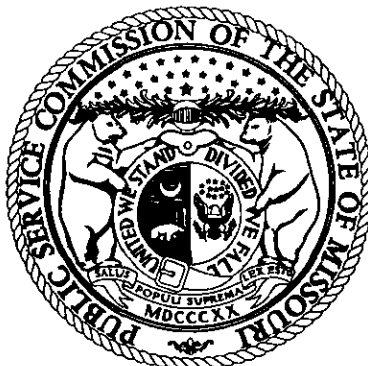


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of the Joint Application of Union)
Electric Company d/b/a AmerenUE and Crawford)
Electric Cooperative, Inc., for Approval of a)
Written Territorial Agreement Designating the)
Boundaries of Each Electric Service Supplier)
Within Washington County, Missouri.)

Case No. EO-99-146

REPORT AND ORDER

Issue Date: January 28, 1999

Effective Date: February 9, 1999

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Union)
Electric Company d/b/a AmerenUE and Crawford)
Electric Cooperative, Inc., for Approval of a) Case No. EO-99-146
Written Territorial Agreement Designating the)
Boundaries of Each Electric Service Supplier)
Within Washington County, Missouri.)

APPEARANCES

William B. Bobnar, Attorney, Ameren Services Company, One Ameren Plaza, 1901 Chouteau Avenue, Post Office Box 66149 (M/C 1310), St. Louis, Missouri 63166-6149, for Union Electric Company, d/b/a AmerenUE.

Matt Turner, Andereck, Evans, Milne, Peace and Baumhoer, L.L.C., Post Office Box 1438, 305 East McCarty Street, Jefferson City, Missouri 65102-1438, for Crawford Electric Cooperative, Inc.

Shannon Cook, Assistant Public Counsel, Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, for the Office of the Public Counsel and the public.

Dennis L. Frey, Assistant General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the staff of the Missouri Public Service Commission.

REGULATORY LAW JUDGE: Nancy Dippell, Senior.

REPORT AND ORDER

Procedural History

Union Electric Company d/b/a AmerenUE (AmerenUE) and Crawford Electric Cooperative, Inc. (Crawford) filed a joint application on October 13, 1998, under Section 394.312, RSMo 1994¹, asking the Missouri Public Service Commission (Commission) to approve a territorial agreement

¹ All further statutory references are to the Revised Statutes of Missouri 1994 unless otherwise indicated.

between the Applicants. The proposed territorial agreement is attached to this Report and Order as Attachment A².

The Commission issued an Order and Notice on October 21 directing parties wishing to intervene in the case to do so by November 10. No applications to intervene were filed. The Applicants, the Office of the Public Counsel (Public Counsel) and the Staff of the Missouri Public Service Commission (Staff) filed a Stipulation and Agreement stating that the territorial agreement is in the public interest and should be approved. A copy of the Stipulation and Agreement is attached to this order and incorporated herein as Attachment B.

The Commission held an evidentiary hearing on December 18. All parties were represented at the evidentiary hearing.

Discussion

AmerenUE is a public utility engaged in providing electric service to the public in the State of Missouri, subject to the jurisdiction of the Commission. AmerenUE's principal place of business is located in St. Louis, Missouri. Crawford is a rural electric cooperative engaged in distributing electric energy and service to its members in Washington County, Missouri. Crawford's principal place of business is located in Bourbon, Missouri. Crawford is not subject to Commission regulation of its service or rates.

² The attachments to the Territorial Agreement include: 1) Exhibit 1, a metes and bounds description of the electric service area of Union Electric Company within Washington County, Missouri; and 2) Exhibit 2, a map depicting the exclusive service territories of AmerenUE and Crawford Electric Cooperative in Washington County, Missouri. Exhibit 2 is not attached to this order due to its size.

AmerenUE and Crawford jointly applied for approval of a territorial agreement which would designate the service area of each of the Applicants in portions of the Missouri county of Washington. The agreement is designed to avoid duplication of facilities and minimize disputes between the two suppliers. The agreement designates the boundaries of the exclusive electric service area of each of the Applicants for service of new structures within the designated areas. The territorial agreement does not require the transfer of any facilities or customers between the Applicants.

Before approving the proposed territorial agreement the Commission must determine that it is not detrimental to the public interest. The first factor the Commission will consider in deciding the appropriateness of this territorial agreement is the extent to which the agreement eliminates or avoids unnecessary duplication of facilities. The Applicants stated in their application and AmerenUE's witness, Nicholas J. Eckelkamp, testified at the hearing, that duplication of facilities currently exists between AmerenUE and Crawford. Mr. Eckelkamp further testified that the territorial agreement would eliminate any further duplication of facilities and avoid any future increase in duplication in the affected area.

Second, the Commission will consider the ability of each party to the territorial agreement to provide adequate service to the customers in its exclusive service area. The Applicants stated that there will be no exchange of customers as a result of the agreement and either party will have the right to continue serving existing structures located in

the electric service area of the other party. Both Applicants have the ability to make available adequate power supplies.

The third area for Commission concern is the effect of approval of the territorial agreement on customers of the Applicants. Mr. Eckelkamp testified that no customers or facilities will be transferred. Mr. Eckelkamp stated that the public will benefit from the esthetics of not having duplicate distribution lines and substations.

Fourth, the Commission will consider a category of other cost and safety benefits attributed to the proposed territorial agreement. The Applicants stated the agreement will promote efficiency, both by avoiding the duplication of distribution facilities and by minimizing or eliminating competitive disputes. The elimination of duplicated facilities will result in fewer live power lines crossing the same area, thereby increasing public safety. Mr. Eckelkamp testified that the agreement should also enhance certainty in whom to call for service within the designated territories.

