

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day of
March, 2016.

In the Matter of The Empire District Electric)
Company's Application for a Change of)
Supplier at an Existing Location in Monett,)
Missouri)

File No. EO-2016-0192

ORDER APPROVING CHANGE OF SUPPLIER

Issue Date: March 16, 2016

Effective Date: April 15, 2016

On January 28, 2016, The Empire District Electric Company (Empire) and the City of Monett, Missouri (City), filed an application with the Missouri Public Service Commission requesting a change of electric supplier with regard to a well pump and storm siren located at the City's airport.

In the application, Empire and the City explain that although the City operates a Municipal Electric System, Empire currently provides electric service to the City at six wholesale delivery points within the city limits, with one such point being located at the City-owned Monett Regional Airport; in particular, at the well pump (the City has 12 others that it serves through its own electric system) and a storm siren. When the City acquired the airport, a well was drilled to provide a stand-alone water system serving only the airport. In 2015, the City planned to replace the well pump with a larger one and to also extend a water main to the municipal airport in an effort to integrate the airport water needs into the City's municipal water supply. The City requested that Empire allow the City to service this

new pump from the City's own electric system. The new pump will also provide a water source into the City's municipal water system.

In support of their request, the applicants enumerate the following: (1) the City desires that all 13 pumps servicing its integrated municipal water distribution system be served by the same utility supplier – Monett City Utilities; (2) the municipal airport is not located within the City limits, so there are no territorial issues or restrictions; (3) the City will be making significant modifications to the well and its water system and desires that the electric service be converted from overhead service to underground; (4) the City desires to construct, own, operate, and maintain these facilities in accordance with the City's electric service standards; (5) the City desires to have direct control of potential outage issues, such as blown fuses and failed transformers, that could disrupt service to this critical piece of water infrastructure; (6) the City's service crews are located within minutes of the municipal airport, whereas the closest Empire crews would need to be dispatched from Aurora, at least 30 minutes away; and (7) the City would be able to more quickly de-energize the transformer and service in the event of an emergency without having to wait for Empire to arrive.

Further, the applicants add that if this application is approved, the City will provide a one-time payment to Empire equal to four years of lost revenues based on the difference between the wholesale and retail rates used in 2015 billing parameters. Finally, the City will reimburse Empire for all legal expenses incurred by Empire associated with this filing and the cost associated with abandoning and removing the existing Empire facilities.

Section 393.106.2 RSMo, allows the Commission to order a change of supplier on the basis that it is in the public interest for a reason other than a rate differential. The

applicants provide a number of reasons for the change of supplier; none of which is for a rate differential. The Staff of the Commission opines, in a recommendation filed on March 7, 2016, that the requested change of electric supplier is in the public interest for reasons other than a rate differential. Having considered the application and Staff's recommendation, the Commission finds that the requested change of supplier is sought for reasons other than a rate differential and is in the public interest.

THE COMMISSION ORDERS THAT:

1. The Joint Application for Change of Supplier, filed by The Empire District Electric Company and the City of Monett, Missouri is approved.
2. This order shall be effective on April 15, 2016.
3. This file shall be closed on April 16, 2016.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Jones, Senior Regulatory Law Judge