

ANDERECK, EVANS, MILNE, PEACE & JOHNSON, L.L.C.

TERRY M. EVANS
ERWIN L. MILNE
JACK PEACE
CRAIG S. JOHNSON
RODRIC A. WIDGER
GEORGE M. JOHNSON
BEVERLY J. FIGG
WILLIAM S. LEWIS
VICTOR S. SCOTT
COREY K. HERRON
MATTHEW M. KROHN
LANETTE R. GOOCH
SHAWN BATTAGLER

ATTORNEYS AT LAW
700 EAST CAPITOL AVENUE
COL. DARWIN MARMADUKE HOUSE
P.O. BOX 1438
JEFFERSON CITY, MISSOURI 65102-1438
TELEPHONE 573-634-3422
FAX 573-634-7822

JOSEPH M. PAGE
LISA C. CHASE
JUDITH B. KOEHLER
ANDREW J. SPORLEDER
JASON A. PAULSMeyer
BRYAN D. LADE
CONNIE J. MORLEY
R. AARON MARTINEZ
DUSTIN G. DUNKLEE
AMANDA N. KLEIN
MARVIN L. SHARP, Of Counsel

December 13, 2004

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

Re: Case No. EO-2005-0122

FILED³
DEC 13 2004

Missouri Public
Service Commission

FILED³
JAN 24 2005

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
Lisa Cole Chase

LCC:lw

Encl.

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

Exhibit No. 3
Case No(s). EO-2005-0122
Date 1-7-05 Rptr TC

FILED³

JAN 24 2005

Missouri Public
Service Commission

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:

FILED³

DEC 13 2004

DIRECT TESTIMONY

Missouri Public
Service Commission

OF

JOHN GREENLEE

JEFFERSON CITY, MISSOURI

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John W. Greenlee, of lawful age, on his oath states that he has participated in the preparation of the following Direct Testimony, in question and answer form, consisting of 1 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Subscribed and sworn to before me this 8th day of December, 2004.

(seal)
My commission expires: 2-8-2008



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 Gascosage 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.

19