Staff's witness, James L. Ketter, testified that it is Staff's opinion that the agreement is not detrimental to the public interest.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact. The positions and arguments of all of the parties have been considered by the Commission in making this decision. Failure to specifically address a piece of evidence, position or argument of any party does not indicate that the Commission has failed to consider

relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

The Commission finds that approval of the territorial agreement signed by the Applicants on October 7, 1998, would avoid future duplication of facilities. The Commission finds that the Applicants are capable of adequately and safely providing the electric power supply, service, and maintenance needs of the customers in their service areas as designated in the proposed territorial agreement. The Commission further finds that the overall effect of the proposed territorial agreement would not be harmful to ratepayers, that the agreement would promote efficiency and safety, and reduce customer confusion.

The Commission further finds that the approval of this territorial agreement will not impair AmerenUE's existing certificates of public convenience and necessity except as specifically limited by the territorial agreement.

Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law.

The Missouri Public Service Commission has jurisdiction over the services, activities, and rates of AmerenUE pursuant to Section 386.250 and Chapter 393, RSMo. The Commission does not have jurisdiction over the services, activities, and rates of rural electric cooperatives such as Crawford except as specified in Section 394.160, RSMo.

When a cooperative enters into a territorial agreement with a regulated public utility the agreement must be approved by the Commission

after hearing. § 394.312, RSMo. The Commission may approve a territorial agreement if the agreement in total is not detrimental to the public interest. § 394.312.4, RSMo. Based on the findings of fact it has made, the Commission concludes that the territorial agreement proposed by AmerenUE and Crawford, Case No. EO-99-146, is not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:


1. That the Territorial Agreement attached to this order as Attachment A and signed by Union Electric Company d/b/a AmerenUE and Crawford Electric Cooperative, Inc., on October 7, 1998, is approved.

2. That no more than 10 days after the effective date of this order Union Electric Company d/b/a AmerenUE shall file revised tariff sheets in compliance with the Territorial Agreement approved in Ordered Paragraph 1.

3. This Report and Order shall become effective on February 9, 1999.

BY THE COMMISSION

(S E A L)



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Lumpe, Ch., Crumpton, Drainer,
and Murray, CC., concur and certify
compliance with the provisions of
Section 536.080, RSMo 1994.
Schemenauer, C., absent.

Dated at Jefferson City, Missouri,
on this 28th day of January, 1999.

SECOND TERRITORIAL AGREEMENT

between

UNION ELECTRIC COMPANY

d/b/a AmerenUE

and

CRAWFORD ELECTRIC COOPERATIVE, INC.

SECOND TERRITORIAL AGREEMENT

THIS AGREEMENT is entered into between UNION ELECTRIC COMPANY d/b/a AMERENJE and CRAWFORD ELECTRIC COOPERATIVE, INC. on the 7th day of October, 1998.

RECITALS

- A. Company is authorized by law to provide electric service within the State of Missouri, including portions of Washington County;
- B. Cooperative is authorized by law to provide electric service within the State of Missouri, including portions of Washington County;
- C. Section 394.312 RSMo. authorizes electrical corporations and rural electric cooperatives to enter into written territorial agreements;
- D. Company and Cooperative have entered into the First Territorial Agreement, which establishes their respective service area responsibilities between the parties in Crawford, Franklin, Gasconade, and Jefferson Counties;
- E. The First Territorial Agreement has been approved by the Commission in Case No. EO-91-204, by Report and Order of August 16, 1991, and Supplemental Order of September 20, 1991;
- F. All transfers of facilities and customers required by the First Territorial Agreement have been completed by the parties, including any transfers in Washington County;
- G. The First Territorial Agreement does not provide for exclusive service areas of the parties in Washington County; and
- H. Company and Cooperative desire to promote the orderly development of the retail electric service within portions of Washington County,

Missouri, to avoid wasteful duplication and to minimize disputes which may result in higher costs in serving the public.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1.

DEFINITIONS

In addition to terms defined elsewhere herein, when used herein, the following terms shall have the definitions set forth below. Words importing persons include corporations or other entities, as applicable, and words importing on the singular include the plural and vice versa when the context requires.

- 1.1 **Agreement** shall mean this document, including any appendices or exhibits hereto. The expressions "herein," "hereto," "hereunder," "hereof," and other similar expressions refer to this Agreement as so defined and to any relevant article, section, subsection, or other subdivision so designated.
- 1.2 **Company** shall mean Union Electric Company d/b/a AmerenUE, a corporation organized and existing under the laws of the State of Missouri, having its principal place of business in St. Louis, Missouri.
- 1.3 **Commission** shall mean the Missouri Public Service Commission.
- 1.4 **Cooperative** shall mean Crawford Electric Cooperative, a corporation organized and existing under the laws of the State of Missouri, having its principal place of business in Bourbon, Missouri.

