

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

In the Matter of Blodgett Paint Ball & Fun            )  
Factory LLC for a Change of Electric Supplier    )     **Case No. EO-2021-0163**

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through undersigned counsel, and submits its Staff Recommendation.

1. On December 4, 2020, Blodgett Paint Ball & Fun Factory LLC filed an application with the Missouri Public Service Commission requesting a change of their electric supplier from Semo Electric to Union Electric Company d/b/a Ameren Missouri.

2. On December 8, 2020, the Commission issued its *Order Directing Notice, Adding Parties, and Directing Response to Application* (“Order”). The *Order* directed Staff to file a recommendation regarding the application no later than January 29, 2021. Staff later requested and was granted an extension of time to file its recommendation no later than February 11, 2021.

3. Having concluded its investigation, Staff offers its *Memorandum*, filed concurrently. In summary, Staff recommends that the Commission deny Blodgett Paint Ball and Fun Factory LLC’s Application, determining that the request for a change in electric service suppliers is not in the public interest, nor being requested for reasons other than a rate differential as required under Sections 393.105.2 and 394.315.2 RSMo and 4 CSR 4240-3.140

4. The attached *Memorandum* more fully explains the circumstances and facts that led Staff to make these conclusions.

**WHEREFORE**, Staff hereby tenders its *Recommendation* for the Commission's information and consideration.

Respectfully Submitted,

**/s/ Casi Aslin**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all counsel of record this 11<sup>th</sup> day of February, 2021.

**/s/ Casi Aslin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. EO-2021-0163, In the Matter of the Application of the Blodgett Paint  
Ball and Fun Factory, LLC for a Change in Electric Service Suppliers To Union  
Electric Company d/b/a Ameren Missouri From SEMO Electric Cooperative

FROM: Amanda Coffey, Associate Engineer – Engineering Analysis Department

<u>/s/ Claire M. Eubanks</u> Claire M. Eubanks, PE Engr. Analysis Dept. Manager / Date	<u>/s/ Casi Aslin</u> Casi Aslin Staff Counsel’s Office / Date
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SUBJECT: Staff Memorandum Recommending Denial of the Change of  
Electric Service Supplier Request

DATE: February 11, 2021

## STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) deny the Application of the Blodgett Paint Ball and Fun Factory, LLC (“Blodgett Paint”) for a Change in Electric Service Suppliers (“Application”) at 3897 State Highway H, Sikeston, Missouri, 63801 to Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”) from the SEMO Electric Cooperative (“SEMO”), concluding that the Application is not in the public interest for reasons other than a rate differential pursuant to 393.106.2 and 394.315.2 RSMo 2016 and 20 CSR 4240-3.140.

## OVERVIEW

On December 4, 2020, Blodgett Paint filed an Application with the Commission seeking approval of a change in electric service suppliers to Ameren Missouri from SEMO at its business located at 3897 State Highway H, Sikeston, Missouri, 63801. In support of its request, Blodgett Paint states a preference to have all its businesses receive electric service from one

provider, mentions recently high bills, and alleges excessive service delays and poor responsiveness from SEMO.

On December 8, 2020, the Commission issued an *Order Directing Notice, Adding Parties, and Directing Responses to Application* that directed Staff to send notice of this Application to both SEMO and Ameren Missouri and make them parties to the case. This *Order* also directed SEMO and Ameren Missouri to file a Response to the Application by January 6, 2021. Ameren Missouri filed its Response on January 5, 2021. SEMO filed a Response on January 6, 2021. In addition, Staff was to file its recommendation by January 29, 2021. Staff filed a request for an extension to file its recommendation by February 11, 2021, which was approved by the Commission on February 1, 2021.

SEMO is organized under Chapter 394 RSMo 2000 to provide electric service to its members located in all or parts of six Missouri counties, including Scott County, in which lies the property identified in the Application. The Commission has limited jurisdiction over rural electric cooperatives, such as SEMO, as specified in Chapter 394 RSMo 2000. For the purpose of this case, SEMO is subject to the jurisdiction of the Commission under Section 394.315.2 RSMo 2016.<sup>1</sup>

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<sup>1</sup> Section 394.315.2 states, in relevant part, that:

...Once a rural electric cooperative, or its predecessor in interest, lawfully commence 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 in the context of municipal annexation, pursuant to section 386.800 and section 394.080, or pursuant to a territorial agreement approved under section 394.312. The public service commission, upon application made by an affected party, may order a change of suppliers on the basis that it 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. The commission's jurisdiction under this section is limited to public interest determinations and excludes questions as to the lawfulness of the provision of service, such questions being reserved to courts of competent jurisdiction....

A rural electric cooperative, such as SEMO, is not required to file with the Commission annual reports or assessment fees. Further, Staff is not aware of any pending or final unsatisfied decisions against SEMO from any state or federal court involving customer service or rates within three years of the filing date of this Application.

