

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Central Illinois Public Service Company d/b/a AmerenCIPS :
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Verified Petition for Approval of a Territorial Service Agreement with a Municipality for the Purchase and Sale of Certain Property in Bushnell, Illinois pursuant to §11-117-6(d) of the Illinois Municipal Code. : **08-0552**
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ORDER

By the Commission:

On September 26, 2008, Central Illinois Public Service Company d/b/a AmerenCIPS ("AmerenCIPS") filed a Verified Petition with the Illinois Commerce Commission ("Commission") for approval of a Territorial Service Agreement with the City of Bushnell ("Bushnell") for the Purchase and Sale of Certain Property in Bushnell, Illinois pursuant to Section 11-117-6(d) of the Illinois Municipal Code. 65 ILCS 5/11-117-6(d).

AmerenCIPS filed a motion pursuant to Section 200.525 of the Commission's rules seeking a paper hearing. The motion was granted on September 30, 2008 and no hearing was held in this matter.

AmerenCIPS is a public utility within the meaning of Section 11-117-6(d) of the Illinois Municipal Code. 65 ILCS 5/11-117-6(d). Bushnell is a municipality authorized to own and operate a public utility within the meaning of Section 11-117-1(1) of the Municipal Code. 65 ILCS 5/11-117-1(1). AmerenCIPS does not have a franchise agreement with Bushnell.

Section 11-117-(6) of the Illinois Municipal Code provides:

Notwithstanding subsections (b) and (c) of this Section, any municipality may enter into an agreement with or grant a franchise to any public utility defining the geographic areas in which each party, as between themselves, may provide retail utility services, and the agreement or franchise may provide for exclusive or non-exclusive service territories, or both, for the parties. An agreement entered into under this Section may cover geographic areas both within and outside the corporate limits of a municipality. Any agreement entered into under this subsection which provides for exclusive service territories shall be subject to approval by the

Illinois Commerce Commission. The Illinois Commerce Commission's jurisdiction and authority over municipalities under this subsection shall be strictly limited to the approval of the agreement. Nothing in this subsection (d) shall be construed to give a municipality the authority to grant to a public utility the right to provide utility service in areas other than those for which the public utility holds a certificate of public convenience and necessity from the Illinois Commerce Commission. 65 ILCS 5/11-117-6(d).

On September 18, 2008, AmerenCIPS and Bushnell executed the Agreement for Purchase and Sale of Certain Property ("Agreement"). A copy of the Agreement is attached to the Verified Petition as Petitioner's Exhibit 1. The Agreement was initiated in response to a Petition for Annexation to the City of Bushnell filed for the Drowning Fork Addition. The Plat of Annexation for the Drowning Fork Addition is attached to the Verified Petition as Petitioner's Exhibit 2. The Petition for Annexation for the Drowning Fork Addition was approved by Bushnell's City Council on June 16, 2008. A copy of the Annexation Ordinance is attached to the Verified Petition as Petitioner's Exhibit 3. The residents of the Drowning Fork Addition currently receive electric service from AmerenCIPS, however, Bushnell desires to serve these customers. To avoid duplication of facilities, AmerenCIPS' electric distribution system in the Drowning Fork Addition will be sold to Bushnell, subject to certain limitations in the Agreement. AmerenCIPS is selling sixteen (16) poles, conductors and associated equipment, with the exception of customer meters and transformers, as specifically described on Petitioner's Exhibit 1(A) to the Verified Petition.

As a result of the Commission's approval of the Agreement, Bushnell will provide electric service to fourteen (14) customers. Bushnell will promptly initiate electric service to these customers pursuant to the terms of the Agreement. The locations and names of the customers are listed on Petitioner's Exhibit 1(C) to the Verified Petition. All the customers are located in the Drowning Fork Addition, which now lies within the City limits of Bushnell. Copies of the customer notices of the proposed transfer of service from AmerenCIPS to Bushnell are attached to the Verified Petition as Petitioner's Exhibit 3.

The Verified Petition states that the proposed sale of property and service obligation to Bushnell, as identified in the Agreement, comport with existing and proposed facilities, the operations of the parties, and avoids duplication of electric facilities. As such, the proposed Agreement is reasonable, serves the public interest, and merits approval.

Having reviewed the Verified Petition and the proposed Agreement, the Commission finds that the Agreement comports with existing and proposed facilities and will avoid duplication of facilities. The Agreement is reasonable, serves the public interest, and merits approval as hereinafter set forth pursuant to Section 11-117-6(d) of the Illinois Municipal Code. 65 ILCS 5/11-117-6(d).

The Commission, having considered the record herein, is of the opinion and finds that:

- (1) The City of Bushnell is a municipality within the meaning of the Illinois Municipal Code Section 11-117-6(d);
- (2) Central Illinois Public Service Company, now doing business as AmerenCIPS, is a public utility within the meaning of the Illinois Municipal Code Section 11-117-6(d);
- (3) the Commission has jurisdiction over the parties and subject matter in this proceeding;
- (4) the facts recited and conclusions reached in the prefatory portion of this Order hereinabove are hereby adopted as findings herein; and
- (5) the Agreement appears reasonable and in the public interest and shall be approved.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that Petitioner is hereby authorized to enter into and carry out the terms of the Agreement as attached to its Verified Petition as Petitioner's Exhibit 1 in this proceeding, and is hereby approved.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Admin. Code Sec. 200.880, this Order is final; it is not subject to Administrative Review Law.

By Order of the Commission this 13th day of November, 2008.

(SIGNED) CHARLES E. BOX

Chairman