

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2015-0328, 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

FROM: Alan J. Bax – Operational Analysis Department – Engineering Analysis Unit
John P. Cassidy, Utility Regulatory Auditor V - Auditing Department

/s/ Daniel I. Beck 12/18/15 /s/ Mark L. Oligschlaeger 12/18/15
Manager, Engineering Analysis Unit/Date Manager, Auditing Department/Date

/s/ Hampton Williams 12/18/15
Staff's Counsel Department /Date

SUBJECT: Staff Memorandum Recommending Approval of Application

DATE: December 18, 2015

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (Staff) recommends that the Missouri Public Service Commission (Commission) approve the Application of Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) and Three Rivers Electric Cooperative (Three Rivers) 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 and find the transaction is in the public interest for reasons other than a rate differential pursuant to Section 393.190.1 RSMo 2000, 4 CSR 240-2.060, 4 CSR 240-3.110 and Sections 393.106 and 394.315, RSMo, and 4 CSR 240-3.140. The Staff finds that the proposed sale or transfer of these facilities to Three Rivers is not detrimental to Ameren

** Denotes Highly Confidential Information **

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Missouri's interests, the customers¹ who will be transferred either to or from Ameren Missouri or the customers who will remain on Ameren Missouri's system.

OVERVIEW

On August 25, 2015, Ameren Missouri and Three Rivers filed a joint Application before the Commission requesting an order authorizing the following: (1) to allow Ameren Missouri to sell, transfer, and otherwise dispose of a portion of Ameren Missouri's franchise, works or system to Three Rivers; (2) the transfer to Ameren Missouri of thirty-five customers (billed under thirty-nine accounts) currently receiving retail electric service from Three Rivers, and (3) the transfer to Three Rivers fifteen members (billed under eighteen accounts) currently receiving retail electric service from Ameren Missouri.

In support, Ameren Missouri states that the transaction will produce benefits for both the Company and its customers. The facilities that Ameren Missouri proposes to transfer to Three Rivers are at the end of radial distribution lines that extend into areas where the Cooperative already serves the majority of customers. Consolidating service in those areas into a single electric supplier will enhance efficiencies and eliminate service territory confusion between the Three Rivers and Ameren Missouri. It also will eliminate the need to construct or maintain Ameren Missouri facilities that would duplicate Three River's facilities.

One portion of the facilities that Ameren Missouri proposes to transfer is an underground distribution line that has failed numerous times during the past ten years. Because Three Rivers has facilities in place that can more reliably serve customers served by that underground line, it

¹ The Staff would note that the thirty-five members of the Three Rivers Electric Cooperative that are proposed for transfer to Ameren Missouri are interchangeably referred to as either "customers" or "members" in this Memorandum.

would not make financial sense for either Ameren Missouri or its customers to require the Company to incur costs necessary to either repair or replace the underground line since customers served by that line will be better and more cost effectively served by Three Rivers. The proposed transfer also will eliminate confusion for emergency personnel who must respond in areas where currently it is unclear whether electric lines and facilities belong to, and which customers are being served by either Ameren Missouri or Three Rivers.

Ameren Missouri is a Missouri corporation that provides electric and gas utility service to approximately 1.2 million electric service customers and approximately 130,000 gas service customers in Missouri. The Company's principal office is located at 1901 Chouteau Avenue, St. Louis, Missouri 63103. Ameren Missouri is an electrical corporation, a gas corporation and a public utility as defined by Section 386.020, RSMo and therefore is subject to the general regulatory jurisdiction and supervision of the Commission, as provided by law. Ameren Missouri is subject to the jurisdiction of this Commission in this case pursuant to Section 393.106.2 RSMo 2000.

Ameren Missouri is current on all assessment fees and annual report filings. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing; nor is Staff aware of any pending or final unsatisfied decisions against Ameren Missouri for any state or federal court involving customer service or rates within the last three years of the date of filing this Application.

Three Rivers is a Missouri corporation that was organized under Chapter 394 of the Revised Statutes of Missouri and is a rural electric cooperative that provides electricity and related services to approximately 21,000 members in Cole, Miller, Franklin, Gasconade, Maries,

Moniteau and Osage Counties located in Missouri. Three Rivers principal office is located at 1324 East Main, Linn, Missouri 65051. Three Rivers is neither an electric corporation nor a public utility as defined in Section 386.020, RSMo 2000 and therefore, the Commission has only limited regulatory jurisdiction over Three Rivers. It is subject to the jurisdiction of the Commission in this case under Section 394.315.2 RSMo 2000².

As a rural electric cooperative, Three Rivers is not required to file annual reports or pay assessment fees. Further, Three Rivers does not have pending or final unsatisfied judgements against it from any state or federal court involving customer service or rates within three years of the date of filing this Application.

DISCUSSION

AFFECTED AREAS, OPERATIONAL MATTERS, BOUNDARY LINE AGREEMENT

AND OPERATIONAL BENEFITS OF THE TRANSACTION

In their Application, Ameren Missouri and Three Rivers included a document entitled “Contract for Transfer of Distribution Facilities between Union Electric Company d/b/a Ameren Missouri and Three Rivers Electric Cooperative” (“Facility Transfer Agreement”). The Facility Transfer Agreement resulted from a concerted, exhaustive effort by the Applicants to identify areas within their respective electric distribution systems in which they and their associated customers or members would mutually benefit from a change in electric service providers. These prospective benefits are described in the Responses to Staff Data Requests Nos. 15 and 19 for Ameren Missouri and Three Rivers respectively. In general, the Applicants believe that approval

² Section 394.315.2 states, in relevant part, that “...The public service commission, upon application, made by an affected party, may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential, and the commission is hereby given jurisdiction over rural electric cooperatives to accomplish the purpose of this section....”

of the Facilities Transfer Agreement will result in greater reliability for their customers/members, will reduce the current level of duplication of facilities in the corresponding areas, will result in more efficient use of their remaining facilities on the system and decrease the Applicants' operation and maintenance ("O & M") expenses.

Per the terms of the Facility Transfer Agreement, Ameren Missouri would sell or transfer a portion of its facilities in Cole and Osage Counties, along with the right to serve eighteen accounts³ currently receiving service from these facilities. Maps illustrating these facilities were provided in Response to Staff Data Request No. 1. An itemized list of the facilities requested to be transferred by Ameren Missouri to Three Rivers was provided in Ameren Missouri's Response to Staff Data Request No. 2. This list of facilities is divided into six specific locations: Mari-Osa-Delta 1, Mari-Osa-Delta 2, Linn Field House, and Co Rd 751 in Osage County and Rainbow Drive and Clibourn Road in Cole County.

In its Response to Staff Data Request 10, attached to this Staff Memorandum as Schedule 1, Three Rivers provided a summary of how it intended to extend its service to each of these specific locations should the Application be approved. Ameren Missouri serves few customers in the Mari-Osa-Delta area. Transferring these seven customers to Three Rivers would allow Ameren Missouri to remove two highway crossings, thus decreasing future maintenance costs for Ameren Missouri and reducing excess facilities in this area. The Linn School District will benefit if Three Rivers is the electric service provider to a field house. Otherwise, it would be necessary for Ameren Missouri to relocate an existing underground cable and transformer to accommodate the construction of a new school at an additional expense to the School District.

³ There are fifteen customers requested to be transferred from Ameren Missouri to Three Rivers with an associated eighteen accounts.

This will also consolidate electric service at this premise with one provider after Ameren Missouri removes its duplicative facilities.

In regard to the associated four accounts on County Road 751, Ameren Missouri has little opportunity to expand in the immediate area. Allowing Three Rivers to be the electric service provider will enable Ameren Missouri to remove duplicative facilities in an area of little potential growth as well as consolidate the immediate area with one electric service provider. The customers along Clibourn Road should experience better service reliability from Three Rivers as the underground line currently being used in Ameren Missouri's provision of service has failed multiple times in the last few years. Thus, Ameren Missouri alleviates itself of the expense of having to replace this cable and the area residents will all receive electric service from the same provider. Likewise, the customers along Rainbow Drive have experienced multiple outages in the recent past. Three Rivers serving these three customers will allow Ameren Missouri to remove its existing facilities that are routed through the backyards of homes in this area.

The Facility Transfer Agreement also contained the terms that would allow Three Rivers to sell or transfer a portion of its facilities in Miller and Cole Counties, along with thirty-nine accounts⁴ receiving service from these facilities. Maps illustrating these facilities were provided in Response to Staff Data Request No. 7. A list of the facilities requested to be transferred from Three Rivers to Ameren Missouri was provided in Response to Staff Data Request No. 8. These facilities are located in the following specific locations: a sewage pumping station located on County Road 52-4 just outside the City of Eldon in Miller County, and along Frog Hollow Road,

⁴ There are thirty-five Cooperative members requested to be transferred from Three Rivers to Ameren Missouri with an associated thirty-nine accounts.