- 1.5 **Customer** shall mean any natural person, firm, association, partnership, business trust, public or private corporation, political subdivision or any agency, board, department or bureau of the state or federal government, or any other legal entity which has requested or is receiving electric service. Any customer who has requested or is receiving electric service at one structure shall be a new and different customer at each structure at which electric service has been requested.
- 1.6 **Existing Structure** shall mean any Structure which receives electric energy from either Party prior to the effective date of this Agreement. "Existing Structure" shall also mean any replacement of an existing structure, if the existing structure is totally removed and replaced by a structure used for the same Purpose as the previously existing structure.
- 1.7 **First Territorial Agreement** shall mean the Territorial Agreement dated April 25, 1991, which establishes exclusive service areas between the parties in Crawford, Franklin, Gasconade, and Jefferson Counties, that has been approved by the Commission in Case No. EO-91-204, by Report and Order of August 16, 1991, and Supplemental Order of September 20, 1991.
- 1.8 **New Structure** shall mean any Structure which did not receive electric energy from either Party prior to the effective date of this Agreement. "New Structure" shall also mean any replacement of a previously existing structure that does not satisfy the definition of Existing Structure set forth herein.
- 1.9 **Purpose** shall mean one of the following categories when used in defining a Structure -- agricultural, residential, commercial, industrial, or other.
- 1.10 **Structure** shall mean an agricultural, residential, commercial, industrial or other building or a mechanical installation, machinery or apparatus, at which retail electric energy is being delivered through a metering device. A

"Structure" shall also include any repairs to, any contiguous addition to, or expansion of a particular structure. "Structure" shall not include a metering device or customer-owned meter wiring.

ARTICLE 2.

EXCLUSIVE RIGHT TO SERVE

Each party shall be entitled to continue serving those Existing Structures it was serving as of the date of this Agreement, wherever those Structures are located. Unless the parties agree in writing otherwise, prior to the Effective Date of this Agreement, a New Structure shall be served by the party in whose exclusive service area, described in Articles 3 and 4 of this Agreement, the New Structure is located. After the Effective Date, each party shall have the exclusive right to furnish electric service to all New Structures located within its respective exclusive service area described in Articles 3 and 4 of this Agreement, regardless of the size of the load or the characteristics of the customer's requirements. Except as provided expressly herein, neither party may furnish, make available, render, or extend electric service to New Structures for use within the exclusive service area of the other party, either directly, indirectly or through a subsidiary corporation or other entity controlled by the party.

ARTICLE 3.

EXCLUSIVE SERVICE AREA OF COMPANY

The exclusive service area of Company under this Agreement shall be that portion of Washington County as is described in Exhibit 1 and as shown on the map marked Exhibit 2. All exhibits referred to in this Article are incorporated herein by reference and made a part of this Agreement as if fully set out verbatim. The Company may serve within municipalities that are located in the Company's exclusive service area, pursuant to this Agreement.

ARTICLE 4.

EXCLUSIVE SERVICE AREA OF COOPERATIVE

The exclusive service area of Cooperative under this Agreement shall be that portion of Washington County outside the Company's territory under this Agreement and as illustrated by the line as shown on the map marked Exhibit 2. The Cooperative may serve within municipalities that are located in the Cooperative's exclusive service area, pursuant to this Agreement

ARTICLE 5.

LOCATION OF A STRUCTURE

- 5.1 The location of a Structure for purposes of this Agreement shall be the geographical location at which electric energy is used, regardless of the metering point or point of delivery.
- 5.2 The first owner of a New Structure who requests and receives electric service at said Structure, which is located on or crossed by any mutual boundary line as described in Articles 3 and 4 which define the exclusive service areas of the parties, shall be permitted to choose either party for permanent electric service, provided that the customer's meter is installed within that party's service area. Thereafter, that party shall exclusively serve that Structure.

ARTICLE 6.

CASE-BY-CASE EXCEPTION PROCEDURE

- 6.1 The parties may agree, on a case-by-case basis by an Addendum hereto, to allow a Structure to receive service from one party, although the Structure is located in the exclusive service area of the other party.
- 6.2 Such Addendum shall be filed with the Executive Secretary of the Commission in the same manner as a motion or other pleading, with a copy

submitted to the Office of Public Counsel. There will be no filing fee for these addenda.

- 6.3 Each Addendum shall consist of a notarized statement identifying the Structure, the party to serve the Structure, the justification for the Addendum, and indicating that the parties support the Addendum.
- 6.4 Each Addendum shall be accompanied by a notarized statement, signed by the customer to be served, which acknowledges such customer's receipt of notice of the contemplated electric service to be provided and that the Addendum represents an exception to the territorial boundaries approved by the Commission and shall indicate the customer's consent to be served by the electric service provider as contemplated by the Addendum.
- 6.5 If the Staff or Office of Public Counsel do not submit a pleading objecting to the Addendum within forty-five (45) days of the filing thereof, the Addendum shall be deemed approved by the aforesaid parties. Each Addendum shall contain a statement in bold uppercase typeface indicating that the Staff or Office of Public Council have forty-five (45) days to oppose the Addendum or else the Addendum shall be deemed approved by the aforesaid parties.
- 6.6 Each party, pursuant to an executed Addendum, shall have the right to provide temporary service, as defined in Section 393.106 RSMo., until the Commission approves or disapproves the Addendum. No party shall be required to remove any facilities installed, pursuant to an Agreement, until the effective date of an Order of the Commission or a court regarding the removal of same.

ARTICLE 7.

EFFECTIVE DATE, TERM, AND CONDITIONS

- 7.1 **Effective Date.** The Effective Date of this Agreement shall be the effective date of the Order issued by the Commission, pursuant to RSMo. Section 394.312, approving this Agreement.
- 7.2 **Term of Agreement.** The term of this Agreement shall be perpetual.
- 7.3 **Conditions of Performance.** Performance of the parties is contingent upon all of the following having occurred no later than one (1) year from the date of execution of this Agreement, unless such condition is waived, extended or modified by agreement, in writing, signed by an officer of each party hereto:
- A. all required approvals of the Cooperative's Board of Directors;
 - B. approval of the transaction by the Commission; and
 - C. approval by the Commission of Company's modifications to its Certificate of Public Convenience and Necessity to own, operate and maintain the electric transmission and distribution facilities, pursuant to this Agreement, if required.

