

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2013-0013, Application of Union Electric Company,
d/b/a Ameren Missouri for Authority to Sell or Transfer a Portion
of Its Franchise, Works or System to Hunter Engineering Company

FROM: John P. Cassidy, Auditor V - Auditing Unit – Utility Services Department

/s/ Mark L. Oligschlaeger 8/20/12 /s/ John Borgmeyer 8/20/12
Manager, Auditing Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff Memorandum Recommending Approval of Application

DATE: August 20, 2012

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) requesting authority to sell or transfer a portion of its franchise, works or system to Hunter Engineering Company (Hunter) and find the transaction is not detrimental to the public interest pursuant to Section 393.190.1 RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.110.

OVERVIEW

On July 10, 2012, Ameren Missouri filed an Application before the Commission requesting authorization to sell five 35 foot tall light fixtures, 380 feet of 600 volt cable and two luminaire, metal halide, 120 volt flood lights to Hunter for the purchase price of approximately \$2,211 “as is” under the terms set forth in the Bill of Sale, included as Appendix 2 to the Company’s Application. Ameren Missouri requests that the Commission approve the transaction as not detrimental to the public interest pursuant to Section 393.190.1 RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.110. In support, Ameren Missouri notes that its ratepayers will receive

** **Denotes Highly Confidential Information** **

full, depreciated net book value for the facilities and that Company and its customers will avoid the future costs associated with removing those assets. Further, Ameren Missouri asserts that the impact on tax revenues, if any, to St. Louis County resulting from the proposed transaction will be negligible since the value of those assets being sold to Hunter are being transferred from one taxable entity to another.

DISCUSSION

Hunter is a Missouri corporation located in St. Louis County at 11250 Hunter Drive, Bridgeton, Missouri. Hunter designs, manufactures, and sells a variety of automobile and truck service equipment, including computer-based wheel alignment systems, suspension and brake testing systems, wheel balancers, brake lathers, tire changers and vehicle lifts. Hunter currently receives electric service from Ameren Missouri through three-phase aerial facilities owned by Ameren Missouri. Recently, Hunter decided to replace Ameren Missouri's existing aerial facilities with underground facilities, which Hunter will install at its own expense and thereafter own. When it removes the existing aerial facilities, Ameren Missouri will no longer be able to provide electricity to several light fixtures that Hunter uses to light its parking lot. Hunter indicated to Ameren Missouri that it would like to continue to use those light fixtures so that they can be connected to the Hunter owned underground facilities. Hunter requested that Ameren Missouri sell these fixtures and related equipment so they can be connected to the Hunter-owned underground facilities.

Ameren Missouri's response to Staff Data Request No. 1 indicates that Ameren Missouri's net book value associated with these fixtures and related equipment was calculated as depicted in the chart that follows:

[illegible][illegible]

NP

[illegible]

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 and since Ameren Missouri's customers will be made whole through the journal entries which serve to reduce rate base by the amount of the proceeds from the sale. In addition this transaction will cause little or no change to the tax revenues of the local area. Ameren Missouri is current on all PSC assessment fees and has no overdue Commission Annual Report filings. Finally, no other Ameren Missouri customers are affected by this transaction.

CONCLUSION

Staff recommends that the Commission approve Ameren Missouri's request to sell five 35 foot tall light fixtures, 380 feet of 600 volt cable and two luminarie, metal halide, 120 volt flood lights to Hunter for approximately \$2,211 and find that the transaction is not detrimental to the public interest pursuant to Section 393.190.1 RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.110.

NP

BEFORE THE PUBLIC SERVICE COMMISSION


OF THE STATE OF MISSOURI

File No. EO-2013-0013

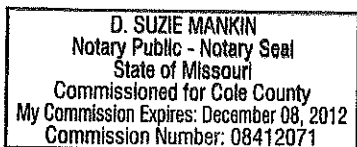
AFFIDAVIT OF JOHN P. CASSIDY


STATE OF MISSOURI)
)
COUNTY OF COLE) SS.

John P. Cassidy, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.


JOHN P. CASSIDY

Subscribed and sworn to before me this 20th day of August, 2012.




Notary Public