

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

In the Matter of the Joint Application of Grundy)
Electric Cooperative and the City of Galt,)
Missouri for Approval of a Written Territorial)
Agreement Designating the Boundaries of)
Each Electric Service Supplier within the City)
of Galt, Grundy County, Missouri, and)
Approving the Change of Electric Service)
Supplier for Customers of the City of Galt)
Municipal Electric System)

File No. EO-2022-0098

**ORDER DIRECTING NOTICE, SETTING INTERVENTION
DEADLINE AND DIRECTING STAFF RECOMMENDATION**

Issue Date: October 6, 2021

Effective Date: October 6, 2021

On October 1, 2021, Grundy Electric Cooperative (“Grundy”) and the City of Galt, Missouri (“Galt”) (collectively, “Applicants”), filed a Joint Application for approval of a written territorial agreement and for approval of a change of electric supplier, all as provided for in Applicants’ Contract for Purchase and Sale of Distribution Facilities (the “Agreement”). Subject to the terms and conditions of the Agreement, the Applicants have specifically designated the boundaries of the exclusive electric service area of Grundy for service to persons at existing and new structures in the entirety of the municipal limits of Galt and have provided for the transfer of Galt customers both within the corporate boundaries of Galt and outside the municipal limits – a total of one hundred fourteen (114) electric service locations.

The law requires the Commission to rule on an application for approval of a territorial agreement no later than 120 days from the application’s filing date,¹ and provides the right to

¹ Section 394.312.4, RSMO 2016.

a hearing.² The right to a hearing on a territorial agreement signifies a contested case.³ A contested case is a formal hearing procedure, but it allows for waiver of procedural formalities⁴ and a decision without a hearing,⁵ including by stipulation and agreement.⁶ This notice does not require any party to file an answer.⁷ The Commission's rules of discovery are set forth at 20 CSR 4240-2.090.

The Commission will order notice of this filing be directed to potentially interested parties. The Commission will also set a deadline for intervention and direct the filing of a staff recommendation.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall send a copy of this order and the Joint Application to the County Commission of Grundy County, Missouri.
2. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing Grundy County, Missouri, and to the newspapers serving that county.
3. Applications to intervene shall be filed no later than October 22, 2021.
4. The Commission's Staff shall file a recommendation regarding the Joint Application no later than November 5, 2021.
5. This Order shall be effective when issued.

² Section 394.312.5, RSMO 2016.

³ Section 536.010(4), RSMO 2016.

⁴ Sections 536.060(3) and 536.063(3), RSMO 2016.

⁵ Sections 536.060, RSMO 2016.

⁶ Section 394.312.5, RSMO 2016; 20 CSR 4240-2.115.

⁷ Section 536.067(2)(d), RSMO 2016.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

Kenneth J. Seyer
Regulatory Law Judge, by delegation
of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 6th day of October, 2021.

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

In the Matter of the Joint Application of)
Grundy Electric Cooperative and The City of)
Galt, Missouri for Approval of a Written)
Territorial Agreement Designating the) File No. _____
Boundaries of each Electric Service Supplier)
Within the City of Galt, Grundy County,)
Missouri, and Approving the Change of Electric)
Service Supplier for Customers of the City of Galt)
Municipal Electric System.)

JOINT APPLICATION

COME NOW Grundy Electric Cooperative, Inc. (“Grundy”) and the City of Galt, Missouri (“Galt”) (collectively, Applicants), by and through their respective counsel, and for their Joint Application to the Missouri Public Service Commission (the "Commission"), pursuant to 4 CSR 240-2.060, 4 CSR 240-3.130, 4 CSR 240-3.140, and RSMo. §394.312, § 394.315, §91.025, and §416.041, for an order approving Applicants’ territorial agreement, and for order approving change of electric supplier, all as provided for in their Contract for Purchase and Sale of Distribution Facilities. In support of this Application, Grundy and Galt respectfully state as follows:

Applicants

1. Grundy is a rural electric cooperative organized and existing under the laws of Missouri with its principal office at 4100 Oklahoma Ave., Trenton, MO 64683. Grundy is a Chapter 394 rural electric cooperative corporation engaged in the distribution of electric energy and service to its members within certain Missouri counties. Grundy has no pending action or final judgments or decisions against it from any state or federal agency or court that involve its customer service or rates within the three years immediately preceding the filing of this Joint Application. Grundy has no overdue annual report or

assessment fees. A copy of a Certificate of Good Standing from the Office of the Missouri Secretary of State is attached as **Appendix B** and is incorporated herein by reference.

2. Galt is a Missouri fourth class municipality existing pursuant to §79.010 RSMo, with its principal office and place of business at 102 S. Main St., Galt, MO 64641. Galt is engaged in the business of providing electrical services to customers in its municipal service area. Galt has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or its rates, which have occurred within the three years immediately preceding the filing of this Joint Application. Galt has no overdue annual report or assessment fees.

