

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

In the Matter of the Joint Application of)
The City of Odessa, Missouri, and)
West Central Electric Cooperative for)
Approval Of a Change in Electric Supplier)
for Certain Customer for Reasons in the)
Public Interest.)

Case No. EO-2008-0339

STAFF RECOMMENDATION

COMES NOW the Staff of the Public Service Commission of Missouri (Staff) and for its Staff Recommendation, states as follows:

1. On April 15, 2008, the City of Odessa (City) and West Central Electric Cooperative (West Central or Coop), collectively “Joint Applicants”, filed a joint application seeking the approval of the Commission to change the electric service provider of Action Products Company, Inc. (Action or Company). Joint Applicants wish to switch service from the City to the Coop. Action is located just outside the city boundary and is in the service territory of the Coop.¹

2. On April 21, 2008, the Commission issued its *Order Directing Staff To File A Recommendation* not later than May 21, 2008. No intervenors have made application to appear in this case. Staff’s recommendation to grant approval to Joint Applicants’ request is contained in its Memorandum, attached hereto as Exhibit A and incorporated by reference.

2. Section 394.315.2 RSMo 2000 states, in pertinent part, that “...The public service commission, upon application...may order a change of suppliers on the basis that it is in the

¹ Section 394.315.2 limits the Commission’s jurisdiction “...to public interest determinations and excludes questions as to the lawfulness of the provision of service, such questions being reserved to courts of competent jurisdiction.”

public interest for a reason other than a rate differential...” This section grants the Commission limited jurisdiction over the Cooperative to make this determination. Commission rule 4 CSR 240-3.140 (1)(G) requires Applicant to state “The reasons a change of electrical suppliers is in the public interest...” For reasons discussed in detail in Staff’s Memorandum, the Staff believes it is in the public interest to approve the change in supplier from the City to the Coop, and that these reasons are for other than a rate differential. The Company, now taking service from the City, provided an affidavit (Appendix “C” of the Application), giving its consent and stating its desire to switch service to the Coop. Therefore, Staff’s Memorandum recommends the Commission issue an order approving Joint Applicants’ request to change Action’s electric supplier.

WHEREFORE, for the reasons discussed in Staff’s Memorandum, the Staff recommends the Commission issue an order approving Joint Applicants’ request to change Action’s electric service from the City to West Central Electric Cooperative.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 15th day of May 2008.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2008-0339, Joint Application of the City of Odessa,
Missouri, and West Central Electric Cooperative Requesting
Authorization For a Change in Electric Service Providers

FROM: Alan J. Bax, Energy Department – Engineering Analysis

/s/ Lena M. Mantle 05/15/08 /s/ Robert S. Berlin 05/15/08
Energy Department / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation

DATE: May 15, 2008

OVERVIEW

On April 15, 2008, the City of Odessa, Missouri (City) and West Central Electric Cooperative (West Central or Cooperative), collectively “Joint Applicants,” filed a Joint Application with the Missouri Public Service Commission (Commission) seeking approval to change the provider of electric service to Action Products Company, Inc. (Action). The City currently provides electric service to Action at its premises located on the Main Street Extension outside the city limits of Odessa, MO. Joint Applicants desire Action to receive electric service from the Cooperative instead of the City. Joint Applicants have included an Affidavit from Action stating its desire to change electric service providers from the City to the Cooperative.

The Cooperative is organized under Chapter 394 RSMo 2000 to provide electric service to its members located in parts of five Missouri counties including Lafayette County in which lies Action Products Company, Inc and the City of Odessa. Rural electric cooperatives, such as West Central Electric Cooperative, are subject to the jurisdiction of the Commission as specified in Chapter 394 RSMo 2000. For the purpose

of this case, the Cooperative is subject to the jurisdiction of the Commission under Section 394.315.2, RSMo 2000¹.

The City of Odessa is a municipal electric utility authorized under Section 91.025, RSMo 2000 to provide electric service within the city limits as well as certain facilities outside these boundaries.

