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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Hearing

July 18, 1997
Jefferson City, Missouri
Volume 1

In the Matter of the)
Application of Union Electric)
Company and Consolidated)
Electric Cooperative for)
Approval of a Written)
Territorial Agreement) CASE NO. EO-97-493
Designating the Boundaries of)
Each Electric Service Supplier)
within Portions of Audrain,)
Monroe and Randolph Counties,)
Missouri.)

GREGORY T. GEORGE, Presiding,
ADMINISTRATIVE LAW JUDGE.

REPORTED BY:

DANA J. DICK, Shorthand Reporter
ASSOCIATED COURT REPORTERS, INC.

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1 APPEARANCES

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12 FOR: Consolidated Electric Cooperative.

13 LEWIS R. MILLS, JR., Deputy Public Counsel
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15 Jefferson City, Missouri 65102-7800

16 FOR: Office of the Public Counsel
17 and the Public

18 DAVID WOODSMALL, Assistant General Counsel
19 P.O. Box 360
20 Jefferson City, Missouri 65102

21 FOR: Staff of the Missouri Public
22 Service Commission.

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P R O C E E D I N G S

(EXHIBIT NOS. 1 THROUGH 5 WERE MARKED FOR IDENTIFICATION.)

ALJ GEORGE: This is Case No. EO-97-493 in the matter of the application of Union Electric and Consolidated Electric Cooperative for approval of written territorial agreement designating the boundaries of each electric service supplier within the portions of Audrain, Monroe and Randolph Counties, Missouri.

And will counsel please make their entries of appearance beginning with the applicants?

MR. BOBUAR: For Union Electric Company, William B. Bobuar and Ronald Evans, P.O. Box 66179, St. Louis, Missouri 63166.

ALJ GEORGE: Thank you.

MR. SCOTT: For applicants involving Electric Cooperative, Victor Scott of the law firm Andereck, Evans, Milne, Peace and Baumhoer, P.O. Box 1438, 305 East McCarty, Jefferson City, Missouri 65102.

ALJ GEORGE: Thank you.

MR. WOODSMALL: David Woodsmall on behalf of the Staff, P.O. Box 360, Jefferson City, Missouri 65102.

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1 ALJ GEORGE: Thank you.

2 MR. MILLS: On behalf of the Office of
3 Public Counsel, my name is Lewis Mills. My address
4 is P.O. Box 7800, Jefferson City, Missouri 65102.

5 ALJ GEORGE: Thank you. And we have
6 pre-marked the exhibits before going on the record
7 and allowed the parties an opportunity for
8 pre-hearing conference. At this time we'll let the
9 applicants begin with brief opening remarks from
10 counsel.

11 MR. BOBUAR: Thank you and good morning.

12 ALJ GEORGE: Good morning.

13 MR. BOBUAR: My name is William Bobuar.

14 I'm the attorney for Union Electric. Union
15 Electric's sole witness in this case is
16 Mr. Ronald W. Loesch, the district manager and the
17 person who negotiated the agreement on Union
18 Electric's behalf.

19 Mr. Loesch's direct testimony is clear and
20 compelling evidence why the Commission should rule
21 that the Union Electric Company and Consolidated
22 Electric Cooperative in this case is not
23 detrimental to public interest. The parties
24 entered into the territorial agreement on
25 April 25th, 1997. Joint application was filed on

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1 May 1st, 1997 requesting the Commission to approve
2 the territorial agreement.

3 The territorial agreement which was for
4 Union Electric and Consolidated Electric
5 Cooperative was done in Audrain, Monroe and
6 Randolph Counties. The electric service territory
7 of Union Electric is all of Randolph Counties.

8 May I pause for a minute and go to the
9 board here and point out the service territories
10 for both Audrain and Monroe Counties? For Monroe
11 County, the service territory for Union Electric is
12 the area within this boundary line shown on this
13 map, and it's been colored yellow for convenience.

14 Audrain County, the colored map designates
15 the service territories for both suppliers. The
16 pink area is the service territory of Consolidated
17 Electric Cooperative. The blue area is the
18 exclusive service area of Union Electric.

