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December 13, 2004

Secretary  
Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

**FILED<sup>3</sup>**

DEC 13 2004

EUGENE E. ANDERECK (1923-2004)

GREGORY C. STOCKARD (1904-1993)

PHIL HAUCK (1924-1991)

Re: Case No. EO-2005-0122

Missouri Public  
Service Commission

Dear Secretary:

Enclosed for filing please find an original and eight copies of the Direct Testimony of John Greenlee in the above referenced case.

If you have any questions, please contact me at the number listed above.

Sincerely,

  
Lisa Cole Chase

LCC:lw

Encl.

CC: Office of Public Counsel  
General Counsel, PSC  
Walt Ryan  
John Greenlee

Exhibit No.:  
Issues: Three Rivers Electric  
Cooperative / Gascosage  
Territorial Agreement -- All  
Witness: John Greenlee  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Gascosage Electric Cooperative  
Case No.: EO-2005-0122  
Date Testimony Prepared:

**FILED<sup>3</sup>**

DEC 13 2004

**DIRECT TESTIMONY** Missouri Public  
Service Commission  
**OF**  
**JOHN GREENLEE**

**JEFFERSON CITY, MISSOURI**



1 Q. WHAT IS YOUR NAME?

2 A. John Greenlee.

3 Q. BY WHOM ARE YOU EMPLOYED?

4 A. Gascosage Electric Cooperative ("Gascosage").

5 Q. IN WHAT CAPACITY ARE YOU EMPLOYED?

6 A. I am the General Manager.

7 Q. WHAT ARE YOUR JOB DUTIES AS GENERAL MANAGER?

8 A. I am in charge of daily operations of the cooperative. I am responsible for all  
9 customer related activity within the service area of Gascosage. This includes customer service,  
10 office operations, line design, engineering, construction and maintenance of the cooperative  
11 facilities.

12 Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

13 A. I hold an Associates of Arts degree in Business Administration from Highland  
14 Community College, Highland, Kansas and a Bachelors of Science degree in Business from  
15 Kansas State Teachers College, Emporia, Kansas.

16 Q. WHAT IS YOUR EMPLOYMENT HISTORY?

17 A. I have worked in the rural electric industry for approximately 29 years and have  
18 been the General Manager for Gascosage Electric Cooperative for about ten years.

19 Q. ARE YOU AUTHORIZED ON BEHALF OF THE COOPERATIVE TO FILE  
20 TESTIMONY IN THIS MATTER?

21 A. Yes, I am.

22 Q. WHAT RELIEF ARE THE APPLICANTS IN THIS MATTER REQUESTING  
23 FROM THE COMMISSION?

1           A.     Gascosage Electric Cooperative ("Gascosage") and Three Rivers Electric  
2 Cooperative ("Three Rivers") entered into a Territorial Agreement for which we are seeking  
3 Commission approval. The Territorial Agreement seeks to establish exclusive service territory  
4 of each Applicant in Camden, Cole, Franklin, Gasconade, Maries, Miller, Moniteau, Osage,  
5 Phelps, and Pulaski Counties and does not require the transfer of any facilities or customers  
6 between Applicants. This testimony is filed to support the Territorial Agreement and to  
7 demonstrate that the Agreement is in the public interest and should be approved. Gascosage and  
8 Three Rivers are asking the Commission to approve the Territorial Agreement.

9           Q.     ARE YOU FAMILIAR WITH THE CONTENTS OF THE TERRITORIAL  
10 AGREEMENT?

11          A.     Yes. I was involved in the negotiation of the service areas covered by the  
12 Territorial Agreement. I also assisted in the preparation and review of the application to the  
13 Commission. It will also be my responsibility to see that the Territorial Agreement is followed.

14          Q.     WHAT WERE THE CONSIDERATIONS THAT WENT INTO  
15 ESTABLISHING THAT THE TERRITORIAL AGREEMENT WAS NECESSARY?

16          A.     The Territorial Agreement establishes boundary lines for both suppliers in  
17 Camden, Cole, Franklin, Gasconade, Maries, Miller, Moniteau, Osage, Phelps, and Pulaski  
18 Counties and will allow for greater reliability of service to new customers in the future.

19          Each Applicant will still be constructing, operating and maintaining facilities in the  
20 service territory of the other as described in the Territorial Agreement.

