

Exhibit No.:
Witness: Christopher J. Coulter, AICP
Sponsoring Party: Empire District Electric
Type of Exhibit: Direct/Rebuttal
Case Nos: EO-2007-0029 and
EE-2007-0030 consolidated
Date Testimony Prepared: November 17, 2006

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

PREPARED TESTIMONY OF
CHRISTOPHER J. COULTER, AICP

FILED²

JAN 25 2007

Missouri Public
Service Commission

Jefferson City, Missouri
November 2006

Empire Exhibit No. 2
Date 12-7-06 Case No. EO-2007-0029
Reporter PF EE-2007-0030

1 **Direct/Rebuttal Testimony for Chris Coulter**
2 **Case Nos. EO-2007-0029 and EE-2007-0030**
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5 **Q. Please state your name and business address.**

6 A. Christopher J. Coulter, 204 North Main Street, Republic, Missouri.

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

8 A. I am the Assistant City Administrator of the City of Republic.

9 **Q. Please briefly describe your professional experience.**

10 A. I received a Master of City and Regional Planning from Clemson University in 1993,
11 after which I started my career in County and Municipal Government. Since graduation, I have
12 been the Director of Planning and Development for Christian County, Missouri, Assistant
13 Director of Planning and Development for the City of Branson, Missouri, and the Assistant City
14 Administrator for the City of Republic, Missouri. In 1998 I became a member of the American
15 Institute of Certified Planners and became a Missouri Planner-In-Charge. I have been a member
16 of the American Planning Association since 1991 and have been a member of the International
17 City/County Management Association since 2005.

18 **Q. Have you previously testified before the Missouri Public Service Commission?**

19 A. No.

20 **Q. On whose behalf are you sponsoring testimony in this proceeding?**

21 A. I am appearing on behalf of the City of Republic.

22 **Q. What is the purpose of your testimony?**

23 A. The purpose of my testimony is to provide evidence in support of the application for
24 approval of a proposed territorial agreement jointly filed by The Empire District Electric
25 Company and Ozark Electric Cooperative on July 18, 2006, and to the extent that agreement is

26 dependent upon the accompanying application for variance Empire filed at the same time, to also
27 support the variance application.

28 In summary, my testimony is that the proposed territorial agreement is in the public
29 interest and should be allowed to go into effect.

30 **Q. Do you have any knowledge of the origins of the proposed territorial agreement?**

31 A. Yes. By way of background, the City of Republic entered into what are called
32 development agreements with several developers who were planning to develop property outside
33 of, but near the southern boundaries of the City. Some differences of opinion developed early in
34 2006 involving certain developers, the prospects of annexation, and who would be the electric
35 supplier for the subdivisions. The City decided that we would try to get Ozark Electric
36 Cooperative and Empire District to agree on a division of service territories in an attempt to
37 solve these problems. We strongly encouraged all of the parties to attend a meeting that we
38 sponsored in late March of 2006 and we told them we wanted them to work on trying to come up
39 with a territorial agreement. The results of the meeting were successful.

40 **Q. You referred to the City having development agreements. Could you briefly explain
41 what those are and what they are designed to accomplish?**

42 A. A developers agreement is an agreement with a private developer that normally
43 addresses infrastructure issues. It is a way for the City to ensure that infrastructure is constructed
44 in accordance with the City's development codes as well as with its future infrastructure plans.
45 Costs associated with this are typically reimbursed back to the developer as his property starts to
46 produce income for the City in way of taxes.

47 **Q. Do you believe these development agreements benefit the public, and if so, could you
48 explain how?**

49 A. Yes, development agreements benefit the public by assisting the developer in various
50 ways to bring certain infrastructure into an area that previously did not have such infrastructure,
51 such as water, sewer, roads, stormwater, etc. This allows for the expansion of infrastructure in
52 accordance with the City's infrastructure plans without the immediate out of pocket expense by
53 the City.

54 **Q. Could you summarize what took place at the meeting the City hosted in late March?**

55 A. At that meeting in March, the City explained to the developer the importance with
56 annexation. This dealt with permitting and inspection of the residential homes, the oversight of
57 the infrastructure, and the ability to start the 5 year paydown of taxes to the Brookline Fire
58 Protection District as required by the Revised Missouri State Statutes. The sooner they annex,
59 the less the developer would have to pay as well as it being easier to track the amount to be paid.