19 Now, this map shows only a portion of
20 Audrain County, that portion around the City of
21 Mexico. The balance of Audrain County is not
22 subject to the agreement.

23 After the effective date, each parties
24 will have the exclusive right to furnish the
25 facility and all new structures located within

1 their respective electric service territories.

2 Each party shall have the right to
3 continue to serve those existing structures located
4 in the electric service territory of the other
5 party which is serving on the effective date of the
6 territorial agreement wherever those structures are
7 located. There will be no exchange of customers or
8 facilities as a result of this agreement.

9 The parties have also agreed to few
10 exceptions to these exclusive territories.
11 Consolidated will have the exclusive right to serve
12 existing structures, any expansions of existing
13 structures and any new structure located completely
14 on the property boundaries for the business of
15 Spartan Light Metal Products and Cerro Copper.

16 In addition, both parties will have the
17 right to serve new structures in certain
18 subdivisions and developments in the other parties'
19 exclusive territory.

20 Mr. Loesch details several company
21 interest goals served by this territorial
22 agreement. First, the agreement will halt
23 duplication of facilities now existing between
24 Union Electric and Consolidated. With the end of
25 destructive competition, each electric supplier

1 will be able to focus its efforts on efficiently
2 utilizing all of its sources to serve its
3 customers.

4 Second, the resulting service territory
5 will also be exclusive relative to the parties.
6 The public will have certainty on who to call for
7 service in a given area, and Union Electric's
8 system planning ability will be improved which will
9 in turn lead to reduced cost. The elimination of
10 duplication will lessen any perceived negative
11 impact of the electrical distribution facilities on
12 esthetics in the community and safety in the
13 community.

14 Finally, the agreement will allow Union
15 Electric and Consolidated to work together to
16 improve their communities without worrying about
17 the legal boundaries of their service territories.
18 In his surrebuttal testimony, Mr. Loesch outlines
19 the process used to develop the boundary lines for
20 the agreement.

21 While the boundary lines developed will
22 continue to differ from those in the Union Electric
23 company to make an electric cooperative agreement,
24 those differences really have no impact on Union
25 Electric's operations. Thank you.

1 ALJ GEORGE: Thank you. And did you have
2 a map of Randolph County?

3 MR. BOBUAR: Yes, we do, but since the
4 area has been totally designated as the exclusive
5 service territory of Union Electric, I didn't
6 present it on the board. It is part of the
7 territorial agreement which will be later entered
8 in as evidence.

9 ALJ GEORGE: Okay. And, Mr. Scott, did
10 you have any opening remarks?

11 MR. SCOTT: Yes, your Honor.

12 Good morning. My name is Victor Scott,
13 and I represent Consolidated Electric Cooperative
14 in this proceeding. This is a proceeding
15 requesting that the Commission approve the
16 territorial agreement pursuant to Section 394.312
17 of the Missouri Revised Statutes.

18 This territorial agreement will designate
19 the boundaries, the service boundaries for these
20 two entities and these two entities only in this
21 proceeding. While that is significant as to these
22 two electric suppliers, it is insignificant to the
23 surrounding electric suppliers, and that is because
24 the parties have agreed not to serve in a territory
25 of the other.

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1 There are several public benefits that
2 accompany this agreement, and they're specified,
3 and my sole witness is Byron Jahn's testimony.

4 Mr. Jahn is the manager and CEO of Consolidated
5 Electric Cooperative and was instrumental in the
6 negotiation of this territorial agreement.

7 His testimony clearly sets out those
8 public benefits, and at this time there are several
9 comments that Union Electric made that is correct.
10 And we agree with especially those comments
11 regarding the areas that the Cooperative will serve
12 inside of Union Electric's area as well as Union
13 Electric serving those areas in Consolidated, and
14 that is basically around the area of Mexico.

15 This agreement was specifically entered
16 into so that the duplication of services in the
17 area around Mexico could be diminished, thus,
18 giving both electric suppliers the opportunity to
19 develop other loads and provide better service to
20 their existing customers without competing with the
21 other.

