

Exhibit No.:
Witness: Jerry Divin
Type of Exhibit: Rebuttal
Sponsoring Party: Southwest Electric Cooperative
Case No: EA-99-172

FILED

MISSOURI PUBLIC SERVICE COMMISSION

APR 30 1999

Missouri Public
Service Commission

REBUTTAL TESTIMONY OF

JERRY DIVIN

On behalf of

FILED

APR 30 1999

Service Commission

SOUTHWEST ELECTRIC COOPERATIVE

CASE NO: EA-99-172

JEFFERSON CITY, MISSOURI

MAY 3, 1999

Missouri Public Service Commission
Case No: EA-99-172
Direct Testimony of Jerry Divin

1 Q. Please state your name and business address.

2 A. Jerry Divin, Southwest Electric Cooperative, 1023 South Springfield Avenue,
3 Bolivar, MO 65613

4 Q. By whom are you employed and in what capacity?

5 A. I work for Southwest Electric Cooperative as its General Manager.

6 Q. Would you briefly describe your educational and professional background?

7 A. I began my employment with Southwest Electric Cooperative on August 16, 1967,
8 as Power Use Advisor. In August of 1978, I was promoted to Director of Power
9 Use and Public Relations. I became Assistant Manager on January 1, 1982. I
10 became General Manager on June 1, 1982. I graduated from Bolivar High School
11 in 1959 and attended Southwest MO State University in Springfield. I was elected
12 to Associated Electric Cooperative's Board of Directors in 1994. I was appointed
13 to the Missouri State Fair Commission in January, 1996. I serve as a director for
14 Sho-Me Power Electric Cooperative and as an Alternate Board member for
15 KAMO Power.

16 Q. Could you outline your principal duties as General Manager?

17 A. I oversee and direct operations for our headquarters and two district offices. I
18 report directly to a nine member board of directors elected from our membership.
19 Generally, I am responsible for implementation and enforcement of Cooperative
20 policies and procedures.

1 Q. Would you describe Southwest Electric Cooperative and the area in which it
2 operates?

3 A. We are a member-owned electric cooperative serving people and businesses at over
4 32,000 meters in all or parts of eleven counties in Southwest Missouri.
5 Headquartered in Bolivar, MO, our 4,790 miles of line extends northward to
6 Warsaw, eastward to Camdenton, southward to the James River south of Strafford,
7 and westward to Stockton Lake. Southwest currently serves approximately 1,400
8 commercial accounts.

9 Q. How does the Cooperative receive power and energy for its members?

10 A. Southwest is supplied power from two transmission cooperatives;
11 Sho-Me Power Electric Cooperative in Marshfield, MO and KAMO
12 Power in Vinita, OK. They purchase their power generation requirements from
13 Associated Electric Cooperative, Inc. headquartered in Springfield, MO. I
14 mentioned earlier that I serve on the Board of Directors of both Sho-Me and
15 Associated. Associated owns substantial electric generation assets and is in the
16 process of building and bringing on line additional generation plants in southeast
17 and northwest Missouri and in Oklahoma.

18 Q. What is the purpose of your testimony?

19 A. My purpose is to state our opposition to Empire's request. My testimony will
20 show that there is no public need for the service Empire desires to offer.

21 Q. Have you been authorized to testify on behalf of the Cooperative in these
22 proceedings?

23 A. Yes.

1 Q. What portions of the area requested by The Empire District overlap the
2 Cooperatives' operating area?

3 A. Portion C (south of Strafford) of Empire District's request
4 to expand its certificate for public convenience and necessity overlaps our current
5 operating area.

6 Q. What is the position of the Cooperative regarding Empire's request for authority to
7 offer electric utility service in these areas?

8 A. We feel that there are adequate power suppliers in the area. Empire's entry would
9 of necessity involve the additional duplication of power lines. Such duplication or
10 triplication is not necessary and any possible benefit would be out weighed by its
11 waste, inefficiency, and the increased hazard to the public safety.

12 Q. Describe the nature and extent of the Cooperative's electric distribution facilities in
13 the area requested by Empire.