Ameren Missouri is an electrical corporation subject to the jurisdiction of the Commission as specified, in part, by Chapters 386 and 393, RSMo 2016. For the purposes of this case, Ameren Missouri is subject to the jurisdiction of the Commission under Section 393.106.2 RSMo 2000.<sup>2</sup>

Ameren Missouri is current on its filing of required annual reports and payments of its assessment dues. Staff is not aware of any unsatisfied judgments or decisions against Ameren Missouri in any state or federal agency or court involving customer service or rates within the last three years that would have bearing on the immediate case. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

### **DISCUSSION**

Blodgett Paint is a small business owned by David and Mary Russell (“Applicant”). The business is located at 3897 State Highway H, Sikeston, Missouri 63801.

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<sup>2</sup> Section 393.106.2 states, in relevant part, that:

...Once an electrical corporation or joint municipal utility commission, 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 in the context of municipal annexation, pursuant to section 386.800 and section 394.080, or pursuant to a territorial agreement approved under section 394.312. The public service commission, upon application made by an affected party, may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential. The commission’s jurisdiction commission’s jurisdiction under this section is limited to public interest determinations and excludes questions as to the lawfulness of the provision of service, such questions being reserved to courts of competent jurisdiction.t...

The Applicant's reasons for the request are outlined below, along with related facts in bullet points.

- a. It would be more efficient for the Applicant's other businesses to be served by one provider.
  - Applicant has numerous accounts served by Ameren Missouri and SEMO.
  - The accounts served by Ameren Missouri include other businesses, which are at different locations in Blodgett, Missouri, Tank Tech and Russell Real Estate<sup>3</sup>.
  - In addition to Blodgett Paint, the Applicant also has an additional business served by SEMO, Camp Bended Knee, which is on the same property as Blodgett Paint. Camp Bended Knee and Blodgett Paint are not located in the same building.
    - There are four (4) electric meters on the property, only one of which serves Blodgett Paint, while the other three (3) meters serve Camp Bended Knee.
    - The meters that serve Camp Bended Knee have a much lower demand.
- b. Bills have been outrageous and burdensome to the Applicant.
  - Applicant states that Blodgett Paint was only open on weekends and yet sometimes its bill is in excess of \$2,600 per month.
  - Applicant's meter was disconnected by SEMO on April 27, 2020 at the Applicant's request.
- c. Due to the way that SEMO has classified the business, Applicant pays a disproportionate amount for services provided as compared to actual usage.
  - The meter was put into large commercial rate class for exceeding 50kW twice in twelve months in accordance with SEMO policy<sup>4</sup>.
  - The large commercial rate class has a demand charge of \$9.00 per kW<sup>5</sup>.

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<sup>3</sup> Response to Staff Data Request No. 0002.

<sup>4</sup> Response of SEMO Electric Cooperative to Application of Blodgett, Exhibit B-1, letter dated April 18, 2008.

<sup>5</sup> Rate schedule provided in response to Staff Data Request No. 0004.

- d. Ameren Missouri will bill Applicant for actual usage of electricity like Applicant's other Ameren Missouri services are billed.
- In its response to the Application, Ameren Missouri states that it would bill Applicant pursuant to the tariffs for actual usage of electricity and that this may also include demand charge or equivalent. Ameren Missouri further states that it has not made any representations to Applicant that Ameren's rates would be lower than SEMO's.
  - In its response to Staff Data Request No. 0001, Ameren Missouri stated that it has facilities capable of providing service, single phase or three phase, to Applicant. Ameren Missouri further stated that any cost would have to take into account several variables including usage, demand, and customer needs.
- e. Service from provider is severely delayed and at times the co-op has been non-responsive. Applicant has ceased services due to the outrageous and disproportionate billing and delays in service work performance.
- SEMO denied accusation that service had been severely delayed, stating that in the last three (3) years there had only been three (3) outages<sup>6</sup>.
  - Staff spoke with Blodgett Paint owner, David Russell on January 7, 2021. He clarified that there were numerous times the customer service from SEMO was lacking in comparison to his dealings with Ameren.
  - In response to the Applicant's allegations, SEMO stated that its engineers have met with the Applicant to explain the demand component of the Applicant's bills. SEMO installed a recording volt meter<sup>7</sup> and reviewed the results with the Applicant. SEMO stated the results showed energy consumption on the meter was due to the all-electric HVAC units being used for the large facility. SEMO suggested the Applicant consider splitting service for the facility into

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<sup>6</sup> Response of SEMO Electric Cooperative to Application of Blodgett, Exhibit C.

<sup>7</sup> SEMO's response to Staff Data Request No. 0005 states that they no longer have the results from the volt meter.

two separate meters to get below the 50kW and onto the small commercial rate with no demand charge<sup>8</sup>.

- Staff spoke with Mr. Russell February 2, 2021. Mr. Russell stated that hiring an electrician would be too expensive.

In previous cases the Commission has conducted a case-by-case analysis applying a ten factor balancing test to analyze the meaning of “public interest” for a change of supplier. Those ten factors are:

(1) Whether the customer's needs cannot adequately be met by the present supplier with respect to either the amount or quality of power;

- The Applicant’s needs are being met with respect to amount and quality of power.

