

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

In the Matter of the Joint Application of The Empire)	
District Electric Company and White River Valley)	
Electric Cooperative for Approval of a Change of)	<u>Case No. EO-2017-0159</u>
Electric Supplier for Certain Customers in Taney)	
County, Missouri, and for Reasons in the Public Interest)	

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 November 30, 2016, The Empire District Electric Company ("Empire") and White River Valley Electric Cooperative ("White River") filed with the Commission their *Joint Application for Change of Electric Supplier* requesting that the Commission authorize a change of the supplier of electric service from White River to Empire for the structures situated on two parcels of property near the city limits of the City of Branson, Missouri, pursuant to 394.315.2, RSMo.

2. On December 2, 2016, the Commission issued its *Order Directing Notice and Order Directing Responses to Application* directing Staff to file a recommendation or a status report indicating when it will file its recommendation no later than December 22, 2016.

3. Sections 394.315 and 393.106, RSMo, give the Commission jurisdiction over rural electric cooperatives and investor-owned electric corporations, respectively,

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 4 CSR 240-3.140 and 4 CSR 240-2.060(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 *Joint Application* as being in the public interest, for reasons other than a rate differential.

5. As Staff relates in its *Memorandum*, a developer has requested that White River’s existing distribution line currently serving two structures near the developer’s planned development be removed. Doing so requires a change of electric supplier to certain structures situated on two properties in the vicinity of the development. White River has consented to removal of the line, as the line is in need of substantial upgrades and the land on which the development is located is anticipated to be voluntarily annexed into the city limits of the City of Branson. Empire has agreed to serve the structures at issue, and the owners of the structures have consented to the proposed change of supplier. Therefore, Staff concludes that changing the supplier of electricity to the structures in question from White River to Empire would be in the public interest for a reason other than a rate differential.

6. Empire is current with its required filing of annual reports and its payment of assessment fees to the Commission. Staff is unaware of any pending or final unsatisfied judgments against Empire from any state or federal court involving customer

service or rates within three years of the date of filing this *Joint Application*. White River is not required to provide annual reports or assessments to the Commission

WHEREFORE, for the foregoing reasons discussed in detail in the Staff's *Memorandum*, Staff respectfully recommends the Commission issue an Order authorizing Empire to provide electric service to the structures located at 2229 Bird Rd, Branson, Missouri, 65616-9611, and 2115 Bird Rd, Lot 4, Branson, Missouri, 65616-9611, currently being served by White River, as requested in the joint application.

Respectfully submitted,

/s/ Mark Johnson

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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, on this 22nd day of December, 2016, to all counsel of record.

/s/ Mark Johnson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2017-0159 – In the Matter of the Joint Application of The
Empire District Electric Company and White River Valley Electric
Cooperative for Approval of a Change of Electric Supplier for Certain
Customers in Taney County, Missouri, and for Reasons in the Public
Interest

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

/s/ Daniel I. Beck 12/22/2016 /s/ Mark Johnson 12/22/2016
Manager - Engineering Analysis Staff Counsel's Office / Date
Unit / Date

SUBJECT: Staff Memorandum Recommending Approval of a Change of Electric
Supplier

DATE: December 22, 2016

OVERVIEW

On November 30, 2016, The Empire District Electric Company (“Empire”) and White River Valley Electric Cooperative (“White River”) filed a Joint Application (“Application”) with the Missouri Public Service Commission (“Commission”) requesting a Change of Electric Supplier to certain structures in Taney County, Missouri. This Application involves electric service provided by White River to structures on two properties. The property addresses and the current members and property owners are as follows: (1) Robert Campa, 2229 Bird Rd, Branson, MO, 65616-9293, and (2) Patricia L Crawford, 2115 Bird Rd, Lot 4, Branson, MO, 65616-9611. Both addresses are in an area both utilities may serve, but White River currently provides electric service to the structures on the subject properties. Additional development is taking place in the area

and the developer requested that the White River line currently serving the structures on the two subject properties be removed, as it is interfering with development plans. White River does not object to removing this line, in order to aid development in the subject area. White River serves the structures on the two subject properties within this development area, while the remainder is served by Empire. Empire has distribution lines currently in place readily capable of providing service to the structures on the subject properties. The members identified above have consented to the proposed change of suppliers from White River to Empire.

