

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

In the Matter of the Application of John	)	
Maggard for a Change of Electric	)	
Supplier.	)	<u>File No. EO-2012-0286</u>

STAFF’S AMENDED RECOMMENDATION

COMES NOW, the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its *Staff’s Amended Recommendation* states as follows:

1. On March 6, 2012, John Maggard filed an application with the Missouri Public Service Commission requesting that the electric supplier to his structure located at 3699 NE Hwy 13, Osceola, Missouri, be changed from Kansas City Power & Light Company (“KCP&L”) to SAC Osage Electric Cooperative, Inc., (“SAC Osage”). SAC Osage stated that it would agree to serve the structure only upon written consent from KCP&L. KCP&L Greater Missouri Operations Company (“GMO”) responded identifying itself as the supplier to Mr. Maggard’s structure, and objecting to the application. The Staff of the Commission also objected, so the Commission scheduled a prehearing conference in an effort to move the case toward hearing.

2. On June 11, 2012, GMO filed written consent with the Commission, stating that it now agreed to SAC Osage serving the structure, noting “that this change of supplier must include the currently active [GMO] account at the same location.” GMO’s filing also stated that no issues remained in dispute, and that the Commission should cancel the prehearing conference.

3. In light of GMO’s consent, the Commission ordered Staff to file an Amended Recommendation by June 19, 2012, or, in the alternative, a pleading stating

when it would file its Amended Recommendation, and canceled the scheduled prehearing conference.

4. On June 19, 2012, Staff filed a pleading in compliance with the above-mentioned *Order*, stating it would be able to file its Amended Recommendation by June 29, 2012.

5. Sections 393.106 and 394.315 RSMo, the “anti-flip-flop” statutes, authorize the Commission upon application by an affected party, to order a change of electrical suppliers if it is in the public interest for a reason other than a rate differential.

6. There are no territorial agreements between GMO and SAC Osage that are applicable to this matter.

7. As indicated in the Staff’s Memorandum, attached and marked Appendix A, Staff has re-evaluated the request contained in Mr. Maggard’s *Application*, conducted an on-site examination of the electrical facilities present on Mr. Maggard’s property, participated in a mediation with the parties, and has determined that the change of supplier request should be approved.

8. Of note in Staff’s Amended Recommendation that the change of supplier request would be in the public interest are the considerations of the foregone cost of litigation in this matter should the request be granted, the ability of SAC Osage to quickly bring service to Mr. Maggard’s structure, and Mr. Maggard’s difficult relationship with GMO.

WHEREFORE, for the reasons indicated in this pleading and the attached Staff Memorandum, Staff recommends that the Commission issue an order approving Mr. Maggard's request to change his electric service provider from the GMO to SAC Osage.

Respectfully submitted,

/s/ Meghan McClowry

Meghan E. McClowry
Legal Counsel
Missouri Bar No. 63070

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 29th day of June, 2012.

/s/ Meghan McClowry

SECOND MEMORANDUM

TO: Missouri Public Service Commission Official Case File No. EO-2012-0286,
Change in Electric Supplier filed by John Maggard

FROM: Daniel I. Beck, Energy Department – Engineering Analysis

/s/ Daniel I. Beck 6/29/12
Energy Unit / Date

/s/ Meghan McClowry 6/29/12
Staff Counsel's Office / Date

Subject: Staff Recommendation for Commission Approval of a change in electric
service provider to a structure located at 699 NE Hwy 13, Osceola, Missouri

Date: June 29, 2012

OVERVIEW

On March 6, 2012, John Maggard (Applicant) filed an application with the Missouri Public Service Commission (Commission) requesting that the electric supplier to his motel building located at 3699 NE Hwy 13, Osceola, Missouri, be changed from KCP&L Greater Missouri Operations Company (“GMO”)¹ to Sac Osage Electric Cooperative, Inc. (“Sac Osage” or “Cooperative”). Sac Osage filed its response on March 16, 2012 and GMO filed its response on April 5, 2012. Sac Osage stated in its response that it would serve the motel if Mr. Maggard’s request were granted, but did not specifically support or oppose the Application. GMO stated in its response that it believed that a mutually agreeable solution could be found and that it would file a status report to the Commission on or before May 4th, 2012, but it also did not specifically support or oppose the Application. On May 7, 2012 Staff filed its Memorandum which