14 A. Focusing just on that small area, Southwest Electric has a substation adjacent to the
15 area in question with sufficient capacity to serve all existing and future loads in that
16 area.

17 Q. Have you reviewed the testimony of Empire regarding future development in these
18 locations?

19 A. Yes.

20 Q. Do you generally agree that the growth Empire has anticipated will actually take
21 place?

22 A. No. That testimony is purely speculative and we all have opinions based on
23 observations over time. The area will be eventually developed simply because

1 that it is the natural course of rural land near growing cities. This area, however,
2 has no special significance that would cause it to be developed at an accelerated
3 pace or in the very near future.

4 Q. Are the existing Cooperative facilities capable of serving that growth?

5 A. Yes. Regardless of whether Mr. Palmer or myself have most accurately projected
6 the pace of development, the Cooperative is best positioned in terms of existing
7 facilities to satisfy the need for more electricity.

8 Q. What investment, in terms of dollars or facilities, would you anticipate adding to
9 serve those loads?

10 A. The density of Southwest Electric Cooperative's line in the affected area is already
11 such that only short extensions would be required. We have primary line along
12 every road in the area. Extensions will only need to be made onto the premises of
13 the new customers. Our current substation transformer and circuits are only at
14 about one-half of their capacity. We have a work plan that we update every two
15 years to determine the need for any additional facilities and to evaluate the
16 projected increases in load. Our new investment will be very minimal due to the
17 nature and extent of our current facilities.

18 Q. Have you reviewed the filed tariffs under which Empire operates?

19 A. Yes.

20 Q. Please identify any significant area in which the Cooperative's policies and
21 conditions of service vary from those of Empire?

22 A. Our line extension policies are different. Otherwise the principal difference relates
23 to the difference between "customer- customers" and "owner-customers". Our

1 members receive patronage capital and have a voice on corporate issues and
2 policies.

3 Q. Can you think of some areas where your policies and Empires' tariffs are similar?

4 A. Yes. We voluntarily abide by many of the customer protection mandates of the
5 Public Service Commission. For example, we apply the cold weather rule defined
6 by the Commission for disconnection of service

7 Q. How is your ability to serve in the requested area affected by the Cooperative's
8 "rural area" limitation?

9 A. None. It is not affected here because there is no imminent annexation by a town
10 of over 1,500 population.

11 Q. Are there any peculiar circumstances that you are aware of that affects Empire's
12 ability to build service to new loads in this area?

13 A. We are doubtful that Empire will be able to generate or purchase enough power at
14 a cost low enough to maintain its existing rate structure. We also question as to
15 whether they will have the ability to maintain and operate additional facilities in
16 order to provide reliable and dependable service. The public right of ways are
17 already occupied and it has become very difficult to obtain easements.

18 Q. What is Cooperative's reliability experience with the substations and feeders that
19 presently serve members in the requested area?

20 A. We have good experience with our own facilities. Ironically, our operating
21 experience in this area has been detrimentally affected by cooperation between
22 one of our principal suppliers, KAMO, and Empire. Empire District Electric has
23 a transmission line that feeds the Strafford Substation for KAMO Power, from

1 which we receive our distribution power. The main recurring outage problem we
2 have is directly related to the condition of Empire's transmission line. They have
3 very little brush control on this line. Many times, even though it is designed to be
4 loop fed, both feeds will be off simultaneously. The outages we experience on
5 this line seem to be of low priority to Empire even though it affects their own
6 customers in the City of Strafford. On January 1, 1999, for example, we had a
7 small ice storm in this area. Empire's transmission line was off for about eight
8 hours. When the power was eventually restored to the substation, we had only
9 one feeder line off. This indicates to us that our distribution line is in better
10 condition than their transmission line. Our reliability is very good but it can be no
11 better than the reliability of our power supply.