22 With all of that in mind, we ask the
23 Commission at this time to approve the agreement
24 and find that it is in the public interest.

25 ALJ GEORGE: Thank you. Mr. Woodsmall?

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1 MR. WOODSMALL: Yes. I'll be very brief.
2 Staff believes that the territorial agreement
3 submitted by Consolidated Electric and Union
4 Electric complies with the statute for territorial
5 agreements and complies with the Commission's
6 rule. Staff believes it is in the public interest
7 and would therefore support the territorial
8 agreement and ask the Commission to approve it.
9 Thank you.

10 ALJ GEORGE: Thank you. Mr. Mills?

11 MR. MILLS: I will be even more brief.
12 Public counsel has no opposition to this
13 territorial agreement.

14 ALJ GEORGE: Thank you. If there's
15 nothing further at this point, we'd like to allow
16 the applicants to call their first witness.

17 MR. BOBUAR: Thank you. I call Ronald W.
18 Loesch.

19 (Witness sworn.)

20 RONALD W. LOESCH, testified as follows:

21 ALJ GEORGE: Thank you. Please be
22 seated.

23 DIRECT EXAMINATION BY MR. BOBUAR:

24 Q. Hello. Please state your name and
25 address.

1 A. My name is Ronald W. Loesch. I live in
2 Mexico, Missouri.

3 Q. Who is your employer?

4 A. Employer is Union Electric Company.

5 Q. What is your position with Union Electric?

6 A. I am Union Electric's manager for its
7 Little Dixie and Green Hills operations.

8 Q. Are you familiar with the subject matter
9 of the joint application of the Union Electric
10 Company and Consolidated Electric Cooperative in
11 this case?

12 A. Yes, I am.

13 Q. I direct your your attention to two
14 documents, Exhibit 1 which is entitled the direct
15 testimony of Ronald Loesch and, Exhibit 2, the
16 surrebuttal testimony of Ronald Loesch. Is this
17 the testimony which you have prepared for
18 submission in this case?

19 A. Yes, it is.

20 Q. If I ask you each of the questions
21 appearing in this testimony, would you answer --
22 would the answers be as shown therein?

23 A. Yes, they would.

24 Q. I direct your attention to another
25 document which has been marked Exhibit No. 3, and

1 it's entitled the territorial agreement between
2 Union Electric and Consolidated Electric
3 Cooperative. Is this identical to Schedule 1 of
4 your direct testimony which has been previously
5 marked?

6 A. Yes, it is, with one exception. Exhibit 3
7 has the maps included for the territorial agreement
8 while Exhibit 1 does not.

9 Q. The Schedule is the same in Exhibit 1?

10 A. That is correct.

11 Q. Were these missing maps included with the
12 territorial agreement that was submitted with the
13 joint application?

14 A. Yes, they were.

15 Q. Do you wish to replace Schedule 1 in its
16 entirety with Exhibit 3?

17 A. Yes.

18 Q. Do you wish to make any other additions,
19 corrections or deletions to your testimony at this
20 time?

21 A. No, I do not.

22 MR. BOBUAR: I move that Exhibits 1, 2 and
23 3 be admitted into evidence, and I offer Mr. Loesch
24 for cross-examination.

25 ALJ GEORGE: Very well. Are there any

1 questions here for Mr. Loesch? Mr. Woodsmall?

2 MR. WOODSMALL: No questions.

3 ALJ GEORGE: Mr. Mills?

4 MR. MILLS: No questions.

5 ALJ GEORGE: Mr. Scott?

6 MR. SCOTT: No questions.

7 ALJ GEORGE: Are there any objections to
8 the entry of Exhibits 1, 2 and 3 into the record?

9 MR. SCOTT: No objections.

10 ALJ GEORGE: Hearing none, Exhibit Nos. 1,
11 2 and 3 are entered into the record, and I do have
12 a couple of questions here.

13 (EXHIBIT NOS. 1, 2 AND 3 WERE RECEIVED
14 INTO EVIDENCE.)