West Edgewood, Old Lincoln Farms, Lorenzo Green, Route CC, the Verizon cell tower and the Charleston Place subdivision in Cole County.

In its Response to Staff Data Request 4 and expanded in its Response to Staff Data Request 22, attached to this Staff Memorandum as Schedule 2, Ameren Missouri provided a summary of how it intended to extend its service to each of these specific locations should the Application be approved. Three Rivers utilizes a thirty-five year old underground cable in providing electric service to this sewer lift station. Ameren Missouri has a three phase overhead line routed along County Road 52-4. Ameren Missouri will utilize Three River's existing transformer inside the station's fenced area by installing one pole and routing a short span across County Road 52-4. This will allow Three Rivers to remove and retire their duplicative existing underground cable that would otherwise need to be replaced in the future. Ameren Missouri is currently supplying service to six members of Three Rivers located in the Frog Hollow section via a Border Line Agreement. This Border Line Agreement, along with the associated costs collected and the respective affected Three Rivers members, was provided in Response to Staff Data Request No. 23. The Border Line Agreement was developed following discussions that were necessary upon the City of Jefferson City approaching Three Rivers and requesting Three Rivers to move its existing facilities along and around this section of Frog Hollow Road that was impeding neighborhood development. The Applicants began to evaluate the possibility of entering into a separate agreement regarding other similar pockets on their system, which culminated with the formulation and the ultimate filing of the Facility Transfer Agreement. Transferring the two members Three Rivers currently serves along West Edgewood to Ameren Missouri allows Three Rivers to remove duplicative facilities that Three Rivers is limited in

utilizing to provide service to additional future structures as this area lays within the city limits of Jefferson City. Likewise, in regard to the two members and four accounts located at the Old Lincoln Farms, Ameren Missouri and Three Rivers have duplicative facilities. With Three Rivers having limited growth potential, transferring these members to Ameren Missouri allows the removal of some duplicative facilities and alleviates Three Rivers of future O & M expenses. The Three Rivers member located along Route CC is being served with a nearly half mile long extension. Ameren Missouri serves the neighboring properties. Thus, allowing Ameren Missouri to serve this member consolidates this area with one electric service provider and Three Rivers can remove a nearly half mile long extension. The Verizon cell tower is located within the city limits of Jefferson City and therefore Three Rivers is prohibited from serving new load in the vicinity. Transferring this account to Ameren Missouri will allow Three Rivers to remove a portion of their facilities that are effectively stranded. Similarly, the seven members located along Lorenzo Green are being served by facilities that are effectively stranded. To the extent that Ameren Missouri does not utilize these facilities in its anticipated plan of providing service, Three Rivers will remove the otherwise duplicative facilities.

The Charleston Place subdivision has been annexed into the city limits of Jefferson City, which prevents Three Rivers from serving new structures built in this area. Ameren Missouri plans to utilize the majority of Three River's underground primary and service lines in its provision of service should the Application be approved. There have been four Public Comments received from Three Rivers members in this subdivision expressing their opposition to the proposal. Three of the four have also requested a hearing be scheduled. The subdivision has a homeowners association. Approval of the Application would result in homeowners in the

association being split between those that would receive electric service from Ameren Missouri and those that would continue to receive electric service from Three Rivers. The homeowners association has special lighting fixtures that have been installed in the subdivision. This would also result in an additional administrative burden in that there would be different payments made for servicing these lighting fixtures depending on the corresponding particular electric service provider. Unlike the other locations included in the Facility Transfer Agreement, there is not a current reliability issue, such as Clibourn Road, or an issue that is anticipated based on the integrity of the existing facilities. In addition, there will only be a minute amount of facilities removed, as Ameren Missouri will utilize much of the existing infrastructure. These members of the Charleston Place subdivision were included in the Facilities Exchange Agreement in endeavoring to equalize the kWhs exchanged between Ameren Missouri and Three Rivers, a stated goal of the Applicants per the Response to Staff Data Request No. 13.⁵

RATE IMPACTS ON AFFECTED CUSTOMERS

In response to Staff Data Request No. 25, based on actual monthly customer usages for the period covering July 1, 2014 through June 30, 2015, Ameren Missouri provide a kWh usage and rate comparison for each customer proposed for transfer from Ameren Missouri to Three Rivers as well as for each member proposed for transfer from Three Rivers to Ameren Missouri. The response also provides the impact that Ameren Missouri's fuel adjustment clause ("FAC") (as of September 2015) and Missouri Energy Efficiency Investment Act ("MEEIA") would have

⁵ Ameren Missouri's response to Staff Data Request No. 13 indicates that during the twelve months ending December 31, 2014 Three River's customers proposed for transfer to Ameren Missouri consumed 647,718 kWh while Ameren Missouri customers proposed for transfer to Three Rivers consumed 649,539 kWh. However, Ameren Missouri's response to Staff Data Request No. 25, indicated that during the twelve months ending June 30, 2015, Three Rivers members proposed for transfer to Ameren Missouri consumed 619,425 kWh while Ameren Missouri customers proposed for transfer to Three Rivers consumed 551,255 kWh.

on customers. Please refer to the Highly Confidential Schedule 3 which reflects Ameren Missouri customer by customer analysis as provided in response to Staff Data Request No. 25. The following chart summarizes the result of Ameren Missouri's customer by customer rate impact analysis for actual usages from the twelve months ending June 30, 2015 and the impact of the MEEIA and FAC surcharge in effect during September 2015:

**** For Customers Transferring From Ameren Missouri to Three Rivers**

**** This chart has been deemed
Highly Confidential in its entirety ****

For Customers Transferring From Three Rivers to Ameren Missouri

**** This chart has been deemed
Highly Confidential in its entirety ****

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In summary, based on the actual twelve-months ending June 30, 2015, these charts reveal that Ameren Missouri proposes to transfer fifteen customers (billed under eighteen accounts) that use approximately 551,255 of kWh annually, which produced \$54,512 of revenues based upon Ameren Missouri's current rates. In return, Ameren Missouri would receive thirty-five customers (billed under thirty-nine accounts) from Three Rivers that use approximately 619,525 kWh annually which would produce approximately \$72,179 of revenues using Ameren Missouri's current rates.

Again, based upon actual usages experienced during this twelve-month timeframe, Ameren Missouri would experience an overall \$17,667 (\$72,179 less \$54,512)⁶ increase in annual revenues based upon the proposed transfer of customers. At the same time, Three Rivers would experience an overall \$12,096 (\$61,092 less \$48,996) decrease in annual revenues. Also, assuming the same actual usages during the twelve months ending June 30, 2015, the fifteen customers proposed for transfer from Ameren Missouri to Three Rivers in total would be paying \$5,515 less in rates as they do today, while the thirty-five members proposed for transfer from Three Rivers to Ameren Missouri would be paying in total approximately \$11,088 more in rates as they pay today.

⁶ Ameren Missouri would receive a \$17,667 increase in revenues under this example, primarily because the members of Three Rivers proposed for transfer to Ameren Missouri consumed 68,270 more kWh (619,525 less 551,255) during the twelve months ending June 30, 2015 as compared to the Ameren Missouri customers proposed for transfer to Three Rivers. This additional kWh usage accounts for \$16,985 (\$65,984 less \$48,999) of the \$17,667 increase in annual revenues for Ameren Missouri. The difference in kWh usage between summertime and wintertime between the two groups of customers is also a factor in this difference. Finally, Ameren Missouri would also collect \$683 of additional FAC and MEEIA surcharges from the customers it would receive from Three Rivers in comparison to the customers it would transfer to Three Rivers.

