

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

In the Matter of the Application of	)	
Girardeau Stevedores Contractors for a	)	
Change of Electric Supplier.	)	Case No. EO-2006-0145

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Public Service Commission of Missouri (“Staff”) and for its Staff Recommendation, states as follows:

1. On October 3, 2005 Girardeau Stevedores Contractors (Applicant) filed an Application for change of electric supplier from SEMO Electric Cooperative (Cooperative) to AmerenUE. On October 6, 2005, the Commission issued its Order And Notice And Order Directing Filing (Order) directing the Staff to file a memorandum no later than November 21, 2005. No intervenors have entered an appearance in this case. Staff’s Memorandum is attached hereto as Exhibit A and incorporated by reference herein.

2. Section 394.315.2 RSMo 2000 states, in pertinent part, that “...The public service commission, upon application...may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential...” This section grants the Commission limited jurisdiction over the Cooperative to make this determination. Commission rule 4 CSR 240-3.140 (1)(G) requires Applicant to state “The reasons a change of electrical suppliers is in the public interest...” Applicant has stated that it desires three-phase electric service from AmerenUE to run equipment in its warehouses that are currently served by diesel generators that are operated by the Applicant. The Cooperative would need to duplicate nearly 12 miles of

facilities to provide three-phase service to the Applicant and the Applicant would be the Cooperative's only customer for this service. For the reasons discussed in detail in Staff's Memorandum, the Staff believes that it is in the public interest to avoid the costly duplication of facilities, and that these reasons are for other than a rate differential. Therefore, the Staff Memorandum recommends that the Commission issue an order approving Applicant's request to change its electric supplier.

WHEREFORE, for the reasons discussed in Staff's Memorandum, the Staff recommends that the Commission issue an order approving Applicant's request to change its electric service provider.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

**/s/ Robert S. Berlin**

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 21<sup>st</sup> day of November 2005.

**/s/ Robert S. Berlin**

## **MEMORANDUM**

TO: Missouri Public Service Commission Official Case File  
Case No. EO-2006-0145, Application of Girardeau Stevedores  
Contractors Requesting Authorization to Change Electric Service  
Providers

FROM: Alan J. Bax, Energy Department – Engineering Analysis

/s/ Lena M. Mantle 11/21/05      /s/ Bob Berlin 11/21/05  
Energy Department / Date      General Counsel's Office / Date

SUBJECT: Staff Recommendation

DATE: November 16, 2005

## **OVERVIEW**

On October 3, 2005, Girardeau Stevedores Contractors (Applicant), which is located within property owned by the SEMO Port Authority at 107 Rushing Road, Scott City, Missouri, 63780, filed an Application with the Missouri Public Service Commission (Commission) seeking approval to change its electric service provider from SEMO Electric Cooperative (Cooperative) to Union Electric Company d/b/a AmerenUE (AmerenUE). The Applicant operates warehouse facilities that use three-phase electric motors to run equipment in its warehouse and dock area. The Applicant currently uses diesel generators to supply three-phase electric power to this equipment. The Applicant is currently receiving single-phase service from the Cooperative and desires to receive three-phase service from an electric utility. The Application states that the Cooperative is unable to provide the desired three phase service. Therefore, the Applicant is requesting that it be allowed to change its electric service provider to AmerenUE so that it may receive three-phase service.

The Cooperative is organized under Chapter 394 RSMo 2000 to provide electric service to its members located in parts of six Missouri counties including Scott County in which lies the SEMO Port Authority. As previously noted, Applicant's business resides in the SEMO Port Authority. Rural electric cooperatives, such as SEMO Electric Cooperative, are subject to the jurisdiction of the Commission as specified in Chapter 394 and Section 386.800 RSMo 2000. For the purpose of this case, the Cooperative is subject to the jurisdiction of the Commission under Section 394.315.2, RSMo 2000<sup>1</sup>.

AmerenUE is an electrical corporation subject to the jurisdiction of the Commission as specified, in part, by Chapters 386 and 393, RSMo 2000. AmerenUE is authorized to provide electricity in and around the area that is the subject of this Application.

On October 6, 2005, the Commission issued an Order affirming its statutory authority to approve an application for a change in electric service providers for reasons other than a rate differential. This Order made the Cooperative and AmerenUE part of this Case and directed each to respond to the Applicant's request. This Order also directed the Staff of the Missouri Public Service Commission (Staff) to file a memorandum regarding this Application.

