

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

|  |   |                              |
|--|---|------------------------------|
| In the Matter of the Application of Laclede Electric | ) |                              |
| Cooperative and the City of St. Robert, Missouri for | ) |                              |
| Approval of a Written Territorial Agreement          | ) |                              |
| Designating the Boundaries of each Electric Service  | ) | <u>Case No. EO-2010-0125</u> |
| Supplier within the Woodland Hills Redevelopment     | ) |                              |
| Area of the City of St. Robert, Pulaski County,      | ) |                              |
| Missouri   | ) |                              |

**STAFF RECOMMENDATION TO APPROVE TERRITORIAL  
AGREEMENT**

Comes now the Staff of the Missouri Public Service Commission (“Staff”) and for its recommendation states:

1. On October 26, 2009, the City of St. Robert, Pulaski County, Missouri, and Laclede Electrical Cooperative filed a joint application for approval of a territorial agreement designating Laclede as the sole electric provider for service to new structures within an approximately 20 acre tract within the Woodland Hills Redevelopment Area of St. Robert.

2. Laclede is organized under Chapter 394<sup>1</sup> to provide electric service to its members located in various Missouri counties, including Pulaski County. Rural electrical cooperatives such as Laclede are subject to the Commission’s jurisdiction under Section 394.312, RSMo. 2000, which provides:

“...[S]uch territorial agreements shall specifically designate the boundaries of the electric service area of each electric service supplier subject to the agreement, any and all powers granted to a rural electric cooperative by a municipality, pursuant to the agreement, to operate within the corporate boundaries of that municipality. . . The commission may approve the application if it determines that approval of the territorial agreement in total is not detrimental to the public interest...”

3. The City of St. Robert is also subject to Commission jurisdiction for the purpose

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<sup>1</sup> Statutory references are to RSMo. 2000, unless noted otherwise.

of seeking approval of Territorial Agreement under Section 91.0125.2, which provides,

“Once a municipally owned or operated electrical system, or its predecessor in interest, lawfully commences supplying retail electric energy to a structure through permanent service facilities, it shall have the right to continue serving such structure, and other suppliers of electrical energy shall not have the right to provide service to the structure except as might be otherwise permitted...or pursuant to a territorial agreement approved under section 394.312, RSMo...”

4. For reasons further detailed in the attached Memorandum (Appendix A), Staff recommends that the Commission determine that the territorial agreement that is the subject of this application is reasonable and not detrimental to the public interest. Sections 394.312.2 and 91.025.2, and 4 CSR 240-3.135.

WHEREFORE, the Staff recommends that the Commission approve the Territorial Agreement between the City of St. Robert, Missouri and Laclede Electrical Cooperative.

Respectfully submitted,

**/s/ Samuel D. Ritchie**

Sam Ritchie  
Legal Counsel  
Missouri Bar No. 61167

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Missouri Public Service Commission  
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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 electronically mailed to all counsel of record this 16<sup>th</sup> day of December 2009.

/s/ Samuel D. Ritchie

## **MEMORANDUM**

TO: Missouri Public Service Commission Official Case File

Case No. EO-2010-0125, Joint Application of the City of St. Robert, Missouri, and Laclede Electric Cooperative Requesting Approval of a Written Territorial Agreement Designating the Boundaries of Each Electric Service Supplier within the Woodland Hills Redevelopment Area of the City of St. Robert, Pulaski County, Missouri.

FROM: Daniel I. Beck, Energy Department – Engineering Analysis

/s/ Alan J. Bax                      12/16/09  
Energy Department / Date

/s/ Samuel D. Ritchie                      12/16/09  
General Counsel's Office / Date

SUBJECT: Staff Recommendation

DATE: December 16, 2009

## **OVERVIEW**

On October 26, 2009, the City of St. Robert, Missouri (City) and Laclede Electric Cooperative (Laclede or Cooperative), hereinafter referred to collectively as “Applicants,” filed a Joint Application with the Missouri Public Service Commission (Commission) seeking approval of a written Territorial Agreement (TA) designating Laclede as the sole electric provider for service to new structures in a portion of the City. Specifically, the Joint Application includes a description of an approximate 20.46 acre tract of land within the Woodland Hills Redevelopment Area of St. Robert. The Applicants desire to designate this specific tract as one in which Laclede will, exclusive of the City, provide service to new structures. The Applicants are not requesting a transfer of facilities or customers in this Joint Application.

