

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

In the Matter of the Joint Application of Farmers' Electric	)	
Cooperative and the City of Cameron for Approval of	)	<b><u>File No. EO-2018-0276</u></b>
a Change of Supplier for Certain Customers in Clinton	)	
and Caldwell Counties for Reasons in the Public Interest	)	

**STAFF RECOMMENDATION TO APPROVE JOINT APPLICATION  
FOR CHANGE OF ELECTRIC SUPPLIER**

**COMES NOW** Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, in response to the Missouri Public Service Commission's April 9, 2018 *Order Directing Filing* ("Order"), the Commission directed the Staff to file a recommendation on the Application no later than May 6, 2018. In response to that Commission *Order*, the Staff states as follows:

1. On April 5, 2018, Farmers' Electric Cooperative, Inc. ("Farmers") and the City of Cameron ("Cameron") filed a Joint Application For Change Of Electric Supplier for four (4) properties (two in Clinton County and two in Caldwell County) located within Cameron's industrial park, pursuant to Sections 394.315 and 91.025 RSMo. 2016 and 4 CSR 240-2.060 and 4 CSR 240-3.140. The Joint Application states that Cameron is in the business of providing electrical, water, and sewer services to consumers in its municipal service area and is authorized to serve this area under Section 91.450 RSMo. 2016. According to the Joint Application, these four properties, as well as the rest of the Cameron industrial park, have been annexed into the Cameron city limits. Three of the properties in question have idle services and the other property has a commercial business which wants an increase in load capacity so it can expand its business.

2. Again according to the Joint Application, Farmers' serves the four properties through a single-phase overhead line, and Cameron has requested that Farmers' allow Cameron to provide service instead so that Cameron can construct a three-phase distribution system. It is asserted that such an upgrade would allow a desired expansion of buildings and increased load capacity for the properties for economic development, in general, and to meet the needs of the one actual tenant, in particular. The Joint Application states that it would be economically infeasible for Farmers' to perform the desired service upgrade of the construction of a three phase system to serve the four properties. The Joint Application asserts the proposed change of electric supplier would ensure reliable electric service as well as reduce utility duplication in the area, in that Farmers' would remove its current inadequate facilities serving the four properties.

3. The one tenant is a commercial entity, and its President states in an affidavit attached to the Joint Application that he "consents, favors, and has no objection" to the proposed change.

4. The Joint Application relates that Cameron now has the exclusive right to serve all of the remaining tracts in the Cameron industrial park.<sup>1</sup> It is the Staff's understanding based on information from Counsel for Cameron that there are no other electrical suppliers serving tracts of land in the Cameron industrial park and it is Cameron's plan to provide electric service to any new structures to be constructed.

5. Staff in its attached Memorandum Recommendation does not take issue with the various claims of the Joint Application of Cameron and Farmers' and concludes

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<sup>1</sup> Counsel for Farmers' indicated in an e-mail to counsel for Staff that the Joint Application should have identified for authority Sections 394.080.1(4), in particular, and 394.020(3), rather than Section 394.030(4).

that a change of electric suppliers pursuant to Section 394.315.2, in particular, and Section 91.025 RSMo. 2016, and 4 CSR 240-2.060 and 4 CSR 240-3.140 is in the public interest for a reason other than a rate differential.

**WHEREFORE** the Staff submits its Staff Memorandum Recommendation that the Commission should approve the Joint Application filed on April 5, 2018, finding that the requested change of electric suppliers from Farmers' to Cameron is in the public interest for a reason other than a rate differential, pursuant to Section 394.315.2, in particular, and Section 91.025 RSMo. 2016, and 4 CSR 240-2.060, and 4 CSR 240-3.140.

Respectfully submitted,

**/s/ Steven Dottheim**

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Attorney for the Staff of the  
Missouri Public Service Commission

### **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 4th day of May, 2018.

**/s/ Steven Dottheim**

## **MEMORANDUM**

TO: Missouri Public Service Commission Official Case File  
Case No. EO-2018-0276 – In the Matter of the Joint Application of  
Farmers' Electric Cooperative and the City of Cameron for Approval of a  
Change of Electric Supplier for Certain Customers in Clinton and  
Caldwell Counties for Reasons in the Public Interest Other than a  
Rate Differential

FROM: Noumvi G. Ghomsi – Operations Analysis Department / Engineering  
Analysis Unit

<u>Daniel I. Beck</u> <u>5/4/2018</u>	<u>Steven Dottheim</u> <u>5/4/2018</u>
Manager - Engineering Analysis Unit / Date	Staff Counsel's Office / Date

SUBJECT: Staff Memorandum Recommending Approval of Change of Electric  
Supplier for Reasons in the Public Interest Other than a Rate Differential

DATE: May 4, 2018

## **STAFF RECOMMENDATION**

The Staff of the Missouri Public Service Commission ("Staff") recommends that the Missouri Public Service Commission ("Commission") approve the April 5, 2018 Joint Application for Change of Electric Supplier ("Joint Application") filed by Farmers' Electric Cooperative, Inc. ("Farmers") and the City of Cameron, Missouri ("Cameron") (collectively, "Applicants"), which would allow Cameron to construct a 3-Phase distribution system to service all four (4) affected properties that have been annexed into the City of Cameron, two in Clinton County and two in Caldwell County, finding the Change of Electric Supplier to be in the public interest for a reason other than a rate differential, pursuant to Section 394.315(2), in particular, and Section 91.025 RSMo. 2016, and 4 CSR 240-2.060 and 4 CSR 240-3.140.