ARTICLE 8.

TERMINATION

- 8.1 **Termination Events.** Either party may cancel this Agreement, prior to Commission approval, for any reason, by giving the other party written notice.
- 8.2 **Effect of Termination.** If the transactions contemplated by this Agreement are terminated as provided herein, each party shall pay the costs and expenses incurred by it in connection with this Agreement, and no

party (or any of its officers, directors, employees, agents, attorneys, representatives, or shareholders) shall be liable to any other party for any costs, expenses, or damages. Except as provided herein, neither party shall have any liability or further obligation to the other party to this Agreement.

ARTICLE 9.

NOTICES

All notices, reports, records, or other communications which are required or permitted to be given to the parties under this Agreement shall be sufficient in all respect if given in writing and delivered in person, by telecopy with receipt confirmed, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the following address:

If to Cooperative: **CRAWFORD ELECTRIC COOPERATIVE, INC.**
P.O. Box 10
Bourbon, Missouri 65441
Attention: Larry Austin
Phone: 573-732-4415
Telecopy: 573-732-5409

If to Company: **AMERENUE**
One Ameren Plaza
1901 Chouteau Avenue
St. Louis, Missouri 63103
Attention: William J. Carr
Phone: 314-554-3990
Telecopy: 314-554-6454

or to such other address as such party may have given to the other by notice, pursuant to this Section. Notice shall be deemed given on the date of delivery, in the case of personal delivery or telecopy, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

ARTICLE 10.

TRANSMISSION AND DISTRIBUTION FACILITIES

This Agreement shall in no way affect either party's right to construct such electric distribution and transmission facilities within the designated exclusive electric service area of the other as that party deems necessary, appropriate or convenient to provide electric service to its customers, not inconsistent with the terms of this Agreement, and as otherwise allowed by law.

ARTICLE 11.

MISCELLANEOUS

11.1 Assignment. This Agreement shall be binding on the parties and all subsidiaries, successors, and assigns of Company and Cooperative. Neither party shall make any assignment of any of its rights or interests under this Agreement without the written consent of the other party, which consent shall not be unreasonably withheld, and approval of the Commission. Notwithstanding the foregoing, in the event of a merger, corporate reorganization, or corporate restructuring of a party, said party may assign this Agreement to the corporate entity responsible for providing distribution level electric service in the area covered by this Agreement and the consent of the other party shall be deemed to be given. The consenting party or party whose consent is deemed to be given shall cooperate in obtaining approval of the assignment by (a) participating in the joint application requesting Commission approval of the assignment and (b) providing an affidavit stating that it consents to the Assignment for inclusion in such application.

11.2 Governing Law/Alternative Dispute Resolution. This Agreement shall be governed by, construed, and enforced in accordance with, and its

validity shall be determined under, the laws of the State of Missouri. In the event of a dispute, the parties, prior to instituting any litigation or a Commission proceeding, shall consider Alternative Dispute Resolution procedures, such as mediation, arbitration or a mini-trial. If either party believes the dispute is not suitable to such procedures or is not satisfied with the results thereof, then that party may proceed with litigation or a Commission proceeding.

- 11.3 Effect of This Agreement on Existing Territorial Agreement.** The parties have entered into a First Territorial Agreement, which establishes their respective service area responsibilities between the parties in Crawford, Franklin, Gasconade, and Jefferson Counties. The First Territorial Agreement has been approved by the Commission in Case No. EO-91-204. This Agreement has no impact whatsoever on the First Territorial Agreement. Notwithstanding the foregoing, this Agreement is a complete contract and contains the entire agreement between the parties relating to exclusive service area boundary in Washington County contained herein. All prior communications or agreements with respect to the subject matter of this Agreement, whether written or oral, are hereby superseded, abrogated, and withdrawn.
- 11.4 Amendments.** No modification, amendment, deletion, or other change in this Agreement or the boundaries described in the Agreement shall be effective for any purpose unless specifically set forth in writing, signed by both parties, and approved by the Commission.
- 11.5 Headings.** Headings and titles contained in this Agreement are included for convenience only and shall not be considered for purposes of interpretation of this Agreement.

- 11.6 Joint Application and Impact of Commission or Court Orders.** Each party will cooperate in presenting a joint application showing such transfer to be in the public interest. The filing fee for this application, pursuant to 4 CSR 240-21.010, shall be split between the parties. If the Commission does not approve the provisions of this Agreement, then it shall be nullified and of no legal effect between the parties. Further, if any part of this Agreement is declared invalid or void by a Court or agency of competent jurisdiction, then the whole Agreement shall be deemed invalid and void.
- 11.7 No Waiver.** Any failure to require strict performance of this Agreement by either party shall not release the other party from any obligation under this Agreement, nor shall it be deemed a waiver of any right under this Agreement.
- 11.8 Company's Service Territory Outside This Agreement.** Company has service territories outside of the areas covered by this Agreement. For service outside of the areas described by this Agreement, Company will continue to operate without regard to this Agreement.
- 11.9 Cooperative's Service Territory Outside This Agreement.** Cooperative has service territories outside of the areas covered by this Agreement. For service outside of the areas described by this Agreement, Cooperative will continue to operate without regard to this Agreement.
- 11.10 Expenses.** Except as otherwise expressly provided herein, all expenses incurred by the parties hereto in connection with, or related to the authorization, preparation and execution of this Agreement and the closing of the transactions contemplated hereby, including without limitation, the fees and expenses of agents, representatives, counsel and accountants employed by any such party, shall be borne solely and entirely by the party which has incurred same.

