1	STATE OF MISSOURI
2	PUBLIC SERVICE COMMISSION
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6	TRANSCRIPT OF PROCEEDINGS
7	Public Hearing
8	May 18, 2005 Jefferson City, Missouri
9	Volume 1
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12 13	In the Matter of a Proposed) Amendment to the Commission Rule) Case No. EX-2003-0371 4 CSR 240-3.130, Filing and Report)
14	Requirements)
15	In the Matter of a Proposed) Amendment to Commission Rule) Case No. EX-2003-0372 4 CSR 240-3.135, Filing and)
16	Reporting Requirements)
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18	NANCY M. DIPPELL, Presiding,
19	SENIOR REGULATORY LAW JUDGE.
20	CONNIE MURRAY, LINWARD "LIN" APPLING,
21	COMMISSIONERS.
22	
23	REPORTED BY:
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1 PROCEEDINGS
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- 2 JUDGE DIPPELL: This is Case
- 3 No. EX-2003-0371 and EX-2003-0372, in the matter of a
- 4 proposed amendment to Commission Rule 4 CSR 240-3.103,
- 5 filing and reporting requirements, and in the matter of
- 6 proposed amendment to Commission Rule 4 CSR 240-3.135,
- 7 filing and reporting requirements.
- 8 My name is Nancy Dippell, and I'm the
- 9 Regulatory Law Judge assigned to this matter. And we come
- 10 here today for a joint public commission hearing on these two
- 11 proposed rule amendments. We're going to hear these cases
- 12 simultaneously since they pretty much pertain to the same
- 13 matters and are similar in nature.
- 14 We're going to go ahead -- I'll ask for, I
- 15 guess, comments in support first and then opposing
- 16 comments, but if you have mixed comments, that's fine.
- 17 You can make those. And I'll also let you go ahead and
- 18 make all of your comments relating to each of the rules
- 19 when you're speaking so we don't have to call people back
- 20 and forth, but if you would please be clear for the
- 21 purpose of summarizing the comments later, it's easier if
- 22 you're clear about which rule it is that your comments
- 23 relate to.
- 24 So I guess I'll go ahead and ask for
- 25 comments in support of the rules, and I'll also -- I know

- 1 some of you are attorneys here, but in a rulemaking
- 2 hearing, I consider everybody a public commenter, so I
- 3 will swear you in if the attorneys are testifying.
- 4 Mr. Frey?
- 5 MR. FREY: Are we going to have entries of
- 6 appearance, your Honor?
- JUDGE DIPPELL: No, we're not going to do
- 8 that at this time. The attorneys have made written
- 9 entries of appearance, and that will suffice to show that
- 10 you were here.
- 11 Okay. We'll go ahead and begin with
- 12 comments in support. Are there other comments in support
- 13 besides Staff?
- 14 All right. Then we'll begin with Staff.
- 15 MR. FREY: Your Honor, Staff would like to
- 16 tender Warren Wood as the manager of the energy
- 17 department.
- 18 JUDGE DIPPELL: All right. Mr. Wood, would
- 19 you please raise your right hand.
- 20 (Witness sworn.)
- JUDGE DIPPELL: Thank you.
- 22 WARREN WOOD testified as follows:
- MR. WOOD: My initial comments will be
- relative to rulemaking Case No. EX-2003-0371, Commission
- 25 Rule 4 CSR 240-3.130.

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1 Missouri Public Service Commission Rule
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- 2 4 CSR 240-3.130 currently addresses filing requirements
- 3 for applications for approval of electric service
- 4 territorial agreements and references Rule 4 CSR 240-3.135
- 5 regarding fees.
- 6 Staff is proposing that Rule 4 CSR
- 7 240-3.130 be expanded to also address petitions for
- 8 designation of electric service areas, require that
- 9 additional information that is typically requested now
- 10 during a case proceeding be provided in the application or
- 11 petition and describe the fees associated with these
- 12 applications or petitions without references to another
- 13 rule.
- 14 These proposed amendments were published by
- 15 the -- for public comment in the Missouri Register on
- 16 April 1st, 2005. In order to resolve as many of the
- 17 potential issues as possible before today's hearing, the
- 18 Staff arranged to conduct a collaborative meeting with
- 19 interested parties on April 18th, 2005. This
- 20 collaborative meeting was arranged to give all interested
- 21 parties a chance to discuss the changes initially proposed
- 22 by the Staff in the rule version published in the Missouri
- 23 Register, as well as any additional changes proposed by
- 24 the parties in attendance.
- 25 As a result of this collaborative meeting

