

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. EO-2021-0388
Evergy Missouri West, Inc d/b/a Evergy Missouri West

FROM: David T. Buttig, Professional Engineer, Engineering Analysis Department

/s/ Claire M. Eubanks, P.E. 07/20/2021 /s/ Jamie Myers 07/20/2021
Manager, Engineering Analysis Dept. / Date Staff Counsel’s Office / Date

SUBJECT: Staff Memorandum Recommending Approval of
Second Amended Joint Application

DATE: July 20, 2021

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the Second Amended Joint Application (“Application”) of Evergy Missouri West (“Evergy”) and the City of Higginsville, MO (“Higginsville”), (collectively “Joint Applicants”), which requests approval of their Territorial Agreement (“TA”) that would make Higginsville the exclusive service provider for the two parcels of land previously held by Evergy, finding that the transaction is not detrimental to the public interest, pursuant to Section 394.312.5 RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-3.130.

OVERVIEW

On May 5, 2021, Higginsville and Evergy filed their joint application requesting approval of their TA, which would designate Higginsville as the service provider for two customers in an area immediately adjacent to its city limits. Higginsville owns, operates, and maintains an electric distribution system within its corporate limits to serve customers in its municipal service territory. The terms of the TA apply only to the Joint Applicants; these terms have no effect on any other electric service provider. The terms of the TA include the transfer of two electric customers from

Evergy to Higginsville and any future buildings that may be built within the area included in this TA. In exchange for the service territory and customers, Higginsville has agreed to pay Evergy for the first customer, Public Water Supply District, the sum of two years of bills from the Public Water Supply District electric account. The second customer has been inactive. Both customers have agreed and signed a statement in favor of changing service providers to Higginsville. The reasons cited in the Application for seeking approval of this TA include preventing future duplication of electric service facilities, promoting economic efficiencies, and benefits to the public safety and aesthetics of the community. Higginsville does not plan to annex this area but instead only plans to provide service to the two customers.

On May 6, 2021, the Commission issued an Order Directing Filing in which the Commission established a deadline of June 5, 2021 for any party desiring to intervene in this case and also directed Staff to file a recommendation by June 20, 2021. No party filed a request to intervene in this case.

On June 16, 2021, Staff filed a Motion for Extension in the case for additional time to continue its review, determine if follow up or discovery is needed, and ultimately make an informed recommendation on the Joint Application to the Commission. Staff's extension request was granted by the Commission on June 28, 2021, and extended the deadline for Staff to file its recommendation to no later than July 20, 2021.

On June 29, 2021, the Joint Applicants filed an Amended Joint Application. The amended application included additional language and a map to clarify the territory to be acquired for service by Higginsville.

On July 16, 2021, the Joint Applicants filed a Second Amended Joint Application. The second amended application included an additional exhibit (Exhibit D) which included the metes and bounds legal description of the two properties to be acquired for service by Higginsville. This additional language was requested by Staff in accordance with 20 CSR 4240-3.130 since the requested boundary could not be ascertained from the information previously supplied by the Joint Applicants.

The City of Higginsville, Missouri is a municipality that provides electric service to its customers located in its municipal service area. The Commission has limited jurisdiction over municipal suppliers, such as Higginsville, however, municipalities are subject to certain jurisdiction of the Commission under Section 394.312 RSMo 2016¹.

A municipal electric supplier, such as Higginsville, 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 Higginsville from any state or federal court involving customer service or rates.

Evergy is an electrical corporation subject to the jurisdiction of the Commission as specified, in part, by Chapters 386 and 393, RSMo 2016. Evergy is subject to the jurisdiction of the Commission in this case.

Evergy is current on all assessment fees and annual report filings. Staff is not aware of any other matter before the Commission that affects or is affected by this filing,

TERRITORIAL AGREEMENT

On April 16, 2021, the Joint Applicants entered into a TA. The TA described the service area as “The tract of land is located in the East, NE ¼ of Section 35, Township 49N, Range 26W in Lafayette County, MO”. The tract of land described in the TA is two parcels of land with separate owners as described in Higginsville’s response to Staff Data Request No. 2.² The Second Amended Joint Application filed by the Joint Applicants on July 16, 2021 included an exemplar tariff sheet with a metes and bounds legal description for the individual parcels (Exhibit D). The territory to be acquired by the City of Higginsville is approximately 7.38 acres³.

¹ Section 394.312.4 states, in relevant part, that “...before becoming effective, all territorial agreements entered into under the provisions of this section, including and subsequent amendments to such agreements, or the transfer or assignment of the agreement or any rights or obligations of any party to an agreement, shall receive the approval of the public service commission by report and order...”

² Staff Data Request No. 2: Requested from the City of Higginsville on May 28, 2021 and responded by the City of Higginsville on June 11, 2021.

³ Approximation from Lafayette County Assessor’s Public GIS Site for the combination of the two properties.

According to the Notice of Proposed Electric Provider Change sent from the City of Higginsville to the property owners affected by this TA⁴, the City of Higginsville is planning a 3-phase line extension project near the Interstate 70/MO 13 Highway Junction. The TA would minimize duplication of utility facilities in the affected area and alleviate any confusion on who is the electric supplier of the affected customers. The TA would help to prevent any future duplication of electric facilities and help to promote economic efficiencies.

The TA included that Higginsville is entitled to provide electric service to all structures now located in the area described in the TA and all new structures that may be built in the area. The customers affected by this TA have been included in the Joint Application along with their signed approval that is included as Exhibit B to the Applications.

No other electric utilities serve in the area covered by the TA.

CONCLUSION AND RECOMMENDATION

Staff recommends that the Commission approve the Second Amended Joint Application, finding that this TA between Evergy and the City of Higginsville, Missouri, dated April 16, 2021, is not detrimental to the public interest, pursuant to Section 394.312.5 RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-3.130. Approval of the TA will allow Higginsville and Evergy to most efficiently and effectively use their existing facilities in the area and best plan for future expansion and thereby limit duplicative facilities. This TA has no effect on any other electric service provider. Allowing Higginsville to provide service to the territory is in the best interest of the Joint Applicants and the public. Should the Second Amended Joint Application be approved, Staff recommends that the Commission order Evergy to file compliance tariff sheets describing the modification to its service territory. Exemplar tariff sheets were provided in Exhibit D of the

⁴ Letter to the affected customers from the City of Higginsville, dated July 21, 2020.

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Second Amended Joint Application which include a metes and bounds legal description of the affected parcels.⁵ Staff has done a preliminary review of the exemplar tariff sheets and recommends removal of references to specific property owners.

⁵ In addition to the two affected parcels, the exemplar tariff sheet includes a legal description for a portion of a property in Section 36, Township 49N, Range 26W in Lafayette County, MO.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

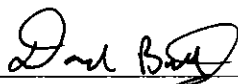
In the Matter of the Joint Application of)
Everygy Missouri West, Inc., d/b/a Everygy)
Missouri West and the City of Higginsville)
for Approval of a Written Territorial) Case No. EO-2021-0388
Agreement Designating the Boundaries of)
each Electric Service Supplier in Portions of)
Lafayette County, Missouri)

AFFIDAVIT OF DAVID T. BUTTIG, PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW DAVID T. BUTTIG, PE, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

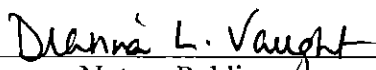


DAVID T. BUTTIG, PE

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 20th day of July, 2021.

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



Notary Public