12 Q. What is your present rate structure for residential, commercial and industrial
13 customers?

14 A. 0-30 kwh \$8.00; Next 170 kwh 10.5 cents per kwh;

15 Over 200 kwh 5.4 cent per kwh

16 Our three-phase service accounts also pay a kw demand charge of \$ 3.75 per kw
17 after the first 20 kw.

18 Q. When were these rates last increased?

19 A. 1990

20 Q. Do you anticipate any rate increase in the next five years?

21 A. No.

22 Q. Does this conclude your testimony?

23 A. Yes.

Exhibit No.:
Witness: Jerry Mayberry
Type of Exhibit: Rebuttal
Sponsoring Party: Ozark Electric Cooperative
Case No: EA-99-172

FILED

APR 30 1999

MISSOURI PUBLIC SERVICE COMMISSION *Missouri Public
Service Commission*

REBUTTAL TESTIMONY OF

JERRY E. MAYBERRY

On behalf of

OZARK ELECTRIC COOPERATIVE

CASE NO: EA-99-172

JEFFERSON CITY, MISSOURI

MAY 3, 1999

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EA-99-172

REBUTTAL TESTIMONY OF JERRY E. MAYBERRY

1 Q. Please state your name and business address.

2 A. Jerry E. Mayberry, P.O. Box 420, Mount Vernon, Mo. 65712

3 Q. By whom are you employed and in what capacity?

4 A. I work for Ozark Electric Cooperative, Inc., as its General Manager.

5 Q. Would you briefly describe your educational and professional
6 background?

7 A. I have a bachelors degree in accounting and have been employed with
8 Ozark Electric Cooperative, Inc. for 24 years, including the last 14 years
9 as General Manager. Prior to this, I was employed as Terminal Manager
10 for Dodds Truck Line, Springfield, MO.

11 Q. Could you outline your principal duties as General Manager?

12 A. Within the scope of corporate policies and the authority delegated by the
13 Cooperative's Board of Directors, I am responsible for all aspects of the
14 Cooperative's business. This includes system planning and maintenance,
15 personnel management, finance, and daily operations.

16 Q. Would you describe Ozark Electric Cooperative and the area in which it
17 operates?

18 A. Ozark Electric Cooperative is a rural electric cooperative organized under

1 Chapter 394 RSMo. Ozark Electric Cooperative provides retail electric
2 energy to its consumer/owners at approximately 24,000 meter locations in
3 parts of nine (9) Missouri counties. These counties are: Barry, Lawrence,
4 Stone, Christian, Greene, Polk, Dade, Newton, & Jasper.

5 Q. How does the Cooperative receive power and energy for its members?

6 A. The Cooperative is a member/owner of a transmission cooperative, KAMO
7 Power, of Vinita, Oklahoma. KAMO Power is a member/owner of the
8 regional generating cooperative, Associated Electric Cooperative, of
9 Springfield, Mo. Generally speaking, Associated generates the power we
10 need and KAMO delivers it to our substations.

11 Q. What is the purpose of your testimony?

12 A. To provide the Commission with assurances that sufficient capacity and
13 facilities now exist in the area requested by Empire District Electric to
14 provide the public with safe and reliable electric service at competitive
15 rates.

16 Q. Have you been authorized to testify on behalf of the Cooperative in these
17 proceedings?

18 A. Yes.

19 Q. What portions of the area requested by The Empire District overlap
20 Cooperatives' operating area?

21 A. A detailed map of the area affected by the proposed application of Empire
22 District has been provided to Mr. Jim Ketter of the Commission Staff. The

1 areas where Empire would overlap Ozark are generally northwest, west,
2 southwest and south of the City of Springfield, Missouri.

3 Q. What is the position of the Cooperative regarding Empire's request for
4 authority to offer electric utility service in these areas?

5 A. We are opposed to the application because Ozark believes that sufficient
6 electric service is readily accessible to both current and future
7 development from existing energy providers. Further we believe that
8 additional duplication of facilities by yet another supplier would not be in
9 the public interest due to its economic wastefulness and increased
10 hazards to the public.

11 Q. Describe the nature and extent of the Cooperative's electric distribution
12 facilities in the area requested by Empire.

13 A. In support of the extensive distribution system shown on our previously
14 provided system maps, Ozark has six (6) 7.2/12.5 kv distribution
15 substations currently serving this area. These substations are: Cave
16 Springs, Elwood, Battlefield, Nixa I, Nixa II, and Clever.