- 1 and the negotiations that took place in it, the Staff is
- 2 proposing that the rule, final rule approved by the
- 3 Commission include the changes proposed in the revision --
- 4 in the version of the rule published in the Missouri
- 5 Register on April 1st, 2005, as additionally modified by
- 6 the changes suggested in its May 6th, 2005 comments.
- 7 These comments reflect the changes Staff agreed to during
- 8 the April 18th collaborative meeting.
- 9 Staff did not agree to remove the
- 10 requirement in the rule that rate information and proposed
- 11 Section 1E and tax impacts in proposed Section 1G be
- 12 provided to the Commission. It's Staff's impression that
- 13 the Commission has requested this information in the past
- 14 and should be provided with the opportunity to hear
- 15 arguments regarding the need for this information.
- 16 Section 1E in particular would specifically
- 17 require providing information regarding rate differentials
- 18 that the Staff has been asked in the past to provide to
- 19 the press and to customers who have called the Staff
- 20 regarding a particular proceeding.
- 21 AmerenUE and the Association of Missouri
- 22 Electric Cooperatives both filed comments that were very
- 23 similar in their objections to the data submittal
- 24 requirements in proposed Sections 1E and 1G of Rule 3.130.
- 25 That concludes my comments regarding the

- 1 240-3.130 rule. Would you like me to proceed into the
- 2 comments on 3.135?
- 3 JUDGE DIPPELL: Would the Commissioners
- 4 have questions for those comments?
- 5 COMMISSIONER MURRAY: He can proceed as far
- 6 as I'm concerned.
- 7 JUDGE DIPPELL: Okay. Go ahead with your
- 8 comments on the other rule, Warren.
- 9 MR. WOOD: Okay. Thank you. These
- 10 comments will relate to rulemaking case EX-2003-0372,
- 11 Commission Rule 4 CSR 240-3.135.
- 12 Missouri Public Service Commission Rule
- 4 CSR 240-3.135 currently addresses fees applicable to
- 14 applications for approval of electric service territorial
- 15 agreements, petitions for designation of an electric
- 16 service area and applications for resolution of
- 17 annexation-related disputes.
- 18 Requirements for applications for approval
- 19 of electric service territorial agreements are provided in
- 20 Commission Rule 4 CSR 240-3.130. Staff is proposing that
- 21 Rule 4 CSR 240-3.135 be revised to require the following
- 22 requirements associated with applications for resolution
- 23 of annexation-related disputes be added to this rule, and
- 24 then narrowing the scope of the rule such that it no
- 25 longer addresses fees for applications for approval of

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1 electric service territorial agreements and petitions for
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- 2 designation of electric service areas as these provisions
- 3 will be moved to Rule 4 CSR 240-3.130.
- 4 These proposed amendments were published
- 5 for public comment in the Missouri Register on April 1st,
- 6 2005. In order to resolve as many of the potential issues
- 7 as possible before today's hearing, the Staff arranged and
- 8 conducted a collaborative meeting of interested parties on
- 9 April 18th, 2005.
- 10 This collaborative meeting was arranged to
- 11 give all interested parties a chance to discuss the
- 12 changes initially proposed by the Staff in the rule
- 13 version published in the Missouri Register, as well as any
- 14 additional changes proposed by the parties in attendance.
- 15 As a result of this collaborative meeting
- 16 and the negotiations that took place in it, the Staff is
- 17 proposing that the final rule approved by the Commission
- 18 include the changes proposed in the version of the rule
- 19 published in the Missouri Register on April 1st, 2005, as
- 20 additionally modified by changes suggested in its May 6,
- 21 2005 comments. These comments reflect the changes Staff
- 22 agreed to during the April 18th collaborative meeting.
- 23 During the collaborative meeting, some
- 24 objections were raised regarding providing the tax impacts
- 25 in Staff's rule version Section 3E. Staff did not remove

