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M. DIANNE DRAINER
Vice Chair

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
573-526-5695 (TT)
<http://www.ecodev.state.mo.us/psc/>

June 16, 1997

CECIL I. WRIGHT
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SAM GOLDASNIER
Director, Utility Operations
GORDON L. PERSINGER
Director, Policy & Planning
VACANT
Director, Utility Services
DONNA M. KOLBAS
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DALE HARDY ROBERTS
Chief Administrative Law Judge
DANA K. JOYCE
General Counsel

Mr. Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: Case No. EO-97-493
Union Electric and Consolidated Electric Cooperative

Dear Mr. Wright:

Enclosed for filing in the above-captioned case are the original and fourteen (14) conformed copies of **REBUTTAL TESTIMONY OF B. J. WASHBURN**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

David Woodsmall
Senior Counsel
Missouri Bar No. 40747
573-751-8700
573-751-9285 (Fax)

RECEIVED

JUN 16 1997

Records
Public Service Commission

DW/sm
Enclosures
cc: Counsel of Record

Exhibit No.:

Issue: Territorial Agreement

Witness: B.J. Washburn

Sponsoring Party: MoPSC Staff

Case No.: EO-97-493

**MISSOURI PUBLIC SERVICE COMMISSION
POLICY AND PLANNING DIVISION**

**UNION ELECTRIC COMPANY
AND
CONSOLIDATED ELECTRIC COOPERATIVE**

CASE NO. EO-97-493

REBUTTAL TESTIMONY

OF

B. J. WASHBURN

Jefferson City, Missouri
June, 1997

Exhibit No. 6
Date 7/18/97 Case No. EO-97-493
Exhibitor DJD

1
2 REBUTTAL TESTIMONY
3

4 OF
5

6 B. J. WASHBURN
7

8 UNION ELECTRIC COMPANY AND
9 CONSOLIDATED ELECTRIC COOPERATIVE, INC.
10

11 CASE NO. EO-97-493
12

13 Q. Please state your name and business address.

14 A. B.J. Washburn, P.O. Box 360, Jefferson City, Mo. 65102.

15 Q. By whom are you employed and in what capacity?

16 A. I am employed by the Missouri Public Service Commission as Manager,
17 Policy and Federal Affairs Department.

18 Q. Please describe your educational and professional background.

19 A. I received a Bachelor of Science Degree in Electrical Engineering
20 from the University of Missouri-Columbia in 1963. I was employed by Missouri Public Service
21 Company from 1963 until 1970. Since 1970, I have been employed by the Public Service
22 Commission. I am a registered Professional Engineer in the State of Missouri. My
23 registration number is E-13060.

24 Q. Have you previously testified before this Commission?

25 A. Yes, I have.

26 Q. Are you familiar with Case No. EO-97-493?

27 A. Yes, I am.

28 Q. Wnat is the purpose of your testimony in this proceeding?

29 A. I will discuss the proposed territorial agreement which designates

Rebuttal Testimony of
B. J. Washburn

1 the boundaries between Union Electric Company (UE) and Consolidated Electric Cooperative
2 (Consolidated or Cooperative) (collectively referred to as Applicants).

3 Q. Does the application meet the Commission's requirements as set out in
4 4 CSR 240-2.060 (10)?

5 A. Yes.

6 Q. Please describe this application.

7 A. The application is for approval of a Territorial Agreement
8 (Agreement) which will specifically designate the boundaries of the exclusive service
9 territory between UE and Consolidated for service of new structures in Audrain, Monroe, and
10 Randolph Counties in Missouri which are more particularly described in the Agreement.

11 Q. Are there exceptions to the service territory?

12 A. Yes. Specific areas were retained in the proposed service area of the
13 current supplier because of the investment in resources. The Cooperative has kept large
14 industrial loads, 5 subdivisions and two trailer parks. Likewise, UE will continue to serve
15 three subdivisions. Each exception is listed in the Agreement.