17 Q. Have you reviewed the testimony of Empire regarding future development
18 in these locations?

19 A. I have reviewed the testimony of Mr. Palmer and his development
20 projections as it relates to the area currently served by Ozark.

21 Q. Do you generally agree that the growth Empire has anticipated will
22 actually take place?

1 A. I generally agree that in the designated area currently served by Ozark
2 and or City Utilities of Springfield there is the reasonable expectation of
3 growth in both residential and commercial classes of customers.

4 Q. Are the existing Cooperative facilities capable of serving that growth?

5 A. Yes. We have anticipated that growth in our long range system planning.
6 We have financial resources in place to ensure orderly utility development
7 in these areas and a work plan for timely system improvements.

8 Q. What investment in terms of dollars or facilities are you currently
9 expending in this area?

10 A. We have anticipated adding new service line extensions, accomplishing
11 normal transformer upgrades, and conducting maintenance at a cost of \$2
12 million over the next two years. We also estimate doing pole
13 replacements, re-conductoring, and adding tie lines at a cost of another \$2
14 million over the next four years.

15 Q. Have you reviewed the filed tariffs under which Empire operates?

16 A. Yes

17 Q. Please identify any significant area in which the Cooperatives
18 policies and conditions of service vary from those of Empire.

19 A. There is a significant difference in the number of different rate schedules
20 offered to customers. Ozark's rate design is based on charging equitable
21 rates for all customers of the same class and we have no special rates.
22 We have only one (1) rate for all residential customers and for commercial

1 customers we have two (2) rates. I have attached a copy of our rate
2 schedule to this testimony as Schedule A.

3 Q. Can you think of some areas where your policies and Empire's
4 tariffs are similar?

5 A. It appears that both Ozark Electric Cooperative and Empire have line
6 extension policies that require construction advances for lengthy service
7 extensions to new consumers. I believe we are also similar in our
8 customer friendly policies.

9 Q. How is your ability to serve in the requested area affected by the
10 Cooperative's "rural area" limitation?

11 A. By statute, cooperative's can not connect new services in areas that
12 cease to be rural except under certain circumstances. This limitation for
13 the Cooperative in the area in question affects the cities of Willard and
14 Republic where Empire exercises a utility franchise. Ozark believes it is
15 reasonable that as these cities are enlarged by annexation, Empire's
16 certificate authority should be correspondingly increased.

17 Q. Are there any peculiar circumstances that you are aware of that affects
18 Empire's ability to build service to new loads in the areas it has
19 requested?

20 A. I am not fully cognizant of Empire's operational circumstances, but
21 sufficient generation for future growth would seem to be a concern. I am
22 referring to its owned generation and not to its contracted reserve. Excess
23 generation available for contracts seems to be on the decline nationally.

1 On a local level, Empire may have trouble gaining easements and access
2 to new locations.

3 Q. What is the Cooperative's reliability experience with the substations and
4 feeders that presently serve members in the requested area?

5 A. The average outage hours for the Ozark Electric Cooperative system for
6 1998 was 2.27 hours per customer including major storms, planned
7 outages, power supplier, & other causes.

8 Q. What is your present rate structure for residential, commercial, and
9 industrial customers?

10 A. The actual rate schedule summaries are attached and made a part of
11 this testimony.

12 Q. When were these rates last increased?

13 A. During the past 14 years, the Cooperative's rates have increased twice
14 and decreased once. A detail of those changes were:

15	5/1/85	Rates were increased	3.1%
16	6/1/90	Rates were increased	2.9%
17	1/1/95	Rates were decreased	6.87%

18 Q. Do you anticipate any rate increase in the next five (5) years?

19 A. No.

20 Q. Does this conclude your testimony?

21 A. Yes.



OZARK ELECTRIC COOPERATIVE, INC.

N. Hwy 39 • Mt. Vernon
(417) 466-2144

Hwy. AA • Nixa
(417) 725-5160

Hwy. 76 • Cape Fair
(417) 538-2273

RATE SCHEDULE

Effective February 1995

SINGLE-PHASE SERVICE

(under 75 kw demand)

Availability charge \$8.00
0-200 kwh 7.5 cents/kwh
Excess kwh 5.9 cents/kwh

The minimum monthly bill is \$8.00
with no kwh use.

