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September 8, 1992

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MARY ANN YOUNG
General Counsel

Mr. Brent Stewart
Executive Secretary
Missouri Public Service Commission
P. O. Box 360
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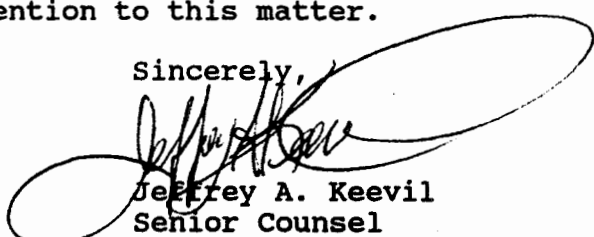
RE: **Case Nos. ER-91-298, EO-92-60, and EO-92-229 - In the matter of Sho-Me Power Corporation**

Dear Mr. Stewart:

Enclosed for filing in the above-captioned case is an original and fourteen copies of Staff's **RESPONSE TO ORDER ESTABLISHING PROCEDURAL SCHEDULE**. Copies have been mailed this date to all parties of record.

Thank you for your attention to this matter.

Sincerely,



Jeffrey A. Keevil
Senior Counsel
314-751-8701

JAK:sgl

Enclosures

cc: Parties of Record

FILED
SEP 8 1992
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Sho-Me Power)
Corporation's tariffs to increase)
rates for wholesale service.)

Case No. ER-91-298 ✓

In the matter of the application)
of Sho-Me Power Corporation for)
an order requesting the Commission)
to issue its order finding that it)
is reasonable and prudent for)
Sho-Me Power Corporation to be a)
member of the Rural Electric)
Cooperative System of the State)
of Missouri, including membership)
in Associated Electric Cooperative,)
Inc., and for Sho-Me Power)
Corporation to honor the Electric)
Power Coordination Agreement)
between Associated Electric)
Cooperative, Inc. and Sho-Me)
Power Corporation and for an order)
approving and adopting a stream-)
lined method of rate regulation)
for Sho-Me Power Corporation which)
takes into consideration Sho-Me)
Power Corporation's position as)
an integral part of the)
REA financed Rural Electric)
Cooperative System of the State)
of Missouri.)

Case No. EO-92-60

In the matter of Sho-Me Power)
Electric Cooperative's conversion)
from a Chapter 351 corporation to)
a Chapter 394 rural electric)
cooperative.)

Case No. EO-92-229

RESPONSE TO ORDER ESTABLISHING PROCEDURAL SCHEDULE

Comes now the Staff of the Public Service Commission of
the State of Missouri (Staff) and for its Response to Order
Establishing Procedural Schedule respectfully states as follows:

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SEP 8 1992

PUBLIC SERVICE COMMISSION

61.

1. This proceeding was initiated when Sho-Me Power Cooperative (Sho-Me) submitted certain documentation to the Commission which purported to convert Sho-Me from a Chapter 351 corporation to a Chapter 394 rural electric cooperative. By cover letter accompanying such documentation, Sho-Me stated that the Commission no longer has jurisdiction over the rates, service, financing, accounting or management of Sho-Me as a result of such purported conversion. Pursuant to an Order and Notice issued by the Commission, several municipal customers of Sho-Me intervened in this proceeding (Municipal Intervenors). Throughout the course of this proceeding, Staff and the Municipal Intervenors have filed several pleadings in this docket.

2. On September 1, 1992, the Commission issued an Order Establishing Procedural Schedule in which it stated that Case No. EO-92-229 (the lead case herein) was established "to determine if the Commission continued to have jurisdiction over Sho-Me." Said Order also established a procedural schedule which provides for two testimony filing dates.

3. As stated in its Motion for Order Requiring Application and Setting Early Prehearing, filed on May 15, 1992, and its Motion to Extend Procedural Schedule and for Clarification, filed on June 17, 1992, Staff believes that the approval of this Commission of Sho-Me's purported conversion from a Chapter 351 corporation to a Chapter 394 rural electric cooperative was required pursuant to Section 393.190 RSMo and/or Section 393.250 RSMo (see, Consolidated Electric Cooperative v. Panhandle Eastern

Pipe Line Company, 189 F.2d 777 (8th Cir. Ct. of Appeals 1951) equating a "conversion" to cooperative status with a reorganization) (see also, In the matter of the Application of Intercounty Electric Cooperative Association for Approval of its Conversion into a Cooperative Subject to the Provisions of the Rural Electric Cooperative Act of 1939, 27 Mo P.S.C. 631 (1947) wherein the Commission was confronted with the application of a regulated utility to convert to a rural electric cooperative).

4. As further stated in Staff's Motion for Order Requiring Application and Setting Early Prehearing, filed on May 15, 1992, and Staff's Motion to Extend Procedural Schedule and for Clarification, filed on June 17, 1992, Staff believes that because Sho-Me failed to apply for, much less receive, the approval of the Commission prior to its purported conversion, such actions are void and the Commission retains jurisdiction over Sho-Me as a regulated electric corporation pursuant to Section 393.190 RSMo and/or Section 393.250 RSMo.

5. Given that the relevant facts in this proceeding are not in dispute (i.e., those matters contained in the documentation referred to in Paragraph No. 1 hereof), but rather the legal effect of those facts (i.e., whether the Commission continues to have jurisdiction over Sho-Me), Staff wishes to inform the Commission that it does not at this time intend to file testimony according to the procedural schedule adopted for this proceeding, unless otherwise instructed. Staff would, however, request the Commission take official notice of the documents already in its file in Case

No. EO-92-229 submitted by Sho-Me concerning its purported conversion to a Chapter 394 rural electric cooperative; also, Staff remains ready to brief the legal issue of whether the Commission's approval was required for such a conversion on the part of Sho-Me.

6. In the event that the Commission determines in this proceeding that it continues to have jurisdiction over Sho-Me, Staff would renew its request for an order of clarification as set forth in its Motion to Extend Procedural Schedule and for Clarification filed on June 17, 1992 (specifically Paragraphs 7 through 9 thereof).

WHEREFORE, Staff respectfully requests an Order of the Commission granting the relief requested herein.

Respectfully submitted,

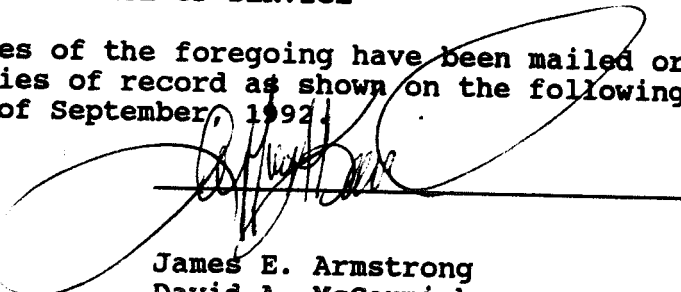


Jeffrey A. Keevil
Senior Counsel

Attorney for the Staff of the
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all parties of record as shown on the following service list this 8th day of September, 1992.



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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY

September 1, 1992

CASE NO: EO-92-229, ER-91-298, EO-92-60

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David A. McCormick, Office of the Judge Advocate General, Department of the Army, (JALS-RL), 901 N. Stuart St., Room 400, Arlington, VA 22203
CPT Andy K. Hughes, Office of the Staff Judge Advocate, ATTN: ATZT-JA-AL, HQ, US Army Engineer Center, Fort Leonardwood, MO 65473-5000

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,

Brent Stewart

Brent Stewart
Executive Secretary

Uncertified Copy:

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