

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

In the Matter of the Application of the City of  
Harrisonville, Missouri, and KCP&L Greater  
Missouri Operations Company for Approval  
Of a Territorial Agreement

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**Case No. EO-2017-0138**

**STAFF RECOMMENDATION TO APPROVE TERRITORIAL AGREEMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and for its Recommendation that the Commission approve the October 20, 2016, Territorial Agreement (“TA”) between the City of Harrisonville, Missouri (“City”), and KCP&L Greater Missouri Operations Company (“GMO”) (collectively “Joint Applicants”), that is the subject of their joint application, states as follows:

1. On November 7, 2016, the City and GMO filed their joint application requesting approval of their TA that would allow GMO to serve new customers on approximately 35 acres located within the city limits of Harrisonville, which has a municipally-owned electric utility. A new industry is expected to build a new structure(s) on this site. Both the City and GMO agree that allowing GMO to provide service to new structures on these about 35 acres is the most economical and practical option, as GMO’s existing facilities are closer to the site than the City’s.

2. Section 394.312.5, RSMo. 2016, provides, in part: “The commission may approve the application if it determines that approval of the territorial agreement in total is not detrimental to the public interest.”

3. The Joint Applicants are not requesting authority to transfer, sell or exchange any electric facilities or current customers/members. Thus, the

Joint Applicants will continue serving all their current customers/members, even if these customers/members are located in an area to be served exclusively by the other electric service provider should the Commission approve their TA.

4. As explained in Staff's memorandum (attached to this pleading as Appendix A), Commission approval of the TA will allow both the City and GMO to most efficiently and effectively use their existing facilities in the applicable areas and best plan for future expansion and, thereby, limit duplicative facilities. Therefore, it is Staff's opinion that the TA is not detrimental to the public interest, pursuant to § 394.312.5 RSMo 2016, 4 CSR 240-2.060, and 4 CSR 240-3.130.

**WHEREFORE**, Staff submits its Recommendation to the Commission's Order and recommends that the Commission approve the territorial agreement dated October 20, 2016.

Respectfully submitted,

**/s/ Casi Aslin**

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### **CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing were mailed, electronically mailed, or hand-delivered to all counsel of record this 6<sup>th</sup> day of December, 2016.

**/s/ Casi Aslin**

## **MEMORANDUM**

TO: Missouri Public Service Commission Official Case File  
Case No. EO-2017-0138 – In the Matter of the Application of the City of  
Harrisonville, Missouri and KCP&L Greater Missouri Operations Company for  
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FROM: Noumvi G. Ghomsi – Operations Analysis Department / Engineering Analysis  
Unit

/s/ Daniel Beck      12/6/16      /s/ Casi Aslin      12/6/16  
Engineering Analysis Unit / Date      Staff Counsel's Office / Date

SUBJECT: Staff Memorandum Recommending Approval of Territorial Agreement

DATE: December 6, 2016

## **STAFF RECOMMENDATION**

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve the October 20, 2016 Territorial Agreement (“TA”) between KCP&L Greater Missouri Operations Company (“GMO”) and the City of Harrisonville, MO (“City”) (collectively “Joint Applicants”) requesting approval of their TA that would allow GMO to serve new structures on approximately 35 acres (“affected areas”) that are located in the city limits of Harrisonville, Missouri, finding that the transaction is not detrimental to the public interest, pursuant to 394.312.5 RSMo (2016), 4 CSR 240-2.060, and 4 CSR 240-3.130.

## **OVERVIEW**

On November 7, 2016, the City and GMO filed their joint application requesting approval of their TA, which would designate approximately 35 acres that are located in the city limits of the City of Harrisonville, Missouri, which has a municipally-owned electric utility, as an exclusive electric service area of GMO. The terms of the TA apply only to the Joint

Applicants; these terms have no effect on any other electric service provider. The terms of the TA do not include any request for an exchange of electric facilities or current customers/members. Thus, the Joint Applicants will continue serving all their current customers/members even if these customers should lie in an exclusive service territory of the other electric service provider should the TA be approved by the Commission. The reasons cited for seeking approval of this TA include avoiding future duplication of electric facilities in these specified areas and allowing the Joint Applicants to make the most efficient and effective use of their existing and future resources.

On November 8, 2016, the Commission issued a *Notice of Application and Order Directing Filing* in which the Commission established a deadline of November 22, 2016 for any party desiring to intervene in this case and also directed Staff to file a recommendation by December 6, 2016. No party intervened in this case.