THREE-PHASE SERVICE

(under 75 kw demand)

Availability charge \$14.00
0-200 kwh 7.5 cents/kwh
Excess kwh 5.9 cents/kwh

The minimum monthly bill is \$14.00
with no kwh use.

LARGE POWER SERVICE

(in excess of 75 kw demand)

Demand charge: \$3.80/month/kw
of billing demand
Energy charge: 4.85 cents/kwh

STREET & SECURITY LIGHTING

175W Security Light \$5.05

Security lights are available for \$5.05 per month
which includes electricity use and maintenance
when placed on an existing transformer or meter
pole. Light rental charges will appear on your
monthly bill.

--- Continued on other side ---

DEPOSITS

The following deposits are refundable:

Membership & first meter \$ 20.00

Each additional meter \$ 20.00

Residential tenant deposit
& membership \$120.00

*Cooperative will waive \$50 of the tenant deposit
if member provides a letter of good credit from the
former electrical supplier for the previous 12 months.*

Commercial deposit \$120.00

Commercial tenant deposit \$220.00

*Cooperative will waive \$50 of the tenant deposit
if member provides a letter of good credit from the
former electrical supplier for the previous 12 months.*

*The meter you read each month counts the
kiloWatt-hours (kwhs) used by your
household. One kwh costs less than 7 cents.*

For less than 7 cents, you can...

- ... use a 100-watt light bulb for 10 hours
- ... run a 75-watt lamp for 14 hours
- ... refrigerate food for 17 hours
- ... run an electric iron for 2 hours
- ... pump 1000 gallons of water
from a shallow well
- ... electrify a fence for 70 hours
- ... run a TV set for 3-1/2 hours



**OZARK ELECTRIC
COOPERATIVE, INC.**

Power to improve your life

MAYBERRY SCHEDULE A

Exhibit No.:
Witness: Terry Stewart
Type of Exhibit: Rebuttal
Sponsoring Party: Webster Electric Cooperative
Case No: EA-99-172

MISSOURI PUBLIC SERVICE COMMISSION

FILED

APR 30 1999

Missouri Public
Service Commission

REBUTTAL TESTIMONY OF

TERRY STEWART

On behalf of

WEBSTER ELECTRIC COOPERATIVE

CASE NO: EA-99-172

JEFFERSON CITY, MISSOURI

MAY 3, 1999

Missouri Public Service Commission
Case No: EA-99-172
Direct Testimony of Terrance H. Stewart

1 Q. Please state your name and business address.

2 A. Terrance H. Stewart, P.O. Box 87, Marshfield, MO 65706.

3 Most folks call me Terry.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Webster Electric Cooperative as General Manager.

6 Q. Would you briefly describe your educational and professional background?

7 A. I have a Degree in Accounting from Evangel University in Springfield, Missouri.

8 I have been with Webster Electric Cooperative since 1991 and have served as
9 General Manager since 1993.

10 Q. Could you outline your principal duties as General Manager?

11 A. I operate and manage the business of the Cooperative in accordance with the
12 policies, regulations and directives issued by the Board of Directors and in
13 accordance with state and federal law and regulations. I have control over all
14 properties and operation of the Cooperative.

15 Q. Would you describe Webster Electric Cooperative and the area in which it
16 operates?

17 A. Webster serves over 14,000 residential, commercial, and industrial accounts in all
18 or portions of Webster, Greene, Christian, Dallas, Wright, Douglas and Laclede
19 Counties. This area is characterized by agricultural activity and livestock
20 production. Livestock production is comprised mainly of beef cattle and hogs,
21 but also includes some dairy cattle and poultry. The agriculture base of this

1 region struggled throughout the 1970s and 1980s but appears to have stabilized.

2 Many of the farms have consolidated into larger, more mechanized commercial
3 operations, a trend seen throughout the Midwest.

4 Q. How does the Cooperative receive power and energy for its members?

5 A. Webster is a member of Sho-Me Power Electric Cooperative. Webster purchases
6 100 percent of its power and energy requirements from Sho-Me under an
7 agreement signed December 20, 1960 and effective as modified through May 31,
8 2040.

