

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

In the Matter of the Joint Application of The)
Empire District Electric Company and the City)
of Carthage for Approval of a Change in Electric) Case No. EO-2007-0114
Supplier for Certain Customers for Reasons in)
the Public Interest)

STAFF RECOMMENDATION

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its Recommendation in the above-styled proceeding, respectfully states as follows:

1. On September 22, 2006, The Empire District Electric Company (“Empire”) and the City of Carthage (“Carthage”) filed a Joint Application requesting Commission approval of a change of suppliers from Empire to Carthage for three current Empire customers. The change is being proposed in order to accommodate the Missouri Department of Transportation’s construction of the Fairview/Highway 71 interchange at Carthage. The three customers have agreed to the proposed change.
2. On September 26, 2006, the Commission issued an Order directing the Staff to file its Recommendation concerning this matter no later than October 26, 2006.
3. Section 393.106.2¹ provides that, upon application of an affected party, the Commission “may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential.” Attached as Appendix A is a Staff Memorandum finding that the proposed change of suppliers meets that standard, and recommending Commission approval.

¹ The Joint Application cites Section 394.315.2 RSMo, which is an analogous provision but is applicable to rural electric cooperatives.

WHEREFORE, for the reasons stated in the attached Memorandum, the Staff recommends that the Commission issue an Order approving the proposed change of suppliers.

Respectfully submitted,

/s/ Dennis L. Frey

Dennis L. Frey
Senior Counsel
Missouri Bar No. 44697
573-751-8700
e-mail: denny.frey@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
573-751-9285 (Fax)

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 26th day of October 2006.

/s/ Dennis L. Frey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File No. EO-2007-0114,
Change in Electric Supplier from The Empire District Electric Company to
the City of Carthage for Three Customers

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

/s/ Lena M. Mantle 10/26/06
Energy Department / Date

/s/ Nathan Williams 10/26/06
General Counsel's Office / Date

Subject: Staff Recommendation

Date: October 26, 2006

OVERVIEW

On September 22, 2006, The Empire District Electric Company (Empire) and the City of Carthage, Missouri (Carthage) filed a Joint Application seeking Commission approval to change the electric supplier for three of Empire's current customers. Empire currently provides electric service to: 1) a highway advertising sign near Fairview Avenue owned by Lamar Outdoor Advertising, which is used by a commercial customer called Snak Atak; 2) a residence owned and occupied by Mary B. Campbell, located at 1378 West Fairview Avenue, Carthage Missouri; and 3) a residential barn owned by Joe E. Brown located at 1373 West Fairview Avenue and an outdoor light on that property. The customers are located within the city limits of Carthage, near a proposed new highway interchange at Fairview/Highway 71 in Jasper, Missouri.

On September 26, 2006, an Order Directing Filing was issued in Case No. EO-2007-0114 requiring the Staff to file its recommendation no later than October 26, 2006.

DISCUSSION

This Joint Application requests an order from the Commission to authorize a change in electric supplier for the three customers presently served by Empire. A Missouri Department of Transportation project to construct an interchange at Carthage, identified as Fairview/Highway 71, has prompted this request for a change in electric supplier. The electric suppliers serving this area state that the most efficient and timely way to accommodate the construction of the new interchange is to change electric suppliers. Transfer of the three customers will relieve Empire of the cost to relocate existing overhead electric facilities to allow for construction of the new interchange. Carthage has existing facilities in the immediate vicinity from which to provide electric service to the three customers.

The three customers presently served by Empire agree with the proposed change in electric supplier, and verified statements from each of the three customers are included with this filing. Empire and Carthage agree that Empire's release of the three customers to Carthage is in the public interest for a reason other than rate differential.

STAFF RECOMMENDATION

The Staff recommends that the Commission approve this Joint Application of Empire and Carthage for the change in electric supplier as being in the public interest for a reason other than a rate differential. The Joint Application is in compliance with the requirements set forth in the Commission rules for Applications and for Applications for Authority for a Change of Electrical Suppliers (4 CSR 240-2.060 and 4 CSR 240-3.140).

Empire has existing overhead electric facilities that serve the aforementioned advertising sign, residence, and barn plus outdoor light. These metering points serve the

three customers subject to this change of supplier request. Carthage has facilities in the immediate vicinity that can be extended and will provide the most cost effective means of accommodating this highway interchange project. The electric suppliers agree that this change is in the public interest for reasons other than a rate differential. The customers affected by this proposed change in electric supplier agree to this proposed change of supplier.

The City of Carthage has a municipal utility that provides electric service to its citizens, and no annual reports or assessments are required from the Commission. Carthage states that there are no pending or final judgments or decisions against it from any state or federal agency that involve its customer service or rates within the three years immediately preceding the filing of the Joint Application.

Empire states that it has no pending or final unsatisfied judgments or decisions against it from any state or federal agency which involve customer service or rates, which have occurred within the three years immediately preceding this filing. Empire has no overdue Commission annual reports or assessment fees. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing.