

# SMITH DUNBAR TURLEY

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November 20, 2000

Transmitted via: UPS Next Day Air

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102-0360

**FILED**

NOV 21 2000

Re: Case No. EA-2000-308

**Missouri Public  
Service Commission**

Dear Judge Roberts:

Enclosed for filing in the above referenced matter please find the original and eight copies of a Southside Neighbors Statement of Position on the Issues for filing.

I have also enclosed an extra copy, which I request that you stamp "filed" and return to me in the enclosed self addressed stamped envelope.

Thank you for your attention to this matter.

Sincerely,



Michael R. Dunbar  
/skg

Enclosures: As stated

cc: Gary W. Duffy via first class mail  
Mark Comley via first class mail  
Office of Public Counsel via first class mail  
All Southside Neighbors via first class mail

FILED

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

NOV 21 2000

In the Matter of the Application of the City of Rolla, )  
Missouri, for an Order Assigning Exclusive )  
Service Territories and for Determination )  
of Fair and Reasonable Compensation )  
Pursuant to Section 386.800, RSMo 1994. )

Missouri Public  
Service Commission

Case No. EA-2000-308

**SOUTHSIDE NEIGHBORS STATEMENT OF POSITION ON THE ISSUES**

COMES NOW, Southside Neighbors, ("Southside") by and through it's attorney and for it's **Statement of Position on the Issues**, provides as follows:

**LIST OF ISSUES**

I. Is the City of Rolla's request for an assignment of the exclusive territory and transfer of Intercounty Electric Cooperative Association's ("Intercounty") facilities in the public interest?

**RESPONSE:** Southside's position is that the City of Rolla's Request for an Assignment of Exclusive Territory and Transfer of Intercounty Facilities is not in the public interest. The position of Southside is the public has been served by Intercounty in this area for many years. The service provided by Intercounty has been extremely reliable with the need of this area being met by Intercounty. Members of Intercounty are the owners of Intercounty, thus allowing the members to insure the direction in which Intercounty continues and allows the control to be exercised by the members. Intercounty use of money is used only in relation to services being provided for it's members. RMU, which controls the electric services for the City of Rolla expends money on non-dash utility items such as economic development. The economic development of the City of Rolla should not be a consideration for what is the public's interest in determining who provides electric services.

A. What effect will there be with regard to electric distribution lines in the annexed area if the Commission does not approve the application of Rolla Municipal Utilities (RMU)?

**RESPONSE:** Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.

B. What effect, if any, will RMU's acquisition of the facilities within the annexed area have on its operations, rates for service and quality of service?

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**RESPONSE: Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.**

C. What effect, if any, will RMU's acquisition of the facilities in the annexed area have on Intercounty's operations, rates for service and quality of service?

**RESPONSE: Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.**

D. What effect, if any, will RMU's acquisition of the facilities in the annexed area have on Intercounty's existing customers in the annexed area?

**RESPONSE: Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.**

E. Will RMU's new wholesale electric supplier agreement, and related wheeling agreements, if any, have any effect on customer rates or on service reliability?

**RESPONSE: Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.**

F. What effect, if any, will RMU's lease/purchase of trailer mounted generation equipment have on customer rates, or service reliability?

**RESPONSE: Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.**

G. Should Intercounty's position on payment of a gross receipts tax or payment in lieu of tax, and other services, and any reliance of the City of Rolla on Intercounty's position, be considered with respect to the interest of the public in this case?

**RESPONSE: Southside takes no separate position with regards to this issue but would defer to the position taken by Intercounty.**

H. Should the City's Revised Plan of Intent be considered with respect to the interest of the public in this case.

**RESPONSE: Southside's position is that the City's Revised Plan of Intent should be considered with respect to the interest of the public in this case. The City of Rolla, during the annexation process of the area being considered for assignment, consistently maintained the position that utility services would not be transferred to Rolla Municipal Utilities or the City of Rolla. The City of Rolla maintained this**

position in public hearings concerning the annexation and in the Revised Plan of Intent for the Southside Annexation. The Revised Plan of Intent on page 9 entitled, "Electricity", in part provided as follows: "The areas within the proposed annexation that are now receiving electric service from a rural electric CO-OP would continue to do so. RMU would not be allowed to serve any of these properties. Any new developments within this area would receive electric service from RMU. It is the policy of RMU to absorb the cost of any electric extension and this would continue to be the case. The proposed financing of electric extensions into the proposed annexation area is to use electric reserve funds to install any new lines." The public interest can best be served by considering the fact that the City of Rolla and RMU have consistently advised the public that Intercounty would continue to provide the utilities to the present customers.

II. Should the Commission assign the annexed area, in whole or in part, to the City of Rolla as its exclusive territory?

**RESPONSE:** Southside's position is that the Commission should not assign the annexed area in whole or in part, to the City of Rolla as its exclusive territory.