## **OVERVIEW**

On April 5, 2018, Farmer's and Cameron filed their Joint Application requesting approval of their Change of Electric Supplier request. The proposed properties are located within the City of Cameron's industrial park. Three of these properties have idle

services while one property has a commercial business. The four properties are served through four meters and consist of two barns, one commercial building and one unoccupied residential home. Farmers' serves the four properties in the Clinton and Caldwell Counties through a single-phase overhead line. The Joint Application asserts that all other tracts in the Cameron industrial park were also annexed into the city limits and Cameron has the exclusive right to serve all those tracts. The Joint Application cited Section 394.030(4) to support the assertion that Cameron has the exclusive right to serve all remaining tracts in the Cameron industrial park. Subsequently, however, Counsel for Farmers' indicated to Staff counsel that the Joint Application should have cited Section 394.080.1(4) and even 394.020(3)<sup>1</sup> rather than Section 394.030(4).

Cameron desires to increase load capacity for the affected properties and reduce utility duplication in this area. Therefore, it is proposed that the Commission approve a Change of Electric Supplier for the structures on these four properties, which will allow Farmers' to retire its service facilities and allow Cameron to provide enhanced services to the four properties in the Cameron industrial park on the basis that it is in public interest for a reason other than a rate differential. The Joint Application notes that the commercial tenant, the President of eTruck Transportation LLC (hereinafter "eTruck"), at P.O. Box 540698 Omaha, Nebraska 68154, is in favor of the Change of Electric Supplier purposefully for the expansion of his existing structure and to properly carry out business objectives. The tenant's statement of no objection is attached to the Joint Application. The Applicants state in the first full paragraph on page 3 of the Joint Application that it would be economically infeasible for Farmers' to perform the desired service upgrade requiring the construction of a three-phase system to serve solely the four tracts in question.

On April 9, 2018, the Commission issued an *Order Directing Filing* in which the Commission established a deadline of May 6, 2018, for the Commission Staff to file a recommendation on the Joint Application. No entity or person has sought intervention in this case.

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<sup>1</sup> 394.020(3) "'Rural area' shall be deemed to mean any area of the United States not included within the boundaries of any city, town or village having a population in excess of fifteen hundred inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof."

Farmers' is a rural electrical cooperative organized under Chapter 394 RSMo. 2016 to provide electric service to its members in all or parts of ten (10) Missouri counties, including Clinton and Caldwell, in which lies the affected properties that are the subjects of this Joint Application. Although the Commission has limited jurisdiction over rural electric cooperatives, Farmers' is subject to the jurisdiction of the Commission in this case under Section 394.315 RSMo. 2016.<sup>2</sup>

Cameron is a city of the third class organized, established, and existing pursuant to Sections 77.010 and 78.430 RSMo. 2016 that provides electric service to customers in areas that are not the subject of the Joint Application. Although the Commission has limited jurisdiction over municipalities, Cameron is subject to the jurisdiction of the Commission in this case under Section 91.025 RSMo. 2016.

Neither Farmers' nor the City is required to file annual reports or pay assessment fees to the Commission. Further, neither Farmers' nor the City have pending or final unsatisfied judgments against it from any state or federal court involving customer service or rates within three years from the filing date of this Joint Application.

### **CONCLUSION**

For the reasons stated above, Staff is of the opinion that the Commission should approve the Joint Application, finding that this Change of Electric Supplier between Farmers' and Cameron, dated April 5, 2018, is in the public interest for a reason other than rate differential, pursuant to Section 394.315.2, in particular, and Section 91.025 RSMo. 2016, and 4 CSR 240-2.060, and 4 CSR 240-3.140. Therefore, Staff recommends that the Commission approve the Joint Application, which will allow for upgraded load capacity and will ensure reliable electric service for the four properties. The change also is asserted to promote economic development in the area and reduce utility facilities duplication; again, the proposed change is in the public interest for a reason other than a rate differential.

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<sup>2</sup> More specifically Section 394.315.2 RSMo. states in relevant part: "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. . . ."

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

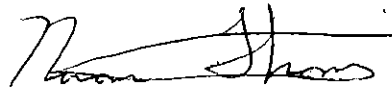
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**AFFIDAVIT OF NOUMVI GHOMSI**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

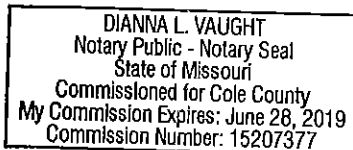
**COMES NOW**, Noumvi Ghomsi and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.



Noumvi Ghomsi

Subscribed and sworn to be this 4<sup>th</sup> day of May, 2018..



  
Notary Public