

**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 and Three Rivers)
Electric Cooperative for Authority for Ameren)
Missouri to Sell or Transfer a Portion of Its Franchise,)
Works, or System to Three Rivers, and to Approve)
the Transfer of Customers between Electric Suppliers)
the change in electric supplier for certain customers)
for reasons in the public interest.)

File No. EO-2015-0328

STAFF RECOMMENDATION TO APPROVE TRANSFER OF ASSETS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the undersigned counsel, files this *Staff Report and Recommendation* ("Report") with the Missouri Public Service Commission ("Commission"), and respectfully states:

1. On August 25, 2015, Ameren Missouri and Three Rivers Electric Cooperative ("Three Rivers") jointly filed an Application for Authority to Sell or Transfer Assets and to Transfer Customers Between Electric Suppliers ("Application") with the Commission requesting Commission authorization for Ameren Missouri to transfer certain of its distribution facilities to Three Rivers, § 393.190, RSMo., to change the electric supplier from Ameren Missouri to Three Rivers for eighteen (18) structures currently being served by Ameren Missouri, § 393.106, RSMo., and to change the electric supplier from Three Rivers to Ameren Missouri for thirty-nine (39) structures currently being served by Three Rivers, § 394.312, RSMo., so they may effectuate their agreement to swap facilities, and customers and members being served by those facilities to avoid future duplication of facilities, and to enhance safety and reliability.

2. On August 26, 2015, the Commission issued its *Order Directing Filing* instructing Staff to file a recommendation on the Application. On September 4, Staff filed its *Response to Order Directing Filing* requesting, in part, that notice of the Application be provided to the members and customer account holders affected by the proposal. On October 1, the Commission approved the notice submitted by Staff, Three Rivers and Ameren Missouri and issued the notices. This notice, appended hereto as Attachment B, provided estimates of billing differences between Ameren Missouri and Three Rivers based on prior actual usage, and informed individuals how to participate in the proceedings by submitting comments or intervening in the case.

3. In addition to the notice issued by the Commission to affected members and customer account holders, Ameren Missouri and Three Rivers held a public meeting on September 15, 2015, to provide further explanation of the Application and to respond to questions and concerns of attendees.

4. As of the date of this Report, four comments have been filed with the Commission, appended hereto as Attachment C, in opposition of the transfer.¹ Three of the submitted comments request a public hearing, in addition to expressing concerns regarding reliability and additional costs incurred from a new utility provider.

5. As detailed in this Report, appended hereto as Appendix A and incorporated by reference herein, Staff recommends approval of the Application. Staff has determined that proposed transfer is in the public interest for a reason other than a rate differential, pursuant to Sections 393.106.2, 394.315.2 and 393.190.1, RSMo. 2000, and 4 CSR 240-2.060, 4 CSR 240-3.110, and 4 CSR 240-3.140, as the transfer

¹ The notice approved by the Commission provided that all comments will be filed in the official case file for the review by the Commissioners.

will make the best use of existing facilities and permit the removal of duplicative or failing facilities, and also improve reliability to customers and reduce future operating and maintenance expenses to Three Rivers and Ameren Missouri.

6. Pursuant to the application provisions of 4 CSR 240-2.060, Ameren Missouri is a Missouri corporation with its principal office at 1900 Chouteau Avenue, St. Louis, Missouri 63103. Ameren Missouri is an electric corporation, a gas corporation, and a public utility, as defined in Section 386.020, RSMo. Ameren Missouri provided a Certificate of Good Standing as Appendix C to its Application.

7. Three Rivers, a Missouri corporation organized under Chapter 394 of the Revised Statutes of Missouri, is a rural electric cooperative providing electric energy and related services to cooperative members in Cole, Miller, Franklin, Gasconade, Maries, Moniteau, and Osage Counties. The Cooperative's principal office is located at 1324 East Main, Linn, Missouri, 65051. Three Rivers is neither an electrical corporation nor a public utility as defined in Section 386.020, RSMo. Three Rivers previously submitted a certified copy of the Cooperative's Articles of Incorporation and a copy of its Certificate of good Standing in Case No. EO-2004-0217, and incorporated by reference as provided by 4 CSR 240-2.060(1)(G).