COSTS ASSOCIATED WITH COMPLETING THE SWITCHOVERS

In response to Staff Data Request No. 22, Ameren Missouri indicates that the following amounts of capital investment and expense will be required to transfer the thirty-five Three Rivers members (thirty-nine structures) to Ameren Missouri's system. The following chart provides a breakdown of the necessary capital investment and expense separately by each locational area where transfers will occur:

	<u>\$ Amount</u>
<u>FROG HOLLOW ROAD</u>	
Capital Investment	\$ 0
Expense to Remove Boundary Line Metering Equip.	\$693
<u>WEST EDGEWOOD</u>	
Capital Investment	\$3,638
Expense	\$ 0
<u>CITY OF ELDON LIFT STATION</u>	
Capital Investment	\$6,840
Expense	\$ 0
<u>2900 Route CC</u>	
Capital Investment	\$1,235
Expense	\$527
<u>VERIZON CELL TOWER</u>	
Capital Investment	\$3,285
Expense	\$ 0
<u>OLD LINCOLN FARMS</u>	
Capital Investment	\$ 716
Expense	\$ 0

CHARLESTON PLACE

Capital Investment	\$20,399
Expense	\$ 0

LORENZO GREEN PARKWAY

Capital Investment	\$14,484
Expense	\$1,065

The Staff believes the level of capital investment and expense that will be required by Ameren Missouri to complete the transfer of service for the thirty-five existing Three Rivers members to Ameren Missouri's system at each of these locations is reasonable given the ongoing operational benefits that will occur subsequent to the transfer as described earlier in this Memorandum.

ACCOUNTING FOR THE ASSET TRANSFER

In response to Staff Data Request No. 18, Three Rivers indicated that it believes that the net book value of the assets that it is trading to Ameren Missouri is approximately \$43,650. Please refer to Schedule 4 of this Memorandum for a complete copy of the response provided by Three Rivers to Staff Data Request No. 18 which provides a complete breakdown of the net book value of the assets that it proposes to transfer to Ameren Missouri as part of this overall transaction.

Ameren Missouri's response to Staff Data Request No. 13 indicates that the net book value of the assets that it is trading to Three Rivers is approximately \$37,483. However, Ameren Missouri's responses to Staff Data Request Nos. 13 and 14 indicate that this transaction will be recorded in a manner that will result in no change in Ameren Missouri's overall rate base balance. Ameren Missouri plans to record the entries on its books to reflect the inclusion of an

equal amount of plant in service and accumulated depreciation for the assets received from Three Rivers as it will be required to remove from plant-in-service and accumulated depreciation for the property being transferred to Three Rivers. In other words, by recording the transaction in this manner, Ameren Missouri's overall rate base value will be unaffected by the proposed swapping of assets with Three Rivers. In addition, Ameren Missouri will not reflect either a gain or loss associated with the transfer of this property on its books and records, per Uniform System of Accounts (USOA) guidelines. USOA guidelines provide specific recording instruction, subject to modification based upon Commission rulings, for the sale of an operating unit or a system. However, Ameren Missouri correctly explained to Staff that this transaction does not constitute the sale of an operating unit or a system. Based upon the response to Staff Data Request No. 13, Ameren Missouri proposes to reflect the following journal entries, based upon mass asset accounting, to record the transfer of Ameren Missouri assets to Three Rivers:

	Debit	Credit
<u>Plant-In-Service Accounts:</u>		
Account 364 Poles, Towers & Fixtures		(\$14,822)
Account 365 Overhead Conductors & Devices		(\$ 7,458)
Account 366 Underground Conduit		(\$ 1,858)
Account 367 Underground Conductors & Devices		(\$ 5,268)
Account 368 Line Transformers		(\$ 6,456)
Account 369.001 Services – Overhead		(\$ 417)
Account 369.002 Services – Underground		(\$ 1,012)
Account 373 Street Lighting and Signal Systems		<u>(\$ 194)</u>
Total Reduction in PIS for assets transferred to Three Rivers		(\$37,483)

Accumulated Depreciation Reserve Accounts:

Account 364	Poles, Towers & Fixtures	\$ 14,822
Account 365	Overhead Conductors & Devices	\$ 7,458
Account 366	Underground Conduit	\$ 1,858
Account 367	Underground Conductors & Devices	\$ 5,268
Account 368	Line Transformers	\$ 6,456
Account 369.01	Services – Overhead	\$ 417
Account 369.02	Services – Underground	\$ 1,012
Account 373	Street Lighting and Signal Systems	<u>\$ 194</u>

Total Reduction in Reserve for assets transferred to Three Rivers \$37,483

Likewise, in response to Staff Data Request No. 14, Ameren Missouri proposes the following journal entries, based on mass asset accounting, to record the receipt of assets from Three Rivers:

		Debit	Credit
<u>Plant-In-Service Accounts:</u>			
Account 364	Poles, Towers & Fixtures	\$ 8,319	
Account 365	Overhead Conductors & Devices	\$ 6,171	
Account 367	Underground Conductors & Devices	\$ 8,571	
Account 368	Line Transformers	\$10,570	
Account 369	Services	\$ 3,341	
Account 373	Street Lighting and Signal Systems	<u>\$ 511</u>	
Total Reduction in PIS for assets transferred to Three Rivers		\$37,483	

Accumulated Depreciation Reserve Accounts:

Account 364	Poles, Towers & Fixtures		(\$ 8,319)
Account 365	Overhead Conductors & Devices		(\$ 6,171)
Account 367	Underground Conductors & Devices		(\$ 8,571)
Account 368	Line Transformers		(\$10,570)
Account 369	Services		(\$ 3,341)
Account 373	Street Lighting and Signal Systems		<u>(\$ 511)</u>

Total Reduction in Reserve for assets transferred to Three Rivers (\$37,483)

The Staff does not dispute Ameren Missouri's proposed journal entries used to record this transaction. Since no gain (or loss) will be recognized as a result of the sale, existing Ameren Missouri's customers will be unaffected through these journal entries, which serve to provide no impact on existing rate base levels for Ameren Missouri for the proposed swapping of assets

with Three Rivers. The level of expense and capital investment required by Ameren Missouri to transfer the thirty-five existing Three Rivers members to Ameren Missouri's system is not significant and is more than offset by improvements in safety and overall reliability. In addition this transaction will cause little or no change to the tax revenues of the local areas. Finally, no other Ameren Missouri customers are materially affected by this transaction.

CONCLUSION

Staff believes that the Commission should determine that the Application, requesting approval of the "Contract for Transfer of Distribution Facilities between Union Electric Company d/b/a Ameren Missouri and Three Rivers Electric Cooperative" is overall in the public interest for reasons other than a rate differential, pursuant to Sections 393.106.2, 394.315.2 and 393.190.1 RSMo 2000, 4 CSR 240-2.060, 4 CSR 240-3.110, and 4 CSR 240-3.140. Therefore, Staff recommends that the Commission approve Ameren Missouri and Three Rivers request to sell, transfer or otherwise dispose of a portion of their assets between them, as well as authorize the Applicants' request to transfer thirty-nine current Three Rivers member accounts to Ameren Missouri and transfer eighteen current Ameren Missouri customer accounts to Three Rivers. For the most part, this Agreement will make the best use of existing facilities in the locations affected and allow removal of duplicative or failing facilities as a result. This should improve reliability in the affected areas and will reduce the Applicants' future operation and maintenance expenses. Staff recommends the Commission include in its Order that no rate-making treatment is being requested or analyzed in approving this transaction and that any affect this transaction may have on rates will be considered within the context of the next general rate case proceeding.

**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

AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

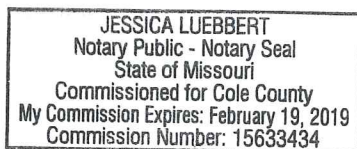
COMES NOW, Alan Bax, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.

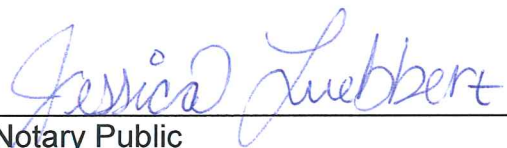
Further the Affiant sayeth not.



Alan J. Bax

Subscribed and sworn before me on this 17th day of December, 2015.





Notary Public

**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.)

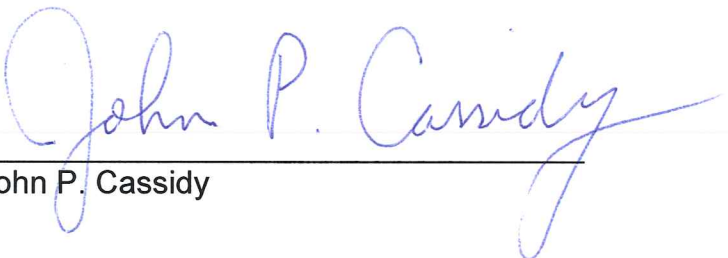
File No. EO-2015-0328

AFFIDAVIT OF JOHN P. CASSIDY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

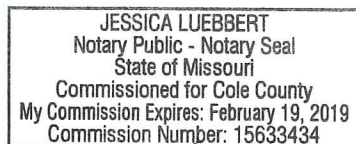
COMES NOW, John Cassidy, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.

