

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

In the Matter of the Application of Aquila, Inc. d/b/a )  
Aquila Networks – MPS, and Osage Valley Electric )  
Cooperative for Approval of Addendum No. 2 to a )  
Written Territorial Agreement Designating the )  
Boundaries of Exclusive Service Areas Within Cass )  
County, Missouri. )

Case No. EO-2006-0244

**STAFF RECOMMENDATION**

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to the November 19, 2007 Order Directing Staff To File Recommendation. On November 16, 2007, Osage Valley Electric Cooperative Association (Osage) filed a motion asking the Commission to issue an order correcting a legal description contained in an addendum to a territorial agreement between Osage and Aquila, Inc., d/b/a Aquila Networks-MPS (Aquila). The Commission directed the Staff to file its recommendation regarding Osage's motion no later than December 3, 2007. In response to the Commission's Order, the Staff states as follows:

1. The Staff would note that the City of Peculiar is not a "rural area" as defined by Section 394.020(3) RSMo 2000. Osage's proposed service to the site in question does not fall within the exception provided by Section 394.080.2(1) if a cooperative is the predominant supplier in a non-rural area. Nonetheless, on July 30, 2004, in Case No. EO-2004-0603, Osage filed the direct testimony of its General Manager, Jon McClure, in which he stated at page 7 that Osage has a franchise agreement with the City of Peculiar. *See* Section 394.080.2(2).

2. On November 28, 2007, Aquila filed a Concurrence in Osage's motion.

3. Although the Staff considers Osage's request to be appropriate and likely non-controversial, the Staff nonetheless believes that the matter should be brought to the attention of

potentially interested entities, including the City of Peculiar and Cass County, in order that they might seek to intervene in this case if they so desire.

Wherefore the Staff recommends that the Commission issue a Notice of Osage's filing, including the City of Peculiar and Cass County, and set an intervention deadline. The Staff further recommends that if, after an appropriate intervention period, no entity has filed a request to intervene, the Commission approve the corrections proposed by Osage.

Respectfully submitted,

**/s/Steven Dottheim**

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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 3<sup>rd</sup> day of December 2007.

/s/ Steven Dottheim