- 1 this provision as it believed the Commission should have
- 2 the opportunity to hear arguments on the need for this
- 3 language. Staff notes now, however, that no parties
- 4 raised the language in this section as a concern in their
- 5 written comments.
- 6 KCPL was the only party to provide comments
- 7 on the proposed amendments to 3.135 during the written
- 8 comment period. I will briefly address each of these
- 9 comments.
- 10 Section 1B, KCPL objected to the term
- 11 "legal description." Staff notes that legal description
- 12 was used in the language related to this topic in the
- original Rule 3.130 that was brought into Rule 3.135.
- 14 Staff would, however, clarify their
- 15 expectations for what information is provided is not
- 16 changed. We basically need it provided with sufficiently
- 17 detailed information to draw an accurate line on a map
- 18 that shows territories. We haven't been provided
- 19 sufficient information to delineate exactly where are
- 20 territories on a map, and we haven't provided sufficient
- 21 information.
- 22 Section 3, Kansas City Power & Light
- 23 objected to 10 days and recommends 20 days in terms of the
- 24 time for the electric supplier to respond with the
- 25 information required in Section 3. Staff has no objection

- 1 to this revision, but notes a 120-day statutory limit
- 2 regarding these provisions, and that this additional time
- 3 further reduces the time for other parties to do their
- 4 work and to concluding the time for the Commission to
- 5 formulate an Order.
- 6 Section 3C, Kansas City Power & Light
- 7 stated that this section is confusing. Upon review, Staff
- 8 believes that this section reasonably points to the
- 9 provisions of Revised Statutes of Missouri 386.800,
- 10 Section 5, which authorizes the request for this
- 11 information.
- 12 And finally, Section 1, Kansas City Power &
- 13 Light requests that that section more clearly point to
- 14 municipally owned electric utilities as the filing party.
- 15 Staff provides this provision in its May 6th comments to
- 16 include applications by a municipally owned electric
- 17 utility to further clarify.
- 18 And that concludes my comments regarding
- 19 Rule 3.135. Thank you.
- JUDGE DIPPELL: Thank you. Commissioners,
- 21 did you have any questions for Mr. Wood on -- Commissioner
- 22 Murray?
- 23 COMMISSIONER MURRAY: Thank you.
- 24 QUESTIONS BY COMMISSIONER MURRAY:
- Q. Good morning, Mr. Wood.

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1 A. Good morning.
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- 2 Q. You talked awfully fast.
- 3 A. Sorry.
- 4 Q. That's all right. In terms of the
- 5 objection to the impact that it will have on tax revenues,
- 6 what was Staff's position there again?
- 7 A. It's Staff's position that that
- 8 information, we recall that there have been requests for
- 9 that kind of information from the Commission during
- 10 proceedings of the case. It's not necessary information,
- 11 I believe, for Staff to formulate a recommendation as to
- 12 what to do, but we understand the Commission has requested
- 13 information in the past.
- 14 If there's -- if the Commission at this
- 15 time determines they don't believe that's a necessary
- 16 aspect of the rule, we're not in a position at the time to
- 17 argue against removal from the rule.
- 18 Q. So Staff is fairly neutral on that?
- 19 A. Yes.
- 20 Q. And in terms of the legal description, is
- 21 that in the -- did you say that is in the current rule?
- 22 A. The current --
- 23 Q. The rule measure?
- A. Yeah. The current version of 3.130 does
- 25 include the term "legal description." When we brought the

- 1 language over, because we were moving some stuff from
- 2 3.130 to 3.135 and vice versa, we moved the term "legal
- 3 description" over as well.
- 4 And there was some discussion of the issue
- 5 in the collaborative meeting, and the concern was
- 6 expressed, what does legal description mean, do we have a
- 7 surveyor come out with a certified drawing and sealed by a
- 8 Missouri land surveyor? That wasn't the intent.
- 9 The point is we need something where we can
- 10 draw a legally binding line on a map so the people know
- 11 when they're coming in for a territorial agreement
- 12 designation service area, we need to draw a line in the
- 13 sand that says who has service responsibility on both
- 14 sides of that line.
- 15 Q. And in implementing the current 3.130,
- 16 there has not been that certified land surveyor
- 17 requirement?
- 18 A. No, I don't believe so.
- 19 Q. Is there a definition anywhere of legal
- 20 description?
- 21 A. I'm not familiar with one. During the
- 22 development of final order of rulemaking where we will
- 23 draft initial response on behalf of the Commission, you
- 24 will have an opportunity to review before this rule is
- 25 final. We may look at trying to modify that language