15 QUESTIONS BY ALJ GEORGE:

16 Q. Mr. Loesch, I understand that the
17 territorial agreement does provide for Union
18 Electric to purchase some municipal facilities.
19 Can you describe why that was placed in the
20 territorial agreement?

21 A. It does have a provision in the
22 agreement. If and when at such time that Union
23 Electric or a municipal in one of these counties
24 would decide to sell their distribution system, it
25 has a provision in there as to how that would take

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1 place in terms of a territorial agreement.

2 Q. Okay. And I believe that was your direct
3 testimony that stated this is a contingency because
4 of the duration of the agreement if that would ever
5 happen? It's not likely, but it could happen?

6 A. It could, yes.

7 Q. Okay. And could you summarize the main
8 reasons this agreement is in the public interest?

9 A. I think the main reasons would be the
10 elimination of duplication of service. And just to
11 give you an example would be situations where we
12 would be building down maybe one side of a new
13 subdivision or one side of the street versus where
14 the Co-op would be building down the other side.
15 And that is detrimental to the members of the
16 Co-op, detrimental to our customer in that you have
17 costly resources being used to provide that
18 duplicate service.

19 I think another big benefit to us, both
20 suppliers, is that you have better planning of your
21 distribution system knowing that you are going to
22 serve an entire area, and so you can better locate
23 your facilities to serve them more effectively and
24 efficiently.

25 Q. Okay.

1 A. I think those are probably the two
2 principal reasons. Another thing that should be
3 considered in this is obviously the safety of the
4 public. The more facilities you have, the more apt
5 that the public is to get entangled in them in one
6 form or another, whether it's by vehicle or other
7 types of ways that they come in contact with
8 electric facilities.

9 Q. And also from your pretrial statements,
10 you are not concerned with any so-called
11 overlapping with agreements with other parties?

12 A. That is true. When you enter into a
13 territorial agreement where there's just two
14 parties involved in that agreement, it does not
15 impact any other suppliers in the area. It is only
16 between those two parties, and so it doesn't
17 prevent another party from conducting their
18 business.

19 ALJ GEORGE: Mr. Bobuar, any further
20 questions?

21 MR. BOBUAR: No, your Honor.

22 ALJ GEORGE: Mr. Scott?

23 MR. SCOTT: No, your Honor.

24 ALJ GEORGE: Mr. Woodsmall?

25 MR. WOODSMALL: No.

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1 ALJ GEORGE: Mr. Mills?
2 MR. MILLS: No, your Honor.
3 ALJ GEORGE: Thank you. Mr. Loesch, you
4 are excused from the stand.
5 THE WITNESS: Thank you.
6 (Witness excused.)
7 ALJ GEORGE: You may call your next
8 witness.
9 MR. BOBUAR: That is Union Electric's only
10 witness, your Honor.
11 ALJ GEORGE: Thank you. Mr. Scott?
12 MR. SCOTT: At this time I'd like to call
13 Byron Jahn to the stand.
14 (Witness sworn.)
15 BYRON L. JAHN, testified as follows:
16 ALJ GEORGE: Thank you. Please be
17 seated.
18 DIRECT EXAMINATION BY MR. SCOTT:
19 Q. Would you please state your full name for
20 the record.
21 A. Byron L. Jahn.
22 Q. And who are you employed by?
23 A. Consolidated Electric Cooperative.
24 Q. And what are your duties and
25 responsibilities?

1 A. My job title is general manager and CEO.
2 I'm responsible for the overall operations of the
3 cooperative.

4 Q. At this time I'm going to hand you what
5 has been previously marked as Exhibits 4 and 5. Do
6 you recognize those exhibits?

7 A. Yes, I do.

8 Q. Is Exhibit 4 your previously filed direct
9 testimony in this matter?

10 A. Yes, it is.

11 Q. And is Exhibit 5 your previously filed
12 surrebuttal testimony in this matter?

13 A. Yes, it is.

14 Q. And are you the same Byron Jahn who
15 previously filed this testimony?

16 A. Yes, I am.

17 Q. And at this time if I were to ask you the
18 same questions that are contained in Exhibit 4 and
19 Exhibit 5, would your answers be the same?

20 A. Yes, they would.

21 Q. And with respect to Exhibit 5, do you
22 swear that you participated in the preparation of
23 your surrebuttal testimony and that you have the
24 knowledge of the matters set forth in such answers
25 and that such matters are true to the best of your

1 knowledge and belief?

2 A. Yes, I do.

3 Q. At this time I'm going to hand you what
4 has been previously marked as Exhibit 3. Would you
5 please review that? And is Exhibit 3 a copy of the
6 territorial agreement that has been previously
7 filed in this case?

8 A. Yes, it is.

9 MR. SCOTT: At this time I move and offer
10 Exhibits 4 and 5 in the record, and I have no more
11 questions.

12 ALJ GEORGE: Are there any objections to
13 the entry of Exhibits 4 and 5 into the record?

14 (No response.)

15 Hearing none, Exhibits 4 and 5 are entered
16 into the record.

17 (EXHIBITS 4 AND 5 WERE RECEIVED INTO
18 EVIDENCE.)

19 ALJ GEORGE: Mr. Woodsmall, any questions
20 for this witness?

21 MR. WOODSMALL: No questions. Thank you.

22 ALJ GEORGE: Mr. Mills?

23 MR. MILLS: No questions. Thank you.

24 QUESTIONS BY ALJ GEORGE:

25 Q. Mr. Jahn, can you describe which large

1 industrial loads are retained by the cooperative
2 under this agreement?

3 A. Yes, your Honor. Specifically, Cerro
4 Copper and Spartan Light Metal Products.

5 Q. And where are those located at?

6 A. Within the service area -- within the blue
7 shaded area essentially on the western edge of the
8 City of Mexico.

9 Q. And do you have any concern about
10 overlapping of areas with any other agreements that
11 don't concern both of these parties here today?

12 A. No, your Honor.

13 Q. Okay. And what are the main reasons that
14 you see that this agreement does benefit the
15 public?

16 A. I agree with the statements that
17 Mr. Loesch made earlier specifically the wasteful
18 duplication of facilities, the confusion in the
19 mind of the public as to which service provider
20 they should contact when they want electric
21 service. I think safety of the public and safety
22 of our employees, whether they be Union Electric or
23 Consolidated Electric employees. Congested lines
24 create unsafe working conditions also.

25 ALJ GEORGE: Okay. Mr. Scott, any further

1 questions for this witness?
2 MR. SCOTT: No, your Honor.
3 ALJ GEORGE: Or Mr. Bobuar?
4 MR. BOBUAR: No, your Honor.
5 ALJ GEORGE: Mr. Woodsmall?
6 MR. WOODSMALL: No. Thank you.
7 ALJ GEORGE: Mr. Mills?
8 MR. MILLS: No more questions.
9 THE WITNESS: Thank you.
10 ALJ GEORGE: Thank you, Mr. Jahn. You are
11 excused from the witness stand.
12 (Witness excused.)
13 ALJ GEORGE: Next witness.
14 MR. WOODSMALL: Staff would call B. J.
15 Washburn to the stand.
16 (Witness sworn.)
17 B. J. WASHBURN, testified as follows:
18 ALJ GEORGE: Would you please be seated.
19 DIRECT EXAMINATION BY MR. WOODSMALL:
20 Q. Thank you. Would you state your name for
21 the record, please.
22 A. B. J. Washburn.
23 Q. By whom are you employed and in what
24 capacity?
25 A. By the Public Service Commission. I'm the

1 manager of policy of Federal Affairs Department.

2 Q. Did you cause to be filed what has been
3 marked as Exhibit 6 in this proceeding?

4 A. I did.

5 Q. And are the answers contained therein true
6 and accurate to the best of your knowledge and
7 belief?

8 A. They are.

9 Q. Do you have any corrections to make to
10 Exhibit 6 at this time?

11 A. No, I do not.

12 MR. WOODSMALL: At this time I'd offer
13 Exhibit 6 into the record and tender the witness
14 for cross-examination.

15 ALJ GEORGE: Are there any objections to
16 Exhibit 6 being entered in the record?

17 (No response.)

18 Hearing none, Exhibit 6 is entered into
19 the record.

20 (EXHIBIT NO. 6 WAS RECEIVED INTO
21 EVIDENCE.)

22 ALJ GEORGE: First, Mr. Bobuar, any
23 questions?

24 MR. BOBUAR: I've got two quick questions,
25 your Honor.

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1 CROSS-EXAMINATION BY MR. BOBUAR:

2 Q. Mr. Washburn, have you reviewed the
3 surrebuttal testimony of Ron Loesch in this case?

4 A. I have.

5 Q. On pages three and four of your rebuttal
6 testimony, you highlighted that the territorial
7 agreement boundaries in the agreement differ from
8 those from Union Electric Cooperative and Union
9 Electric Cooperative from Missouri Public Service
10 Commission, Case No. EO-97-96.

11 In light of your review of Mr. Loesch's
12 testimony, do you have any concern with the
13 boundary line difference?

14 A. No, I do not.

15 Q. Thank you, Mr. Washburn.

16 ALJ GEORGE: Mr. Scott, any questions?

17 MR. SCOTT: No questions, your Honor.

18 ALJ GEORGE: Mr. Mills?

19 MR. MILLS: No questions.

20 QUESTIONS BY ALJ GEORGE:

21 Q. Also, Mr. Washburn, can you highlight the
22 major benefits of the public with this agreement?

23 A. Well, one of the major benefits is
24 reduction of duplication of services because this
25 area around Mexico has been highly competitive

1 outside the city limits.

2 And I've been there numerous times and
3 seen the duplication of each company trying to
4 serve new loads or in the same industrial park or
5 right across the street from each other, and this
6 will certainly help in their planning and will
7 eliminate duplication and will make facilities
8 easier to serve.

9 (Witness excused.)

10 ALJ GEORGE: Thank you. Mr. Woodsmall,
11 any further questions?

12 MR. WOODSMALL: No. Thank you.

13 ALJ GEORGE: Mr. Babuar?

14 MR. BABUAR: No questions.

15 ALJ GEORGE: Mr. Scott or Mr. Mills?

16 MR. SCOTT: No questions. Thank you.

17 MR. MILLS: No questions. Thank you.

18 ALJ GEORGE: Thank you. Mr. Washburn, you
19 are excused.

20 (Witness excused.)

21 ALJ GEORGE: Are there any exhibits that
22 have been pre-marked which have not been entered at
23 this time?

24 (No response.)

25 ALJ GEORGE: Hearing none, are there any

1 further comments that counsel would like to make
2 before we adjourn?

3 MR. SCOTT: Yes, your Honor, if you
4 wouldn't mind for a moment.

5 In asking both Mr. Loesch and Mr. Jahn
6 about whether or not they were concerned with the
7 boundary lines from different agreements, I'd like
8 to address that issue to you as well as the
9 commissioners to clarify for future agreements as
10 well.

11 One of the problems and concerns may be,
12 is Union Electric has two agreements which for this
13 case comes up, a territorial agreement with Macon
14 Electric Cooperative as well as this agreement with
15 Consolidated. Pointing to the Monroe County map,
16 the Macon agreement has a southern line that is the
17 actual northern line in Monroe County.

18 The essence of the Macon Union Electric
19 agreement is that Union Electric would not go above
20 that line and serve in that area. Converse, Macon
21 agreed not to serve below that line. And so Union
22 Electric and wherever they plot their maps has that
23 agreement and has set it out.

24 They then negotiate with Consolidated
25 Services to draw boundary lines for this

1 agreement. When they sit down, they realize there
2 is an area that Consolidated is serving, that Macon
3 wasn't, nor Union Electric. So the line has to be
4 drawn differently.

5 When they draw that line, they do, in
6 fact, use the northern boundary line of the Macon
7 agreement but deviate to compensate for the
8 customers that Consolidated Services is continuing
9 to serve, especially since this agreement does not
10 call for a swap of customers.

11 Union Electric draws that line to
12 compensate for that as well as they maintain the
13 area that they actually have customers in, and
14 that's the shaded yellow area. The effect of the
15 agreement is when you combine the two, that Union
16 Electric has pretty much agreed to remain in the
17 shaded area and that is through Consolidated
18 agreeing not to serve in that area as well as Macon
19 not to serve in that area.

20 So what, in effect, you have in the Monroe
21 County, as between these three parties only, is
22 that Consolidated can serve the entire county
23 except the area that it said it would not go into,
24 and Macon can serve nearly one-half of the county,
25 the area that Union Electric said they wouldn't go

1 into.

2 So Consolidated, in effect -- and this is
3 also set out in Mr. Jahn's testimony -- is that
4 Consolidated has no competition as between these
5 three entities only in the southern one-half of
6 this particular county, but that does not take into
7 effect that Boone Electric, Callaway Electric,
8 Ralls Electric Cooperative or any other entity that
9 could serve in this area to come in and compete with
10 them. It is only between these three entities as
11 these two agreements meet and mesh.

12 So Union Electric will be held by these
13 two entities to this area because it would be the
14 best interest of Consolidated Services and Macon to
15 make them stay there. That is one reason the
16 parties aren't concerned about this overlapping
17 line. Because the practical effect is the most
18 restrictive line for either entity will be the
19 controlling force, and they will be corrected and
20 checked on by the parties of who they entered the
21 agreements with.

22 ALJ GEORGE: Okay. Any other closing
23 remarks from counsel?

24 MR. BOBUAR: Yes, your Honor.

25 I'd just like to add the fact that Union

1 Electric agrees with the statement just made by
2 Victor Scott. This information was very similar to
3 the surrebuttal testimony -- excuse me -- of
4 Mr. Loesch.

5 I also would like to point out that those
6 boundary lines that were agreed to between Union
7 Electric and Consolidated were the result of a
8 negotiation. And as Mr. Washburn points out in his
9 rebuttal testimony, territorial agreements are very
10 fragile arrangements, and there is give and take
11 when parties negotiate these deals.

12 Thank you, your Honor.

13 (No response.)

14 ALJ GEORGE: Thank you. Any other closing
15 remarks?

16 Hearing none, we will now adjourn this
17 proceeding and go off the record. Thank you.

18 (WHERE UPON THE HEARING OF THIS CASE WAS
19 CONCLUDED.)

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I N D E X

	Page
Opening Statement by Mr. Bobuar	4
Opening Statement by Mr. Scott	8
Opening Statement by Mr. Woodsmall	10
Opening Statement by Mr. Mills	10
UNION ELECTRIC EVIDENCE:	
RONALD W. LOESCH	
Direct Examination by Mr. Bobuar	10
Questions by ALJ George	13
CONSOLIDATED ELECTRIC COOPERATIVE'S EVIDENCE:	
BYRON L. JAHN	
Direct Examination by Mr. Scott	16
Questions by ALJ George	18
STAFF'S EVIDENCE:	
B.J. WASHBURN	
Direct Examination by Mr. Woodsmall	20
Cross-Examination by Mr. Bobuar	22
Questions by ALJ George	22

1
2
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23
24
25

E X H I B I T S

	Marked	Rec'd
EXHIBIT NO. 1		
Prepared Direct Testimony of Ronald W. Loesch	3	13
EXHIBIT NO. 2		
Prepared Surrebuttal Testimony of Ronald W. Loesch	3	13
EXHIBIT NO. 3		
Prepared Direct Testimony of Ronald W. Loesch Containing Maps of the Territorial Agreement	3	13
EXHIBIT NO. 4		
Prepared Direct Testimony of Byron L. Jahn	3	18
EXHIBIT NO. 5		
Prepared Surrebuttal Testimony of Byron L. Jahn	3	18
EXHIBIT NO. 6		
Prepared Rebuttal Testimony of B.J. Washburn	3	21