21          Q.     WHAT PUBLIC INTEREST BENEFITS ARE ADVANCED BY THE  
22 TERRITORIAL AGREEMENT?

1           A.     We believe that the Territorial Agreement will promote the orderly growth for  
2 each Applicant within Camden, Cole, Franklin, Gasconade, Maries, Miller, Moniteau, Osage,  
3 Phelps, and Pulaski Counties, provide a greater reliability of service for the customers of both  
4 Applicants, and help eliminate costly duplication of facilities. Costly duplication is a major  
5 concern of both Applicants considering the ever increasing cost of providing reliable electric  
6 service to their customers. It would be fair to say that we are serving the public interest by  
7 avoiding wasteful duplication and focusing our efforts on efficient use of existing resources. If  
8 the Territorial Agreement is approved we believe that, because of better planning and more  
9 reliability of service, the agreement will ultimately lead to lower costs for both suppliers, and in  
10 turn lower rates for their customers.

11           Within our respective areas we will fulfill our duty of providing safe and adequate  
12 electric service at just and reasonable rates. Our planning, engineering, and operational decisions  
13 will be simplified and our investments will not be driven by competition for new loads.

14           Q.     HOW LONG DOES THE TERRITORIAL AGREEMENT REMAIN IN  
15 EFFECT?

16           A.     The Territorial Agreement is perpetual, but may be terminated at any time by  
17 Agreement of the parties.

18           Q.     IS THIS THE BEST AGREEMENT THAT COULD BE REACHED BETWEEN  
19 THE PARTIES?

20           A.     This Territorial Agreement was the result of lengthy negotiations between the  
21 parties with both sides making concessions. We feel the Agreement is fair to both parties and  
22 will serve both Gasconade and Three Rivers well and be a benefit to customers of both  
23 Applicants by allowing the Applicants to provide more reliable service.

1 Q. DOES THE TERRITORIAL AGREEMENT PROVIDE FOR THE EXCHANGE  
2 OF ANY CUSTOMERS OR FACILITIES?

3 A. No.

4 Q. WHAT RESOURCES DOES GASCOSAGE HAVE THAT WILL PERMIT IT  
5 TO PROPERLY AND EFFECTIVELY SERVE THE TERRITORY SET ASIDE TO IT IN THE  
6 TERRITORIAL AGREEMENT.

7 A. Gascosage services approximately 9,526 consumers with 1,504 miles of electric  
8 distribution line. Gascosage has been in business since 1945. The Cooperative presently has 30  
9 full time employees along with adequate equipment and main office facilities in Dixon.

10 Q HOW WOULD YOU CHARACTERIZE THE TERRITORY COVERED BY  
11 THIS AGREEMENT?

12 A It is the same area that Gascosage already serves. The average density is about  
13 6.3 consumers per mile.

14 Q WHAT OTHER POWER SUPPLIERS HAVE ELECTRIC DISTRIBUTION  
15 FACILITIES IN THE AREA COVERED BY THE TERRITORIAL AGREEMENT?

16 A. The other power suppliers in the area are Intercounty Electric Cooperative,  
17 Laclede Electric Cooperative, CO-MO Electric Cooperative, and Union Electric Company d/b/a  
18 AmerenUE. In addition, Herman, Newberg, Owensville, Richland, Rolla, St. James, and  
19 Waynesville operate municipal electric supply systems within the area covered by the Territorial  
20 Agreement.

21 Q. HAVE YOU NOTIFIED ANY OF THOSE POWER SUPPLIERS OF THE  
22 PROPOSED TERRITORIAL AGREEMENT?

1           A.     I sent written notifications to Intercounty Electric Cooperative, Laclede Electric  
2 Cooperative, CO-MO Electric Cooperative, AmerenUE, and to the cities of Newburg, Richland,  
3 Waynesville, St. James and Rolla. I understand that Walter Ryan, manager of Three Rivers  
4 Electric Cooperative, sent similar written notifications to the cities of Hermann and Owensville.

5           Q.     HAS ANY PARTY INTERVENED OR OTHERWISE PARTICIPATED IN  
6 THIS PROCEEDING.

7           A.     Yes.

8           Q.     WHAT PARTIES HAVE INTERVENED?

9           A.     Union Electric Company, d/b/a AmerenUE

10          Q.     WHAT IS IT EXACTLY THAT YOU ARE ASKING THE COMMISSION TO  
11 DO?

12          A.     We are asking the Commission to approve the Territorial Agreement, authorizing  
13 Applicants to perform in accordance with the terms of the Territorial Agreement.

14          Q.     ARE YOU ASKING THAT THE COMMISSION APPROVE THE  
15 TERRITORIAL AGREEMENT AS PRESENTED?

16          A.     Yes.

17          Q.     DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

18          A.     Yes, it does.