

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2013-0418 – In the Matter of the Application of Union
Electric Company d/b/a Ameren Missouri and Laclede Electric
Cooperative for Approval of an Addendum to An Approved Territorial
Agreement

FROM: Alan J. Bax - Tariff, Safety, Economic and Engineering Analysis

/s/ Daniel I. Beck 4/12/2013 /s/ Goldie Tompkins 4/12/2013
Energy Department / Date Staff Counsel's Office / Date

SUBJECT: Staff Memorandum Recommending Approval of Joint Application

DATE: April 12, 2013

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the Joint Application of Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and Laclede Electric Cooperative Inc. (“Laclede”), (collectively referenced as the “Applicants”) to revise the Applicants’ Territorial Agreement (“TA”) in accordance with Addendum No. 2 (“Addendum”). Approval of the Addendum would authorize Ameren Missouri to provide electric service to new structures located at 864 Lowell Williams Road, Linn Creek, Missouri, a property that otherwise lies in the area that Laclede is to serve per the terms of the TA. Staff determined that the transaction is not detrimental to the public interest pursuant to Section 394.312 RSMo (2000), 4 CSR 240-2.060, and 4 CSR 240-3.130. Staff also recommends the Commission order Ameren Missouri to file revised tariff sheets reflecting this Addendum.

OVERVIEW

On March 12, 2013, the Applicants filed a Joint Application (“Application”) requesting approval of Addendum No. 2 to their TA. This TA was approved by the Commission in a Report and Order dated February 9, 1995 in Case No. EO-95-151, 3 MoPSC3d 349.

On March 14, 2013, the Commission issued an Order setting an intervention deadline of March 28, 2013 for any entity wishing to intervene in this matter. In addition, Staff was ordered to file a Recommendation by April 15, 2013.

Laclede is a rural electric cooperative organized under Chapter 394 RSMo (2000) to provide electric service to its members in all or parts of six Missouri counties, including Camden County, in which lies the property that is the subject of the Application. The Commission has limited jurisdiction over cooperatives. For the purposes of this case, Laclede is subject to the jurisdiction of the Commission under Section 394.312 RSMo (2000).

As a rural electric cooperative, Laclede is not required to file annual reports or pay assessment fees. Further, Laclede does not have pending or final unsatisfied judgments against it from any state or federal court involving customer service or rates within three years of the date of filing this Application.

Ameren Missouri is current on all assessment fees and annual report filings. Staff is not aware of any pending actions or unsatisfied judgments or decisions against Ameren Missouri in any state or federal agency or court involving customer service or rates occurring within three years of this filing. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

DISCUSSION

In Case No. EO-95-151, the Applicants requested and received Commission approval of a TA, which designated specific areas in portions of Camden County or Miller County, Missouri, that, as between them, each serves exclusive of the other. A map depicting these areas in Camden County is attached as Schedule AJB -1. The area in Camden County exclusive to Ameren Missouri lies due north of the yellow line on this map; the area shown south of the yellow line is exclusive to Laclede. With this TA, the Applicants, in part, sought to limit the duplication of facilities necessary to provide electric service in the entire territory considered in the TA. This TA has allowed the Applicants to most efficiently and effectively utilize their respective installed facilities.

Despite the successful effect that this TA has had on system planning in Camden County over the last seventeen years, exceptions can occur where an alternate course of action is more efficient and effective. Such an exception is the subject of the current Application. Nathan and Tiffany Williams initially contacted Ameren Missouri for electric service to a new mobile home being placed at 864 Lowell Williams Road, Linn Creek, Missouri. This property is located along the east side of Lowell Williams Road, in Section 23-Township 38N-Range 16W of Camden County, Missouri. This quarter mile section is just south of the boundary line marking the exclusive electric service territories of the Applicants, which is outlined in orange on Schedule AJB-2. Ameren Missouri contacted Laclede concerning the Williams' request, as the property lies within Laclede's exclusive area per the terms of the aforementioned TA. Ameren Missouri and Laclede proceeded to discuss the possibility of allowing Ameren Missouri to provide electric

