

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 1st
day of November, 1995.

In the matter of the application of)
Joseph P. Schmitt and Mary E. Schmitt,)
and Gabriel Edward Vogl for change of)
electric supplier.)

CASE NO. EO-96-9

ORDER GRANTING CHANGE OF SUPPLIER

On July 18, 1995, Joseph P. Schmitt, Mary E. Schmitt, and Gabriel Edward Vogl, President of Vogl Estates Homeowners' Association (Applicants) filed an application for an order authorizing a change of electrical suppliers from their present supplier, the City of Marshall, Missouri, to Central Missouri Electric Cooperative, Inc., Sedalia, Missouri (CMEC). The application indicates that a change in the supplier of electrical service is requested for both a home located on a tract of land owned by Joseph P. and Mary E. Schmitt, and described as Lot 25 of Vogl Estates, as well as a sewage pumping station owned by Vogl Estates Homeowners' Association, located on the same tract of land.

The application further explains that the tract of land in question is now located outside the city limits of the City of Marshall, Missouri, and the municipality of the City of Marshall, Missouri, desires to discontinue service to that tract of land. The tract of land in question is adjacent and contiguous with other land presently served by CMEC. Attached to the application as Exhibits A and B are duly notarized exhibits executed by officials of the City of Marshall, Missouri and CMEC, consenting to the change in electrical suppliers. Exhibit A is signed by

Robert E. McCurdy, President of Central Missouri Electric Cooperative,

Inc., and Exhibit B is signed by Paul E. Jensen, General Manager of Marshall Municipal Utilities (MMU).

On August 22, 1995, the Commission issued an Order Directing Responses And Staff Report, which gave notice to MMU and CMEC, directed both suppliers to file a response to the application, and directed a Staff investigation. The Commission's order further directed that the responses of MMU and CMEC and the Staff report answer the following questions:

1. When did service to the home located on the tract of land described as Lot 25 of Vogl Estates commence?
2. When did service to the sewage pumping station located on the tract of land described as Lot 25 of Vogl Estates commence?
3. What set of circumstances occurred which restricted the city limits of the City of Marshall, Missouri to exclude the tract of land described as Lot 25 of Vogl Estates?
4. When did the changeover in the city limits of the City of Marshall, Missouri occur, which excluded the tract of land described as Lot 25 of Vogl Estates from the former city limits?

On September 5, 1995, MMU filed a response to the application, stating that service to the home located on the tract of land described as Lot 25 of Vogl Estates was commenced on April 17, 1989, while service to the sewage pumping station located on the same tract of land was commenced on December 1, 1989, and that the tract of land in question is not now and has never been within the city limits of Marshall. MMU adds that it concurs with and as no objection to the application for change of electric service provider in this matter.

On September 25, 1995, Staff filed a memorandum recommending approval of the application for change of supplier. Staff reviewed MMU's response, and notes that CMEC did not respond. Staff also requested additional information from MMU. Staff indicates that MMU provides

electric service to the Applicants through a line about a mile and one quarter in length, which is outside of the city limits. At the time the line was extended, it was anticipated that the area would be annexed and MMU would serve the entire subdivision, but the subdivision owner later decided not to have the area annexed. Staff indicates that because of this, and because state statutes were subsequently revised by the Missouri Legislature, MMU has no hope of serving additional customers in this subdivision.

Staff explains that in the event the application is granted, MMU intends to remove the line, since expenditures for modifications and maintenance of this line cannot be justified. After transfer of the Applicants, the overhead lines will be removed and salvaged. In addition, Staff also indicates that it has inspected the location in question, and found that the MMU single-phase line extending along Route YY is in need of maintenance and tree trimming. Staff also indicates that CMEC has a three-phase electric line on the opposite side of the road for the entire length of this area, and can provide service to the Applicants by extending a line across Route YY to the two locations. Thus, Staff submits that the application for change of suppliers is in the public interest, since MMU can remove in excess of one mile of electric line which is outside of the city limits, which would eliminate the duplication with CMEC's line. Staff recommends approval of this application.

The Commission has reviewed Applicants' application, the response of MMU, and Staff's recommendation, and finds that it would be in the public interest to grant to the Applicants a change of electric suppliers from MMU to CMEC. The Commission notes that since service to the Applicants commenced in 1989, MMU could legally continue to serve the Applicants, even though the tract of land in question is outside MMU's city

limits, although MMU could not commence service to any structure outside its city limits after July 11, 1991. See Section 386.800.1(1), RSMo 1994. Since annexation is no longer considered a possibility, the provisions of Sections 386.800.1(3) and 386.800.2, RSMo 1994, do not apply. The Commission finds that all of the parties involved have consented to the change in electric suppliers. The Commission also finds that the change will allow MMU to remove a line which, because there is no possibility of future customer growth, is economically burdensome to MMU, which in turn will eliminate the duplication of facilities currently existing in this area between MMU and CMEC. Further, the Commission finds that CMEC is willing and capable of providing electric service to the Applicants. Thus, the Commission determines that a change in suppliers is in the public interest for a reason other than a rate differential, and will approve the application.

IT IS THEREFORE ORDERED:

1. That Joseph P. Schmitt and Mary E. Schmitt may change electric suppliers to their home located on a tract of land described as Lot 25 of Vogl Estates from Marshall Municipal Utilities to Central Missouri Electric Cooperative, Inc., as soon as Central Missouri Electric Cooperative, Inc. has constructed the necessary facilities to provide service to the Schmitt property.

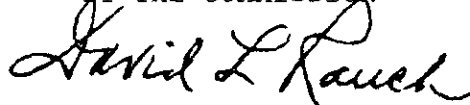
2. That Gabriel Edward Vogl, President of Vogl Estates Homeowners' Association, may change electric suppliers to the Association's sewage pumping station located on a tract of land described as Lot 25 of Vogl Estates from Marshall Municipal Utilities to Central Missouri Electric Cooperative, Inc., as soon as Central Missouri Electric Cooperative, Inc. has constructed the necessary facilities to provide service to the Association's property.

3. That Central Missouri Electric Cooperative, Inc. shall inform the Commission Staff when the change of electric suppliers ordered in Ordered Paragraphs 1 and 2 is complete, and the Schmitts and Vogl Estates Homeowners' Association become customers of Central Missouri Electric Cooperative, Inc.

4. That the Commission's Staff shall monitor the change of suppliers and file a memorandum with the Commission when it is satisfied that the change of suppliers has been successfully and safely accomplished.

5. That this Order shall become effective on November 13, 1995.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Kincheloe,
and Drainer, CC., Concur.
Crumpton, C., Absent.