¹ The Application describes the current supplier as “KCPL”, “KCP&L”, and “the new KCPL.” The Commission’s Order Directing Notice and Order Directing Responses to Application noted the fact that the current supplier was likely GMO and this was confirmed by GMO in its Response dated April 5, 2012.

included the following recommendation: “While Staff recommends that the Commission deny the Applicant’s request for a Change of Supplier because it does not meet the public interest standard required by Statute, Staff continues to maintain that a meeting or possibly mediation between Applicant and GMO would be beneficial.” Subsequently, the parties to the case participated in a mediation session on May 31, 2012. On June 11, 2012 GMO filed its Notice of Consent to Change Supplier. Based on the subsequent filings, meetings, and information obtained by Staff, Staff now recommends that the Commission approve the request for a change of supplier for John Maggard’s motel building located at 699 NE Hwy 13, Osceola, Missouri.

DISCUSSION

Since Staff filed its May 7, 2012 Memorandum, there have been significant filings in this case. In addition, Staff has participated in several discussions and a mediation in which more information was obtained. The most significant change in circumstances has been GMO’s June 11 filing which consents to the change of supplier. GMO did not explain its rationale, but instead stated that the change of supplier must include the active meter at that location and that GMO will not serve Mr. Maggard’s building after the change has taken place. Since GMO has a responsibility to represent the interest of its shareholders, GMO consent is important because GMO and its shareholders are part of the public.

Staff’s previous analysis of this request for a change of supplier did not include the cost of litigation; however, GMO’s consent allows for the possibility of granting the requested change of supplier without the additional cost of litigation. This is significant because the cost of litigation would have been incurred by GMO, the Cooperative, and by

Mr. Maggard. Avoiding additional litigation expense is in the interest of all parties to this case and should be considered.

In the seven-week period since Staff filed its Memorandum, Staff has had additional discussions with all the parties and has gathered additional information because of those discussions. A notable new fact is that the Cooperative would use existing lines that are closer to the building than Staff originally understood. In addition, the Cooperative already has the pad mounted transformer that will be required to serve that building in its existing inventory. The location of existing lines and the availability of the pad mounted transformer make the costs to the Cooperative lower than Staff thought they would be when it filed its original Memorandum.

In addition, Staff participated in the May 31, 2012 mediation session which was also informative. This session was Staff's first opportunity to discuss this matter with all of the parties at one time. This session provided Staff with an opportunity to observe the interaction of the parties and helped clarify the positions of the parties. Particularly, this meeting emphasized Mr. Maggard's disenchantment with GMO.

To summarize, based on Staff's analysis of the information of which it is now aware in this case, it appears that the interests of all the parties would be best served if the Commission grants the change of supplier request. This recommendation is based on information gathered for the previous Staff Memorandum together with the change in GMO's position, the consideration of litigation costs, the additional discussions with the parties and the additional information regarding the Cooperative's cost to install new facilities to serve this structure. Staff continues to believe that the economic development impact from reopening the motel and restaurant expediently should be considered in

determining the public interest; avoiding additional litigation appears to be the best way to expedite the reopening of the motel and restaurant given Mr. Maggard's insistence on a change of supplier.

STAFF RECOMMENDATION

Based on the information of which Staff is now aware, Staff recommends the Commission find that this change of supplier request is the public interest for reasons other than a rate differential.

The Staff has verified that the Company filed its 2010 annual report, has been granted an extension to file its 2011 annual report, and is not delinquent on its assessments. Sac Osage Electric Cooperative, Inc. is a rural electric cooperative that provides electric service to its members, and no annual reports or assessments are required from the Commission.

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OF THE STATE OF MISSOURI

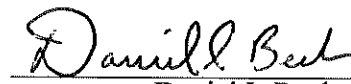
In the Matter of the Application of John)
Maggard for Change of Electric Supplier)

Case No. EO-2012-0286

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Daniel I. Beck, 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 provided to 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.



Daniel I. Beck

Subscribed and sworn to before me this 29th day of June, 2012.



Notary Public

