

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

In the Matter of the Joint Application of )  
Osage Valley Electric Cooperative )  
Association and the City of Harrisonville )  
for Approval of a Change of Electric )  
Supplier for a Certain Customer in Cass )  
County for Reasons in the Public Interest )

**Case No. EO-2021-0371**

**STAFF RECOMMENDATION TO APPROVE CHANGE OF SUPPLIER**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and files this *Staff Report and Recommendation to Approve Change of Supplier* (“Report”) with the Missouri Public Service Commission (“Commission”), and respectfully states as follows:

1. On April 22, 2021, Osage Valley Electric Cooperative Association (“Osage Valley”) and the City of Harrisonville (“Harrisonville”), hereinafter referred to collectively as “Applicants,” filed a Joint Application (“Application”) with the Commission seeking approval of a change in electric service suppliers of one of Osage Valley’s customers to Harrisonville.

2. On April 23, 2021, the Commission issued its *Order Directing Notice, a Staff Recommendation, and Adding a Necessary Party* in which the Commission added Mr. Kip Unruh (“Mr. Unruh”) as a party to the case and directed Staff to file its recommendation by May 23, 2021.

3. On May 20, 2021, Staff filed a *Motion for Extension* to file its recommendation. The next day, the Commission granted Staff’s *Motion for Extension* and ordered Staff to file its recommendation no later than June 23, 2021.

3. Section 394.315, RSMo, give the Commission jurisdiction over rural electric cooperatives, to order a change to the supplier of electricity to a structure “on the basis that it is in the public interest for a reason other than a rate differential.” Commission Rule 20 CSR 4240-3.140 and 20 CSR 4240-2.060(1) detail the filing requirements for applications for authority to change electrical suppliers.

4. Staff has conducted an investigation and reviewed the information submitted in this case file. Staff’s *Memorandum* is attached hereto as Appendix A, and incorporated herein by reference. Staff, for the reasons stated therein, recommends the Commission approve the Applicants *Joint Application for Change of Electric Supplier* as being in the public interest, for reasons other than a rate differential.

5. As Staff stated in its *Memorandum*, Mr. Unruh has indicated to the Applicants that he wishes to switch providers due to his need of 3-phase service on his properties and his current supplier, Osage Valley, cannot provide 3-phase service without building a new 3-phase line crossing over Interstate 49. Harrisonville can provide Mr. Unruh 3-phase service by building three transformers and using approximately 200 feet of #2 Triplex. The Applicants and Mr. Unruh agree that currently Osage Valley cannot meet Mr. Unruh needs and that Harrisonville will resume service of the properties without payment to Osage Valley.

6. Staff recommends, for the reasons stated in its *Memorandum*, the Commission approve the Applicants *Joint Application for Change of Electric Supplier* as being in the public interest for reasons other than a rate differential.

7. As a rural electric cooperative Osage Valley is not required to file an annual report or pay assessment fees to the Commission. Staff is unaware of any pending or

final unsatisfied judgments against Osage Valley from any state or federal court involving customer service or rates within three years of the date of filing this *Joint Application*. As a municipality Harrisonville is not required to provide annual reports or pay assessments to the Commission. Staff is unaware of any pending or final unsatisfied judgments against Harrisonville from any state or federal court involving customer service or rates within three years of the date of filing this *Joint Application*.

**WHEREFORE**, Staff respectfully requests that the Commission accept this report for its consideration and recommends the Commission issue an Order approving the Joint Applicants request for a change in electric service supplier from Osage Valley to Harrisonville for Mr. Unruh.

Respectfully submitted,

**/s/ Ron Irving**

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Mail, postage prepaid, to all parties or their representatives pursuant to the Service List maintained by the Commission's Data Center for this case, on this 23<sup>rd</sup> day of June, 2021.