On April 21, 2008, the Commission issued an Order directing the Commission's Staff to file its recommendation regarding this Joint Application.

DISCUSSION

Action is located at One Action Drive in unincorporated Lafayette County just outside the City of Odessa. Action primarily focuses on custom made, plastic injection molding products; however, it also provides metal fabrication and upholstery. A long time electric customer of the City, Action's current demand exceeds 100 kW, with a peak of greater than 1 MW. As noted above, Action has consented to take electric service from West Central.

The City desires to focus its resources on serving its current customer base within the City Limits and reportedly has no plans seeking to annex the area encompassing Action. The City states it can more efficiently meet the needs of its citizens without having to consider the current and future demands associated with meeting the relatively large load requirements of Action. Furthermore, the City asserts it can more economically and efficiently procure power, and reduce its operation and maintenance expenses related to serving its citizens by transferring Action to West Central.

¹ Section 394.315.2 states, in relevant part, that "...The public service commission, upon application made by an affected party, may order a change of suppliers on the basis that is in the public interest for a reason other than a rate differential, and the commission is hereby given jurisdiction over rural electric cooperatives to accomplish the purpose of this section..."

West Central has already begun to execute a predetermined plan to upgrade its existing transmission facilities in the area of its service territory where Action is located. This plan will not need to be substantially revised to enable it to provide electrical service to Action. In addition to West Central's existing line upgrade, West Central plans to purchase from the City certain facilities currently being used by the City to provide electric service to Action (Appendix B of Joint Application). West Central will also construct an approximate one mile extension from its existing transmission line to serve Action (Appendix C to Joint Application). West Central's provision of electric service to Action will add value to the Cooperative's decision to upgrade its existing facilities, via improving the efficient use of the Cooperative's facilities in this portion of its service area.

STAFF RECOMMENDATION

Staff believes the Joint Applicants' request for Commission authorization of a change in Action's electric service providers from the City of Odessa to West Central Electric Cooperative is both reasonable and in the public interest. This requested change in electric service providers is for reasons other than a rate differential as is required under Section 394.315.2.

Moreover, Joint Applicants have stated sufficient reasons of efficiency, load management and equipment optimization to demonstrate why the requested change in providers is in the public interest. Therefore, Joint Applicants have complied with Commission Rule 4 CSR 240-3.140 (1) (G), which requires "The reasons a change of electrical suppliers is in the public interest...". The City desires to focus its resources on its customer base within the city limits by having West Central provide Action's

relatively high load requirements. West Central had previously planned and has begun to execute, an upgrade of its transmission facilities in the portion of its service territory in Lafayette County outside the City of Odessa. These plans require no substantial revisions for West Central to provide electric service to Action. Adding Action as a customer benefits the Cooperative's member base. West Central can provide the necessary power and energy that Action's plastic injection molding and fabrication processes require. Action has consented to have West Central become its electric service provider. Therefore, based on the above reasons, the Staff recommends the Commission issue an order approving Joint Applicants' request to allow Action Products Company Inc. to change its electric service provider from the City to the Cooperative.

Neither the City of Odessa nor West Central Electric Cooperative is required to file annual reports or pay assessment fees with the Commission. Further, neither has a pending or final unsatisfied decision against it from any state or federal court involving customer service or rates within three years of the date of this filing.

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the City of Odessa, Missouri and West)
Central Electric Cooperative for)
Approval of a Change in Electric)
Supplier for Certain Customer for)
Reasons in the Public Interest)

Case No. EO-2008-0339

AFFIDAVIT OF ALAN J. BAX

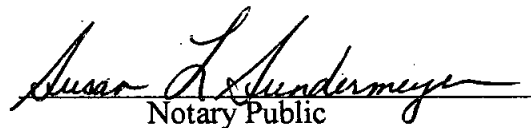
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Alan J. Bax, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Alan J. Bax

Subscribed and sworn to before me this 15th day of May, 2008.


Notary Public