A map generally illustrative of the affected area is attached to this Memorandum. For ease of reference only, the outline of St. Robert's incorporated area is illustrated on

this map, which has been obtained from the US Census Bureau's website, effective date unknown.

The Cooperative is organized under Chapter 394 RSMo 2000 to provide electric service to its members located in parts of six Missouri counties including Pulaski County in which lies the tract that is the subject of Joint Application. Rural electric cooperatives, such as Laclede, are subject to the jurisdiction of the Commission as specified in Chapter 394 RSMo 2000. For the purpose of this case, the Cooperative is subject to the jurisdiction of the Commission under Section 394.312, RSMo 2000<sup>1</sup>.

The City of St. Robert is a municipal electric utility authorized to provide electric service within the city limits as well as certain facilities outside these boundaries per Section 91.025, RSMo 2000. The City is subject to the jurisdiction of the Commission for the purpose of seeking approval of a written Territorial Agreement per Section 91.025.2, RSMo 2000<sup>2</sup>.

On October 26, 2009, the Commission issued an Order that assigned an intervention period until November 25, 2009 for any interested party. No party has intervened in this Case. This Order also directed the Staff of the Commission (Staff) to file a Recommendation regarding this Joint Application by December 16, 2009.

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<sup>1</sup> Section 394.312 states, in relevant part, that "...Such territorial agreements shall specifically designate the boundaries of the electric service area of each electric service supplier subject to the agreement, any and all powers granted to a rural electric cooperative by a municipality, pursuant to the agreement, to operate within the corporate boundaries of that municipality... The commission may approve the application if it determines that approval of the territorial agreement in total is not detrimental to the public interest..."

<sup>2</sup> Section 91.025.2 states, in relevant part, that "Once a municipally owned or operated electrical system, or its predecessor in interest, lawfully commences supplying retail electric energy to a structure through permanent service facilities, it shall have the right to continue serving such structure, and other suppliers of electrical energy shall not have the right to provide service to the structure except as might be otherwise permitted...or pursuant to a territorial agreement approved under section 394.312, RSMo..."

### **DISCUSSION**

The City of St. Robert does not have sufficient facilities in the immediate vicinity to serve the structures anticipated to be built in this tract of land within the Woodland Hills Redevelopment Area, as described in the proposed TA. With Laclede having such facilities, the Applicants desire that Laclede be designated the electric provider to new structures within this tract of land. The Application states “The establishment of this exclusive service territory for Laclede within the corporate limits of St. Robert will prevent future duplication of electric service facilities and will also allow electric service customers within the area to know with certainty the supplier of their electric service. It makes most efficient use of past investment in substation and distribution facilities by Laclede while avoiding the necessity of duplicate investment by St. Robert.”

Rural Electric Cooperatives (REC), such as Laclede, generally serve customers in “rural areas”. Section 394.020.3 RSMo 2000 defines a rural area as having a population of less than 1500 inhabitants. The population of St. Robert was 2,723 according to the 2000 Census, well above the 1500 limit. In addition, St. Robert municipal utility is the predominant supplier of retail electric energy within its corporate limits. Therefore, the municipal would typically serve any new structures within the city limits. However, territorial agreements with municipal consent, such as the one filed in this Case, would allow Laclede to serve new structures/customers within designated areas of St. Robert.