8. Ameren Missouri has no final, unsatisfied judgments or decisions against it from state or federal regulatory agencies or courts that involve customer service, which has occurred within the three years immediately preceding the filing of this Application, except for the appeal of Ameren Missouri's 2014 electric rate case, File No. ER-2014-0258, pending before the Missouri Court of Appeals, Western District, WD78688. Ameren Missouri has no overdue Commission annual reports or

assessment fees.

9. Three Rivers has no overdue Commission Annual Reports or assessment fees, and has no pending or final unsatisfied judgments or decisions against it from any state or federal agency or court that involves customer service or rates and that have occurred within the three years immediately preceding the filing of the Application.

WHEREFORE, the Staff respectfully submits this *Staff Report and Recommendation to Approve Transfer of Assets*, and recommends the Commission approve the proposed transfer of assets.

Respectfully submitted,

/s/ Hampton Williams

Hampton Williams
Assistant Staff Counsel
Missouri Bar No. 65633
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8517 (Telephone)
(573) 751-9285 (Fax)
Hampton.Williams@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 17th day of December, 2015.

/s/ Hampton Williams

<Name>
<Address>
<City, State, Zip>

<Date>

Dear: <Customer/Member>,

Union Electric Company d/b/a Ameren Missouri and Three Rivers Electric Cooperative have asked the Missouri Public Service Commission for authority (1) to transfer to Three Rivers eighteen customers who currently receive electric service from Ameren Missouri, (2) to transfer to Ameren Missouri thirty-nine customers who currently receive electric service from Three Rivers, and (3) to sell or exchange facilities used to provide service to some of the transferred customers. Our records indicate that you are among the customers whose electric supplier may change, and this letter explains the possible effects the transfer will have on your monthly energy costs, and how you can obtain more information about this matter or make your views known, should you choose to do so.

If the Missouri Public Service Commission approves this application, you will receive electric service from <Three Rivers/Ameren Missouri> and will be subject to its rates and charges. Because Ameren Missouri and Three Rivers have different service rates and rate structures, some customers will see their energy costs increase slightly, while other customers will see slight decreases.

The following table provides a comparison based on your historical kWh usage from July 2014 to June 2015. The second row indicates the actual amount paid for service to the current electric utility provider <Ameren Missouri/Three Rivers>. The bottom row indicates the amount that would have been paid, if the proposed electric utility provider <Three Rivers/Ameren Missouri> had provided the service. The charges indicated on the chart include each company's monthly customer charge.

	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Total</u>
kWh	x	x	x	x	x	x	x	x	x	x	x	x	x
Comp any	x	x	x	x	x	x	x	x	x	x	x	x	x
Comp any	x	x	x	x	x	x	x	x	x	x	x	x	x

If you wish to testify or provide other evidence to the Commission regarding the proposed change in your electric service provider, you must file an application to intervene with the Commission. Enclosed is an application to intervene form to complete and file with the Commission if you wish to intervene. You may file this form by mailing it to the following address:

Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102-0360

or the form may be filed in the Commission's Electronic Filing and Information System (EFIS) under Case No. EO-2015-0328. You must also send copies of the form to the following parties at the addresses provided:

Missouri Public Service Commission
General Counsel Office
P.O. Box 360
200 Madison Street, Suite 800
Jefferson City MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
P.O. Box 2230
200 Madison Street, Suite 650
Jefferson City MO 65102
opcservice@ded.mo.gov

Union Electric Company d/b/a Ameren Missouri
312 East Capitol Avenue
P.O. Box 456
65109 Jefferson City, MO 65102
rmitten@brydonlaw.com

Three Rivers Electric Cooperative
2420 Hyde Park Road, Suite C
Jefferson City, MO 65109
as@cjaslaw.com

If you file an application to intervene within thirty (30) days of <date this letter is sent>, then you will not need to provide a statement to the Commission as to why the Commission should allow you to participate as a party in this case; however, if you wait until after thirty (30) days, then you will need to provide such a statement.

