 6
Original Sheet No. 5

⁵Appendix 11 – Affirmative statement from owner of Location No. 1.

Appendix 12 – Affirmative statement from property owner of Location No. 2

Staff recommends the Commission order Ameren Missouri to file revised tariffs that reflect the corresponding change in its certificated electric service area in Audrain County, Missouri as identified in the exemplar tariff included in the Joint Application as Appendix 10.

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, and Consolidated Electric)
Cooperative for an Order Approving an)
Addendum to a Territorial Agreement)
Regarding Service to Customers in Audrain)
County, Missouri


File No. EO-2024-0144

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 Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

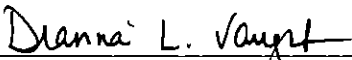
Further the Affiant sayeth not.



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 29th day of November 2023.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377

R10W R09W

