

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

In the Matter of the Application of Gayla Henderson)
for Change of Electric Supplier.)

File No. EO-2010-0070

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and files this *Recommendation* for the Missouri Public Service Commission's (Commission) information and consideration. For its *Recommendation*, the Staff states the following:

1. On August 28, 2009, Gayla Henderson (Applicants) filed an *Application for Change of Electric Service Provider (Application)* to allow a change of supplier from the City of Campbell, Missouri (City of Campbell) to Ozark Border Electric Cooperative (OBEC). The Applicant cites 1) excessive costs; 2) fluctuating monthly bills; 3) no voting rights with the City of Campbell as their residence lies outside the city limits; and 4) other City of Campbell residents currently receive service from OBEC.

2. After Staff's review of the responsive pleadings and its own investigation, the Staff prepared a recommendation in this matter based upon the facts up to November 9, 2009, including the understanding that Pemiscott-Dunklin Electric Cooperative (PDEC) and the City of Campbell had entered into, but not closed on a contract providing for the sale of the utility to PDEC. However, on November 10, 2009, Staff became aware of a decision reached by the City of Campbell for the sale of the utility services to OBEC, pending voter approval in February 2010. See Attachment A.

3. On November 12-13, 2009, Counsel for Staff contacted all counsel of record to discuss the recent events in the case. The undersigned counsel understands that the Board of

Alderman for the City of Campbell approved a contract between the City and OBEC regarding the sale, and that the City of Campbell and OBEC intend to jointly file an application with the Commission for an order approving the sale. Further, the undersigned counsel understands and states, without the intent to bind or limit any future action by PDEC, that PDEC has decided not to challenge the contract between the City of Campbell and OBEC at this time.

4. Since this case continues to evolve, and as the Staff is without further pleadings from all parties indicating their position and intent, Staff recommends that the Commission set this case for an early pre-hearing conference.

WHEREFORE, the Staff recommends that the Commission set the above-mentioned case for a prehearing conference at the Commission's earliest convenience.

Respectfully submitted,

/s/Samuel D. Ritchie

Samuel D. Ritchie

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing has been sent via U.S. Mail, postage pre-paid to Thomas and Tammy McCain, 18345 US Hwy 62, Campbell MO 63933; via electronic mail to Lawrence C. Friedman and Paul D. Lawrence, attorneys for The City of Campbell at lfriedman@thompsoncoburn.com and plawrence@thompsoncoburn.com; Mark A. Kennedy, attorney for Ozark Border Electric Cooperative at mark@kkrylawfirm.com; Craig S. Johnson, attorney for Pemiscott-Dunklin Electric Cooperative at craigsjohnson@berrywilsonlaw.com; and The Office of Public Counsel for the State of Missouri at opcservice@ded.mo.gov this 13th day of November 2009.

/s/ Samuel D. Ritchie

OBEC chosen by Campbell City Council to provide utilities

Tuesday, November 10, 2009
George Anderson

CAMPBELL, Mo. -- A decision was reached regarding the future provider of utility services for the City of Campbell during the City Council meeting on Monday night, with a unanimous vote for Ozark Border Electric Cooperative (OBEC), pending approval from the voter's in February.

According to Campbell Mayor Raymond Gunter, the council voted to go with OBEC because "Ozark Border had the better bid."

Gunter said the city will have the utility change on the ballot in February for the voter's to make the final decision.

"We will have a vote in February and as soon as that is over, OBEC has assured us that they can get us on a.s.a.p.," Gunter said, adding that the Campbell City Clerk filed the ordinances with Dunklin County earlier today.

The city had sought bids from both OBEC and Pemiscot-Dunklin Electric Cooperative (PDEC), and until recently, had plans to go with the latter for the city's future utility services.

"What Ozark Border put in the paper was not the final bid that the city had received," Gunter said, noting that the final bid the city had received from OBEC was for \$1.683 million for the purchase of the city's electrical facilities.

Gunter said the city was planning to go with PDEC because of a higher bid of \$2.5 million.

The mayor said the City of Campbell and OBEC recently held a lengthy meeting in which OBEC said its final bid would be \$1.977 million plus four percent of the utility's annual revenue from the city for as long as it is the provider.

"Until that time, we had never seen anything on paper. The council looked at both bids," Gunter said.

"They not only looked at how fast we could get [service] on, they also looked at the... they took ' probably the history of Ozark Border having probably a cent per kilowatt hour cheaper than Pemiscot-Dunklin and what it would save the citizens over the long haul and made the decision for Ozark Border."

Gunter said the decision was unanimous and he was the one who made the recommendation that the city go with OBEC, following the newer final bid.

"I have to look at what is best for the city and the citizens," Gunter said. "That was the best bid. Everybody knows I carried Pemiscot-Dunklin's flag for months, but I have to worry about the citizens and the city and what it is going to be like years from now and Ozark Border had the better bid.

"[The new OBEC bid], along with our franchise fee, will allow the city to continue to operate on at least the levels we are able to operate now."

Attachment A

Gunter said he feels that had the city received the bid that OBEC released in the letter to the citizens and in the Daily Dunklin Democrat, the city would have went with OBEC initially.

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