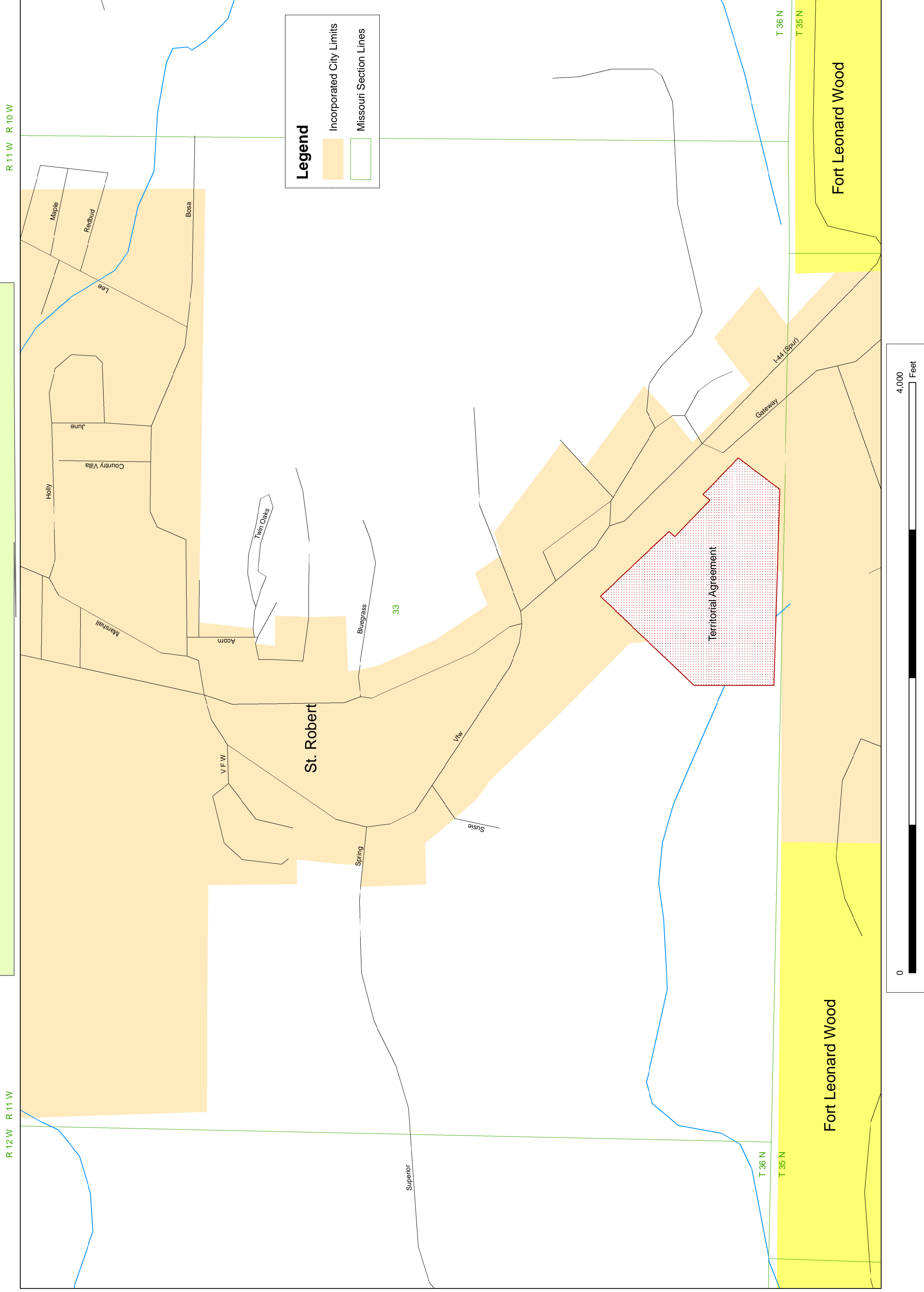
### **STAFF RECOMMENDATION**

The Staff believes that the Commission should determine that the Territorial Agreement request of the Joint Applicants is reasonable and not detrimental to the public interest as required in Sections 394.312.2 and 91.025.2, RSMO 2000 and 4 CSR 240-

3.135. If Laclede is the electric service provider to the described portion of St. Robert and outlying tracts, an otherwise necessary duplication of facilities is avoided. Approval of the Joint Application would lead to the most efficient use of existing facilities, and enhances public safety.

Neither the City of St. Robert nor Laclede Electric Cooperative is required to file annual reports or pay assessment fees with the Commission. Further, neither has a pending or final unsatisfied decision against it from any state or federal court involving customer service or rates within three years of the date of this filing.

Case No. EO-2010-0125 Laclede Electric Cooperative & City of St. Robert Territorial Agreement





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OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
Laclede Electric Cooperative and the )  
City of St. Robert, Missouri for )  
Approval of a Written Territorial )  
Agreement Designating the Boundaries )  
of each Electric Service Supplier within )  
the Woodland Hills Redevelopment )  
Area of the City of St. Robert, Pulaski )  
County, Missouri )

Case No. EO-2010-0125

**AFFIDAVIT OF ALAN J. BAX**

**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF COLE** )

Alan J. Bax, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

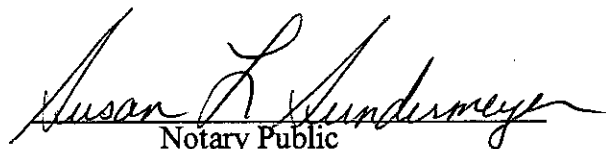


Alan J. Bax

Subscribed and sworn to before me this 16<sup>th</sup> day of December, 2009.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
Notary Public