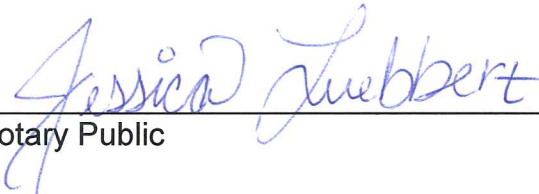
Further the Affiant sayeth not.



John P. Cassidy

Subscribed and sworn before me on this 17th day of December, 2015.





Notary Public

Missouri Public Service Commission**Data Request**

Data Request No.	0010
Company Name	Three Rivers Electric Cooperative-Cooperative(Electric)
Case/Tracking No.	EO-2015-0328
Date Requested	9/4/2015
Issue	General Information & Miscellaneous - Company Information
Requested From	Andrew Sporleder
Requested By	Hampton Williams
Brief Description	Provision of electric service to transferred customers
Description	Should the Application be approved, please describe in detail Three Rivers Electric Cooperative's plan to provide electric service to the customers it receives, including applicable associated plans to utilize/retire transferred assets. Data Request submitted by Alan Bax (alan.bax@psc.mo.gov).
Due Date	9/24/2015

The attached information provided to Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. EO-2015-0328 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the Three Rivers Electric Cooperative-Cooperative(Electric) office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Three Rivers Electric Cooperative-Cooperative(Electric) and its employees, contractors, agents or others employed by or acting in its behalf.

Security	Public
Rationale	NA

The customers Three Rivers Electric Cooperative will receive are located in five general locations:

1. Mari-Osa-Delta near Highway 50-Highway 63 junction in Osage County,
2. Clibourn Road in Cole County,
3. Rainbow Drive near Jefferson City in Cole County,`
4. Linn Fieldhouse near Linn in Osage County and
5. Co Rd. 751 near Bland in Osage County.

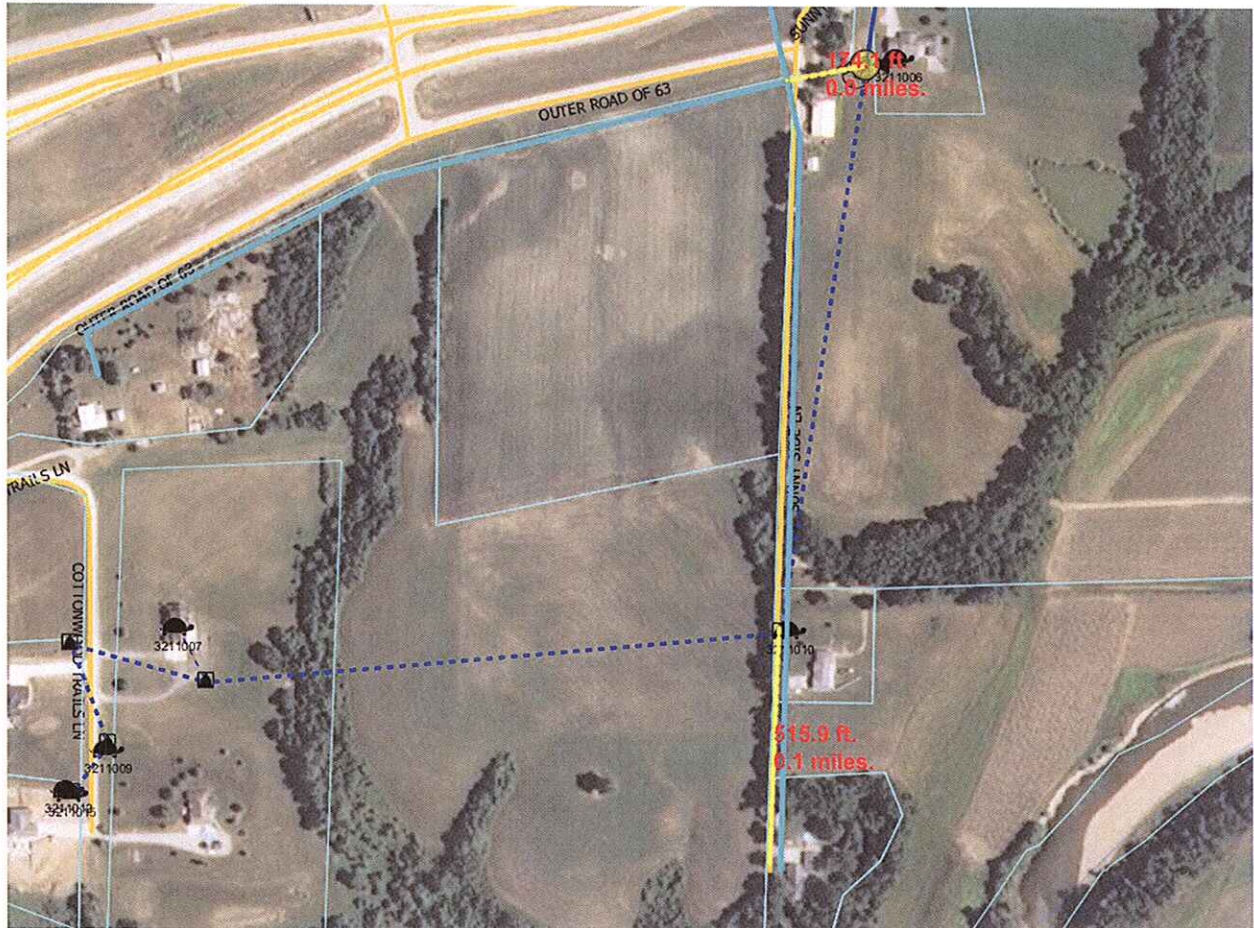
Three Rivers Electric Cooperative plans to provide service to each group of customers as outlined in the attached document. A map(s) of each area is included to help explain the plan.

Mari-Osa-Delta—7 customers

The Mari-Osa-Delta area will require three connection from Three Rivers. The first connection will require Three Rivers to install a 24 ft. span (yellow line) from our last pole (red line) to Ameren's existing line (blue line). Three Rives then plans to utilize Ameren's poles and transformers currently serving the Ameren customers. Ameren will remove all unneeded facilities crossing Highway 50/63.

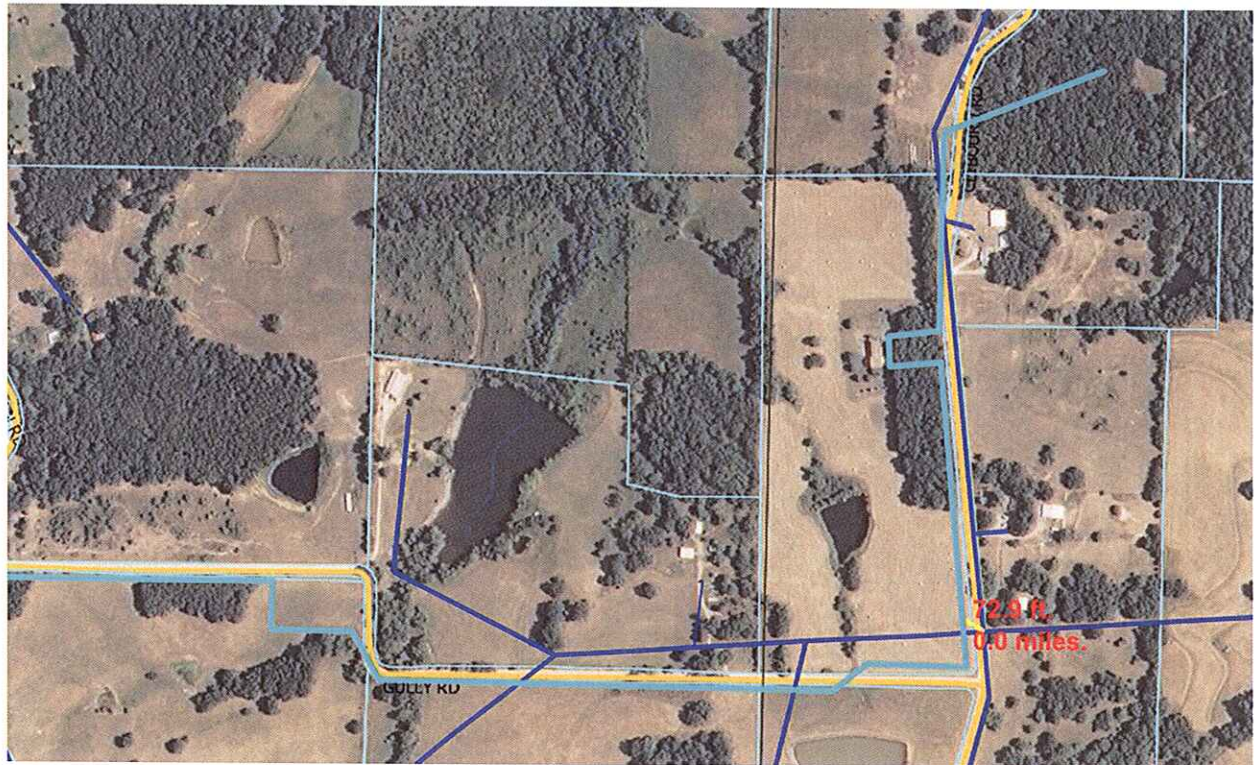


The second and third connections in the Mari-Osa-Delta area will require Three Rivers to install a 175 ft. span (yellow line) from our last pole (dark blue line) to Ameren's existing line (light blue line), and to replace a 515 ft. span of Ameren overhead conductor with underground conductor and attach to an existing Three Rivers underground conductor (dark blue dashed line). Three Rivers then plans to utilize Ameren's poles and transformers currently serving the Ameren customers. Ameren will remove all unneeded facilities crossing Highway 50 and the overhead facilities feeding south from our overhead connection point.



