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INTERCOUNTY MEMBERS VS. ROLLA MUNICIPAL UTILITIES SETS PRECEDENT IN STATE OF MISSOURI

A public hearing was held on October 24 by the Missouri Public Service Commission with 110 of Intercounty's members present. This is the first case under the current statute (Section 386.800 RSMo) to reach this point. The hearing was a result of a request by the members to hold a public hearing with the Missouri Public Service Commission concerning whom their electric provider would be after the 1998 Southside Annexation in Rolla. After several people testified, the attorney for the City of Rolla and Rolla Municipal Utilities (RMU) raised objections to the right of other members of the public to speak at the meeting, and those objections were overruled by the PSC. A total of 17 speakers testified on behalf of themselves and others, expressing their desire to remain with Intercounty Electric Cooperative.

According to state law, after annexation the City has the ability to acquire the electric service facilities in the annexed area by negotiated agreement, and if an agreement cannot be reached, then by a proceeding in the Missouri Public Service Commission. However, prior to the vote on annexation, the Intercounty members in the annexed area were informed at all the public meetings, and in at least three issues of the Plan of Intent, presented by the City of Rolla, that their rural electric cooperative provider would not be changed. Following the annexation election, RMU, the municipal utility in Rolla, notified Intercounty's members in the annexed area that they would be acquiring all electric services in the area.

After receiving notification from RMU of their intent to take Intercounty's service area, Intercounty conducted a survey of the membership in the annexed area. The survey results indicated that over 90% of the members in the area did not want to be served by RMU. Intercounty then met with the City of Rolla and their agent, the Rolla Municipal Board, in an attempt to resolve this dispute and other historic problems. After a year of negotiations the City of Rolla filed with Missouri Public Service Commission to force the sale. A petition from the residents in the "Annexed Area" was presented to the Missouri Office of Public Counsel opposing RMU's acquisition of the services in the annexed area and requesting that a hearing be held by the Public Service Commission to determine what was in the best interest of the public.

The Public Service Commission will have a hearing in Jefferson City with Intercounty Electric, the Southside Neighbors, and RMU on December 4, 2000. Intercounty will continue to work with our members in resolving this issue, and encourages members in the area to contact the Missouri Public Service Commission or the Office of Public Counsel and express their concerns. As a "Member Owned, Member Operated Cooperative," this is truly grass roots membership in action. You may contact the Missouri Public Service Commission and the Office of Public Counsel at the phone numbers and addresses below:

Missouri Public Service Commission
200 Madison Street
P. O. Box 360
Jefferson City, Missouri 65102-0360
800-392-4211

John Coffman
Office of the Public Counsel
Suite 650
200 Madison Street
P. O. Box 7800
Jefferson City, MO 65102-7800
573-751-485

Exhibit No. 26
Date 12-5-00 Case No. PA 2000-308

Reporter K.S.