11.11 Entire Agreement. This contract constitutes the entire agreement between the parties relating to the allocation of service rights in the territory described herein.

The parties have entered into this Agreement as evidenced below by the signature of their duly authorized representatives as of the date set forth on the first page hereof.

UNION ELECTRIC COMPANY

d/b/a AMERENUE

By: William J. Carr
Name: William J. Carr
Title: Vice President

ATTEST:

By: JH Waters
Title: ASST. SECRETARY

**CRAWFORD ELECTRIC
COOPERATIVE, INC.**

By: James D. Cottrell
Name: JAMES D. COTTRELL
Title: President

ATTEST:

By: [Signature]
Title: Assistant Secretary

Exhibit 1

**Metes and Bounds Description
of the Exclusive Service Territory of
AmerenUE in Washington County**

EXHIBIT 1

Metes and Bounds Description, Union Electric Company within Washington County, Missouri.

Starting at the southwest corner of Washington County, the territory boundary line proceeds north along the Crawford/Washington County line to the north section line of Section 1 in Township 36N, Range 2W:

At the north section line of Section 1 in Township 36N, Range 2W and the Crawford/Washington County line, the territory boundary line travels east along the north section line of Section 1 in Township 36N, Range 2W and Sections 6, 5, 4, and 3 of Township 36N, Range 1W to the northeast corner of Section 3 in Township 36N, Range 1W.

At the northeast corner of Section 3 in Township 36N, Range 1W, the line goes south along the east section line of Section 3 in Township 36N, Range 1W to the southeast corner of this section.

At the southeast corner of Section 3 in Township 36N, Range 1W, the line goes east along the north section line of Sections 11 and 12 in Township 36N, Range 1W to the northeast corner of Section 12 in Township 36N, Range 1W.

At the northeast corner of Section 12 in Township 36N, Range 1W, the line proceeds south along the east section line of Section 12 in Township 36N, Range 1W to the north section line of the Southwest Quarter of Section 7 in Township 36N, Range 1E.

At the northwest corner of the Southwest Quarter of Section 7 in Township 36N, Range 1E, the line travels east along the north section line of the Southwest and Southeast Quarters of Sections 7, 8, and 9 and the Southwest Quarter of Section 10 in Township 36N, Range 1E to the northwest corner of the Southeast Quarter in Section 10 of Township 36N, Range 1E.

At the northwest corner of the Southeast Quarter in Section 10 of Township 36N, Range 1E, the line goes north along the west section line of the Northeast Quarter of Section 10 and the Southeast and Northeast Quarters of Section 3 in Township 36N, Range 1E to the northwest corner of the Northeast Quarter of Section 3 in Township 36N, Range 1E.

At the northwest corner of the Northeast Quarter of Section 3 in Township 36N, Range 1E, the line proceeds west along the south section line of Section 34 in Township 37N, Range 1E to the southwest corner of Section 34 in Township 37N, Range 1E.

At the southwest corner of Section 34 in Township 37N, Range 1E, the line travels north along the west section line of Sections 34 and 27 in Township 37N, Range 1E to the northwest corner of Section 27 in Township 37N, Range 1E.

At the northwest corner of Section 27 in Township 37N, Range 1E, the line goes west along the south section line of Section 21 in Township 37N, Range 1E to the southwest corner of the Southeast Quarter of the Southwest Quarter in Section 21 of Township 37N, Range 1E.

At the southwest corner of the Southeast Quarter of the Southwest Quarter in Section 21 of Township 37N, Range 1E, the line proceeds north along the west section line of the Southeast Quarter of the Southwest Quarter in Section 21 of Township 37N, Range 1E to the northwest corner of the Southeast Quarter of the Southwest Quarter in Section 21 of Township 37N, Range 1E.

At the northwest corner of the Southeast Quarter of the Southwest Quarter in Section 21 of Township 37N, Range 1E, the line goes west along north section line of the Southwest Quarter of the Southwest Quarter of Section 21 and the Southeast and Southwest Quarters of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter of Section 20 in Township 37N, Range 1E to the northwest corner of the Southeast Quarter of the Southwest Quarter of Section 20 in Township 37N, Range 1E.

At the northwest corner of the Southeast Quarter of the Southwest Quarter of Section 20 in Township 37N, Range 1E, the line travels north along the west section line of the Northeast Quarter of the Southwest Quarter and the Southeast and Northeast Quarters of the Northwest Quarter of Section 20 in Township 37N, Range 1E and the Southeast and Northeast Quarters of the Southwest and Northwest Quarters of Section 17 in Township 37N, Range 1E to the northwest corner of the Northeast Quarter of the Northwest Quarter of Section 17 in Township 37N, Range 1E.

At the northwest corner of the Northeast Quarter of the Northwest Quarter of Section 17 in Township 37N, Range 1E, the line proceeds west along the north section of Sections 17 and 18 in Township 37N, Range 1E and the south section line of Section 12 in Township 37N, Range 1W to the southwest corner of Section 12 in Township 37N, Range 1W.

At the southwest corner of Section 12 in Township 37N, Range 1W, the line proceeds north along the west section line of Sections 12 and 1 in Township 37N, Range 1W and Sections 36 and 25 in Township 38N, Range 1W to the northwest corner of Section 25 in Township 38N, Range 1W.