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. EO-2021-0371, In the Matter of the Joint Application of Osage Valley Electric Cooperative Association and the City of Harrisonville for Approval of a Change of Electric Supplier for a Certain Customer in Cass County for Reasons in the Public Interest

**FROM:** Amanda Coffey, Associate Engineer – Engineering Analysis Unit

/s/ Claire M. Eubanks, P.E. 6/23/2021      /s/ Ron Irving 6/23/2021  
Manager – Engr. Analysis Unit / Date      Staff Counsel’s Office / Date

**SUBJECT:** Staff Memorandum Recommending Approval of the Change of Electric Service Supplier Request

**DATE:** June 23, 2021

### STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the Joint Application of Osage Valley Electric Cooperative (“Osage Valley”) and the City of Harrisonville (“Harrisonville”) for a Change in Electric Service Suppliers (“Application”) for the properties located at 2606 A-E Rock Haven Road, 2610 Rock Haven Road, and 2620 A-E Rock Haven Road, Harrisonville, Missouri 64701; to the City of Harrisonville (“Harrisonville”) from Osage Valley Electric Cooperative, concluding that the Application is in the public interest for reasons other than a rate differential pursuant to 393.106.2 and 394.315.2 RSMo and 20 CSR 4240-3.140.

### OVERVIEW

On April 22, 2021, Osage Valley and Harrisonville filed a Joint Application with the Commission seeking approval of a change in electric service suppliers to Harrisonville from Osage Valley, at three structures, a 17,000 square foot retail/warehouse building,

an 11,000 square foot shop building, and a 5,000 square foot metal barn, on three affected properties, 2606 A-E Rock Haven Road, 2620 A-E Rock Haven Road, and 2610 Rock Haven Road, Harrisonville, Missouri 64701<sup>1</sup>, owned by Mr. Kip Unruh<sup>2</sup>.

On April 23, 2021, the Commission issued an *Order Directing Notice, a Staff Recommendation, and Adding a Necessary Party* that added Mr. Kip Unruh (“Mr. Unruh”) as a party to this case and directed Staff to file its recommendation by May 23, 2021. On May 20, 2021, Staff filed a *Motion for Extension* to file its recommendation by June 23, 2021, which was granted by the Commission on May 21, 2021.

Osage Valley is organized under Chapter 394 RSMo to provide electric service to its members within certain Missouri counties, including Cass County, in which lies the properties identified in the Application. The Commission has limited jurisdiction over rural electric cooperatives, such as Osage Valley, as specified in Chapter 394 RSMo. For the purpose of this case, Osage Valley is subject to the jurisdiction of the Commission under Section 394.315.2 RSMo.<sup>3</sup>

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<sup>1</sup> Staff Data Request No. 0001.1

<sup>2</sup> The original Application for Change of Electric Service Provider was filed on March 30, 2021, file no. EO-2021-0322, by Mr. Unruh. This case was dismissed by the Commission on April 26, 2021 because Mr. Unruh was not represented by an attorney.

<sup>3</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 Osage Valley, 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 Osage Valley from any state or federal court involving customer service or rates within three years of the filing date of this Application.

Harrisonville is a Missouri city organized and established under the laws of Missouri, existing pursuant to Section 79.010 RSMo. Harrisonville provides electrical, water, and sewer services to its customers located in its municipal service area. The affected properties were annexed by Harrisonville approximately fifteen (15) years ago<sup>4</sup>. The Commission has limited jurisdiction over municipal suppliers, such as Harrisonville, as specified in Chapter 91 RSMo . For the purpose of this case, Harrisonville is subject to the jurisdiction of the Commission under Section 91.025. 2 RSMo<sup>5</sup>.

A municipal electric supplier, such as Harrisonville, 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 Harrisonville from any state or federal court involving customer service or rates within three years of the filing date of this Application.

The Applicants request the Commission issue its order:

(a) Finding that the change of electric supplier proposed herein is in the public interest and approving the proposed change of electric supplier and granting this Joint Application; and

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<sup>4</sup> Staff Data Request No. 0002

<sup>5</sup> 91.025. 2 RSMo states in relevant part, “The public service commission, upon application made by a customer, 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 municipally owned or operated electric systems 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.”

(b) Granting such other relief as is deemed necessary to accomplish the purpose of this Joint Application.