Clibourn Road Area—3 customers

Ameren Missouri and Three Rivers Electric have distribution lines parallel to each other throughout much of the Clibourn Road area. Three Rivers plans to install a 73 ft. span (yellow line) to connect Three Rivers line (dark blue line) to Ameren Missouri's line (light blue line). Ameren Missouri will remove all unneeded facilities west of this connection point.



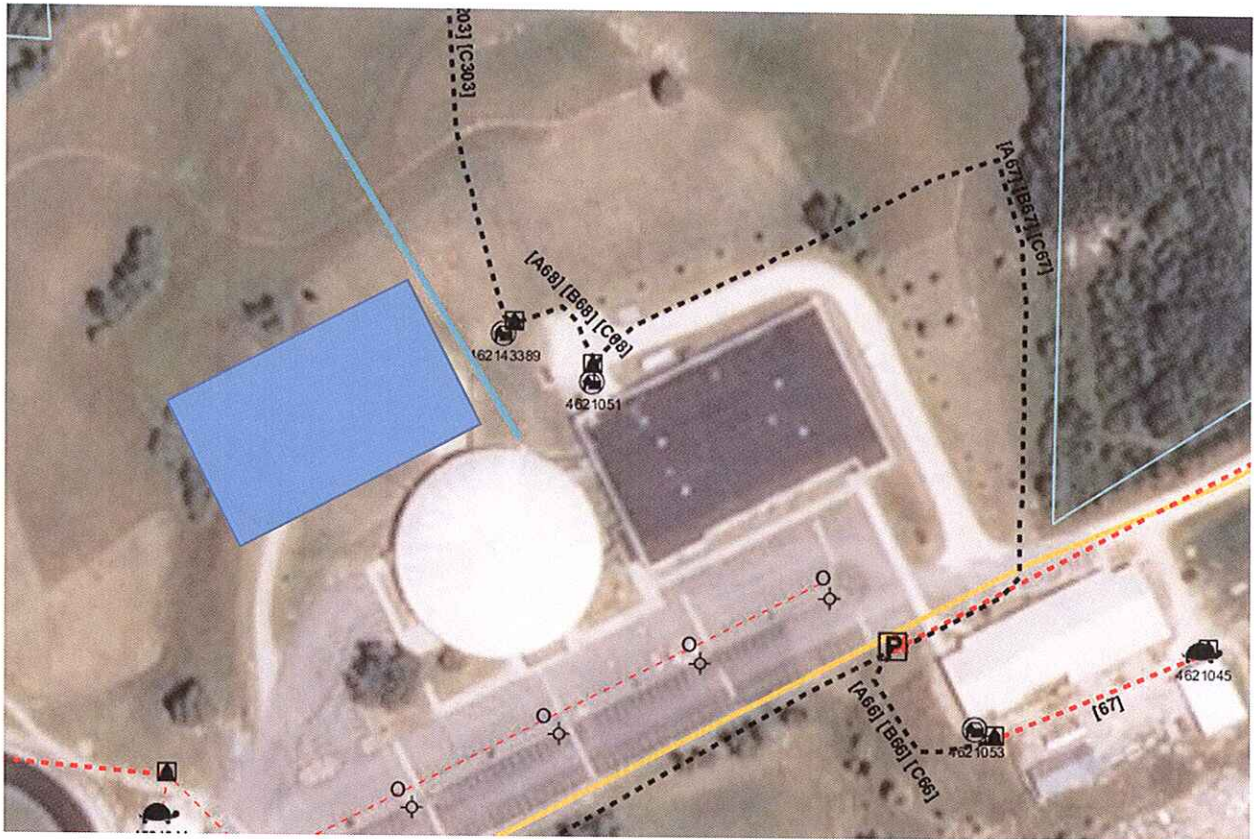
Rainbow Drive—3 customers

To serve the Ameren customers in the Rainbow Drive Area, TREC will install a 100 ft. span of conductor (yellow line) from TREC's existing line (red line) to Ameren's last pole (light blue line). TREC will utilize Ameren's last pole and transformer and the secondary wires to the three homes. Ameren will remove all unneeded facilities up to that connection point.



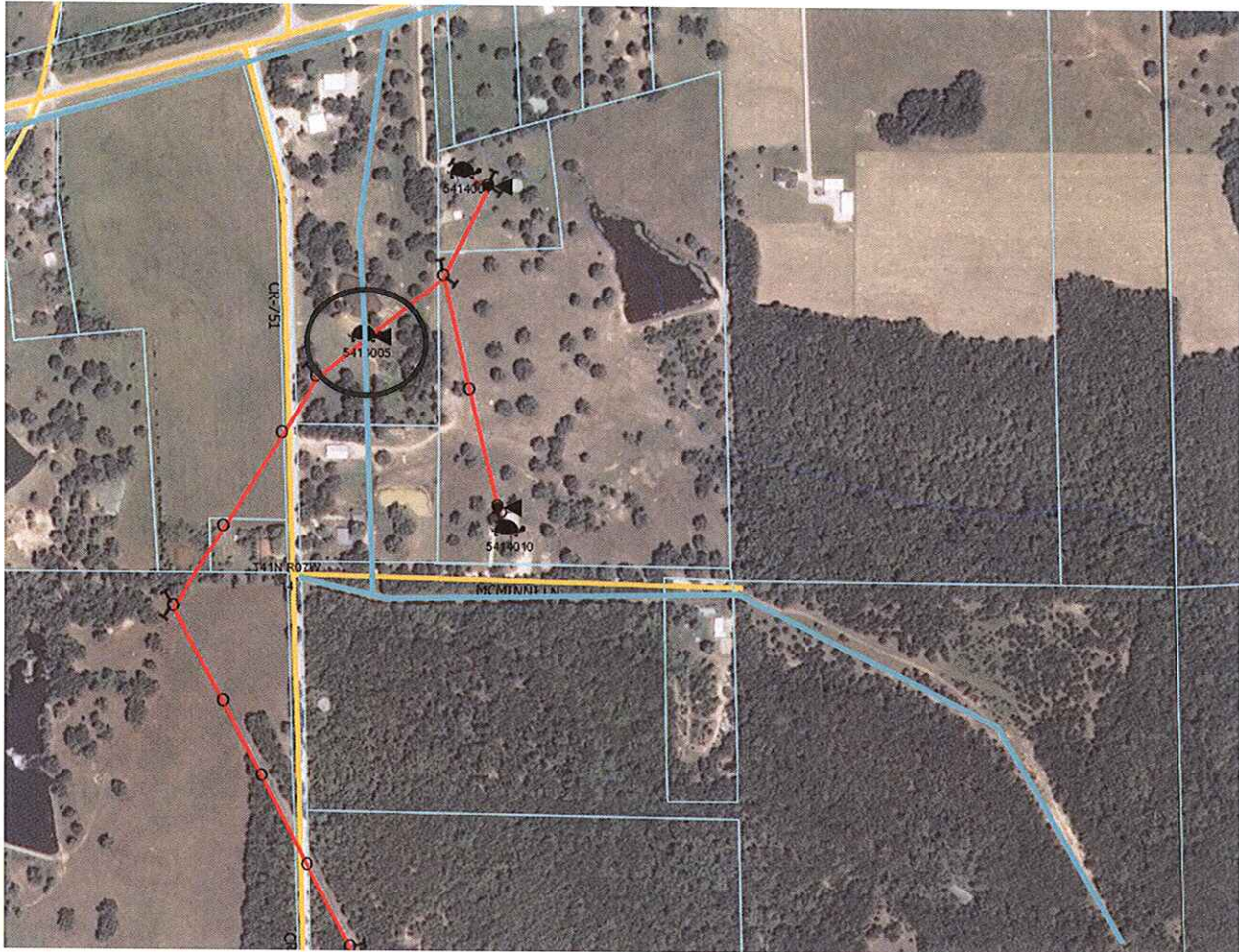
Linn Fieldhouse—1 customer

TREC provides underground electrical distribution service (black dotted line) to the Linn RII Middle School Building (blue rectangle) which is currently under construction and the Linn RII High School (black rectangular building). These buildings are both adjacent to the Linn RII Fieldhouse building (round building). To serve the Fieldhouse building, TREC will work with Linn RII to install new secondary cable from the existing Fieldhouse electrical panel to the TREC transformer. No Ameren transformers or conductor (light blue line) will be utilized. Ameren will remove all unneeded facilities.