Correspondence and Communication

3. Correspondence, communications, and orders in regard to this Joint Application should be directed to:

Brandon F. Greer
Cleaveland, Macoubrie & Cox, LLC
515 Washington St.
Second Floor Citizens Bank & Trust Bldg.
Chillicothe, MO 64601
660-262-4220 (telephone)
e-mail: greerbrandon@yahoo.com

Megan E. Ray
Andereck, Evans, Lewis,
Figg, & Battagler, LLC
3816 S. Greystone Ct., Ste. B
Springfield, MO 65804
417-864-6401 (telephone)
e-mail: mray@lawofficemo.com

The Territorial Agreement

4. **The Agreement.** Subject to the terms and conditions of an Agreement known as the “Contract for Purchase and Sale of Distribution Facilities” between Grundy Electric Cooperative, Inc. and the City of Galt, Missouri (the “Agreement”), the Applicants have specifically designated the boundaries of the exclusive electric service area of Grundy for service to persons at existing and new structures in the entirety of the municipal limits of Galt, Missouri, and have provided for the transfer of Galt customers

both within the corporate boundaries of Galt and outside the municipal limits, all of which is more particularly described in the Agreement. Applicants have attached a copy of the Agreement to this Application as **Appendix A**, which is incorporated by reference into this Application and made a part hereof for all purposes. A map of the service area is supplied in the Agreement. The purpose of this Agreement is to allow Grundy to purchase Galt's electric facilities and provide electrical service to one hundred fourteen (114) electric service locations in Grundy County. The Agreement requires transfer of all Galt facilities and customers from Galt to Grundy. The list of affected customers whose utility service would be changed by the Agreement, as required by 4 CSR 240-3.130 is attached to the Agreement as Exhibit A, and is incorporated herein by reference.

5. **Service Areas.** A diagram of the properties, Galt's existing lines and Grundy's existing lines, is attached to Agreement as Exhibit D, and is incorporated herein by reference. All relevant properties are located within incorporated rural areas of Grundy County, Missouri. Galt currently provides electrical service to one hundred fourteen (114) locations in Grundy County. (See Agreement, Exhibit A.)

6. **Authority to Serve in Proposed Areas.** Grundy is authorized to serve the incorporated rural areas of Grundy County, Missouri under § 394.080.1(4), RSMo. This Joint Application is being filed due to the municipal statute, § 91.025(2), RSMo., requiring a change of supplier to be permitted only in the context of municipal annexation (which does not apply here) or pursuant to a territorial agreement and not merely through an application for a change of supplier alone. The property owners or tenants have consented to the sale of Galt's electric utility facilities in a vote on April 6th, 2021. The results of that election are attached hereto as **Appendix C**.

7. **Change of Supplier.** The Agreement establishes exclusive service territory for Grundy in Galt, withdraws and replaces Galt electric utility services to its citizens, and displaces competition for a period of years as between Grundy and Galt. It requires transfer of all Galt facilities and customers from Galt to Grundy. A list of all affected customers is attached as Exhibit A to the Agreement and is incorporated herein by reference. Galt's current wholesale power purchase contract will be terminated on August 26, 2021. Galt, through negotiations and a vote of the Board of Aldermen, has committed to have its electric service provided by Grundy.

8. **Other Electric Suppliers.** To Applicants' knowledge and belief, there are no other electric suppliers serving in the areas covered by this Agreement.

9. **Public Interest.** The Agreement is not detrimental to the public interest. It is affirmatively in the public interest because it will ensure reliable electric service for Galt residents. The change also achieves operational efficiencies and reduces utility duplication. Thus, the proposed change of supplier is in the public interest for reasons other than a rate differential.

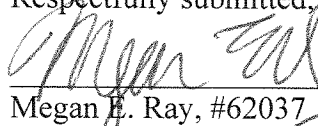
10. **Scope of Agreement.** Grundy will continue to have service responsibilities beyond the boundaries of the Agreement unaffected by the terms of the Agreement. This Agreement does not bind or detrimentally affect non-parties.

11. **Application Fee.** The Commission's fee required by 4 CSR 240-3.130 is submitted herewith.

WHEREFORE, Applicants respectfully request that the Commission issue its report and order:

- (a) Finding that the designation of electric service areas is not detrimental to the public interest and approving the Applicants' Contract for Purchase and Sale of Distribution Facilities to the extent that it stands as a Territorial Agreement;
- (b) Approving the change of supplier for customers from Galt to Grundy, pursuant to the Agreement for reasons in the public interest other than rate differential;
- (c) Granting Applicants' full administrative authority to perform in accordance with all of the terms and conditions of their Agreement, presented as **Appendix A** to this Joint Application; and
- (d) Ordering all further relief and actions as necessary or convenient to implement said Agreement.

Respectfully submitted,



Megan E. Ray, #62037
Andreck, Evans, Lewis, Figg & Battagler, LLC
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Springfield, MO 65804
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ATTORNEYS FOR GRUNDY
ELECTRIC COOPERATIVE



Brandon F. Greer
Cleaveland, Macoubrie & Cox, LLC
515 Washington St., #2
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e-mail: greerbrandon@yahoo.com
ATTORNEY FOR THE CITY OF GALT

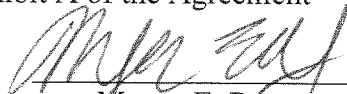
Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing Joint Application was served by electronic mail or U.S. Mail, postage prepaid, this 1st day of October, 2021 upon the following:

Office of the Public Counsel
Hampton Williams
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, Missouri 65102
opcservice@ded.mo.gov

Missouri Public Service Commission
Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, Missouri 65102
staffcounsel@psc.mo.gov

All customers listed on Exhibit A of the Agreement



Megan E. Ray

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 6th day of October, 2021.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 6, 2021

File/Case No. EO-2022-0098

**Missouri Public Service
Commission**
Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
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Chillicothe, MO 64601
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County of Grundy, Missouri
County Commission Clerk
700 Main, 2nd Floor
Grundy County Courthouse
Trenton, MO 64683
grundyclerk@grundycountymo.com

**Grundy Electric Cooperative,
Inc.**
Megan E Ray
3816 S Greystone Ct., Suite B
Springfield, MO 65804
mray@lawofficemo.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.