16 Q. Did the Applicants file a metes and bounds description in the
17 Application?

18 A. Yes, a metes and bounds description of the proposed service area and
19 maps were filed in the Application.

20 Q. In your opinion, do the maps and the metes and bounds descriptions
21 specifically designate the boundary between UE and Consolidated?

22 A. Yes.

Rebuttal Testimony of
B. J. Washburn

1 Q. Will any customers or facilities be exchanged between the Applicants
2 as a part of this agreement?

3 A. No.

4 Q. Do any of these territories overlap areas specified as exclusive
5 areas in other territorial agreements?

6 A. Yes. In discussions with both UE and Consolidated personnel, the
7 Consolidated / UE Agreement and the Macon Electric Cooperative/UE Agreement (MoPSC
8 Case No. EO-97-6) were being negotiated during the same time frame and boundary lines were
9 being adjusted in each case which resulted in overlaps of area.

10 Q. Does this create a problem?

11 A. No, not as far as Applicants are concerned. Both applicants have
12 stated in their testimony that they understand this agreement will have no effect on the
13 service rights of other providers in the area covered by this agreement. Section 394.312 (5)
14 RSMo 1995 states: "Commission approval of any territorial agreement entered into under the
15 provisions of this section shall in no way affect or diminish the rights and duties of any
16 supplier not a party to the agreement or of any electrical corporation authorized by law to
17 provide service within the boundaries designated in such territorial agreement." In the
18 future UE will attempt to coordinate the boundaries if they have multiple agreements underway
19 at the same time. Staff realizes that territorial agreements are fragile, in that any
20 electrical supplier is reluctant to give up territory and once boundary lines are agreed to,
21 any additional change may put the agreement at risk.

22 Q. Do you want to highlight any of these conflicts?

Rebuttal Testimony of
B. J. Washburn

1 A. Yes. In the Macon/UE Agreement nearly all of the northern 1/3 of
2 Randolph County is designated as being Macon Electric's exclusive territory and in this
3 application, all of Randolph County is designated as UE's exclusive area. In Monroe County,
4 the area generally agrees, but there are some differences in the boundary line. UE will have
5 two separate service areas which are slightly different as result of the two Agreements.

6 Q. Are there any intervenors in this case?

7 A. No.

8 Q. Have the Applicants provided a case-by-case addendum procedure in the
9 agreement to handle exceptions?

10 A. Yes. A case-by-case provision is included in the Agreement.

11 Q. Are there any other electrical corporations in addition to UE
12 authorized to provide service within the area covered by the Agreement?

13 A. No.

14 Q. What is your recommendation in this case?

15 A. I recommend this application be approved. Staff believes this
16 Agreement is not detrimental to the public interest. Defining the boundary line between
17 these two suppliers will reduce future duplication of facilities and allow both suppliers
18 to plan their distribution systems in a rational manner, knowing they will be serving all
19 customers within their designated service areas.

20 Q. Does this conclude your testimony?

21 A. Yes, it does.

22


BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of Union)	
Electric Company and Consolidated Electric)	
Cooperative for Approval of a Written Territorial)	Case No. EO-97-493
Agreement Designating the Boundaries of Each)	
Electric Service Supplier within Portions of Audrain,)	
Monroe and Randolph Counties, Missouri.)	

AFFIDAVIT OF B. J. WASHBURN

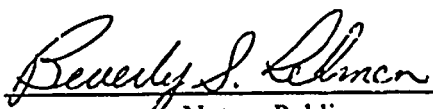
STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

B. J. Washburn, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony, in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



B. J. Washburn

Subscribed and sworn to before me this 16th day of June, 1997.



Notary Public

My Commission Expires: _____
BEVERLY S. LEHMEN
NOTARY PUBLIC STATE OF MISSOURI
CALLAWAY COUNTY
MY COMMISSION EXP. MAR. 9, 1998