- 1 somewhat, but we will need to maintain -- it is Staff's
- 2 opinion we will need to maintain the obligation to provide
- 3 the information necessary to draw a line on a map and --
- Q. Okay. And would you just, as succinctly as
- 5 possible, just list for me the changes that Staff agreed
- 6 to.
- 7 A. In the 3 --
- 8 Q. In both rules.
- 9 A. In both rules.
- 10 JUDGE DIPPELL: Mr. Wood, can I get you to
- 11 speak up just a little bit?
- 12 THE WITNESS: Sorry. If someone had -- if
- 13 you have the May 6th Comments of Staff, do you have that?
- 14 BY COMMISSIONER MURRAY:
- 15 Q. Which rule are you looking at?
- 16 A. 3.130, I'll start with that one. If you go
- 17 to the Appendix A in Staff's comments, the May 6th
- 18 submitted comments, you can see there anything that's in
- 19 bold or in square brackets was an initial proposed change
- 20 to the rule in the Missouri Register on April 1st. Any
- 21 underlined text was language added during the April 18th
- 22 collaborative meeting, and any language that's been struck
- 23 out was language that was removed as a result of the
- 24 discussions in the April 18th meeting.
- 25 If you'd like, I can start stepping section

- 1 by section through what those additional changes were.
- 2 Q. Just give me a minute to look at it.
- 3 A. Okay. As you can see, there were quite a
- 4 few changes. Most of them were edits and clarifications
- 5 in language without a change in intent.
- 6 Q. And this was not the one that had the
- 7 response time in it; is that right?
- 8 A. No. 3.135 is the one that includes the
- 9 response times, the 10-day response times, I assume you're
- 10 referring to.
- 11 Q. And the change in Subsection 7 was changing
- 12 will to may, and each July 1 the filing fee may be
- 13 modified. Okay. I see. Otherwise it would have been --
- 14 had to have been done annually.
- 15 A. Yeah. Frankly, that hasn't been happening
- on a regular basis. We'd just as soon make it a may.
- 17 Q. Okay. Now you can go to the other rule.
- 18 A. Okay. Thank you. Do you have the May 6th
- 19 comments on the 3.135 rule that Staff filed? It's the
- 20 same format, in terms of bold text, text in square
- 21 brackets, underlined and strike-through language. There's
- 22 quite a few more changes here, quite a few additions.
- 23 There was a recognition during the
- 24 development of these comments that the original language,
- 25 the additional filing requirements under Section 1 were

- 1 really those that would need to be provided by a
- 2 municipally owned electric utility that was filing for
- 3 this application petition and really needed to create a
- 4 new section that would delineate what the electric
- 5 supplier would need to file.
- Q. And is this the -- well, is this 10 days an
- 7 adequate time period?
- 8 A. There are two provisions that refer to a
- 9 10-day period. The first one is that, upon receipt of an
- 10 application or petition from municipally owned electric
- 11 utility, the Commission would notify affected electric
- 12 suppliers within ten days of receipt of an application
- 13 from a municipally owned electric utility. Then after --
- 14 within 10 days of that notice, the affected electric
- 15 supplier would then have to file the following
- 16 information.
- 17 Kansas City Power & Light commented on this
- 18 as an insufficient time period, proposed 20 days, and
- 19 Staff is agreeable, thinks that's a reasonable change in
- 20 the time frame.
- 21 Q. But you didn't change it on this?
- 22 A. No. During the collaborative meeting, we
- 23 put in the 10 days, and I don't recall that there were
- 24 objections. We certainly didn't pick it up in the version
- 25 we filed on May 6th.

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1 Q. Okay. And then, once again, sub E, 3E, the
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- 2 impact on tax revenues, that's -- Staff is neutral on
- 3 that, that's the Commission's --
- 4 A. Yes, I believe so.
- 5 COMMISSIONER MURRAY: Okay. Thank you.
- JUDGE DIPPELL: Thank you. Commissioner
- 7 Appling, do you have questions?
- 8 QUESTIONS BY COMMISSIONER APPLING:
- 9 Q. I think Commissioner Murray and I had
- 10 basically the same questions, but it would seem to me, do
- 11 you know exactly who furnishes the description, the legal
- 12 description of an item? Seems those things can get to be
- 13 very long and sometimes be short. It would seem to me
- 14 that what you need is a modified description, legal
- 15 description, to get what you need in order to draw your
- lines on the map. Where did you-all end up with that?
- 17 A. In terms of what's required, the language
- 18 in our May 6th --
- 19 Q. I can see that you need something in order
- 20 to define it, because that's a forever changing thing,
- 21 specifically when you're talking about annexing
- 22 municipalities and other areas, but I just question where
- 23 did you-all end up at?
- A. Where we ended up regarding that was, you
- 25 know, if we're looking at Rule 3.135, it's in Section 1B,