III. If the Commission determines that the annexed area, in whole or in part, should be assigned to the City of Rolla as its exclusive territory, what is the amount of "fair and reasonable compensation" to be paid Intercounty for its facilities?

A. What is the present day reproduction cost, new, of Intercounty's properties and facilities, serving the annexed area?

B. Should Intercounty's district office building located at 1310 South Bishop Ave. (Highway 63), Rolla, Missouri, be included in the calculation of fair and reasonable compensation, and if so, in what amount?

C. Should Intercounty's reliance, if any, on the City's Plan of Intent be considered in determining whether Intercounty's district office building should be included in the calculation of fair and reasonable compensation?

D. What particular approach should be adopted by the Commission in order to calculate depreciation in this case?

E. What is the amount of depreciation to be deducted from the calculation of present day reproduction cost, new, of the properties and facilities serving the annexed area?

F. What are the reasonable and prudent costs of detaching Intercounty's facilities in the annexed area, and what are the reasonable and prudent costs of reintegrating Intercounty's system outside the annexed area after detachment?

1. Should the reasonable and prudent costs of detaching the facilities and reintegrating the system include:
  - a. Intercounty's engineering costs related to the detachment of facilities and reintegration of the system?
  - b. Intercounty's costs for detachment of its main tie lines?
  - c. Intercounty's costs of pole and line construction for reintegrated lines?
  - d. Intercounty's transfer of service costs, including final meter readings and crew time?
  - e. Intercounty's transfer of facilities costs and demolition costs for removal of facilities?
  - f. Intercounty's costs of acquiring and clearing right of way and obtaining right of way easements?
  - g. Intercounty's costs to maintain service to stranded customers by the erection of new facilities?
  - h. Intercounty's costs of reintegrating telephone, fiber optic, computers and communications systems?
  - i. Intercounty's administrative costs associated with the above?
2. If the Commission determines that an item listed in III-E.1. above should be included in the reasonable and prudent costs, then how much of the cost of each of the following items should be included?
  - a. Intercounty's engineering costs related to the detachment of facilities and reintegration of the system.
  - b. Intercounty's costs for detachment of its main tie lines?
  - c. Intercounty's costs of pole and line construction for reintegrated lines?
  - d. Intercounty's transfer of service costs, including final meter readings and crew time?

- e. Intercounty's transfer of facilities costs and demolition costs for removal of facilities?
- f. Intercounty's costs of acquiring and clearing right of way and obtaining right of way easements?
- g. Intercounty's costs to maintain service to stranded customers by the erection of new facilities?
- h. Intercounty's costs of reintegrating telephone, fiber optic, computers and communications systems?
- i. Intercounty's administrative costs associated with the above?

3. What is 400% of Intercounty's gross revenue less gross receipts taxes, for the twelve-month period preceding the approval of the Rolla city council to begin negotiations with Intercounty for the exclusive territory and for transfer of the facilities?

- a. What customers or structures should be included/excluded in the calculation of same?
- b. How should the gross revenue calculation be normalized to produce a representative usage?

**RESPONSE: With respect to Paragraph III and all of its subparts, Southside takes no separate position with regards to those issues but would defer to the position taken by Intercounty.**

IV. Other Costs/Issues Related to Calculating Fair and Reasonable Compensation.

A. Should the condition of Intercounty's easements, or lack thereof, in the annexed area be considered in the calculation of fair and reasonable compensation, and if so, in what amount and manner?

B. Should the Commission order PCB testing of Intercounty's facilities in conjunction with the transfer, and if so, in what manner?

C. Should joint use fees collected pursuant to Intercounty's pole attachment agreements be considered in the calculation of fair and reasonable compensation?

D. Should the equity owed to the Intercounty members in the annexed area be considered in the calculation of fair and reasonable compensation?

E. Should Intercounty's additional wholesale power costs be considered in the calculation of fair and reasonable compensation?

**RESPONSE:** With respect to Paragraph IV and all of its subparts, Southside takes no separate position with regards to these issues but would refer to the position taken by Intercounty.

Respectfully submitted,

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Attorneys For Southside Neighbors

By:

A handwritten signature in dark ink, appearing to read "Michael R. Dunbar", is written over a horizontal line.

Michael R. Dunbar  
Colin P. Long

#37066  
#48540

## CERTIFICATE OF SERVICE

The undersigned certifies that a true and complete copy of the above and foregoing **Southside Neighbors Statements of Positions on the Issues** was served by placing the same in an envelope, with first class postage affixed thereto, addressed as set forth below, and by then depositing the same in a U.S. Mail receptacle in Waynesville, Missouri, on the 20 day of November, 2000.

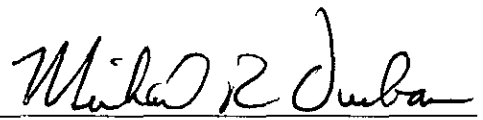
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By:

  
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