

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 11th day of
July, 2011.

In the Matter of the Application of
Kaiser Farms, Inc. for Approval of a
Change of Electrical Supplier

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File No. EO-2012-0366

ORDER APPROVING CHANGE OF SUPPLIER

Issue date: July 11, 2012

Effective Date: July 21, 2012

On May 8, 2012, Kaiser Farms, Inc. ("Kaiser") filed an application with the Missouri Public Service Commission ("Commission") requesting that its electric supplier be changed from KCP&L Greater Missouri Operations Company to Farmers' Electric Cooperative, Inc. ("Farmers"). Subsequent filings by the parties indicate that Kaiser's actual service provider is Kansas City Power & Light Company ("KCP&L"). On May 9, 2012, the Commission directed notice of the application, directed the parties to file a response to the application, and set a deadline for a staff recommendation. KCP&L filed a response stating that it does not object to the transfer, and Farmers indicated that it has no position on the request.

On June 22, 2012, the Commission's Staff filed its recommendation to approve the change of supplier request. In its recommendation, Staff states that Kaiser currently operates four grain bins, but its business plans now call for the erection of four additional grain bins with related equipment. KCP&L informed Kaiser that the existing power supply did not have the capacity necessary for the anticipated increased demand from the additional equipment. The only alternative to bring additional capacity to this location would

be for KCP&L to run a three-phase line from a neighboring city back to the grain bin site, with an estimated cost between \$450,000 to \$500,000. Both KCP&L and Kaiser agreed this was not feasible, and KCP&L agreed to release the structures if Kaiser could obtain the necessary supply from Farmers. Farmers agreed to extend three-phase service to Kaiser at an estimated cost of \$63,796.29. Staff concludes that granting the change of supplier would avoid unnecessary duplication of facilities, support the expansion of Kaiser's operations, and result in more energy efficient operations for Kaiser.

KCP&L is an "electrical corporation" and a "public utility," as defined in Section 386.020, RSMo 2000, and is subject to the jurisdiction and supervision of the Commission. Farmers is a rural electric cooperative engaged in the distribution of electric energy and service to its members. The application is within the Commission's jurisdiction to decide.¹ Since no law requires a hearing, this is a non-contested case.² Non-contested cases do not require formal proceedings or hearings before the Commission, and as such, there is no evidentiary record.³ Consequently, the Commission bases its decision on the verified filings.

Section 393.106.2, RSMo 2000, gives the Commission authority to order a change of supplier on the basis that it is in the public interest for a reason other than a rate differential. The Commission has reviewed the application, the written consent to the change in supplier from the suppliers affected by the proposed change, and Staff's verified recommendation and memoranda, and finds that the request is in compliance with all applicable statutes and rules and is in the public interest for a reason other than a rate

¹ See Sections 393.106 and 394.315, RSMo 2000, and 4 CSR 240-2.060 and 4 CSR 240-3.140.

² Section 536.010(4) defines a "contested case" as "a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing."

³ *Sapp v. City of St. Louis*, 320 S.W.3d 159, 163 (Mo. App. 2010).

differential. Based upon its independent and impartial review, the Commission will approve the application.

THE COMMISSION ORDERS THAT:

1. The application filed by Kaiser Farms, Inc. for approval of a change in electric supplier is approved.
2. This order shall become effective on July 21, 2012.
3. This file may be closed on July 22, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney,
and Stoll, CC., concur.

Bushmann, Regulatory Law Judge