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

In the matter of the Application of Union Electric	)	
Company d/b/a Ameren Missouri for Authority to Sell	)	Case No. EO-2013
or Transfer a Portion of Its Franchise, Works, or System	)	
to Bussen Quarries, Inc.	)	

### APPLICATION

Union Electric Company d/b/a Ameren Missouri (hereinafter "Ameren Missouri" or the "Company") pursuant to and in accordance with Section 393.190.1, RSMo, 4 CSR 240-2.060, and 4 CSR 240-3.110, hereby seeks authority from the Missouri Public Service Commission ("Commission") to sell, transfer, and otherwise dispose of a portion of the Company's franchise, works, or system to Bussen Quarries, Inc. ("Bussen"), for the purpose, and subject to the terms and conditions, stated in this application. In support of its application, Ameren Missouri states as follows:

### I. GENERAL INFORMATION ABOUT THE APPLICANT

- 1. Ameren Missouri is a Missouri corporation that is engaged in the business of providing electrical and gas utility services to customers in its Missouri service areas. Its principal office and place of business is located at 1901 Chouteau Avenue, St. Louis, Missouri 63103. The Company is an "electrical corporation," a "gas corporation," and a "public utility," as each of those terms is defined in Section 386.020, RSMo; consequently, Ameren Missouri is subject to the general jurisdiction and supervision of the Commission, as provided by law.
- 2. The Company has no overdue Commission Annual Reports or assessment fees, and it has no pending or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates and that have occurred within the three years immediately preceding the filing of this application, except for the appeal of Ameren Missouri's 2011 electric rate case (Commission Case No. ER-2011-0028), which is pending before the Court of Appeals for the Western District of Missouri (Case No. WD74172).
- 3. There already is on file with the Commission a certified copy of Ameren Missouri's Articles of Incorporation (See, Case No. EA-87-105) and the Company's Fictitious Name Registrations,

as filed with the Missouri Secretary of State's Office (See, Case Nos. GO-98-486 and EN-2011-0069), as well as a copy of its Certificate of Corporate Good Standing (See, Case No. ER-2012-0463). Those documents are incorporated herein by reference and made a part hereof for all purposes, as authorized by 4 CSR 240-2.060(1)(G).

4. Correspondence, communications, orders, and other documents and notices related to this application should be sent to the following representatives of the Company:

Wendy Tatro
Associate General Counsel
Union Electric Company d/b/a Ameren Missouri
1901 Chouteau Ave.
P. O. Box 149 (MC 1310)
St. Louis, MO 63166-6149
AmerenMOService@ameren.com

L. Russell Mitten
Brydon, Swearengen & England, P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
rmitten@brydonlaw.com

### II. REASONS FOR THE PROPOSED TRANSACTION

- 5. Bussen is a Missouri corporation whose principle place of business is located at 5000 Bussen Road, St. Louis, Missouri, 63129. Bussen is one of the Midwest's largest limestone producers, and has supplied crushed limestone to the St. Louis area for more than a century. In addition, Bussen provides climate-controlled, underground storage facilities in quarries where limestone no longer is being mined. Because of the nature of its business, Bussen is not subject to the regulatory jurisdiction of the Commission, and will not become subject to the Commission's regulatory jurisdiction if the transaction described in this application is approved.
- 6. More than two years ago, Bussen informed Ameren Missouri that Bussen intended to buy and install a new, heavy-duty rock crusher at one of its quarries. The Company advised Bussen that Ameren Missouri would need to install new, 34,000 kV distribution facilities and a new substation in order to satisfy the power requirements of the new rock crusher. As a result of that information, Bussen

elected to construct its own substation, which it would then connect to the new distribution facilities to be built by Ameren Missouri. In addition, Bussen asked the Company if it would be willing to sell Bussen an existing 1,000 kVa transformer and related facilities, which would be used to serve one of the existing rock crushers from the new Bussen-owned substation. Ameren Missouri expressed a willingness to make the sale requested by its customer, and, subject to the Commission's approval of the proposed transaction, the Company has agreed to sell to Bussen a 1,000 kVa transformer and related facilities for an aggregate price of \$9,376.74, which represents the total installed reproduction cost of the facilities less accumulated depreciation. A schedule showing the calculation of the total installed reproduction cost of the facilities, including overhead but less depreciation, is attached to this application as Appendix 1, which is incorporated herein by reference and made a part hereof for all purposes.

