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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS
Hearing
January 31, 2006
Jefferson City, Missouri
Volume 6

In the Matter of the Tariff Filing)
Of Aquila, Inc., to Implement a)
General Rate Increase for Retail)
Electric Service Provided to) Case No. ER-2005-0436
Customers in its MPS and L&P)
Missouri Service Areas)

In the Matter of the Tariff Filing)
of Aquila, Inc., to Implement a)
General Rate Increase for Retail) Case No. HR-2005-0450
Steam Heat Service Provided to)
Customers in its L&P Missouri)
Service Area)

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MORRIS L. WOODRUFF, Presiding,
SENIOR REGULATORY LAW JUDGE.

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REPORTED BY:

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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Well, welcome everyone.

3 This is Case No. ER-2005-0436 and HR-2005-0450. This was
4 scheduled to begin hearing today, and I believe the
5 parties have something -- well, let's go ahead and do
6 entries of appearance first, beginning with Aquila.

7 MR. SWEARENGEN: Yes. James C. Swearengen
8 and Janet Wheeler, Brydon, Swearengen & England, appearing
9 on behalf of Aquila. Thank you.

10 JUDGE WOODRUFF: And for Staff?

11 MR. WILLIAMS: Nathan Williams, P.O.
12 Box 360, Jefferson City, Missouri 65102.

13 JUDGE WOODRUFF: For Public Counsel?

14 MR. MILLS: Lewis Mills on behalf of the
15 Office of the Public Counsel and the public. My address
16 is Post Office Box 2230, Jefferson City, Missouri 65102.

17 JUDGE WOODRUFF: For AARP?

18 MR. COFFMAN: Thank you. John B. Coffman
19 representing AARP. My address is 871 Tuxedo Boulevard,
20 St. Louis, Missouri 63119.

21 JUDGE WOODRUFF: Thank you. Ag Processing
22 and Sedalia Industrial Energy Users are represented by Stu
23 Conrad, and Mr. Conrad sent me an e-mail a few minutes ago
24 and I excused him from being here today.

25 Is anyone here for Calpine?

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1 (No response.)

2 JUDGE WOODRUFF: City of Kansas City?

3 MR. COMLEY: Let the record reflect the
4 entry of appearance of Mark W. Comley, Newman, Comley &
5 Ruth, Post Office Box 537, Jefferson City, Missouri 65102,
6 on behalf of the City of Kansas City.

7 JUDGE WOODRUFF: And City of St. Joseph?

8 MR. STEINMEIER: William D. Steinmeier,
9 William D. Steinmeier, PC, on behalf of the City of
10 St. Joseph, Missouri.

11 JUDGE WOODRUFF: And for The Empire
12 District, I don't see Mr. Keevil.

13 Federal Executive Agencies?

14 MR. WILLIAMS: Judge, this is Nathan
15 Williams. I spoke with Major Paulson this morning, and he
16 indicated he's down in Florida and wasn't appearing here
17 in anticipation of this case settling, and he didn't make
18 the trip up for that reason.

19 JUDGE WOODRUFF: Very good. Department of
20 Natural Resources? I don't believe Ms. Woods is here yet.
21 I believe that's all the parties.

22 Now I'll ask Aquila, I understand that
23 there was a settlement reached in this case?

24 MR. SWEARENGEN: Yes, your Honor. We've
25 reached an agreement and reduced it to writing and hope to

1 have it filed later this afternoon. However, it will not
2 be a Unanimous Stipulation & Agreement. There are several
3 parties who have indicated that they're not willing to
4 sign the document, and I would let them speak as to
5 whether or not they've formed an intention as to whether
6 or not they will ultimately oppose it and request a
7 hearing.

8 But those parties that we have been able to
9 reach agreement with have indicated they will sign. Some
10 of them have already signed the document. So we hope to
11 have something filed shortly in the electric case.

12 JUDGE WOODRUFF: Which are the parties that
13 will not be signing?

14 MR. SWEARENGEN: Calpine, we have not heard
15 from Calpine. I believe AARP has indicated that they will
16 not sign. The Office of the Public Counsel has indicated
17 that it will not sign, and I believe the same is for the
18 Empire District Electric Company.

19 JUDGE WOODRUFF: Okay. Let's go through
20 them one by one. Calpine I understand, as I recall, has
21 filed for bankruptcy; is that correct?

22 MR. SWEARENGEN: I believe that's true.

23 JUDGE WOODRUFF: It's my understanding that
24 they have not really participated in the latter stages of
25 this case at all. Is that true?