At the northwest corner of Section 25 in Township 38N, Range 1W, the line goes east along the north section line of Section 25 in Township 38N, Range 1W and Sections 30 and 29 in Township 38N, Range 1E to the northeast corner of Section 29 in Township 38N, Range 1E.

At the northeast corner of Section 29 in Township 38N, Range 1E, the line travels north along the west section line of Sections 21, 16, and 9 in Township 38N, Range 1E to the northwest corner of Section 9 in Township 38N, Range 1E.

At the northwest corner of Section 9 in Township 38N, Range 1E, the line proceeds east along the north section line of Section 9 to the southwest corner of the Southeast Quarter of the Southeast Quarter of Section 4 in Township 38N, Range 1E.

At the southwest corner of the Southeast Quarter of the Southeast Quarter of Section 4 in Township 38N, Range 1E, the line travels north along the west section line of the Southeast and Northeast Quarters of the Southeast and Northeast Quarters of Section 4 to the northwest corner of the Northeast Quarter of the Northeast Quarter of Section 4 in Township 38N, Range 1E.

At the northwest corner of the Northeast Quarter of the Northeast Quarter of Section 4 in Township 38N, Range 1E, the line proceeds east along the north section line of Section 4 in Township 38N, Range 1E to the northeast corner of Section 4 in Township 38N, Range 1E.

At the northeast corner of Section 4 in Township 38N, Range 1E, the line goes north along the west section line of Section 34 in Township 39N, Range 1E to the northwest corner of Section 34 in Township 39N, Range 1E.

At the northwest corner of Section 34 in Township 39N, Range 1E, the line goes east along the north section line of Section 34 in Township 39N, Range 1E to the northeast corner of Section 34 in Township 39N, Range 1E.

At the northeast corner of Section 34 in Township 39N, Range 1E, the line goes north along the west section line of Sections 26, 23, and 14 in Township 39N, Range 1E to the northwest corner of Section 14 in Township 39N, Range 1E.

At the northwest corner of Section 14 in Township 39N, Range 1E, the line goes east along the north section line of Sections 14 and 13 in Township 39N, Range 1E to the northeast corner of Section 13 in Township 39N, Range 1E.

At the northeast corner of Section 13 in Township 39N, Range 1E, the line goes south along the east section line of Sections 13, 24, 25, and 36 in Township 39N, Range 1E to the southeast corner of Section 36 in Township 39N, Range 1E.

At the southeast corner of Section 36 in Township 39N, Range 1E, the line goes east along the north section line of Section 6 in Township 38N, Range 2E to the northeast corner of Section 6 in Township 38N, Range 2E.

At the northeast corner of Section 6 in Township 38N, Range 2E, the line proceeds south along the west section line of Section 5, Township 38N, Range 2E to the southwest corner of the North Half of Section 5 in Township 38N, Range 2E.

At the southwest corner of the North Half of Section 5 in Township 38N, Range 2E, the line travels east along a south section line of the North Half of Sections 5, 4, and 3 in Township 38N, Range 2E to the southeast corner of the North Half of Section 3 in Township 38N, Range 2E.

At the southeast corner of the North Half of Section 3 in Township 38N, Range 2E, the line proceeds north along the east section line of Section 3 in Township 38N, Range 2E and Section 34 in Township 39N, Range 2E to the northeast corner of Section 34 in Township 39N, Range 2E.

At the northeast corner of Section 34 in Township 39N, Range 2E, the line travels east along the south section line of Section 26 in Township 39N, Range 2E to the southeast corner of Section 26 in Township 39N, Range 2E.

At the southeast corner of Section 26 in Township 39N, Range 2E, the line goes north along the east section line of Sections 26 and 23 in Township 39N, Range 2E to the northeast corner of Section 23 in Township 39N, Range 2E.

At the northeast corner of Section 23 in Township 39N, Range 2E, the line proceeds west along the north section line of Section 23 in Township 39N, Range 2E to the northwest corner of Section 23 in Township 39N, Range 2E.

At the northwest corner of Section 23 in Township 39N, Range 2E, the line proceeds north along the east section line of Section 15 in Township 39N, Range 2E to the northeast corner of Section 15 in Township 39N, Range 2E.

At the northeast corner of Section 15 in Township 39N, Range 2E, the line proceeds west along the north section line of Section 15 in Township 39N, Range 2E to the northwest corner of Section 15 in Township 39N, Range 2E.

At the northwest corner of Section 15 in Township 39N, Range 2E, the line proceeds north along the east section line of Section 9 in Township 39N, Range 2E to the northeast corner of the Southeast Quarter of Section 9 in Township 39N, Range 2E.

At the northeast corner of the Southeast Quarter of Section 9 in Township 39N, Range 2E, the line travels west along the north section line of the Southeast and Southwest Quarters of Section 9 in Township 39N, Range 2E to the northeast corner of the Northwest Quarter of the Southwest Quarter of Section 9 in Township 39N, Range 2E.

At the northeast corner of the Northwest Quarter of the Southwest Quarter of Section 9 in Township 39N, Range 2E, the line proceeds north along the east section line of the Southwest and Northwest Quarters of the Northwest Quarter of Section 9 and the Southwest and Northwest Quarters of the Southwest Quarter of Section 4 and the Southwest Quarter of the Northwest Quarter of Section 4 in Township 39N, Range 2E to a point on the center line of Little Indian Creek.

