

1 law. Second, the failure of the Commission to order the transfer will lead to the construction
2 of duplicate electrical distribution facilities within the area because Intercounty cannot
3 legally serve new customers inside the City of Rolla.

4 Having decided that the transfer is in the public interest, the Commission next has to
5 decide how much Rolla should be required to pay Intercounty for its facilities. The statute
6 sets out the major topics. I will summarize where I think the major differences are at this
7 stage in the case. Rolla stands ready to negotiate with Intercounty on these issues. If some
8 or all of them can be negotiated to a settlement, then the Commission would not have to
9 decide them. I have included a column for the Staff position based on the rebuttal testimony
10 of Mr. Ketter. I do not know whether he has changed his position on any of these items.

11 Basically, RMU believes the Commission should grant RMU the Southside
12 Annexation Area as RMU's exclusive service territory, order the sale of the Intercounty
13 facilities for a total price of ^{1,285,210}~~\$1,299,473~~, order Intercounty to commence construction of lines
14 to re-integrate its facilities to replace those in the annexed area which will be isolated from
15 its system, and provide for the orderly transition of these 286 customers to RMU's system.
16

Exhibit No. 20
Date 12-11-00 Case No. EA-2000-308
Reporter KF

<u>Major Issue:</u>	<u>RMU Position</u>	<u>Intercounty Position</u>	<u>Staff Position</u>
Replacement cost new of Intercounty facilities	\$742,131	\$1,046,115	\$547,131
Less straight line depreciation	(\$675,339)		
Less systemwide depreciation		(\$296,115)	
Less Staff's calculated depreciation			(\$302,399)
Net facility price	\$ 66,792	\$749,960	\$244,732
Reintegration of Co-op system	\$383,077	\$593,120	
400% of annual revenue	\$ 1,166,814	\$1,548,295	\$1,534,146
Cost to re-integrate stranded Co-op customers	44,527.50 \$ 58,790	150,000	
Transfer of service	\$ 24,000	24,000	80,000
RMU paymt. for patronage obligation	-0-	\$402,649	?
RMU paymt. for Co-op office bldg.	-0-	1,000,229	?
RMU paymt. to reintegrate office bldg.	-0-	53,000	?
Set-off for easement problems	(\$400,000)	-0-	?
PCB testing of Co-op equipment			
Cost to RMU	-0-	all	
Cost to Intercounty	all	-0-	

In addition to the issues I have listed above, for which there is some quantification in dollars, there are other issues raised by the rebuttal testimony which are difficult to quantify in dollars but are discussed in RMU's surrebuttal testimony. I will list them as follows:

- quality of electric service for both suppliers
- joint use of facilities

- 44,527.50
- 1 ● the cost to reintegrate Intercounty's stranded customers is ~~\$58,790~~.
 - 2 ● the total cost to Intercounty to transfer annexed area customers to RMU is \$24,000.
 - 3 ● the fair and reasonable compensation should be reduced by \$400,000 due to the various
 - 4 problems with Intercounty's lack of easements in the area.
 - 5 ● the transfer of customers and reintegration of Intercounty's facilities as described in Mr.
 - 6 Bourne's revised feasibility study should be implemented.
 - 7 ● RMU has no obligation to pay any debt owed by Intercounty related to past business
 - 8 relationships with its customers in the annexation area. (Patronage obligation, capital credits,
 - 9 or discounts)
 - 10 ● RMU is not obligated to purchase the Intercounty office building located at 1310 S.
 - 11 Bishop and pay to build Intercounty another office building somewhere else.
 - 12 ● Intercounty may continue to serve its office building at 1310 S. Bishop subject to certain
 - 13 conditions and there will be no expense to RMU for reintegration of that service.
 - 14 ● RMU is not obligated to test Intercounty's transformers and/or equipment located in the
 - 15 southside annexation area for the presence of PCB's.
 - 16 ● Intercounty is required to test all of its transformers and/or equipment located in the
 - 17 southside annexation area for the presence of PCB's and remove any equipment containing
 - 18 regulated amounts prior to the transfer.

19

20 The Commission should therefore order the following:

- 21 ● (on the assumption that the Commission issues its order in early March, 2001 in this case)
- 22 Intercounty is to complete its engineering and right of way acquisition for the reintegration
- 23 of its facilities by no later than June 30, 2001; Intercounty is to complete the right of way

1 clearing for those purposes no later than July 31, 2001; Intercounty is to complete the
2 necessary line construction by no later than July 31, 2002; and the transfer of all 286
3 customers and the associated facilities within the annexed area is to be completed no later
4 than September 30, 2002.

5 • (on the assumption that the Commission issues its order in early March, 2001 in this case)
6 Rolla is required to pay ^{33,495.00}~~\$33,660.00~~ to Intercounty within 30 days of written notification by
7 Intercounty that it has completed its engineering and right of way acquisition for the
8 reintegration of its facilities; Rolla is required to pay \$20,691.00 to Intercounty within 30
9 days of written notification by Intercounty that it has completed right of way clearing; Rolla
10 is required to pay ^{373,419.00}~~\$387,516.50~~ to Intercounty within 30 days of written notification by
11 Intercounty that it has completed the necessary line construction outlined in the rebuttal
12 testimony of Mr. Ledbetter, as modified by the surrebuttal testimony of Mr. Bourne; Rolla
13 is required to pay \$857,605.83 to Intercounty within 30 days of the transfer of all 286
14 customers and the associated facilities within the annexed area.

15
16 Q. Does this conclude your surrebuttal testimony?

17 A. Yes, at this time.
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