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December 12, 1994

Mr. David L. Rauch  
Executive Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

Re: Joint Application of Union Electric Company and  
Laclede Electric Cooperative  
Case No.: EO-95-151

Dear Mr. Rauch:

Enclosed for filing please find original and fourteen (14)  
copies of the Direct Testimony of Donald L. Clark submitted on  
behalf of Laclede Electric Cooperative. Copies have been provided  
to all counsel of record. An additional copy has been enclosed to  
be stamped "filed" and returned in the enclosed self-addressed,  
postage pre-paid envelope.

Thank you for your consideration.

Sincerely yours,

*Rodric A. Widger*  
Rodric A. Widger

RAW/cam

**FILED**  
DEC 14 1994  
Office of Public Utility  
Donald Clark  
MISSOURI  
PUBLIC SERVICE COMMISSION

**RECEIVED**  
DEC 14 1994

MO. PUBLIC SERVICE COMMISSION

4.

X

EXHIBIT NO.: \_\_\_\_\_  
ISSUE: PUBLIC INTEREST  
WITNESS: CLARK  
TYPE OF EXHIBIT: DIRECT  
TESTIMONY  
SPONSOR: LACLEDE ELECTRIC  
CASE NO.: EO-95-151

Direct Testimony  
of  
Donald L. Clark  
Case No. EO-95-151  
Joint Application  
of  
Union Electric Company  
and  
Laclede Electric Cooperative  
December 19, 1994

**FILED**  
DEC 14 1994  
MISSOURI  
PUBLIC SERVICE COMMISSION

4.

1 Q. PLEASE STATE YOUR NAME.

2 A. Donald L. Clark.

3 Q. BY WHOM ARE YOU EMPLOYED?

4 A. Laclede Electric Cooperative.

5 Q. WHAT IS LACLEDE ELECTRIC COOPERATIVE AND WHERE ARE ITS OFFICES

6 LOCATED?

7 A. The Cooperative is a Chapter 394 Cooperative Corporation which

8 was organized in 1938 to distribute electric energy and

9 service to its members in all or parts of Camden, Dallas,

10 Laclede, Pulaski, Webster and Wright Counties in Missouri.

11 Our main office is located at Lebanon, Missouri. The

12 Cooperative presently serves approximately 23,500 accounts.

13 Transmission service in our area is provided by Sho-Me Power

14 Electric Cooperative at Marshfield and our energy is generated

15 by Associated Electric Cooperative, Inc. of Springfield,

16 Missouri.

17 Q. WHAT IS YOUR POSITION WITH THE COOPERATIVE?

18 A. I serve as the General Manager of the Cooperative under the

19 direction of a Board of Directors elected by the membership.

20 Q. HAVE YOU BEEN AUTHORIZED TO APPEAR ON BEHALF OF THE

21 COOPERATIVE FOR PURPOSES OF THIS HEARING?

22 A. Yes I have.

23 Q. ARE YOU FAMILIAR WITH THE CONTENTS OF THE TERRITORY AGREEMENT

24 WHICH IS BEING PRESENTED HERE BY UNION ELECTRIC AND LACLEDE

25 ELECTRIC COOPERATIVE?

26 A. Yes. I worked on the Agreement and a copy is attached to my

27 testimony as Schedule 1.

28 Q. WOULD YOU STATE BRIEFLY THE PRINCIPAL FEATURES OF THE

29 TERRITORY AGREEMENT?

1 A. This agreement divides service responsibility between Union  
2 Electric and Laclede Electric where our systems meet in Camden  
3 County and Miller County. We have defined a line that will  
4 limit the need for utility duplication and allow both  
5 companies to obtain the best use of existing facilities and  
6 investments.

7 The agreement does not require that any customer or member be  
8 transferred. We have drawn the line carefully in an attempt  
9 to leave customers and members in the "right" area and have  
10 allowed that each supplier will continue service to the few  
11 existing customers and members that are in the other  
12 supplier's area.

13 Our agreement does not limit construction of appropriate  
14 facilities whenever necessary to provide reliable service in  
15 our respective areas. We have provided a method for dealing  
16 with odd cases such as a new structure located precisely on  
17 the boundary line and where the line, as an arbitrary  
18 boundary, could lead to an impractical or unreasonable result.  
19 It is highly unlikely that we would need to resort to any of  
20 these provisions but we felt obliged to cover all  
21 possibilities.

22 Q. HOW DOES THIS AGREEMENT DIFFER FROM THAT REJECTED BY THE  
23 COMMISSION IN CASE NO. EO-94-322?

24 A. We have changed the Agreement to adopt a method of handling  
25 exceptional cases in a way that involves direct Commission  
26 oversight. It is my understanding that the procedure  
27 presented here has been previously approved by the Commission  
28 in other cases. By making this change we are not agreeing  
29 that the Commission was correct to reject the prior

1 alternative plan. We are simply acting on our conviction that  
2 the benefits of an approved agreement outweigh any  
3 satisfaction to be gained from a successful appeal of that  
4 issue. To my knowledge there was no objection to any other  
5 provision in the Case No. EO-94-322 version and the remainder  
6 of the agreement is, therefore, unchanged.

7 Q. WHAT PUBLIC INTEREST GOALS ARE ADVANCED BY THE AGREEMENT?

8 A. There is little present duplication of facilities between  
9 Union Electric and Laclede but we have seen our systems being  
10 steadily drawn together. It would be fair to say that we are  
11 serving the public interest by acting now to avoid potential  
12 wasteful duplication and focussing our efforts on efficient  
13 use of existing resources.

14 Within our respective areas we will fulfill our duties of  
15 providing safe and adequate electric service at just and  
16 reasonable rates. Our planning, engineering and operational  
17 decisions will be simplified and our investments will not be  
18 driven by competition for new loads. The benefits can show up  
19 in avoided costs as well as in greater customer density which  
20 enhances our ability to keep rates as low as possible.

21 Q. DO YOU UNDERSTAND THAT THIS AGREEMENT DOES NOT BIND OR CONTROL  
22 ANY OTHER ELECTRIC SERVICE SUPPLIER?

23 A. Yes. We recognize that the Agreement does not change the  
24 rights and duties of any other electric service provider.

25 Q. ARE YOU ASKING THAT THE COMMISSION APPROVE THE ENTIRE  
26 AGREEMENT AS PRESENTED?

27 A. Yes.

28 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

29 A. Yes.