County Road 751 near Bland—4 customers

TREC (red line) and Ameren (light blue line) cross each other in the County Road 751 area. To serve the Ameren customers in this area, TREC will install a pole near that crossing point and attach Ameren's line to TREC's line. Ameren will remove all unneeded facilities north of this connection point.



Steps and Costs Associated with Transfer of Customers to Ameren Missouri

FROG HOLLOW RD area – 6 customers

Steps - Ameren Missouri presently supplies energy to these customers through a Boundary Line Agreement and connection with Three Rivers Electric Cooperative (TREC) near the intersection of Frog Hollow Rd and Creek Trail Dr. To transfer the six customers in the Frog Hollow Rd area Ameren Missouri needs to only jumper around the existing Boundary Line Agreement primary meter and change each customer's account meter. The Boundary Line Agreement will be terminated at the time of the switchover.

Capital Investment Required – None

Expense Required - \$693 to remove the Boundary Line Metering Equipment

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – a brief outage will be required as each individual account meter is changed. Time: less than one minute per customer.

Switchover Schedule – these customers will probably be the first customers switched due to the minimal work required. The two companies will work together to schedule a switchover date based on the customers' billing cycle, probably within 2 months after approval is granted. Customers will be notified in advance and told what to expect during the switchover.



West Edgewood – 2 customers

Steps – TREC presently serves these two customers from a 7.2kV single phase line running from Frog Hollow Rd northward across West Edgewood to the two customers. Ameren Missouri has a three phase 12.4kV line along West Edgewood. In advance of switching over the two customers north of West Edgewood, Ameren Missouri will install a span of primary from an existing Ameren Missouri pole located on the south side of West Edgewood to an existing TREC corner pole located on the north side of West Edgewood. A guy and anchor will be installed on each pole. Ameren Missouri plans to utilize TREC's facilities running northward from the point of connection to the end. TREC will remove all unneeded facilities south and west of the point of connection. On the day of the switchover the two companies will coordinate to remove TREC's jumper and install an Ameren Missouri jumper on the TREC corner pole. The customer meters will be changed out during this short outage.

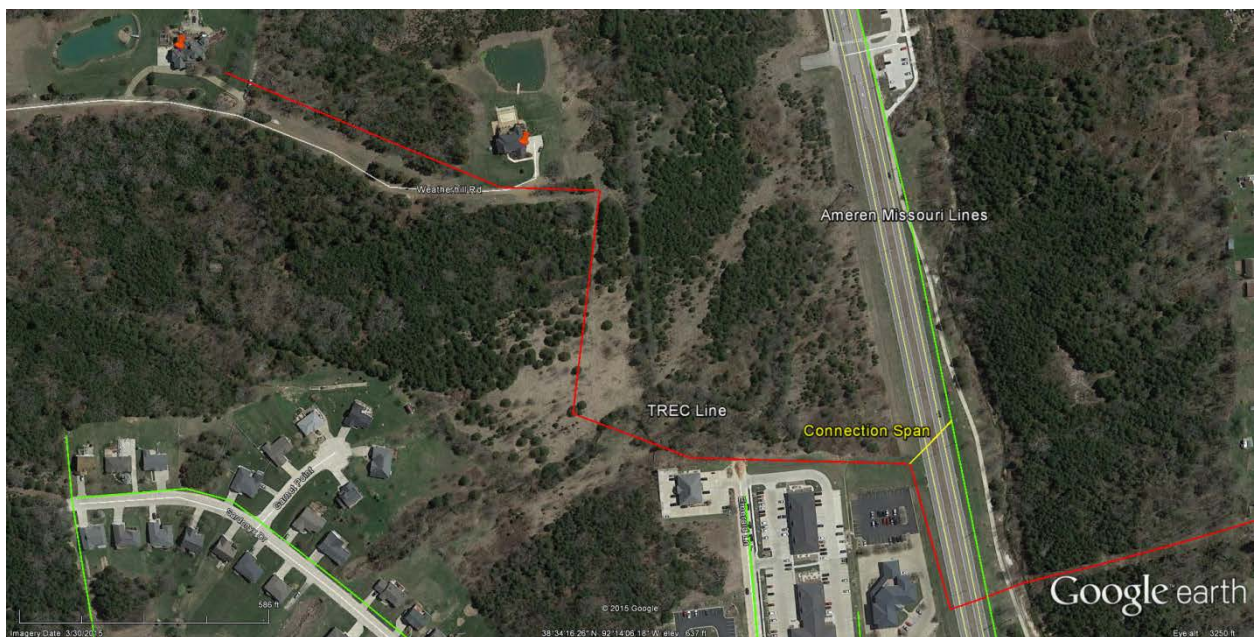
Capital Investment Required – \$3,638

Expense Required - None

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – a short outage will be required for TREC to remove their jumper and Ameren Missouri to install theirs. The customers' meters will be changed during this time. Time: less than one hour.

Switchover Schedule – Ameren will work with TREC to install the span of primary, guys and anchors prior to a switchover date. The two companies will then work together to schedule a switchover date based on the customers' billing cycle, probably within 2 to 3 months after approval is granted. Customers will be notified in advance and told what to expect during the switchover.



City of Eldon Lift Station – 1 customer

Steps – Ameren Missouri presently has a 3 phase line running along Co Rd 52-4 in front of the sewer pump station. Ameren Missouri plans to utilize TREC's transformer and service pole to serve the pump station. To do so, Ameren Missouri will install one pole in its existing line on the north side of Eldon Rd and a short span of three phase primary between this new pole and TREC's transformer pole inside the pump station in advance of switching over this customer. TREC will retire all unneeded underground cable supplying the pump station. On the day of the switchover the two companies will coordinate to remove TREC's cable terminations and install Ameren Missouri jumpers to the three fused cutouts on the pole. The customer's meter will be changed out during this short outage.

Capital Investment Required – \$6,840

Expense Required - None

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – a short outage will be required for TREC to remove their cable terminations and Ameren Missouri to install jumpers. The customers' meter will be changed during this time. Time: less than one hour.

Switchover Schedule –The two companies will work together to schedule a switchover date based on the customer's billing cycle, probably within 2 months after approval is granted. The customer will be notified in advance and told what to expect during the switchover.



2900 Rt. CC – 1 customer

Steps – Ameren Missouri has an existing three phase overhead line along the east side of Rt. CC. Plans are to install a transformer on an existing pole in this line and run a short span of secondary across the road to TREC's last pole on the west side of Rt. CC in advance of the switchover. Ameren Missouri plans to utilize this pole and the underground service on it to serve the customer. TREC will remove all unneeded facilities to the east of this point. On the day of the switchover TREC will remove their span of primary and transformer and Ameren Missouri will connect the their secondary to the existing underground service on this pole.

Capital Investment Required – \$1,235

Expense Required - \$527

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – a short outage will be required for TREC to remove their span of primary conductor and transformer and Ameren Missouri to connect the service. The customers' meter will be changed during this time. Time: less than one hour.

Switchover Schedule –The two companies will work together to schedule a switchover date based on the customer's billing cycle, probably within 3 to 5 months after approval is granted. The customer will be notified in advance and told what to expect during the switchover.



Verizon Cell Tower – 1 customer

Steps – In advance of switching over this customer Ameren Missouri plans to install a span from its last pole on the north side of Supercenter Dr. to TREC's terminal pole on the south side of Supercenter Dr. A guy and anchor will also be installed on the TREC pole. Ameren Missouri plans to utilize TREC's terminal pole, underground cable and padmounted transformer to serve the cell tower. TREC will remove all unneeded facilities east of their terminal pole after the switchover. On the day of the switchover the two companies will coordinate to remove TREC's jumper and install an Ameren Missouri jumper on the TREC terminal pole. The customer's meter will then be changed out.