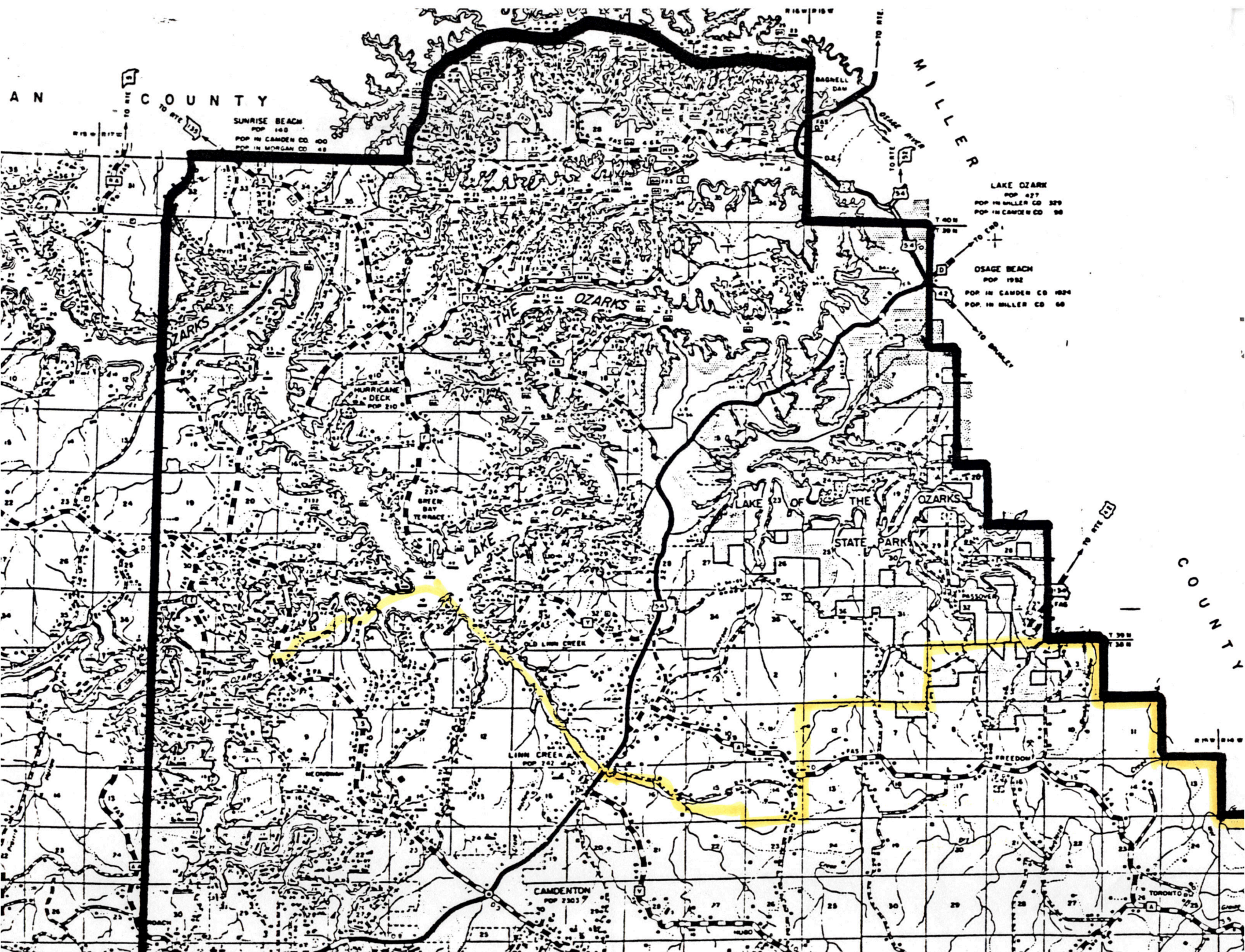
service to this mobile home, as contemplated by Paragraph 6 of the TA, attached as Schedule AJB-3.

