

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of
Union Electric Company of Missouri
for authorization to acquire shares
of Capital Stock of Electric Energy,
Inc. }

CASE NO. 12,064

FILED 3

APR 25 2007

Missouri Public
Service Commission

REPORT AND ORDER

This case is before the Commission on an application filed December 8, 1950, by Union Electric Company of Missouri (herein referred to as the "Petitioner"), for authority to acquire 14,000 shares of Capital Stock, of the par value of \$100 per share, in a public utility corporation to be organized and known as Electric Energy, Inc.

The authority requested by Petitioner is pursuant to Section 5651, R. S. Mo. 1939, which states, among other things, that no electrical corporation shall directly or indirectly acquire the stock or bonds of any other corporation incorporated for, or engaged in the same or a similar business unless authorized so to do by the Commission.

As shown by the verified petition, the Atomic Energy Commission is constructing a new project and will require at its site power in a large amount which is not now available, and that, in order to assist in supplying a substantial portion of such power Petitioner and certain other companies have been invited to make and are making a proposal to the Atomic Energy Commission under which such companies will cause to be organized Electric Energy, Inc. as a public utility corporation and will subscribe for its Capital Stock, and under which Electric Energy, Inc. will construct and operate power generating facilities, with an aggregate capacity of approximately 500,000 Kw. at or near the site of the project, and certain related transmission facilities. Electric Energy, Inc. will also arrange to

Commission Exhibit No. 1
Case No. 12,064
Date 4/25/07

interconnect the facilities of the respective companies. The new project will have standby and emergency power in substantial amounts.

Petitioner states that it is expected that the facilities of Electric Energy, Inc. will cost approximately \$55,000,000; and that the funds for providing such facilities are expected to be raised by Electric Energy, Inc. by borrowing approximately \$61,500,000 from two institutional investors, and the investment of approximately \$3,500,000 by the companies in the Capital Stock of Electric Energy, Inc. in the following amounts: Union Electric Company of Missouri, the Petitioner, 14,000 shares; Central Illinois Public Service Company, 3500 shares; Illinois Power Company, 7,000 shares; Kentucky Utilities Company, 7,000 shares; and Middle South Utilities, Inc., 3500 shares.

Petitioner also stated that, in order further to assure the repayment of such loans, the companies will agree to be responsible for the use or sale of the capacity of such generating facilities, in case the Atomic Energy Commission should terminate its purchase of power from Electric Energy, Inc., in the same proportions as their respective investments in the Capital Stock of Electric Energy, Inc.

It is further stated that the new project of the Atomic Energy Commission, including the electric power facilities for such project, has been given the highest possible priority rating, and that Commission has emphasized that, in the interests of national defense, the greatest possible expedition is necessary.

The Commission is of the opinion that the granting of the petition will be in the public interest and the interest of the national defense program and that a hearing in this case is not necessary.

It is, therefore,

ORDERED: 1. That Union Electric Company of Missouri is hereby authorized to acquire for cash at the par value thereof 14,000 shares of Capital Stock, of the par value of \$100 per share, of a company to be organized and known as Electric Energy, Inc.

ORDERED: 2. That nothing in this order shall be considered as a finding by the Commission of the value for rate making purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by the parties.

ORDERED: 3. That this order shall take effect on the date hereof and that the Secretary of the Commission shall forthwith mail certified copies of same to all interested parties.

BY THE COMMISSION

Marvin P. Moore

MARVIN P. MOORE
Secretary

(SEAL)

Osburn, Chr., Williams, Henson,
McClintock and Randolph, CC, Concur.

Dated at Jefferson City, Missouri,
this 8th day of December, 1950.