9 Q. What is the purpose of your testimony?

10 A. To oppose Empire District's request for a Certificate of Public Convenience and
11 Necessity.

12 Q. Have you been authorized to testify on behalf of the Cooperative in these
13 proceedings?

14 A. Yes.

15 Q. What portions of the area requested by the Empire District overlap the
16 Cooperative's operating area?

17 A. Area D as marked on the maps, from US Highway 65 east to US Highway 125,
18 north of the Greene county line to US Highway 60.

19 Q. What is the position of the Cooperative regarding Empire's request for authority
20 to offer electric utility service in these areas?

21 A. The Cooperative opposes the request. The public does not need for an additional
22 utility supplier in the requested area. If authority is granted, Empire could not
23 serve customers without duplicating the existing services of Webster Electric or

1 City Utilities of Springfield. This would be an unnecessary capital expenditure
2 and cause safety concerns for utility employees and the general public.

3 Q. Describe the nature and extent of the Cooperative's electric distribution facilities
4 in the area requested by Empire.

5 A. This area is served predominantly by the Cody Substation, located on 125
6 Highway and Farm Road 192.

- 7 • Webster has 3 phase feeder along Farm Road 194 from 125 Highway west to
8 NN Highway.
- 9 • Another 3 phase feeder serves from Farm Road 194 north on Highway 125 to
10 Farm Road 186. It turns west to Farm Road 205 and then goes north beyond
11 Highway 60.
- 12 • A third feeder goes north along Highway 125 from Farm Road 194 beyond
13 Highway 60.
- 14 • A fourth feeder extends from the Logan Substation, north of Highway 60,
15 south on Farm Road 189.
- 16 • In addition to these 3 phase lines Webster has single phase distribution lines
17 serving members throughout the entire area. A map is attached to this
18 testimony as Schedule A.

19 Q. Have you reviewed the testimony of Empire regarding future development in
20 these locations?

21 A. Yes.

22 Q. Do you generally agree that the growth Empire has anticipated will actually take
23 place?

1 A. Empire does not specify how much of their anticipated revenue would come from
2 Area D east of Highway 65 and how much would come from the area west of
3 Highway 160. We do not anticipate that their projections would be realized
4 within the next 3 years east of Highway 65.

5 Q. If new load develops at a faster rate and greater scope than you expect, are the
6 existing Cooperative facilities capable of serving that growth?