60 When we discussed the annexation, the developer was opposed to this for two reasons.
61 The first being they had a signed agreement with Ozark Electric and did not want have to be
62 forced to break that contract with Ozark Electric since the City of Republic has a franchise
63 agreement with Empire Electric. He understood that once annexed, Ozark Electric would not be
64 able to provide service to new customers since a rural electric cooperative cannot provide service
65 within non-rural areas. The second reason was the additional tariff fees that Empire Electric was
66 required to charge a developer. This amounted to a considerable sum of money that the
67 developer told us he would rather use to fight the annexation. He felt that since he had this
68 agreement with Ozark Electric and his development costs for electric was so much considerably
69 lower, he felt no need to pay higher development fees just to annex into the City.

70 It was finally discussed that Ozark Electric and Empire Electric could file a joint
71 application for a territorial agreement with the PSC as well as a variance from the tariff. This

72 was to benefit the developer of Lakes at Shuyler Ridge and the developer of Terrell Creek as
73 well as the City of Republic. The developer of Lakes at Shuyler Ridge was happy with it and
74 stated if the tariff was removed, his threat of lawsuit would not be needed. This agreement
75 would also allow the City to annex additional properties in the area without the same confusion
76 this has created.

77 The City offered any assistance needed for this to happen. We allowed our facilities to
78 be used as "neutral territory" for meetings, provided mapping services, and the creation and
79 review of any legal descriptions needed.

80 **Q. Are you aware of the separate service territories that are being proposed in the First**
81 **Territorial Agreement?**

82 A. Yes, I have looked at the maps attached to the agreement representing the service
83 areas.

84 **Q. Are you familiar with the areas to the south of the City of Republic that would be**
85 **covered by these service areas for Empire and Ozark?**

86 A. Yes, I am generally familiar with these areas from the planning aspects the City has
87 undertaken through the development agreements I spoke of earlier. The City is particularly
88 interested in providing for reasonable and efficient transportation routes for these areas.

89 **Q. Do you have an opinion as to whether the proposed service area boundaries are**
90 **reasonable?**

91 A. Yes, I have an opinion.

92 **Q. What is that opinion?**

93 A. My opinion is that they appear to be reasonable and practical boundaries. I do not
94 have any problem with them.

95 **Q. Do you think that it would be better to have these exclusive service areas than to have**
96 **Empire and Ozark competing for new customers in this area?**

97 **A.** From the City's perspective, we want known boundaries for these electricity
98 providers so that when annexation occurs in these and other similar areas in the future, we can
99 avoid the potential for having two different suppliers serving the same area. I personally am not
100 in favor of having two sets of electric lines on the same street. The City would like to see
101 territorial agreements for all of the areas around the City so we do not have to go through this
102 again.

103 **Q. Are you able to identify any aspects of the proposed territorial agreement that you**
104 **believe are in the public interest?**

105 **A.** Yes. As I noted earlier, it solves or eliminates a lot of potential problems and allows
106 more orderly and reasonable development south of the present city limits.

107 **Q. The Staff indicates in its memorandum filed on October 10 that the variance sought by**
108 **Empire should be denied. Do you have an opinion of what would happen if the requested**
109 **variance were denied?**

110 **A.** I think that if Empire cannot provide the same things for the same cost to the
111 developer of The Lakes at Shuyler Ridge that Ozark has promised, then this proposed agreement
112 that everyone worked out based on that assumption might not come to pass. That would
113 probably put all of us back to where we started from in March. That is not something that I think
114 is a good result for the City, anyone else involved in these negotiations, or the public in general.
115 The City's position is that the Commission should come up with some way to make this happen.

116 **Q. Does this conclude your prepared testimony in this case?**

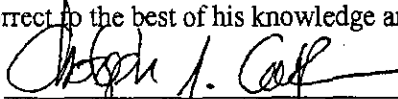
117 **A.** Yes

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AFFIDAVIT


STATE OF MISSOURI)
) ss
COUNTY OF GREENE)

Christopher J. Coulter, of lawful age, on his oath sates that he has participated in the preparation of the preceding prepared testimony; that he has knowledge of the matters set forth therein; and that such matters are true and correct to the best of his knowledge and belief.


(signature of witness)

Subscribed and sworn to before me this 17th day of November, 2006.

(notary seal/stamp)


(signature of notary)

