

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

In the Matter of the Joint Application of Union )	
Electric Company d/b/a Ameren Missouri, and )	
Three Rivers Electric Cooperative, for an )	<u>Case No. EO-2020-0315</u>
Order Approving a Territorial Agreement in )	
Cole and Osage Counties, Missouri )	
)	

**RESPONSE OF JOINT APPLICANTS  
TO OPC RESPONSE AND RECOMMENDATION**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Three Rivers Electric Cooperative (“TREC”) and collectively referred to herein as “Joint Applicants” and for their response to the OPC Response and Recommendation regarding the proposed territorial agreement between Ameren Missouri and TREC state as follows:

1. To further clarify the reasons for which the proposed territorial agreement is in the public interest and should not be opposed by OPC, the Joint Applicants believe it necessary to provide further details and reasoning for the structure of the proposed agreement, particularly in regard to the proposed customer swaps as contained within the proposed territorial agreement.
2. The proposed territorial agreement, if approved by the Commission, would require that approximately 270 customers of TREC have their electric service provider changed to Ameren Missouri. All of these customers are within and around the Rock Ridge/Frog Hollow Road area southwest of the current municipal limits of Jefferson City, Missouri.
3. The OPC was made aware of 65 comments made by TREC customers opposing the proposed change of electric service provider. All of these are within the Rock Ridge/Frog Hollow Road areas.
4. A substantial reason behind the proposed change of electric service provider within the Rock Ridge/Frog Hollow Road areas is TREC’s acknowledged lack of adequate facilities within this area to accommodate future growth within the area. This area is currently served by TREC via a lengthy radial line.
5. Future load growth within the Rock Ridge/Frog Hollow Road areas, brought about by the natural expansion of development spurred on by the recent addition of Saint Mary’s Hospital and Capital City High School construction, is inevitable.
6. To maintain adequate and reliable service within the Rock Ridge/Frog Hollow Road areas, TREC estimates that at least one new substation would need to be constructed, as well as other significant electric distribution infrastructure additions, to meet foreseeable future load growth within the Rock Ridge/Frog Hollow Road areas, all at a significant cost to TREC and its other member/owners outside of this one area.

7. Expenditure of this significant amount of capital by TREC would be a risky investment in the Rock Ridge/Frog Hollow Road areas because it is foreseeable that this area will be annexed, voluntarily or involuntarily, by the city of Jefferson City, Missouri in the future. Such annexation would strand future expansion of services necessary to offset such a large expenditure as TREC, being a Missouri Rural Electric Cooperative organized under Chapter 394 of the Revised Statutes of Missouri is, subject to limited exceptions, allowed only to serve new consumers within “rural areas” of the state of Missouri. A “rural area” is defined as an area not included within the boundaries of any city, town or village having a population in excess of fifteen hundred inhabitants. See Section 394.020.
8. Conversely, within and very near the Rock Ridge/Frog Hollow Road areas, Ameren Missouri has already expended the capital and resources to have in place sufficient facilities to provide adequate and reliable service to consumers in the future with less additional investment and less risk related to that investment, including new consumers and envisioning significant load growth in the area.
9. Additionally, the proposed territorial agreement, if approved by the Commission, would require that approximately 250 customers of Ameren Missouri have their electric service provider changed to TREC. All of these customers are within and around the Village of Wardsville, Missouri.
10. As accurately reflected within OPC’s Response and Recommendation Ameren Missouri has received fewer than 5 comments in regard to the proposed change of electric service provider from Ameren Missouri to TREC.
11. A substantial reason behind the proposed change of electric service provider within and around the Village of Wardsville is Ameren Missouri’s acknowledged lack of ability to provide any redundant feed to the area, which negatively impacts overall reliability. This area is currently served by Ameren Missouri via a lengthy radial line.
12. In contrast, TREC has within the Village of Wardsville a robust electric distribution system to meet current and future load growth with minimal future investment in order to provide adequate and reliable service.
13. Furthermore, within Wardsville, Missouri there is a plethora of duplicated facilities in existence as this area has been served by both Ameren Missouri and TREC in the past. Reduction of duplicated facilities is in the best interests of all parties and affected consumers.
14. Finally, in its Response and Recommendation the OPC opined that the mutual swap of customers between Ameren Missouri and TREC was for the purpose of creating an economic balance between the two applicants. Such a balance was not a significant consideration that shaped the number or location of the proposed customer exchanges. Instead, as detailed above, considerations regarding currently existing infrastructure and future growth and the necessary expenditures of capital investment necessary to, where allowed by relevant state law, maintain adequate levels of service and reliability, were the primary driving forces behind all requested service provider changes as contained within the proposed Territorial Agreement.

**WHEREFORE,** Ameren Missouri and TREC, respectfully requests that the Office of Public Counsel reconsider its opposition to the Commission’s approval of the Territorial

Agreement as filed with and requested within the Applicant's Joint Application.

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