

Your Path to Power

by Angie Morfeld
photographs by Scott Myers



As a kid, I remember making my way through the house, flipping on light switches as I went. Rarely do I recall flipping off those same switches, which would always invoke the same question from my dad, “Do you think we own stock in the electric company?”

I had never thought about it. Maybe we did own stock in the electric company. I was a kid. I didn’t know.

“Electricity is something we take for granted,” said Llona Weiss, director of the Missouri Department of Natural Resources’ Division of Energy. “It powers our lights,

computers, televisions, smart phones, kitchen appliances, and the list goes on and on. We just expect it to be there when we need it, like magic,” Weiss added.

But have you ever thought about where your electricity comes from? In Missouri, depending upon where you live, your electricity comes from one of three sources: an investor-owned electric utility, a rural electric cooperative, or a municipal electric utility.

Which one serves your property was likely determined decades ago, and as a general rule, cannot be changed. In a very limited number of states where electric utility service has been

“restructured” or deregulated, customers may have a choice of utility source from which to purchase electricity, but that is not the case in Missouri. Investor-owned utilities, rural electric cooperatives and municipal utilities differ in the way they were formed and the way they are governed and covered by law.

Investor-Owned Electric Utilities

Nearly two million Missouri residential, commercial and industrial customers receive electric services from four investor-owned electric companies. They include Kansas City Power & Light Co., KCP&L – Greater Missouri Operations Co., Ameren Missouri, and The Empire District Electric Co. These investor-owned utilities are structured as for-profit corporations, and are owned by shareholders, just like other Missouri corporations. The utilities’ rates and conditions of service to customers are regulated by the Missouri Public Service Commission. In 2011, Missouri’s investor-owned utilities generated more than 69 million megawatt-hours of electricity, or 75.4 percent of the state’s electricity production.

Rural Electric Cooperatives

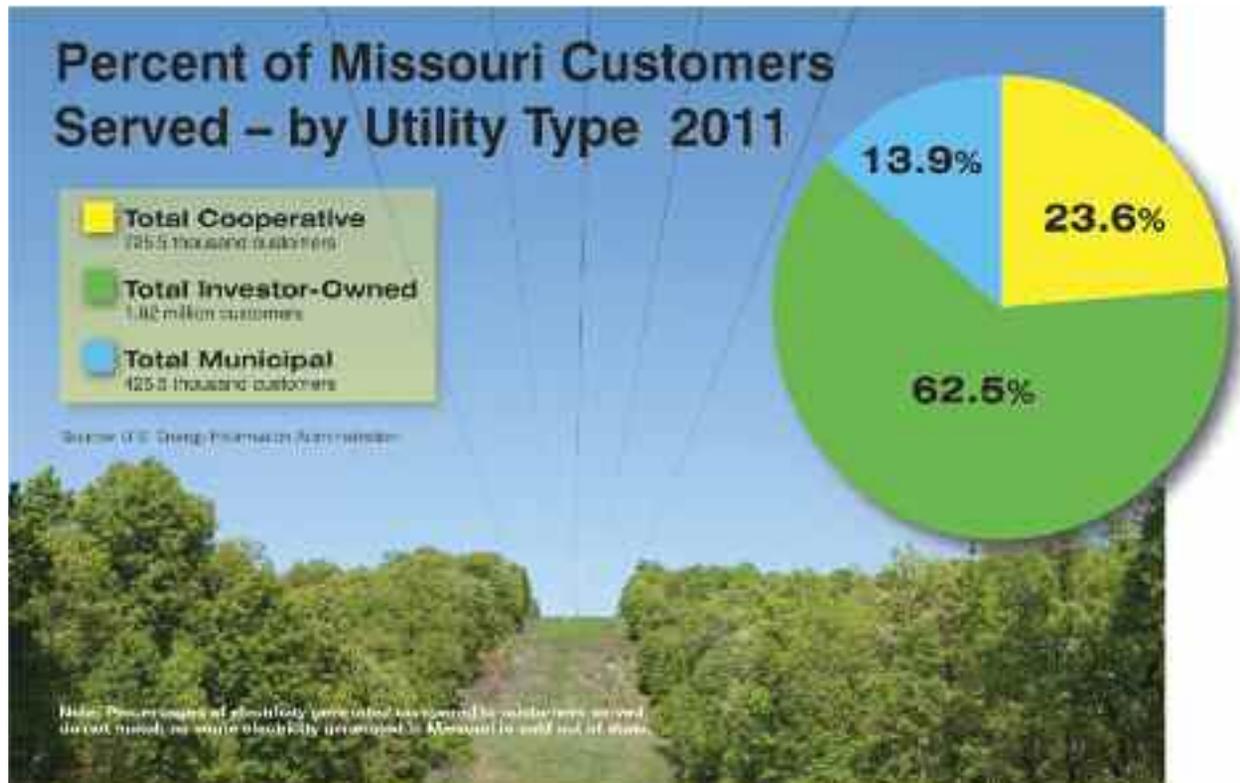
Established in the 1930s by President Franklin D. Roosevelt’s Depression-era

New Deal, rural electric cooperatives were the first providers of electric services in many areas of the state.