If you do not wish to intervene formally, but desire simply to provide comments regarding the application, please contact the Commission Staff and/or the Office of the Public Counsel. Your comments should include a reference to Case No. EO-2015-0328. All comments will be filed in the official case file for review by the Commissioners.

To submit your comments in writing send them to:

Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
Phone: 800-392-4211
Fax: 573-751-1847

Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562

To submit your comments via the Commission's Website:

- (1) Go to <http://www.psc.mo.gov>;
- (2) Click on the box on the lower middle of the page entitled "Comments: How to Make Your Voice Heard".
- (3) From this page click on the "submit comment" link found under "Submit Comments in Writing"; and
- (4) Fill out and submit the Public Comments form, including the case number shown above. If you want to attach a document, before clicking the "Submit" button, click the "Attach" button. There are instructions on that page for attaching the document and returning to the previous screen.
- (5) Click the "Submit" button at the bottom of the page.

If you have any questions regarding your service or how this proposal may affect you in the future, please contact Ameren Missouri at (573) 681-7100 or (573) 681-7513 or Three Rivers at (573) 644-9000 or (800) 892-2251.

Sincerely,

<Secretary of the Commission>

4032 Catalina Drive
Jefferson City, MO 65109

RECEIVED

NOV 09 2015

*Records
Public Service Commission*

November 4, 2015

Missouri Public Service Commission
200 Madison Street, PO Box 360
Jefferson City, MO 65102-0360

Dear Commissioners:

This letter is in regard to a notice several of my neighbors and I received of a proposal by Ameren Missouri and Three Rivers Electric Cooperative to "exchange" selected customers. I have contacted your office and reviewed the Commission's calendar of hearings and learned there are no hearings scheduled for this proposal. I want to voice my concern and disagreement with the proposal as well as the possibility that such an exchange may occur without a hearing and opportunity for public comment before the Commission.

The letter of notice stated in part that the customer exchange would "enable both utilities to operate more efficiently by eliminating costly duplication of service, help to keep rates down, improve service and provide for orderly growth in the area. The agreement will also enhance public safety, resulting in less confusion for fire, ambulance and law enforcement officials." I disagree that the agreement would do anything other than potentially reduce the costs of the two electric entities while increasing costs to the affected customers. Recently an Ameren representative provided one neighbor with a comparison of bills for their home's actual electric usage this past year. Based on the information provided, their electric bills would increase by approximately twenty-seven percent if their service is transferred to Ameren. This is unreasonable considering many of the customers affected are retirees and/or single individuals.

In addition to the added costs for homeowners' electric service, this proposal would have a negative impact on The Charleston Place Homeowners Association costs, and therefore added costs to the homeowners in the association. If the proposed agreement is approved by the Commission this change is expected to be a significant cost increase due to the streetlights owned by the association.

While I understand there is a need for the two companies to balance the number of customers in areas that are outside but very near the city limits, I think this balance could and should be done based on future home construction and service requests. My late husband and I have been satisfied with the service of Three Rivers Electric Cooperative for thirteen years. We purchased this home with the understanding that service would be

Attachment C

provided by Three Rivers. I do not want to move my electric service to Ameren Missouri.

I request that the Commission not approve the proposed agreement between Ameren Missouri and Three Rivers Electric Cooperative. Further, if approval is considered, I request the Public Service Commission hold a public hearing and all households affected be given written notice of the hearing date and time.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Marilyn Hutcherson". The signature is written in dark ink and is positioned above the printed name.