- 1 and we said a specific designation of the proposed
- 2 exclusive electric service territory boundary, including
- 3 maps showing the boundary and the legal description of the
- 4 area. We're trying to avoid just receiving a map with a
- 5 line drawn on it, without being able to say, I mean, at
- 6 some scale I need to know what portion of a township or
- 7 range, if we're splitting through township and ranges.
- 8 Q. But it would seem to me that the city or
- 9 the township would have to furnish you that and not KCPL.
- 10 A. Oh, okay. I understand. If the -- if
- 11 we're looking at 3.135, it would be the municipally owned
- 12 electric utility that would have to provide that, yes.
- 13 COMMISSIONER APPLING: I was just trying to
- 14 determine why it was -- would be so difficult for KCPL to
- 15 provide that, when they're not really providing it. But I
- 16 understand now. So no problem. Thank you.
- 17 JUDGE DIPPELL: All right. I believe
- 18 that's all the questions for you right now, Mr. Wood.
- 19 Thank you very much.
- MR. WOOD: Thank you.
- JUDGE DIPPELL: Are there other comments in
- 22 support of this rule?
- 23 (No response.)
- JUDGE DIPPELL: We have some mixed
- 25 comments. Okay. We can go ahead. Ms. Chase, would you

- 1 like to go next?
- 2 MS. CHASE: Certainly. Do you want me at
- 3 the stand or at the podium?
- JUDGE DIPPELL: I've got the camera on the
- 5 stand for now.
- 6 (Witness sworn.)
- 7 JUDGE DIPPELL: Thank you. Would you state
- 8 your name for the court reporter?
- 9 MS. CHASE: My name is Lisa Chase. I work
- 10 with Andereck, Evans, Milne, Peace & Johnson, LLC, and
- 11 today I represent the Association of Missouri Electric
- 12 Cooperatives.
- JUDGE DIPPELL: Go ahead.
- 14 MS. CHASE: First, I'd like to say that
- 15 AMEC participated in the collaborative meeting and
- 16 supports the proposed modifications. We did have concern
- 17 about a couple of sections, and that's what I'd like to
- 18 discuss today.
- 19 With respect to 4 240-3.130(1)(e), that
- 20 provision provides for a comparison of electric rates if
- 21 the territorial agreement or proposed electric service
- 22 area designation includes an exchange of customers.
- 23 First, we'd point out that a territorial agreement does
- 24 not need to include the customer exchange requests and,
- therefore, when it does not have a customer exchange

- 1 request included with it, this section would be not
- 2 relevant.
- 3 When a customer exchange request is
- 4 attached with a territorial agreement, what we have
- 5 typically done in the past is filed the territorial
- 6 agreement together with -- in the same application with
- 7 the customer exchange, but what we're seeking are two
- 8 different orders, essentially, from the Commission.
- 9 It's all bound into one for efficiency purposes, but the
- 10 customer exchange request is pursuant to either
- 11 Sections 91.025, 393.105 or 394.315.
- 12 The standard for each section's approval is
- 13 for reasons other than a rate differential. The
- 14 Commission is to make a determination on a customer
- 15 exchange based on public interest, and the statutes
- 16 specifically preclude rate differential issues from the
- 17 public interest determination. Therefore, AMEC does not
- 18 believe that Section 240-3.130(1)(e) should be a part of
- 19 this rule since it is not relevant with respect to
- 20 territorial agreements or electric service area
- 21 designations.
- 22 I would go on to Section 4 240-3.130)1)(g),
- 23 and I'd note that AMEC's concerns with this section are
- 24 the same as its concerns with 4 CSR 240-3.135(3)(e). They
- 25 both pertain to tax impact statements. I apologize. We