At a point on the center line of Little Indian Creek and the east section line of the Southwest Quarter of the Northwest Quarter of Section 4 in Township 39N, Range 2E, the line follows the center line of Little Indian Creek to the west section line of Section 4 in Township 39N, Range 2E.

At a point on the center line of Little Indian Creek and the west section line of Section 4 in Township 39N, Range 2E, the line goes west along a line (about one-half mile south of the north section line of Section 5) parallel to the north section line of Sections 5 and 6 in Township 39N, Range 2E to the west section line of the East Half of Section 6 in Township 39N, Range 2E.

At a point on the west section line of the East Half of Section 6 in Township 39N, Range 2E (about one-half mile south of the north section line of Section 6), the line proceeds north along the west section line of the East Half of Section 6 in Township 39N, Range 2E and the west section line of the Southeast and Northeast Quarters of the Southwest and Northwest Quarters of Section 31 and 30 in Township 40N, Range 2E to the northwest corner of the Northeast Quarter of the Northwest Quarter of Section 30 in Township 40N, Range 2E.

At the northwest corner of the Northeast Quarter of the Northwest Quarter of Section 30 in Township 40N, Range 2E, the line proceeds west along the south section line of Section 19 in Township 40N, Range 2E to the southwest corner of Section 19 in Township 40N, Range 2E.

At the southwest corner of Section 19 in Township 40N, Range 2E, the line travels north along the west section line of Section 19 in Township 40N, Range 2E to the northwest corner of Section 19 in Township 40N, Range 2E.

At the northwest corner of Section 19 in Township 40N, Range 2E, the line proceeds east along the north section line of Section 19 in Township 40N, Range 2E to the northeast corner of Section 19 in Township 40N, Range 2E.

At the northeast corner of Section 19 in Township 40N, Range 2E, the line goes south along the west section line of Section 20 in Township 40N, Range 2E to the southwest corner of the Northwest Quarter of the Northwest Quarter of Section 20 in Township 40N, Range 2E.

At the southwest corner of the Northwest Quarter of the Northwest Quarter of Section 20 in Township 40N, Range 2E, the line proceeds east along the south section line of the Northwest and Northeast Quarters of the Northwest and Northeast Quarters of Section 20 to the southeast corner of the Northeast Quarter of the Northeast Quarter of Section 20 in Township 40N, Range 2E.

At the southeast corner of the Northeast Quarter of the Northeast Quarter of Section 20 in Township 40N, Range 2E, the line travels north along the east section line of Section 20 to the northwest corner of Section 21 in Township 40N, Range 2E.

At the northwest corner of Section 21 in Township 40N, Range 2E, the line goes east along the north section line of Section 21 to a point on the north section line of Section 21 in Township 40N, Range 2E where the northwestern boundary line of Survey 3022 intersects.

At a point on the north section line of Section 21 in Township 40N, Range 2E where the northwestern boundary line of Survey 3022 intersects, the line proceeds northeast along the northwestern boundary line of Survey 3022 to the Franklin/Washington County line.

At the Franklin/Washington County line, the line travels east along the Franklin/Washington County line to the corner of Franklin, Jefferson, and Washington Counties.

At the corner of Franklin, Jefferson, and Washington Counties, the line follows southeastwardly along the Jefferson/Washington County line to the corner of Jefferson, St. Francois and Washington Counties.

At the corner of Jefferson, St. Francois and Washington Counties, the line goes south along the St. Francois/Washington County line to the corner of Iron, St. Francois and Washington Counties.

At the corner of Iron, St. Francois and Washington Counties, the line proceeds west along the Iron/Washington County line to the southwest corner of Washington County, the point of beginning.


Exhibit 2

**Map Depicting the Exclusive Service Territories of
AmerenUE and Crawford Electric Cooperative
in Washington County**

VERIFICATION

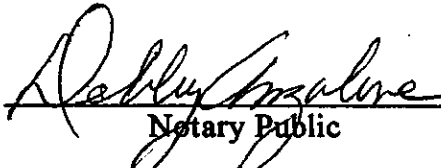
STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

On this 24th day of Sept., 1998, I, William J. Carr, a Vice President of Union Electric Company d/b/a AmerenUE, being duly sworn upon my oath, state that I am an officer of Union Electric Company d/b/a AmerenUE, a Missouri corporation, and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and I acknowledge said instrument to be the free act and deed of said Corporation.



William J Carr

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date first written above.



Notary Public

DEBBY ANZALONE
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: April 18, 2002

FILED

DEC 14 1998

Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Union Electric Company d/b/a AmerenUE Crawford Electric Cooperative, Inc. for Approval of a Written Territorial Agreement Designating the Boundaries of Each Electric Service Supplier Within Washington County, Missouri. Case No. EO-99-146

STIPULATION AND AGREEMENT

I. Procedural History

1. On October 13, 1998, Union Electric Company d/b/a AmerenUE (AmerenUE or Company) and Crawford Electric Cooperative, Inc. (Cooperative) filed a Joint Application pursuant to Sections 394.312 RSMo 1994 (Joint Application), requesting that the Missouri Public Service Commission (Commission): (1) approve a territorial agreement between the applicants, based on a finding that it is not detrimental to the public interest; (2) authorize the applicants to perform in accordance with the terms and conditions of the territorial agreement; (3) find that the territorial agreement shall not impair AmerenUE's certificates of convenience and necessity, except as specifically limited by the territorial agreement; and (4) approve AmerenUE's changes to its electric tariff.