7. The proposed transaction is in the best interests of not only Ameren Missouri and Bussen but the Company's other ratepayers as well. Bussen benefits because it can continue to use the transformer and related facilities to serve its existing rock crushing equipment after the Bussen-owned substation is built, and also because it can purchase the existing facilities at a cost that is less than it would incur to acquire and install new fixtures. Ameren Missouri and its customers benefit because the sale of the transformer and related facilities will enable the Company to recover the net book value of assets that might otherwise have to be removed from service and sold for salvage. Selling the assets in place will also allow Ameren Missouri to avoid the cost of removing those assets, which further benefits both the Company and its customers.

### III. TERMS OF THE PROPOSED TRANSACTION

8. Bussen has agreed to purchase, and Ameren Missouri has agreed to sell, one (1) 1,000 kVa transformer, one (1) 40 foot class 3 wood pole, and 110 feet of 15 kVa cabling for an aggregate price of \$9,376.74, which represents the depreciated net book value of the facilities as of the date of the parties' agreement. A Bill of Sale between the parties, which provides, *inter alia*, that Ameren Missouri will sell the facilities to Bussen on an "as is" basis without any warranties whatsoever with respect to those facilities, is attached to this application as Appendix 2. A document verifying the authority of David N.

Wakeman, Ameren Missouri's Vice President of Energy Delivery – Distribution Services, to enter into the proposed transaction on behalf of the Company and to verify this application also is attached to this application as <u>Appendix 3</u>. Each of the appendices referred to in this paragraph is incorporated herein by reference and made a part hereof for all purposes.

9. Because Bussen is not subject to the Commission's regulatory jurisdiction, this application does not include a balance sheet or income statement showing the impact of the proposed purchase on Bussen, as otherwise would be required by 4 CSR 240-3.110(1)(E). In addition, because the value of the assets being sold to Bussen is less than \$10,000, the property and sales tax impact of the proposed transaction on the City of St. Louis should be negligible.

### IV. NOTICE REQUIREMENT OF 4 CSR 240-4.020(2)

10. Ameren Missouri does not anticipate that this matter is or will become a contested case because the Commission has held that an application regarding a transfer of assets under Section 393.190, RSMo, is not a contested case:

Moreover, this is not a contested case pursuant to 536.010(2) because it does not involve a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be **determined after hearing**. (Emphasis added). Neither Section 393.190, nor Section 393.106, nor any other provision of law requires a hearing be held for these determinations.<sup>1</sup>

Accordingly, 4 CSR 240-4.020(2) does not require the Company to file a 60-day Notice of Filing.

Ameren Missouri is not requesting expedited treatment of this application, however the parties would like to complete this transaction as expeditiously as possible. Therefore, both Ameren Missouri and Bussen request a prompt decision regarding this application.

WHEREFORE, having shown that the proposed transaction is in the best interests of Ameren Missouri and Bussen and also is in the public interest, and for all of the other reasons stated in this application, the Company respectfully requests the Commission to issue an order that:

<sup>&</sup>lt;sup>1</sup> In the Matter of the Application of The Empire District Electric Company for Authority to Sell and Transfer Part of its Works or System to the City of Monett, Missouri, Case No. EO-2009-0159, Order Approving The Transfer Of Assets, Footnote 4, February 11, 2009.

- (i) Approves the proposed sale of the assets described in this application by Ameren Missouri to Bussen under the terms specified in the Bill of Sale;
- (ii) Authorizes the Company and Bussen to do such other acts and things, including making, executing, and delivering any and all documents that may be necessary, advisable, or proper to consummate the transaction reflected in the Bill of Sale and to implement the authority granted by the Commission in this case; and
  - (iii) Grants such other relief as the Commission deems appropriate under the circumstances.

Respectfully submitted,

By: /s/ L. Russell Mitten
L. Russell Mitten, #27881
Brydon, Swearengen & England, P.C.
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Jefferson City, MO 65102
(573) 635-7166 (telephone)
(573) 634-7431 (facsimile)
rmitten@brydonlaw.com

Wendy Tatro, #60261
Associate General Counsel
Ameren Missouri
1901 Chouteau Ave.
P. O. Box 149 (MC 1310)
St. Louis, MO 63166
(314) 554-3484 (telephone)
(314) 554-4014 (facsimile)
AmerenMOService@ameren.com

ATTORNEYS FOR APPLICANT UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

### VERIFICATION

STATE OF MISSOURI ) ss CITY OF ST. LOUIS )

DAVID N. WAKEMAN, being duly sworn on oath, deposes and says that he is the Vice President of Energy Delivery-Distribution Services of Union Electric Company d/b/a Ameren Missouri; that he has read the foregoing application and knows the contents thereof; and that the information contained in that application is true and correct to the best of his knowledge and belief.

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

BY: DAVID N. WAKEMAN

Subscribed and sworn to before me, the undersigned Notary Public in and for the county and state aforesaid, on the \_\_\_\_\_\_ day of July, 2012.