(2) Whether there are health or safety issues involving the amount or quality of power;

- The Applicant has not made any claims of health or safety issues.

(3) What alternatives a customer has considered, including alternatives with the present supplier;

- SEMO suggested the Applicant consider splitting service for the facility into two separate meters to get below the 50kW and onto the small commercial rate with no demand charge. The Applicant represented to Staff that it is dissatisfied with the alternative suggested by SEMO due to the cost to hire an electrician.

(4) Whether the customer's equipment has been damaged or destroyed as a result of a problem with the electric supply;

- Applicant has made no claims of damage/destruction to its equipment.

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<sup>8</sup> Outlined in response to Staff Data Request No. 0007. Engineer notes provided in Response of SEMO Electric Cooperative to Application of Blodgett, Exhibit D.



(5) The effect the loss of the customer would have on the present supplier;

- SEMO has given no indication of how the loss of this customer would affect it. Further, the Applicant requested to disconnect service with SEMO in April 2020.

(6) Whether a change in supplier would result in a duplication of facilities, especially in comparison with alternatives available from the present supplier, a comparison of which could include;

(i) the distance involved and cost of any new extension, including the burden on others -- for example, the need to procure private property easements, and

(ii) the burden on the customer relating to the cost or time involved, not including the cost of the electricity itself;

- Ameren Missouri has stated that it has facilities in place that could provide service.
- There is no indication that a change in providers would cause a financial burden on the customer.

(7) The overall burden on the customer caused by the inadequate service including any economic burden not related to the cost of the electricity itself, and any burden not considered with respect to factor (F)(ii) above;

- Although the Applicant points to a preference to have all its businesses receive electric service from one provider and alleges excessive service delays and poor responsiveness from SEMO, the Applicant has not requested all businesses be switched from SEMO to Ameren. Further, Staff has found no indication that there have been excessive service delays, poor responsiveness, or any other economic burdens not related to rate differential.

- SEMO provided the Applicant only one option to address the high bills, which would involve economic burden of hiring an electrician to split the service onto an additional meter in order to switch rate classes within SEMO.

(8) What efforts have been made by the present supplier to solve or mitigate the problems;

- SEMO has discussed billing with the customer.
- SEMO has installed a volt meter at the property and discussed the results with the Applicant.
- SEMO has advised the Applicant to hire an electrician to split the service onto an additional meter in an attempt to get it back on the small commercial rate class<sup>9</sup>.

(9) The impact the Commission's decision may have on economic development, on an individual or cumulative basis; and

- Blodgett Paint has closed as a result of its high bills. Approving the request could result in lower bills and allow it to reopen with less financial burden.

(10) The effect the granting of authority for a change of suppliers might have on any territorial agreements between the two suppliers in question, or on the negotiation of territorial agreements between the suppliers<sup>10</sup>.

- Staff is unaware of any territorial agreements between the two suppliers.

Staff has found no evidence supporting the reasons for requesting a change of supplier offered by the Applicant that cannot also be attributed to rate differential. The Applicant has

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<sup>9</sup> Rate schedule provided in response to Staff Data Request No. 0004.

<sup>10</sup> Report and Order, In the Matter of the Application of Thomas L. Chaney for Change of Elec. Supplier, 22 Mo. P.S.C. 3d 339, 342-343, File No. EO-2011-0391 (Dec. 12, 2012); Order Denying Joint Motion to Dismiss, Richard D. Smith v. Union Electric Company d/b/a AmerenUE, December 5, 2006, File No. EC-2007-0106; Report and Order, In the Matter of Cominco American, Inc. for Authority to Change Electrical Suppliers, 29 Mo. P.S.C. (N.S.) 399,405-407 (1988), Case No. EO-88-196.

indicated that it believes it would have more rate options with Ameren Missouri than it does with SEMO and that Ameren Missouri would work with it to decrease its rates, where SEMO has not. There is no indication that the Applicant would receive lower bills if its change of supplier request was approved by the Commission.

### **CONCLUSION**

Staff recommends that the Commission deny Blodgett Paint's Application, determining that the request for a change in electric service suppliers to Ameren Missouri from SEMO at 3897 State Highway H, Sikeston, Missouri, 63801 is not in the public interest for reasons other than a rate differential as required under Sections 393.106.2 and 394.315.2 RSMo 2016 and 4 CSR 4240-3.140.

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

In the Matter of the Application of                    )  
Blodgett Paint Ball & Fun Factory, L.L.C.        )  
for a Change of Electric Supplier to                )  
Union Electric Company d/b/a Ameren             )  
Missouri from SEMO Electric Cooperative        )                    Case No. EO-2021-0163

**AFFIDAVIT OF AMANDA COFFER**

STATE OF MISSOURI        )  
  )  
COUNTY OF COLE         )                    ss.

COME NOW AMANDA COFFER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Amanda Coffer  
**AMANDA COFFER**