Paragraph 6 of the TA provides a process that ultimately may allow a new structure to be served by either Ameren Missouri or Laclede, despite that structure being located in the area that is to be served by the other per the terms of the TA. Addendum No. 2 to the TA between Ameren Missouri and Laclede, dated February 5, 2013, and attached as Appendix 4 to the Application, is an agreement that, should the Commission approve it, will allow Ameren Missouri to provide electric service to the Williams' mobile home. Ameren Missouri has facilities capable of providing the desired service to the Williams' mobile home that are much closer to the property as compared to Laclede's current facilities. Thus, this would make the most efficient use of available facilities in this area of Camden County, Missouri, and be less costly to Tiffany and Nathan Williams. The Application includes notarized statements from Ameren Missouri, Laclede, and both Tiffany and Nathan Williams acknowledging that Ameren Missouri is the desired electric service provider for the property. Ameren Missouri is currently providing temporary electric service to this property as allowed per the terms of the TA. No additional changes to the TA are being sought other than requesting approval of Addendum No. 2.

CONCLUSION

As previously noted, Staff, finding the transaction is not detrimental to the public interest pursuant to Section 394.312 RSMo (2000), 4 CSR 240-2.060 and 4 CSR 240-3.130, recommends that the Commission approve the Application of Ameren Missouri and Laclede for Addendum No. 2 to their TA, which would allow Ameren Missouri to

provide electric service to the property of Nathan and Tiffany Williams at 864 Lowell Williams Road, Linn Creek, Missouri,. Although the property lies within the area Laclede is to serve exclusive of Ameren Missouri, Ameren Missouri's facilities are much closer to the property. Ameren Missouri providing electric service to the property of Tiffany and Nathan Williams is making the most efficient use of electrical facilities available in this area of Camden County, Missouri and is the most economical solution available to the Williams. Ameren Missouri is currently providing temporary service to the Williams' mobile home. As noted above, Paragraph 6 of the TA allows Ameren Missouri to provide electric service to the property on a temporary basis "until the Commission approves or disapproves the Addendum." The Application includes notarized statements from both Nathan and Tiffany Williams stating their desire and consent for Ameren Missouri to be the electric service provider to their property. Staff is not making a recommendation as to the effect approving this transaction will have on its rates as this will be addressed in Ameren Missouri's next general rate case proceeding. Staff suggests that the Commission note that no ratemaking matter is being addressed in this proceeding. If the Commission approves the Application, Staff recommends the Commission order Ameren Missouri to file revised tariff sheets reflecting Addendum No. 2.