The Cooperative, in its response filed October 31, 2005, stated its opposition to the Application. The Cooperative notes that it could provide three-phase service to the Applicant. To do so, the Cooperative would require converting approximately twelve (12) miles of overhead distribution line from single-phase to three-phase at the expense

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<sup>1</sup> Section 394.315.2 states, in relevant part, that "...The public service commission, upon application made by an affected party, may order a change of suppliers on the basis that is in the public interest for a reason other than a rate differential, and the commission is hereby given jurisdiction over rural electric cooperatives to accomplish the purpose of this section..."

of the Applicant per the Cooperative's established line extension policies. Thus, the Cooperative asserts that the Applicant has failed to sufficiently support his request and that the desire to change electric service providers is based on avoiding this expense, which essentially equates to a request for approval based on a rate differential, in violation of the statutory rules.

AmerenUE, in its response filed November 7, 2005, takes no position on the question of whether the present request is in the public interest for reasons other than a rate differential. Nonetheless, AmerenUE acknowledges it is willing and able to provide three-phase service to the Applicant should the Commission approve the Applicant's request.

### **DISCUSSION**

Staff visited the area in question on November 3 and 4, 2005, and met with representatives from the Cooperative, AmerenUE and the SEMO Port Authority. During the trip, the Staff learned more pertinent information.

The SEMO Port Authority was established in 1990. Both the Cooperative and AmerenUE were given the opportunity to provide electric service to the Port Authority and its occupants. Presently, the Cooperative provides single-phase service to one other customer in addition to the Applicant. In 1996, the Port Authority entered into an agreement with AmerenUE that, in part, granted AmerenUE an easement on which to construct a substation. AmerenUE provides three-phase service to other current occupants of the Port Authority via this agreement.

The Applicant met with representatives from the Cooperative and AmerenUE and asserts that the present supplier, the Cooperative, is unable to provide three-phase service.

The Cooperative, in its response, asserts that it can provide three-phase service to the Applicant.

As compared to the Cooperative, AmerenUE can provide three-phase service more economically and efficiently, because its facilities are nearby and have sufficient capability to provide the requested three-phase service. The AmerenUE substation is located across the street, less than 150 yards from the Applicants warehouses. The Applicant will need to modify its current service entrance in order to accept three-phase service from AmerenUE. The Applicant will no longer receive single-phase service from the Cooperative if AmerenUE provides three-phase service. Approving AmerenUE to supply Applicant with three-phase service would eliminate the needless and costly duplication of facilities by the Cooperative and the necessity of the Applicant to run diesel generators to supply its three-phase power.

#### **STAFF RECOMMENDATION**

The Staff believes that the Applicant's request to change its electric service provider from the Cooperative to AmerenUE is reasonable and in the public interest for reasons other than a rate differential as required in Sections 393.106.2 and 394.315.2, RSMO 2000 and 4 CSR 240-3.140 (1) (G), which states "The reasons a change of electrical suppliers is in the public interest...". The Applicant's desire to receive three-phase service, in this instance, can be most efficiently provided by AmerenUE from its substation located within the SEMO Port Authority. For the Cooperative to provide three-phase service, it would be necessary for the Cooperative to construct duplicating facilities over a distance of approximately twelve (12) miles in order to serve the Applicant. Such duplication of facilities by the Cooperative for the use of a single

customer is not in the public interest. In addition, service provided over such a long distance may be less reliable than service provided over a short distance and introduce additional safety concerns. AmerenUE currently provides three-phase service to three other customers within the SEMO Port Authority. Therefore, the Staff recommends that the Commission issue an order approving Applicant's request to change its electric service provider from the Cooperative to AmerenUE.

SEMO Electric Cooperative is not required to file annual reports or pay assessment fees with the Commission. Further, it does not have pending or final unsatisfied decisions against it from any state or federal court involving customer service or rates within three years of the date of this filing.

AmerenUE is current on its required annual report filings and assessment fees. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing; however, the following electric cases involving AmerenUE are open:

1. EC-2002-1 – Overearnings Complaint
2. EC-2005-0398 – Damon Andersson vs. AmerenUE
3. EC-2006-0002 – John Jackson vs. AmerenUE
4. EE-2005-0486 – Grand View Towers Meter Variance
5. EE-2006-0124 – Kingsbury Terrace Meter Variance
6. EO-2006-0098 – Callaway Decommissioning Trust Fund
7. ED-2006-0117 – Cancel Steam Tariff
8. EW-2004-0583 – Tree Trimming Investigation/Storm Report