The City of Harrisonville, Missouri, is a municipality that provides electric service to its customers in all or parts of Harrisonville, Missouri, in which lie the areas that are the subject of the Joint Application. Although the Commission has limited jurisdiction over municipalities, the City of Harrisonville, Missouri, is subject to the jurisdiction of the Commission in this case under Section 394.312 RSMo (2016) <sup>1</sup>.

As a municipality, the City of Harrisonville is not required to file annual reports or pay assessment fees. Further, Staff is unaware of any pending or final unsatisfied judgments against the City from any state or federal court involving customer service or rates.

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<sup>1</sup> Section 394.312.4 states, in relevant part, that "...before becoming effective, all territorial agreements entered into under the provisions of this section, including any subsequent amendments to such agreements, or the transfer or assignment of the agreement or any rights or obligations of any party to an agreement, shall receive the approval of the public service commission by report and order..."

GMO is an electrical corporation subject to the jurisdiction of the Commission as specified, in part, by Chapters 386 and 393, RSMo (2016). GMO is authorized to provide electricity in and around the areas that are the subject of this Joint Application. GMO is subject to the jurisdiction of the Commission in this case.

GMO is current on all assessment fees and annual report filings. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing; nor is Staff aware of any pending or final unsatisfied decision against GMO from any state or federal court involving customer service or rates within the last three years that would affect or is affected by this filing.<sup>2</sup>

### **TERRITORIAL AGREEMENT**

On October 20, 2016, the Joint Applicants entered into a TA. The TA describes the Joint Applicants' electric service area boundaries and specifies that an approximately 35 acre parcel, known as the Warner Site, will receive electric service from GMO even though that site is located within the City's exclusive service area. A new industry is expected to build a new structure(s) on the Warner Site. GMO and the City both agree that allowing GMO to provide service to the Warner Site is both economical and practical. Although that alternative will require a minimal extension of GMO's facilities, it is most cost effective because GMO's existing facilities are much closer to the new structure than are those of the City. Any future customer connections in the City's service area will be at the discretion of the City of Harrisonville to serve them. No other electric utilities serve in the area covered by the Agreement. No existing

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<sup>2</sup> The Joint Application listed two GMO cases that are currently pending but Staff does not believe these cases affect this filing. The cases were EC-2016-0012, *Staff of the Missouri Public Service Commission v. KCP&L Greater Missouri Operations Company*; and EC-2016-0230, *James Dickson and Angela Dickson v. KCP&L Greater Missouri Operations Company*.

customer's utility service will be changed by the TA. The TA establishes service obligations that take best advantage of available electric facilities.

### **CONCLUSION**

For the reasons stated above, Staff is of the opinion that the Commission should approve the Joint Application, finding that this TA between GMO and the City of Harrisonville, Missouri, dated October 20, 2016, is not detrimental to the public interest, pursuant to Section 394.312.5 RSMo (2016), 4 CSR 240-2.060, and 4 CSR 240-3.130. Therefore, Staff recommends that the Commission approve the Joint Application, which will establish an exclusive electric service area for GMO and the City of Harrisonville, Missouri, as between them, at the Warner Site. Approval of the TA will allow GMO and the City of Harrisonville, Missouri to most efficiently and effectively use their existing facilities in the applicable areas and best plan for future expansion and thereby limit duplicative facilities. This TA has no effect on other electric service providers present in the affected areas included in the Joint Application. Allowing GMO to provide service to the Warner site is in the best interests of both the Joint Applicants and the public. Should the Joint Application be approved, the Staff recommends that the Commission order GMO to file revised tariff sheets with a metes and bounds description or a map with the Commission that reflect the service territory changes discussed in the Joint Application.

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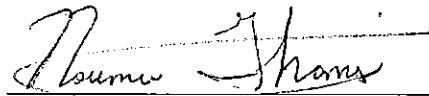
**Case No. EO-2017-0138**

**AFFIDAVIT OF NOUMVI GHOMSI**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

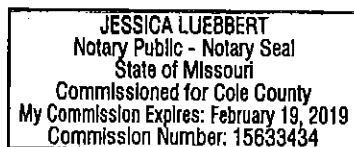
**COMES NOW**, Noumvi Ghomsi and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.



Noumvi Ghomsi

Subscribed and sworn to be this 6<sup>th</sup> day of December, 2016.



  
Notary Public