Unlike investor-owned electric utilities, rural electric cooperatives are non-profit institutions, governed by a board of directors elected by its member-owners. Each customer is considered a member and owner of the cooperative. If a cooperative collects more in rates than its costs to operate, these funds are generally reinvested for infrastructure, held as future reserves, or distributed back to members in the form of “patronage” or “capital credits,” which essentially are dividends paid on a members’ investment in the cooperative.

There are two types of electric cooperatives – distribution cooperatives and generation and transmission cooperatives. There are 40 distribution cooperatives in the state, and in 2011 they served more than 725,000 residential and business customers.

The seven generation and transmission cooperatives sell wholesale power to the distribution cooperatives, either from power plants they own or through resale of power they purchase in bulk from other electricity producers in Missouri, or elsewhere. In 2011, Missouri’s generation and transmission cooperatives generated more than 16 million megawatt-hours, or 18.2 percent, of the state’s total.



Missouri Electric Service Areas

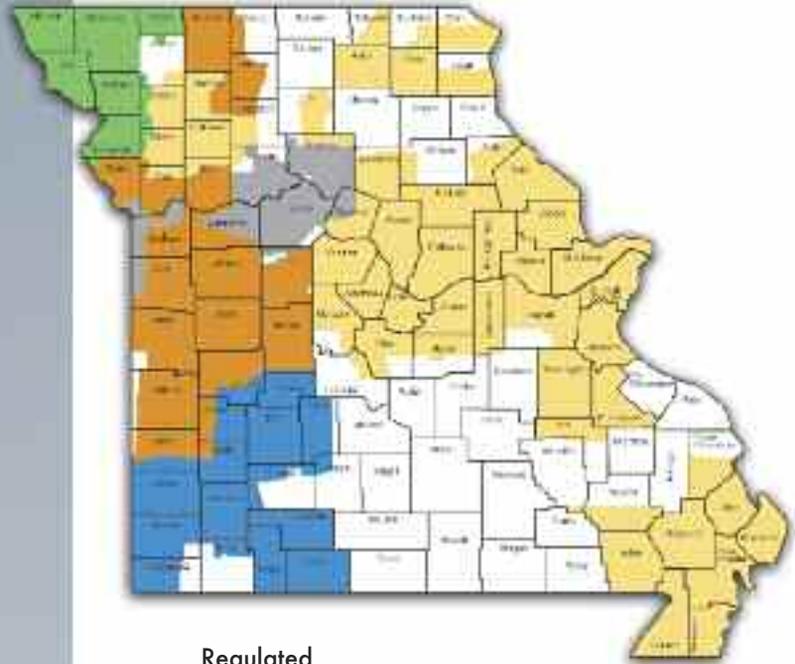
Municipal Electric Utilities

A municipal electric utility is owned and operated by a city, and provides electric services to its citizens. Not all municipal electric utilities generate their own power and may purchase power from other electric providers. Municipalities' utility rates, which are not subject to state regulations, are set by a local utility board or commission, or the municipal administration.

There are 88 municipal electric utilities in Missouri. In 2011, municipalities generated more than 5 million megawatt-hours of electricity, or a little more than six percent of the state's total electricity generation.

"I encourage you to take a vested interest in your electrical provider because an educated consumer is always the best consumer," Weiss said. "You may not be able to choose whether your power comes from an investor-owned utility, cooperative or municipality, but by staying fully informed, you will be aware of the incentives and programs offered." ☀️

Angie Morfeld is an information officer with the department's Division of Energy. Byron Murray, an energy planner in the division, provided technical and financial information for the story.



Regulated

- KCP&L GMO**
(St. Joseph Division)
- KCP&L GMO**
(Mo. Public Service Division)
- Empire District Electric Co.**
- Kansas City Power & Light Co.**
- Ameren Missouri**

Non-Regulated

- Covered by Distribution Cooperatives**

The following municipal systems exist within both regulated and non-regulated distribution areas.

Municipal Electric Systems:

Albany, Ava, Bethany, Butler, Cabool, California, Cameron, Carrollton, Carthage, Centralia, Chillicothe, Columbia, Crane, Cuba, Easton, El Dorado Springs, Farmington, Fayette, Fredericktown, Fulton, Gallatin, Galt, Gilman City, Hannibal, Harrisonville, Hermann, Higginsville, Houston, Hunnewell, Independence, Jackson, Kahoka, Kennett, Kirkwood, Lamar, La Plata, Lebanon, Liberal, Linneus, Lockwood, Macon, Malden, Mansfield, Marceline, Marshall, Meadville, Memphis, Milan, Mindenmines, Monett, Monroe City, Mount Vernon, Mountain View, New Madrid, Newburg, Nixa, Odessa, Osceola, Owensville, Palmyra, Paris, Perry, Poplar Bluff, Rich Hill, Richland, Rock Port, Rolla, Salem, Salisbury, Seymour, Shelbina, Sikeston, Slater, Springfield, St. James, St. Robert, Stanberry, Steelville, Sullivan, Thayer, Trenton, Unionville, UMC-Columbia, Vandalia, Waynesville, West Plains, Willow Springs, Winona.