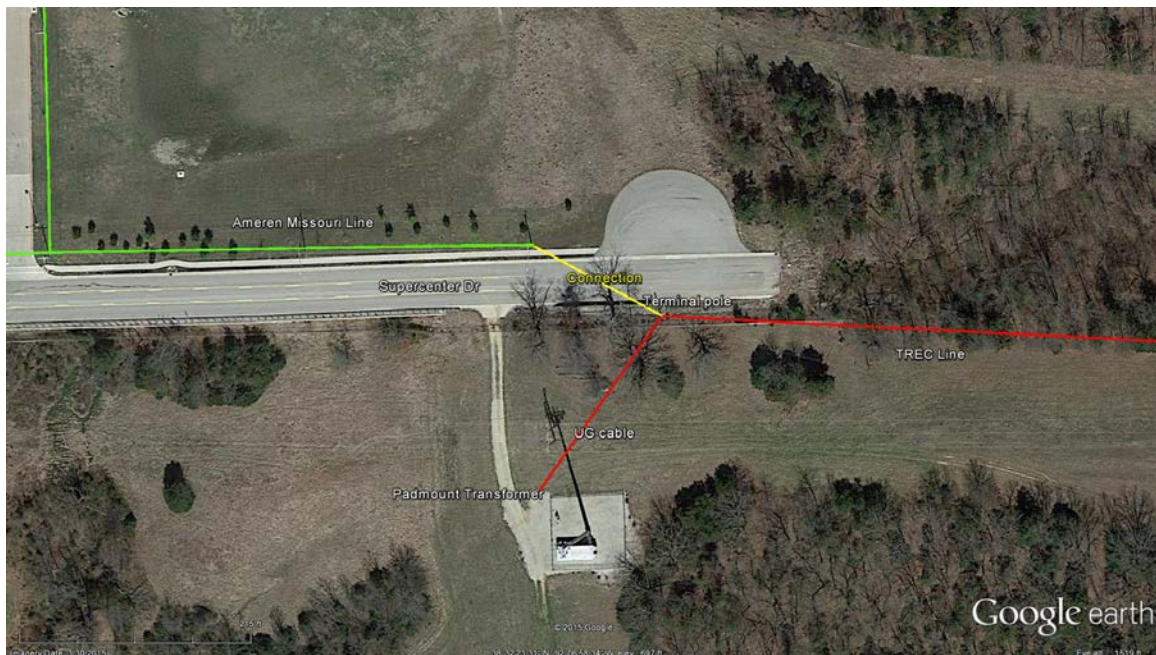
Capital Investment Required – \$3,285

Expense Required - None

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – a short outage will be required for TREC to remove their jumper and Ameren Missouri to install theirs. The customer's meter will be changed during this time. Time: less than one hour.

Switchover Schedule –The two companies will work together to schedule a switchover date based on the customer's billing cycle, probably within 4 to 6 months after approval is granted. The customer will be notified in advance and told what to expect during the switchover.



Old Lincoln Farms – 2 customers, 4 meters

Steps – TREC has a single phase 7.2kV line which crosses an Ameren Missouri 7.2kV line on a joint use pole located between the two customers. Ameren Missouri plans tap TREC's line at this point and utilize TREC's facilities between the two customers. TREC will remove all unneeded facilities west of the western most customer, Ivan. On the day of the switchover TREC will de-energize their line feeding these two customers and Ameren Missouri will install a deadend, guy and anchor on an existing pole at the Ivan farm to isolate the TREC source from the rest of the line. Ameren Missouri will then install a jumper on the existing joint use pole between the two customers to re-energize the line and pick up the customers. The customers' meters will then be changed out.

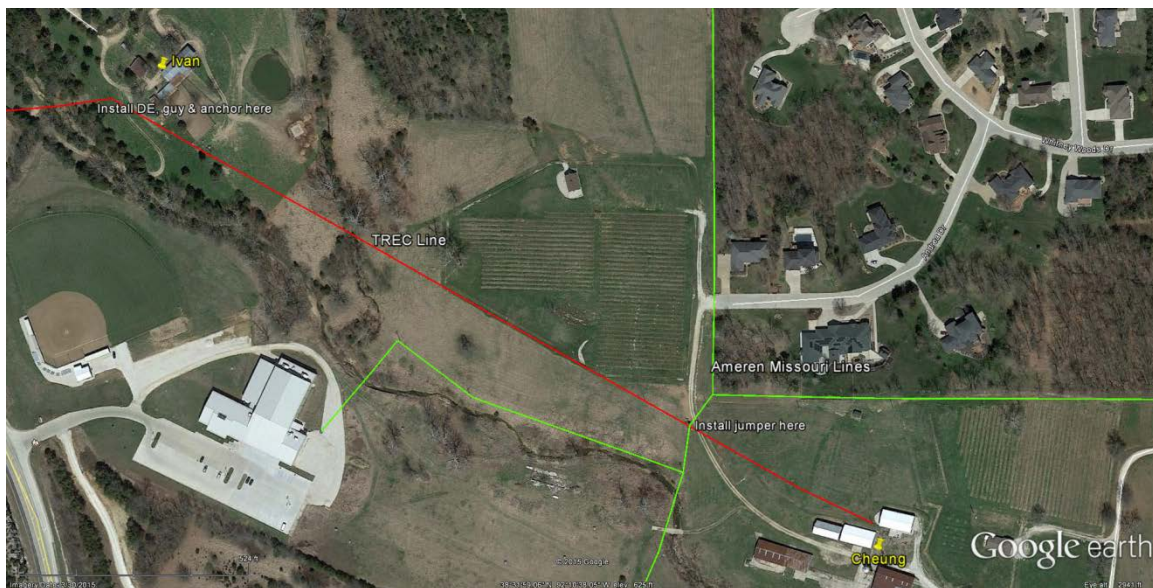
Capital Investment Required – \$716

Expense Required - None

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – a short outage will be required for TREC to de-energize the line and Ameren Missouri to make the necessary changes. The customers' meters will be changed during this time. Time: approximately one hour.

Switchover Schedule –The two companies will work together to schedule a switchover date based on the customers' billing cycle, probably within 4 to 6 months after approval is granted. The customers will be notified in advance and told what to expect during the switchover.



Charleston Place – 16 customers

Steps – In advance of switching over these customers Ameren Missouri will install an underground primary cable between its padmounted transformer located north and west of Ashley Ct to a TREC padmounted transformer located one lot south of Ashley Ct. All TREC facilities from the connection point north will be utilized. TREC will retire all unneeded facilities from the point of connection south to Terra Bella Dr. On the day of the switchover TREC will disconnect and remove their cable and Ameren Missouri will terminate and connect their cable in the padmounted transformer. During this work the customers' meters will be changed.

Capital Investment Required – \$20,399

Expense Required - None

On-going Expense – no specific expenses are expected

Outage Required – a short outage will be required for TREC to remove their cable and Ameren Missouri to terminate their cable in the padmounted transformer. The customers' meters will be changed during this time. Time: less than one hour.

Switchover Schedule –The two companies will work together to schedule a switchover date based on the customers' billing cycle, probably within 3 to 5 months after approval is granted. The customers will be notified in advance and told what to expect during the switchover.



Lorenzo Green Parkway – 7 customers

Steps – Ameren Missouri plans to connect to TREC’s line at three locations where the two companies’ lines cross; 1) southeast of the Hammann farm, 2) at Price’s Garden & Home Services on Lorenzo Green Parkway and 3) between Lorenzo Green Parkway and Tanner Bridge Rd.

Prior to the switch over, Ameren Missouri will do the following work at each location shown on the map below:

- Loc’n 1 –install a deadend, guy and anchor on the first pole north of Rt. B and remove TREC’s line looking south across Rt. B
- Loc’n 2 - install a short span of primary between Ameren Missouri’s existing pole and TREC’s existing pole
- Loc’n 3 – install a transformer on an adjacent Ameren Missouri pole
- Loc’n 4 – install a new pole, transformer, guy and anchor adjacent to the existing transformer pole on the Hammann farm

On the day of the switchover, TREC will de-energize their line north of the Hammann farm allowing the following work to be done:

- Loc’n 4 – connect TREC’s line looking south to the new pole
- Loc’n 5 – connect TREC’s line looking north to Ameren Missouri’s line by moving TREC’s conductor over and deadending it on Ameren Missouri’s existing pole
- Loc’n 3 – remove TREC’s transformer and connect the underground service on this pole to Ameren Missouri’s transformer with a short span of secondary
- Loc’n 2 – remove TREC’s jumper and connect Ameren Missouri’s jumper

After the switchover TREC will remove all unneeded facilities north of the Hammann farm, between the three connection points and south of the last customer on the north side of Rt. B.

