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June 24, 2002

Mr. Dale H. Roberts Secretary/Chief Regulatory Law Judge Public Service Commission P. O. Box 360 Jefferson City, MO 65102

FILED⁴

JUN 2 4 2002

RE: Case No. EO-2002-458

Missouri Public Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of PUBLIC COUNSEL'S RESPONSE TO NONUNANIMOUS STIPULATION AND AGREEMENT. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,

JBC:ib

cc: Counsel of Record

OF THE STATE OF MISSOURI

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In the Matter of the Joint Application of Union)
Electric Company and Callaway Electric) JUN 2 4 2002
Cooperative for an Order Approving the Change in Electric Supplier for Certain Customers for Reasons in the Public Interest; Authorizing the) Missouri Public) Service Commission
Sale, Transfer, and Assignment of Certain)
Electric Distribution Facilities and Easements)
from Union Electric Company to Callaway) Case No. EO-2002-458
Electric Cooperative; and Approving the)
Territorial Agreement between Union Electric	j
Company and Callaway Electric Cooperative in	Ś
Audrain, Boone, Callaway, Montgomery, and	,
Warren Counties.)

PUBLIC COUNSEL'S RESPONSE TO NONUNANIMOUS STIPULATION AND AGREEMENT

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Response to Nonunanimous Stipulation and Agreement states as follows:

- 1. On June 21, 2002, Union Electric Company d/b/a AmerenUE (Company), Callaway Electric Cooperative (Cooperative) and the Staff of the Missouri Public Service Commission (Staff) filed a Nonunanimous Stipulation and Agreement in this case ("Stipulation and Agreement"), requesting approval of the Joint Application filed on March 25, 2001 by Company and Cooperative.
- 2. The signatories to the Stipulation and Agreement request approval for a change in electric suppliers for certain customers of both Company and Cooperative, and for approval of a new territorial agreement. The proposed transfer of approximately 600 customers from Cooperative to Company in

Callaway and Montgomery counties and the transfer of approximately 800 customers from Company to Cooperative in those same counties result in varying customer impacts. Whether this proposal is detrimental to the public interest depends on the perspective of each particular customer.

The Company and the Cooperative have differing rate designs and differing terms of service, including the following:

- Cooperative has a higher customer charge (minimum monthly charge)
 than Company, which tends to be more detrimental to consumers who
 consume a smaller amount of electricity than the average consumer.
- Company has a greater weather differential in its rates, which are higher during the summer months.
- Cooperative and Company have differing conditions of service and differing conditions for the extension of service.

It is Public Counsel's expectation that Staff will file prepared testimony explaining these differences in some detail.

Accordingly, if the proposed territorial agreement is adopted by the Commission, some customers to be switched will benefit (to varying degrees) and the other customers to be switched will be harmed (to varying degrees).

3. The wide divergence in customer impacts as a result of this proposal is the primary reason that Public Counsel has decided make no recommendation for or against the Joint Application and why Public Counsel has not joined the Stipulation and Agreement. Nonetheless, Public Counsel believes

that the Commission should be aware of the varying customer impacts that would result from approving the proposed territorial agreement.

4. Public Counsel has received phone calls and letters from eight customers impacted by the Joint Application. Each of these customers opposed having their electric service switched from one electric supplier to the other.

WHEREFORE Public Counsel respectfully submits this Response to the Nonunanimous Stipulation and Agreement filed on June 21, 2002, asks the Commission to take note of the fact that Public Counsel is making no recommendation regarding the Joint Application in this case, and further waives any right that it has to request a hearing pursuant to Commission Rule 4 CSR 240-2.115(3).

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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y. _____

John B. Coffman ///

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 24th day of June 2002:

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