Marilyn Hutcherson

C: Chip Webb, Director
Ameren Missouri
P. O. Box 1558
Jefferson City, MO 65102

Tom Werdenhause, General Manager
Three Rivers Electric Cooperative
P. O. Box 918
Linn, MO 65051

Gary Kirkman
4101 Catalina Drive
Jefferson City MO 65109

November 17, 2015

RECEIVED²

Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102-0360

NOV 20 2015

*Records
Public Service Commission*

Dear Commissioners:

This letter is in regards to the notice I received concerning a proposal by Ameren Missouri and Three Rivers Electric Cooperative to "exchange" service for selected customers. The notice stated in part that the customer exchange would "enable both utilities to operate more efficiently by eliminating costly duplication of service, help to keep rates down, improve service and provide for orderly growth in the area."

I understand the need for public service companies to balance customers in neighboring markets but do not agree with this proposal, and request that the Commission not consider approval of the proposed agreement between Ameren Missouri and Three Rivers Electric Cooperative until a public hearing is held and all households affected by this proposal be given written notice of the date and time of the hearing.

In the public hearing, I look forward to an understanding of the aforementioned proposal by addressing standpoints that include but are not limited to the following information: (1) The total cost of existing service duplications, and the overall cost for each company to exchange service, (2) the total savings and payback timeframe each firm projects for this exchange, (3) the service areas' projected growth, (4) what customer services are improved, (5) the customer service metrics (e.g. service interruption and recovery) and company comparisons for the service area, (6) the projected overall rate increase (average monthly cost and percent increase) for proposed customers moved to Ameren Service in the Charleston Place Subdivision, and the average monthly cost and percent increase for the Charleston Place HOA, and (7) a grid map of the surrounding area that includes the Charleston Place HOA and the Emerald Ridge HOA serviced by Ameren Missouri and Three Rivers Electric Cooperative.

Thank you for your consideration and I look forward to attending a public hearing regarding this proposed service exchange.

Sincerely,



Gary Kirkman

Missouri Public Service Commission

Public Comments

Public Comment
No. **P201601109**

Utility Type **Electric**

Utility Company **Ameren Missouri-
Investor(Electric)**

First Name **Steve**

Middle Initial **N/A**

Last Name **Ahrens**

Street Address **4029 Catalina Drive**

Mailing Address **N/A**

City **Jefferson City**

State **MO**

Zip **65109**

County **Cole**

Phone No. **573-690-6501 Ext -**

Email **steve@missouripropane.com**

Case No. **EO-2015-0328**

Public
Comments
Description **I oppose the planned customer swap between Three Rivers
Electric & Ameren.**

Date Filed **11/25/2015 3:44:00 PM**

I oppose the planned customer swap between Three Rivers Electric & Ameren. This swap is proposed as a convenience to the power companies. However, both accepted the risk to serve this neighborhood a long time ago. If that risk has not played out, it is unfair to place the burden on customers. There is no benefit for me to transition Ameren—I will have higher monthly bills and less reliable service. The swap will also carve up the streetlight accounts. As President of the neighborhood association, I would like to see written accommodations regarding street lights. This swap may be convenient Ameren while homeowners like me and will end up paying higher utility rates.

Missouri Public Service Commission

Public Comments

Public Comment No. **P201601120**

Utility Type **Electric**

Utility Company **Three Rivers Electric Cooperative-Cooperative(Electric)**

First Name **Susan**

Middle Initial **E**

Last Name **Conrad**

Street Address **4103 Ashley Court**

Mailing Address **N/A**

City **Jefferson City**

State **MO**

Zip **65109**

County **N/A**

Phone No. **573-230-2502 Ext -**

Email **5conrad@embarqmail.com**

Case No. **EO-2015-0328**

Public Comments Description **I am appalled that there is NO public hearing concerning the Three Rivers/Ameren customer exchange. I have lived at my current residence for 10 years and totally pleased with the service I have received from my cooperative, Three Rivers. I am ADAMENTLY opposed to being "exchanged" out to only receive higher bills and be a revenue generator for a PUBLIC company instead of being a valued member of a COOPERATIVE. I see NO DIRECT BENEFITS for the CONSUMER, whom the PSC is to look out for.**

Date Filed **12/2/2015 4:32:00 PM**