1 MR. SWEARENGEN: That's correct.

2 JUDGE WOODRUFF: Okay. Let's deal with The
3 Empire District then. Also, I know at the beginning of
4 the proceeding Mr. Keevil indicated he would not be
5 participating to any great extent in this case. Have they
6 been kept informed of --

7 MR. SWEARENGEN: They have been kept
8 informed, your Honor, and it's my understanding -- and I'd
9 prefer that Mr. Keevil speak for himself, but he's
10 indicated to me that while they're not going to sign this,
11 they have no intention of opposing it and requesting a
12 hearing.

13 JUDGE WOODRUFF: All right. Thank you.
14 Then I'll turn to Public Counsel. What is your position
15 going to be, Mr. Mills?

16 MR. MILLS: Well, of course, I haven't seen
17 the document as it's filed, but assuming that it's filed
18 in conformance with the drafts that I have seen, it is my
19 intention to not be a signatory, but also to not request a
20 hearing.

21 JUDGE WOODRUFF: Thank you. Mr. Coffman?

22 MR. COFFMAN: Thank you. I think likely --
23 I will likely be in the same situation as the Public
24 Counsel, although my client has asked that it wait until
25 this document is actually filed. There were many language

1 changes that have been floating around the last few
2 months, and some of the concerns of my client relate to
3 some of these language changes. So I can't today commit
4 whether or not AARP would request a hearing or object to
5 any specific issues until we've seen the final document
6 and have a chance to look at it.

7 JUDGE WOODRUFF: Certainly I understand the
8 need to actually see the document. Of course, the
9 Commission's not seen the document at this point yet
10 either.

11 MR. COFFMAN: But we are very well aware of
12 the time limit that begins when the document is filed and
13 would make a decision within that time what to do.

14 JUDGE WOODRUFF: And that's the seven days
15 allowed by the regulation?

16 MR. COFFMAN: That's right.

17 JUDGE WOODRUFF: All right. And this
18 Stipulation & Agreement that has been reached, is that in
19 both the electric as well as the steam case?

20 MR. SWEARENGEN: There's a separate
21 document that's being prepared in connection with the
22 steam case, your Honor. I do not believe it is quite as
23 far along as we are in the electric case. I think the
24 issue there is examining the tariffs that would implement
25 the agreement. Maybe Mr. Williams can shed some light on

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3 JUDGE WOODRUFF: Mr. Williams?

10 JUDGE WOODRUFF: Let me ask Mr. Swaengen,
11 do you anticipate any problems with finalizing that
12 settlement?

22 JUDGE WOODRUFF: All right. And how
23 quickly do you anticipate actually filing the document?
24 Are we waiting for signatures yet?

1 document in the electric case this afternoon. I think
2 we're waiting just to hear from Major Paulson and the
3 Department of Natural Resources. Everyone else has either
4 signed or authorized someone to sign on their behalf. So
5 we'll file something today.

6 JUDGE WOODRUFF: I know the Commissioners
7 are anxious to see it.

8 MR. SWEARENGEN: Yes. We'll file something
9 today in the electric case.

10 JUDGE WOODRUFF: Very good. Anything else
11 anyone wants to bring up?

12 All right. Well, the Commissioners I
13 expect will -- as I indicated, are anxious to see the
14 document. They'll likely request an on-the-record
15 presentation to ask questions about the document once
16 they've seen it. I have not been instructed as to when
17 that will happen. Presumably next week sometime. But I
18 will issue a subsequent order telling you when that will
19 be. Is there any days that anyone particularly doesn't
20 want to be here?

21 MR. WILLIAMS: Judge, as to that, the
22 Stipulation & Agreement contemplates the Staff filing a
23 memorandum and the other parties having five days to
24 respond to that.

25 MR. COFFMAN: If I can ask Staff, is there

1 a target date for that suggestion document being filed?

2 MR. WILLIAMS: Well, given that my time has
3 been spent on the negotiations over the settlement
4 agreement, it's -- I'm going to need a few days in order
5 to get the suggestions in order for filing. I don't have
6 a specific date in mind, but I know it will take a few
7 days. It's not something I plan on holding up.

8 JUDGE WOODRUFF: Well, obviously the
9 Commission wants to be able to put this to bed as soon as
10 possible, and particularly if there was some problem with
11 it that the Commission finds with the Stipulation &
12 Agreement and were to decide that they were not going to
13 accept it, it would leave us a very short amount of time
14 to conduct a hearing. I'll cross my fingers and knock on
15 wood about that.

16 All right. Well, at this point, then, I
17 will continue this hearing indefinitely. There will be a
18 further order indicating whether or not there will be a
19 need for an on-the-record presentation, and I look forward
20 to seeing the document filed. Thank you.

21 We're off the record.

22 WHEREUPON, the hearing of this case was
23 concluded.

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