2. Previously, Company and Cooperative entered into a territorial agreement (First Territorial Agreement) that established their respective service area responsibilities in Crawford, Franklin, Gasconade, and Jefferson Counties. The First Territorial Agreement was approved by the Commission in Case No. EO-91-204 by Report and Order of August 16, 1991 and Supplemental Order of September 20, 1991. All transfers of facilities and customers required by

the First Territorial Agreement have been completed by the parties. The First Territorial Agreement did not provide for exclusive service areas of the parties in Washington County.

3. Now, AmerenUE and Cooperative have entered into another territorial agreement, the terms of which are set out in a document entitled "Second Territorial Agreement," which is attached to the Joint Application as Exhibit A. The Second Territorial Agreement sets forth exclusive service area boundaries for both AmerenUE and Cooperative for the purpose of providing service to new structures in Washington County. The Second Territorial Agreement also provides that AmerenUE and Cooperative shall be entitled to continue serving those existing structures they were serving as of the date of the Second Territorial Agreement. Thus, AmerenUE and Cooperative are not required to transfer either customers or facilities in order to implement the Second Territorial Agreement.

4. On October 21, 1998, the Commission issued an Order and Notice providing for, among other things, the intervention of interested parties. Applications for intervention were to be filed no later than November 10, 1998. As of the date of this filing, no parties have filed for intervention.

5. The Staff of the Commission (Staff), the Office of the Public Counsel, AmerenUE, and Cooperative (hereinafter collectively known as "the Parties"), having reviewed the Joint Application and associated Second Territorial Agreement, and having considered the positions of the Parties and the issues to be resolved in this case, have entered into this Stipulation and Agreement.

II. The Parties Stipulate and Agree as Follows:

6. The Parties assert and, in consideration of the promises and covenants herein

contained, state that the Second Territorial Agreement between AmerenUE and Cooperative is *not detrimental to the public interest and therefore should be approved.*

7. The Parties further assert and state that the Company's illustrative tariff sheets, as shown in Exhibit D attached to the Joint Application, are acceptable in substance; however, the format thereof shall be modified to be consistent with the format approved by the Commission in Case No. EO-95-400. In particular, the Company's tariff sheets shall clearly indicate those areas within its certificated service area where its rights and responsibilities are limited by the Second Territorial Agreement. Accordingly, in the event the Commission decides to issue an Order approving the Second Territorial Agreement and this Stipulation and Agreement, the Company shall file for review and approval, revised tariff sheets, bearing a 30-day effective date, that reflect the agreed-upon format modifications but are otherwise consistent with the illustrative tariff sheets. Such filing shall be accomplished within 30 days of the issuance of such Order.

8. AmerenUE's certificates of convenience and necessity shall not be impaired, except as provided by the Second Territorial Agreement limiting the Company's rights and responsibilities regarding the provision of service to new structures in areas of Washington County designated as the exclusive service area of Cooperative.

9. This Stipulation and Agreement shall be binding upon the successors and assigns of AmerenUE and Cooperative.

III. General Matters

10. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void,

and no signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the signatories to take other positions in other proceedings.

11. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein: their respective rights, pursuant to §536.080 RSMo. 1994, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 1994; their respective rights to seek rehearing pursuant to §386.500 RSMo. 1994; and their respective rights to seek judicial review pursuant to §386.510 RSMo. 1994. The Parties agree to cooperate with each other in presenting for approval to the Commission this Stipulation and Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation and Agreement.

12. The Staff has reviewed the Joint Application along with supporting information, and has performed a field inspection of the area subject to the Second Territorial Agreement. The public interest will be served by reducing duplication of facilities and by enabling each utility to plan for future needs as the sole electric supplier in their respective designated areas, as set forth in the Second Territorial Agreement. Staff concurs as a signatory to the Stipulation and Agreement, and recommends approval of the Joint Application.

13. The Staff shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably

practicable, provide the other parties and participants with advance notice as to when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure.

14. None of the Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any rate-making principle or any method of cost determination or cost allocation underlying or allegedly underlying the Stipulation and Agreement, except as the Commission finds that the Second Territorial Agreement is not detrimental to the public interest. Further, the Parties recommend that the Commission reserve the right to consider the rate-making treatment to be afforded these transactions in any later rate-making proceeding, including but not limited to, the determination of customer credits and rate reductions under the Experimental Alternative Regulation Plan of AmerenUE.

WHEREFORE the Parties respectfully request the Commission to issue its Order:

- A. Approving all of the terms of this Stipulation and Agreement.
- B. Finding that the Second Territorial Agreement, (Exhibit A to the Joint Application) is not detrimental to the public interest, and therefore approving the Second Territorial Agreement;
- C. Authorizing AmerenUE and Cooperative to perform in accordance with the terms and conditions of the Second Territorial Agreement;
- D. Finding that the Second Territorial Agreement shall not impair AmerenUE's certificates of convenience and necessity, except as specifically limited by the Second Territorial Agreement;

E. Authorizing AmerenUE to enter into, execute, and perform in accordance with the terms of all other documents reasonably necessary and incidental to the performance of the transactions that are the subject of the Agreement; and

F. Directing that the Company file changes to its tariff with respect to its service area in Washington County in accordance with the terms set forth in Paragraph 7 hereinabove.

Respectfully submitted,

William B. Bobnar *D.L.F.*
William B. Bobnar MoBar #38966

Rodric A. Widger *D.L.F.*
Rodric A. Widger MoBar #31458

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Commission

Attorney for the Office
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 14 day of December, 1998.

Dennis L. Frey