### **DISCUSSION**

Mr. Unruh, the owner of the properties, has indicated to the Applicants that he wishes to switch electrical providers due to his need of 3-phase service on these properties. His current supplier, Osage Valley, cannot provide 3-phase service without building a new 3-phase line crossing over Interstate 49. Harrisonville is able to provide 3-phase service to these properties by constructing two 25 kVA transformers, one 50 kVA transformer, and approximately 200 feet of #2 Triplex. The parties agree that Osage Valley cannot presently meet the customer's needs and that Harrisonville shall resume service of the properties without any payment to Osage Valley.

The Application states the following reasons the change of supplier is in the public interest:

1. Harrisonville can currently provide the Unruh properties with 3-phase service, whereas Osage Valley cannot currently provide 3-phase service without building a new 3-phase service crossing over I-49. Therefore, the customer's needs cannot be adequately met by Osage Valley currently.
2. The loss of the properties as a customer will have a negligible impact on Osage Valley.
3. It would prevent the duplication of 3-phase electric facilities in the area.
4. It will allow Mr. Unruh to receive service from Harrisonville, a city in which he is a commercial citizen. The change will enhance Mr. Unruh and Harrisonville's business relationship and allow for great economic development opportunities.

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;
  - Harrisonville can currently provide the Unruh properties with 3-phase service, whereas Osage Valley cannot currently provide 3-phase service without building a new 3-phase service crossing over I-49. Therefore, the customer's needs cannot be adequately met by Osage Valley currently.
  - Harrisonville is able to provide 3-phase service by constructing two 25kV A transformers, one 50 kV A transformer, and approximately 200 feet of #2 triplex.
2. Whether there are health or safety issues involving the amount or quality of power;
  - The proposed change of service is based on the customer’s need for 3-phase service. No other complaints about the current service were noted.
3. What alternatives a customer has considered, including alternatives with the present supplier;
  - The proposed change of service is based on the customer’s need for 3-phase service. As previously noted, Harrisonville is in a better position to be able to provide this service to the customer.
4. Whether the customer's equipment has been damaged or destroyed as a result of a problem with the electric supply;



- The proposed change of service is based on the customer's need for 3-phase service. No other complaints about the current service were noted.
5. The effect the loss of the customer would have on the present supplier;
- The Applicants stated that the loss of the properties as a customer will have a negligible impact on Osage Valley.
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;
- Harrisonville can currently provide the Unruh properties with 3-phase service by constructing two 25kV A transformers, one 50 kV A transformer, and approximately 200 feet of #2 triplex, whereas Osage Valley cannot currently provide 3-phase service without building a new 3-phase service crossing over I-49.
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 (6)(ii) above;
- The burden in this case is that Mr. Unruh wants 3-phase service for his properties and Osage Valley is not currently in a position to provide it.

8. What efforts have been made by the present supplier to solve or mitigate the problems;
  - Present supplier is co-applicant for the change of supplier request.
9. The impact the Commission's decision may have on economic development, on an individual or cumulative basis; and
  - Harrisonville is able to provide Mr. Unruh's properties with the 3-phase service more easily than Osage Valley is able to. If the Application is not approved, Mr. Unruh would have to work with Osage Valley to obtain the 3-phase service that he needs which, as previously noted, would entail bringing a new 3-phase line across an interstate and would duplicate services in the area that Harrisonville already has in place.
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.
  - There is no territorial agreement in place regarding these properties at this time.

### **CONCLUSION**

Staff recommends that the Commission approve the Joint Application, determining that the request for a change in electric service suppliers to Harrisonville from Osage Valley for the properties located at 2606 A-E Rock Haven Road, 2610 Rock Haven Road, and 2620 A-E Rock Haven Road, Harrisonville, Missouri 64701 is 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 20 CSR 4240-3.140.

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Change of Electric Supplier for a Certain )  
Customer in Cass County for Reasons in the )  
Public Interest )

AFFIDAVIT OF AMANDA COFFER

State of Missouri )  
 ) ss.  
County of Cole )

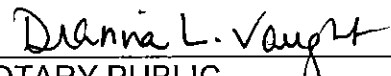
**COMES NOW** Amanda Coffe and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
Amanda Coffe

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23rd day of June, 2021.

  
NOTARY PUBLIC

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: July 18, 2023  
Commission Number: 15207377