My Commission expires:

Julie Donohue - Notary Public Notary Seal, State of Missouri - St. Louis City Commission #09753418 My Commission Expires 2/17/2013

### AMEREN-UNION ELECTRIC COMPANY SALE OF FACILITIES

# BUSSEN QUARRY, 5000 BUSSEN RD, ST.LOUIS, MO

## CUSTOMER CONSIDERING PURCHASE OF DISTRIBUTION FACILITIES INCLUDING TRANSFORMERS FOR RATE ADVANTAGE CONVERSION FROM SECONDARY TO PRIMARY SERVICE

### PRICED AS OF JUNE 14, 2012

Net Book	0.00	0.00	00.0	0.00
Reproduction Cost and Reproduction Cost Depreciated Current Year Selected Five Year Total installed Installed Remaining Life Reproduction Depreciation Cost With Cost Including 2012 Overhead Overhead Percent Amount Depreciated	944.34	944.34	8,236.03	8,236.03
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### **BILL OF SALE**

This indenture made this 12th day of 2012 by and between Union Electric Company d/b/a Ameren Missouri, a Missouri Corporation, hereinafter called Vendor and Bussen Quarries, a Missouri Corporation, hereinafter called Vendee.
WITNESSETH:
That Vendor for and in consideration of the sum of Nine Thousand Three Hundred and Seventy Six Dollars and Seventy Four Cents (\$ 9,376.74) to be paid by Vendee within days after receipt of an invoice for that amount from Vendor, does by these presents sell, assign, transfer and convey unto Vendee, its successors and assigns all its rights, title and interest in and to the following described property, to-wit:
Ameren Missouri owned located at 5000 Bussen Road, St. Louis, Missouri, including: 1 - 40 foot class 3 Wood Pole 1 - 1000 kVa Padmount 3-phase Transformer 110 feet - 15 kV #2AW URD Cable
The property sold under this Bill of Sale is purchased by Vendee "as is". VENDOR DISCLAIMS ALL WARRANTIES WITH REGARD TO THE ABOVE DESCRIBED PROPERTY, INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS. In no event shall Vendor be liable for any damages, including, but not limited to, special, direct, indirect or consequential damage arising out of, or in connection with, the use or performance of the above described property. Any description of the equipment contained in this Bill of Sale is for the sole purpose of identifying the property, is not a part of the basis of the bargain, and does not constitute a warranty that the property will be fit for a particular purpose. No affirmation of fact or promise made by Vendor, not contained in this Bill of Sale, shall constitute a warranty that the property will conform to the affirmation or promise.
It is understood that Vendor does not warrant the title to any right-of-way or easement upon which the property herein described is or may be located.
The parties hereto acknowledge that each has read this agreement, understands it and agrees to be bound by its terms. The parties further agree that this document constitutes the full understanding of the parties, and no terms, conditions, understandings or agreements purporting to modify or vary the terms of this document shall be binding unless hereafter made in writing and signed by both parties hereto.
IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written.
VENDOR  Ameren Missouri  By Navel N. Wakeman  David N. Wakeman  VENDEE  Bussen Quarries, Inc.  By Oll. R. Rock  Charles R. Rock

### SECRETARY'S CERTIFICATE

- I, G. L. Waters, do hereby certify as follows:
- 1. That I am the duly elected, qualified and acting Assistant Secretary of UNION ELECTRIC COMPANY d/b/a Ameren Missouri, organized and under the law of the State of Missouri;
- 2. That David N. Wakeman has been duly elected a Vice President of said corporation;
- 3. That the By-Laws of said corporation provide at Article III, Section 3:
  - Section 3. The officers of the Corporation shall each have such powers and duties as may be prescribed from time to time by the Board of Directors or, in the absence of such prescription, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices...
- 4. That the power and duty to execute contracts and other instruments including a bill of sale to sell, assign, transfer and convey to Bussen Quarries, Inc., all of Union Electric Company's rights, title, and interest in a 1,000 kVA transformer and related facilities, on behalf of the corporation, generally pertain to the office of said Vice President and the Board of Directors has not prescribed any limitations with respect to the exercise of such powers and the performance of such duties by said Vice President.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 2<sup>nd</sup> day of August, 2012.

Assistant Secretary

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing application has been served on the following parties, via electronic mail, on this 3rd day of August, 2012.

Steven Reed
Executive Secretary and General Counsel
Missouri Public Service Commission
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GenCounsel@psc.mo.gov

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Public Counsel
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Kevin Thompson Chief Staff Counsel Missouri Public Service Commission Governor Office Building 200 Madison Street – Suite 100 Jefferson City, Missouri 65101 Kevin.Thompson@psc.mo.gov

/s/	L. Russell	Mitten		