CAMDEN COUNTY

SUNRISE BEACH
POP 140
POP IN CAMDEN CO 400
POP IN MORGAN CO 45

LAKE OZARK
POP 427
POP IN MILLER CO 329
POP IN CAMDEN CO 98

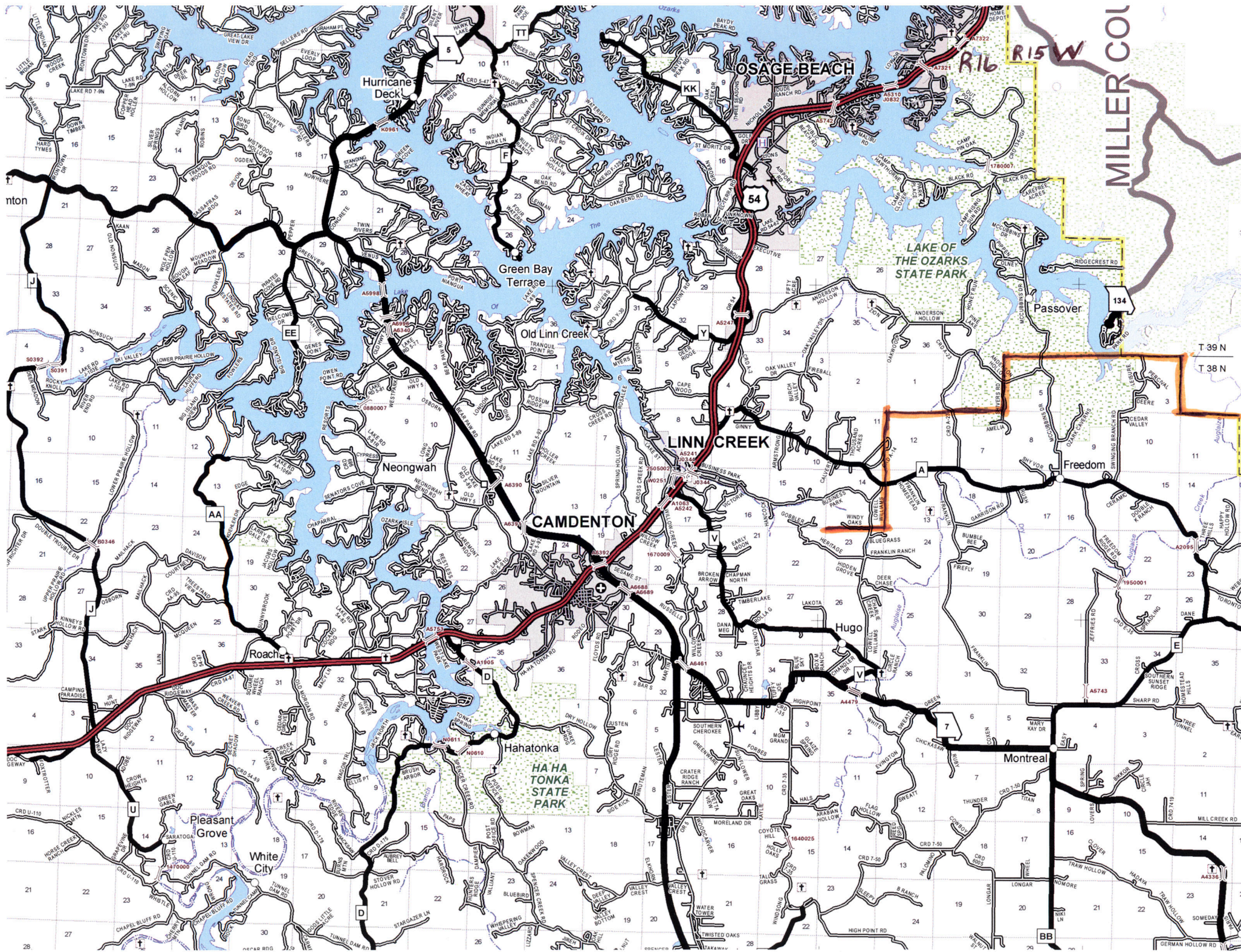
OSAGE BEACH
POP 1982
POP IN CAMDEN CO 1024
POP IN MILLER CO 60

HURRICANE
DECK
POP 210

LAKE OF THE OZARKS
STATE PARK

LINN CREEK
POP 742

CAMDENTON
POP 23017



6. The parties may agree on a case-by-case basis by an Addendum hereto to allow a structure to receive service from one party though the structure is located in the electric service area of the other.

Such Addendum referred to above shall be filed with the Missouri Public Service Commission with a copy to the Office of Public Counsel. There will be no filing fee for these Addendums.

These Addendums apply to new structures only and not to structures receiving service on the effective date of the Commission's Order approving the Territorial Agreement.

Each Addendum shall be accompanied by a notarized statement indicating that the parties support the Addendum.

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 Public Service Commission and shall indicate the customer's consent to be served by the service provided contemplated by the Addendum.

Each Addendum shall include, or be accompanied by, an explanation of the justification that electric service should be provided in the agreed manner.

If the Staff, Office of Public Counsel, or the Commission on its own motion, 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 and the Staff shall file a recommendation with the Commission and the Commission may then issue an Order approving the Addendum. However, if a pleading in opposition to the Addendum is filed, then the Commission shall schedule an evidentiary hearing at the earliest reasonable opportunity to determine whether the Addendum should be approved.

Each party, pursuant to an executed Agreement, 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 a final and non-appealable Order of the Commission or a court regarding the removal of same.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri)
and Laclede Electric Cooperative for)
Approval of an Addendum to An Approved)
Territorial Agreement)

Case No. EO-2013-0418

AFFIDAVIT OF ALAN J. BAX

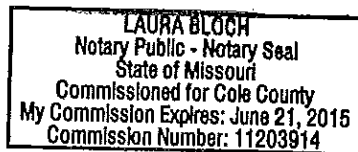
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Alan J. Bax, of lawful age, on oath states: that he 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 provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Alan J. Bax

Subscribed and sworn to before me this 12th day of April, 2013.





Notary Public