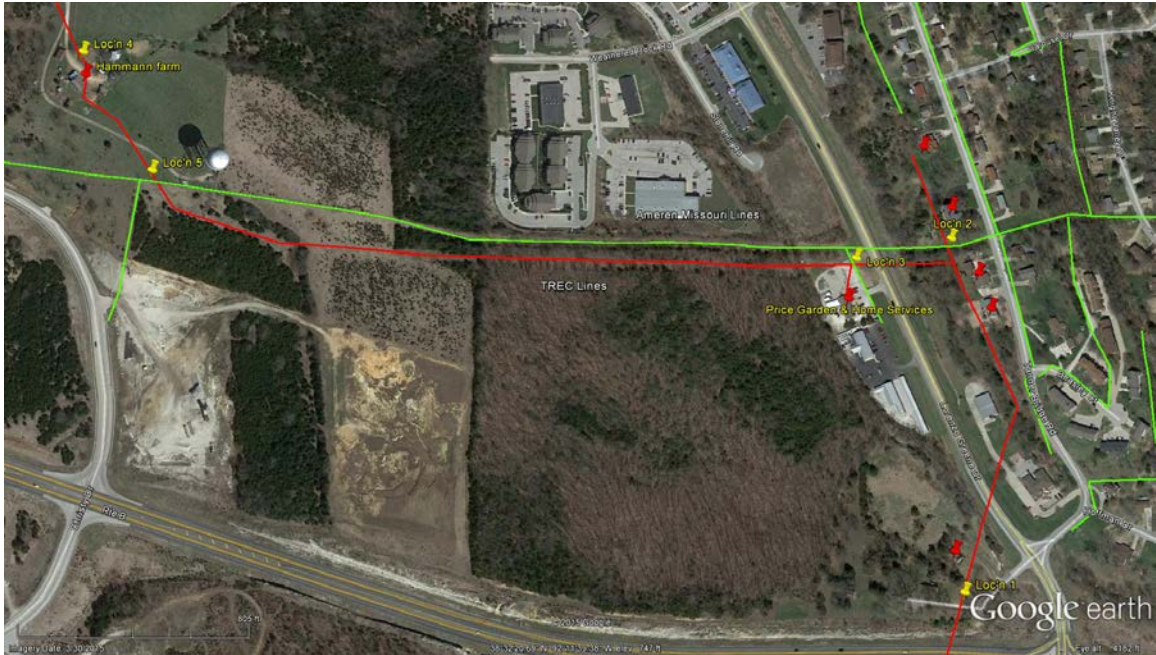
Capital Investment Required – \$14,484

Expense Required - \$1065

On-going Expense – no specific expenses are expected; tree trimming will be done on a four year cycle at the same time the rest of the circuit is trimmed.

Outage Required – an outage will be required for TREC to de-energize the line and the two companies to make the necessary changes. The customers’ meters will be changed during this time. Time: between 1 to 3 hours.

Switchover Schedule –The two companies will work together to schedule a switchover date based on the customers’ billing cycle, probably within 4 to 6 months after approval is granted. The customers will be notified in advance and told what to expect during the switchover.



SCHEDULE 3
HAS BEEN DEEMED
HIGHLY CONFIDENTIAL
IN ITS ENTIRETY.

Missouri Public Service Commission

Respond Data Request

Data Request No.	0018
Company Name	Three Rivers Electric Cooperative-Cooperative(Electric)
Case/Tracking No.	EO-2015-0328
Date Requested	9/11/2015
Issue	General Information & Miscellaneous - Company Information
Requested From	Andrew Sporleder
Requested By	Hampton Williams
Brief Description	Value of Three Rivers Electrical Cooperative Assets Proposed for Transfer to Ameren Missouri.
Description	1. For each unit of property proposed for transfer from Three Rivers Electric Cooperative to Ameren Missouri provide the original cost and date of installation. 2. For each unit of property identified in item 1 above, provide the accumulated depreciation balances through August 31, 2015. Data Request submitted by John Cassidy (john.cassidy@psc.mo.gov).
Response	TREC Response to Data Request 0018
Objections	NA

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **EO-2015-0328** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Three Rivers Electric Cooperative-Cooperative(Electric)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Three Rivers Electric Cooperative-Cooperative(Electric)** and its employees, contractors, agents or others employed by or acting in its behalf.

Security :	Public
Rationale :	NA

Three Rivers Electric Cooperative
Value of Assets Transferred to Ameren as of 08/31/2015
PSC Data Request 0018

Asset Number	Asset Description	Date Installed	Quantity Transferred Ameren	Unit of Measure	Total Cost Traded Ameren	Accumulated Depreciation Traded Ameren	Net Book Value Traded Ameren
364000100	Anchor/Guy Assembly	Various	39	ea	4,492.07	(2,439.11)	2,052.96
364000200	Transformer Cluster Bracket	Various	1	ea	203.21	(71.44)	131.77
364000300	Crossarms - Tangent, Wood	Various	7	ea	546.43	(229.03)	317.41
364000500	Poles-30' & Under	Various	12	ea	1,457.39	(319.32)	1,138.07
364000510	Poles-35'	Various	24	ea	5,362.02	(2,599.97)	2,762.05
364000520	Poles-40' & 45'	Various	15	ea	5,718.43	(2,205.81)	3,512.62
364000700	Standoff Bracket	Various	6	ea	568.80	(215.36)	353.44
365000100	Arrestor Lightning	Various	8	ea	2,285.85	(582.48)	1,703.37
365000210	Conductor OH Triplex #4 ACSR	Various	79	ft	92.12	(40.91)	51.21
365000211	Conductor OH Triplex #2 ACSR	Various	150	ft	73.97	(64.94)	9.03
365000212	Conductor OH Triplex #1/0 ACSR	Various	1,187	ft	1,917.36	(1,218.57)	698.79
365000232	Conductor OH Copperweld #8A	Various	10,014	ft	403.56	(364.51)	39.05
365000250	Conductor OH #4 ACSR	Various	4,886	ft	1,258.15	(832.09)	426.06
365000300	Cut Out	Various	5	ea	1,261.18	(304.89)	956.28
365000400	Ground Wire	Various	58	ft	1,981.66	(848.69)	1,132.97
365000501	Insulator String 7.2 KV	Various	35	ea	3,940.87	(1,823.63)	2,117.24
367000200	Conductor Termination	Various	36	ea	9,539.41	(3,789.35)	5,750.06
367000310	Conductor UR #1/0	Various	2,478	ft	9,363.87	(3,619.86)	5,744.00
368000120	Transformer Cut Out	Various	3	ea	957.20	(74.92)	882.27
368000130	Arrestor Lightning	Various	3	ea	396.25	(210.05)	186.19
368000313	Pole Transformer 7.2KV 10 KVA	Various	5	ea	1,698.93	(1,270.79)	428.13
368000314	Pole Transformer 7.2KV 15 KVA	Various	7	ea	3,874.87	(1,989.34)	1,885.53
368000315	Pole Transformer 7.2KV 25 KVA	Various	6	ea	4,116.53	(1,937.68)	2,178.85
368000410	Transformer Pads	Various	10	ea	2,876.87	(1,164.84)	1,712.03
368000500	Pad Transformer 15 KVA	Various	5	ea	5,076.83	(3,017.34)	2,059.49
368000510	Pad Transformer 25 KVA	Various	3	ea	2,776.50	(1,277.55)	1,498.95
368000511	Pad Transformer 50 KVA	Various	2	ea	1,935.15	(1,162.20)	772.95
369000100	Secondary Junction Pedestal	Various	3	ea	625.65	(326.08)	299.58
369000222	Conductor URD 4/0 Triplex	Various	1,463	ft	3,875.49	(2,977.50)	897.99
369000223	Conductor URD 350 MCM	Various	593	ft	2,868.46	(1,436.13)	1,432.33
371000300	Security Light Pole Type 175W	Various	5	ea	1,126.36	(607.33)	519.04
					82,671.41	(39,021.70)	43,649.71

Total Plant Value Transferred	82,671.41
Less Accumulated Depreciation	(39,021.70)
Net Book Value Transferred	43,649.71