Empire is qualified to conduct business in Missouri, as well as in the states of Kansas, Arkansas, and Oklahoma. Empire is engaged, generally, in the business of generating, purchasing, transmitting, distributing and selling electric energy in portions of said states. Empire also provides water service and natural gas distribution service in Missouri. Empire's Missouri operations are subject to the jurisdiction of the Commission as provided by law.

White River is a rural electric cooperative organized and existing pursuant to the laws of the State of Missouri. It is a Chapter 394 rural electric cooperative corporation engaged in the distribution of electric energy and service to its members within certain Missouri counties. Rural electric cooperatives, such as White River, are subject to the jurisdiction of the Commission as specified in Chapter 394 and Section 386.800, RSMo. For the purpose of this case, White River is subject to the jurisdiction of the Commission under 394.315.2, RSMo.¹

¹ Section 394.315.2, RSMo, states, in relevant part, that "... 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

DISCUSSION

The Application between Empire and White River outlines their respective service boundaries to the subject area. Empire holds a certificate of convenience and necessity from this Commission to provide electric service to an area which includes the subject properties; however the specific properties at issue are currently served by White River. Empire provides electric service to neighboring properties in the area.

There are two distribution lines within the subject area that currently run in front and in back of the subject properties; an Empire line and a White River line. Empire provided Staff with a diagram identifying the White River line, which is attached to this memo as Appendix A. Empire states that the existing infrastructure in front of the subject properties requires no building or upgrades to serve the structures on the subject properties. Empire anticipates that the structures that will be built on the subject properties will not require it to install any new transformers.

White River estimates it will cost \$7,724.30 to remove its existing power line. The line is approximately 1,300ft long, was built in 1969, and needs substantial upgrades. It consists of 7 poles that are 35ft class 5, all of which need to be replaced with 40ft class 4 poles. According to White River, the developer intends to convert the use of the land that White River's line crosses to residential; the area was formerly a mobile home park and over the past several years the developer has removed manufactured houses in preparation for building residential homes on the lots. The White River line is interfering with these development plans, and the developer has requested that the line be removed.

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..."

In addition, this property is planned to be voluntarily annexed into the city limits of Branson,² and once annexed White River will no longer be able to serve any new structures near its line. Presently White River only serves the structures on two properties in the subject area, and they are located on the opposite end of the subject area from their take-off pole. Empire has power lines throughout the area; therefore, instead of spending additional money to rebuild the power line to the existing structures, White River believes, for safety reasons and to save money on the cost to rebuild the power line, which would be in the best interest of all parties for Empire to serve the two properties.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the Application to allow the electric supplier to the structures on the subject properties in Taney County to be changed from White River to Empire as being in public interest for a reason other than a rate differential, as doing so will avoid unnecessary duplication of facilities, achieve operational efficiencies, and support the further development of the area.

Staff is unaware of any pending actions or final unsatisfied judgments or decisions against Empire by any state or federal agency or court that involves customer service or rates, and Staff has verified that Empire filed its 2015 annual PSC reports and is not delinquent on its PSC assessments.

To Staff's knowledge, White River has no pending or final judgments or decisions against it from any state or federal agency or court which involve its members'

² According to the City of Branson Planning and Development Department, the developer has entered into a Pre-annexation Agreement with the City of Branson.

service or rates within the three years immediately preceding the filing of this Application, and no annual reports or assessments are required from the Commission.

APPENDIX A

Proposed White River Distribution Line for Removal (In **Red**)



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Empire District Electric Company and White)
River Valley Electric Cooperative for Approval)
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Customers in Taney County, Missouri and)
For Reasons in the Public Interest)

AFFIDAVIT

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

How I know

JURAT

Jessica Huebner
NOTARY PUBLIC