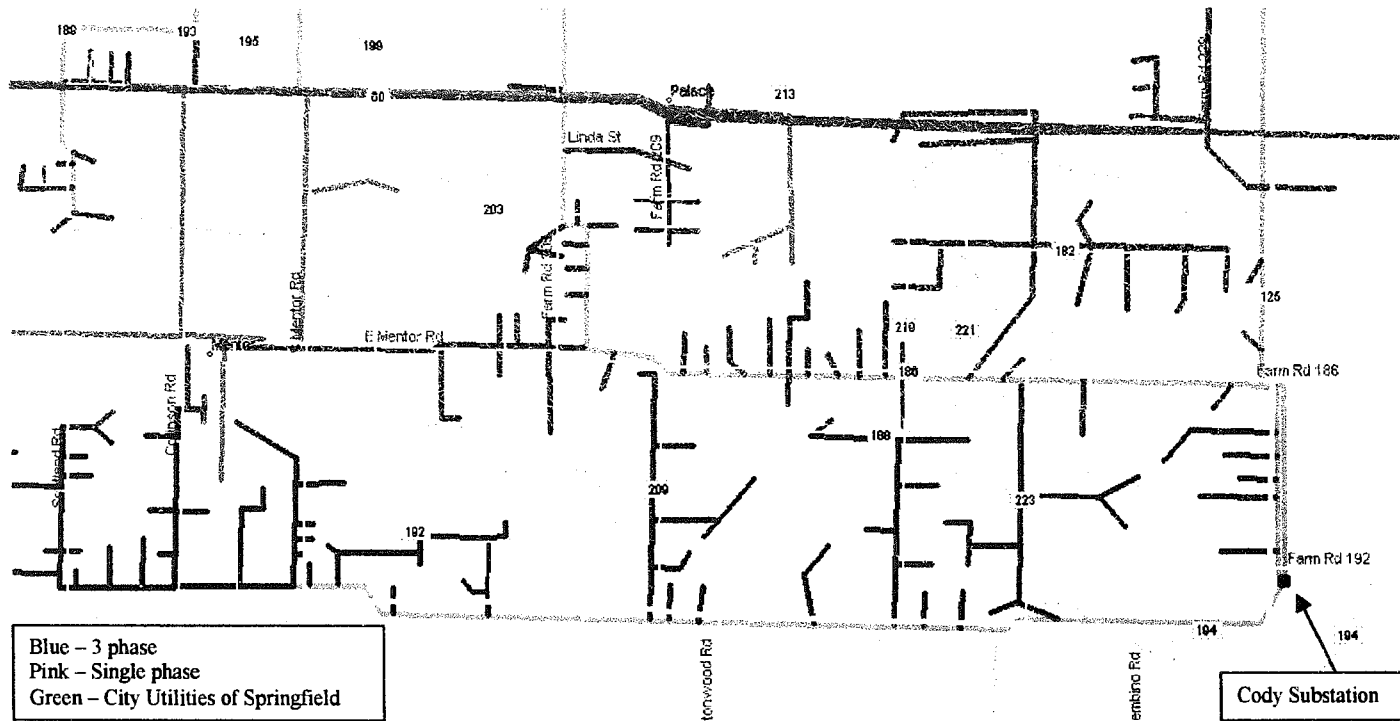
7 A. Yes. The Cody Substation has 10,000 KVA of capacity. The projected peak
8 demand for the year 2000 is 5,990. This area also has the capability of being fed
9 from two other substations in the area, (Logan – 2.3 miles north of Highway 60 or
10 Rogersville – 3.5 miles west of Highway 125.)

- 11 • Feeder #7 follows Farm Road 194 west, it has a capacity of 530 amps per
12 phase. The peak amps projected for the year 2000 are; A phase 86.4, B phase
13 87.7, C phase 78.2.
- 14 • Feeder #8 which follows Farm Road 186 west has a capacity of 340 amps per
15 phase. The peak amps projected for the year 2000 are; A phase 46.7, B phase
16 64.7, C phase 34.8.
- 17 • Feeder #1 which follows Highway 125 north, has a capacity of 340 amps per
18 phase. The peak amps projected for the year 2000 are; A phase 90.4, B phase
19 93.1, C phase 101.3.
- 20 • The 3 phase line fed from the Logan Substation which follows Farm Road 189
21 has a capacity of 340 amps per phase. The peak amps projected for the year
22 2000 are; A phase 138.7, B phase 136.6, C phase 129.7.

23

- 1 Q. What investment, in terms of dollars or facilities, would you anticipate adding to
2 serve those loads?
- 3 A. As we have the capacity in place, the only additional investment needed would be
4 new line extensions to serve customers as they request service.
- 5 Q. What is the Cooperative's reliability experience with the substations and feeders
6 that presently serve members in the requested area?
- 7 A. Our reliability in the designated area has been extremely high. Webster Electric
8 invests heavily in both right-of-way and line maintenance programs.
- 9 Q. What is your present rate structure for residential, commercial and industrial
10 customers?
- 11 A. Residential and small commercial customers pay \$0.05625 per kWh and \$7.25
12 facilities charge. Large commercial customers pay \$0.0365 per kWh with a \$5.00
13 per kilowatt of demand.
- 14 Q. When were these rates last increased?
- 15 A. 1985.
- 16 Q. Do you anticipate any rate increases in the next five years?
- 17 A. No.

Area D



This area is served predominantly by the Cody Substation, located on 125 Highway and Farm Road 192. This substation has 10,000 KVA of capacity. The projected peak demand for the year 2000 is 5990. This area also has the capability of being fed from two other substations, (Logan 2.3 miles north of Highway 60 and Rogersville 3.5 east of 125.)