- 1 did not when filing our written comments include the --
- 2 include the case number for Rule No. 3.135, but I would
- 3 like to go on the record to show that AMEC does have a
- 4 concern with respect to the tax impact statement for both
- 5 rules.
- 6 The statement of the tax impact, if any,
- 7 the territorial agreement or proposed electric service
- 8 area or, in the case of 135, the annexation-related change
- 9 of electric supplier will have on tax revenues of a
- 10 political subdivision in which utilities involved are
- 11 located. With respect to a territorial agreement, if
- 12 there's no request made to transfer facilities and
- 13 equipment, then the tax impact statement is not relevant.
- 14 The tax impact statement is not relevant to determine if a
- 15 territorial agreement is not detrimental to the public
- 16 interest. The standard for approving a territorial
- 17 application or territorial agreement application is
- 18 whether or not it is not detrimental to the public
- 19 interest.
- 20 Currently in Section 393.190, which
- 21 pertains to electric corporations, if an electric
- 22 corporation seeks to sell facilities, then the rule
- 23 already requires a tax impact statement. There is no
- 24 Commission jurisdiction over the sale or transfer of rural
- 25 electric coop or municipal facilities. The tax impact

- 1 information may provide a false impression, based on the
- 2 fact that there is a difference of tax rates between IOUs
- 3 and rural electric cooperatives.
- 4 That tax determination is not -- is a
- 5 legislative decision. The Commission has no authority or
- 6 jurisdiction to alter or modify the tax rates each pay.
- 7 The Commission lacks jurisdiction to require rural
- 8 electric cooperatives to provide tax impact information as
- 9 an electric cooperative is not required to seek Commission
- 10 approval to transfer facilities and equipment to another
- 11 utility.
- 12 And that concludes my comments.
- 13 JUDGE DIPPELL: Thank you. Commissioner
- 14 Murray, did you have questions for Ms. Chase?
- 15 QUESTIONS BY COMMISSIONER MURRAY:
- 16 Q. I wish I had done a little more research on
- 17 this before I got here this morning, but the -- is there
- 18 something in the statute that references the tax impact?
- 19 A. 393.190 does require an electric
- 20 corporation to provide a tax impact statement when they
- 21 are transferring or selling their facilities.
- 22 Q. And that is to provide that statement to
- 23 whom?
- A. To the Commission, and that should be part
- 25 of their application.

- 1 Q. But that's just for an electric
- 2 corporation?
- 3 A. That's right.
- 4 Q. And your objection to this statement of the
- 5 impact is that it applies to coops and municipals?
- 6 A. Yes.
- 7 Q. And as to the comparison of electric rates,
- 8 your statement there, I believe, was that it was not
- 9 relevant to the -- to an application for territorial
- 10 agreements?
- 11 A. Right, because there's -- there does not
- 12 need to be an exchange of customers in a territorial
- 13 agreement, and often there is no exchange of customers in
- 14 a territorial agreement. Often the electric suppliers
- 15 continue to supply the existing customers that they've
- 16 already had.
- 17 Q. But any new customers would then be with a
- 18 different supplier than they would have been without the
- 19 agreement; is that correct?
- 20 A. Right, but that will not -- their new
- 21 supplier, it will not have been a change for them. They
- 22 will just have the services from the supplier that's
- 23 providing in that area.
- Q. Do you think that the comparison should be
- 25 provided if there -- if the approval would result in some

- 1 exchange of customers?
- 2 A. No, because in Sections 91.025, 393.105 and
- 3 394.315, the statutes say that the standard for approval
- 4 of a customer exchange is for reasons other than a rate
- 5 differential. The only purpose for acquiring the rates of
- 6 each supplier is to determine the rate differential.
- 7 Q. If you determine there was no rate
- 8 differential, wouldn't that be one finding toward
- 9 approving the agreement, that it couldn't be because of a
- 10 rate differential because there is none?
- 11 A. If you don't -- well, the standard is for
- 12 approval for reasons other than a rate differential,
- 13 whether there is a rate differential or not.
- 14 Q. I understand that, but I'm just saying if
- 15 there is not, then approval would certainly be for reasons
- 16 other than a rate differential?
- 17 A. Yes.
- 18 Q. And what would be the harm in providing the
- 19 information?
- 20 A. It would be against the statute, and it
- 21 would potentially taint the Commission's decision.
- 22 Q. Assume there was a large rate differential.
- 23 I'm assuming -- I guess that's what you're assuming that
- 24 would possibly taint the Commission's decision, if there
- 25 were a large rate differential. But if there were none, I

- 1 still think it would clarify that the decision is
- 2 certainly based on something other than a rate
- 3 differential.
- 4 COMMISSIONER MURRAY: All right. I think
- 5 that's all I have. Thank you.
- JUDGE DIPPELL: Commissioner Appling, did
- 7 you have questions?
- 8 COMMISSIONER APPLING: I think just one
- 9 question.
- 10 OUESTIONS BY COMMISSIONER APPLING:
- 11 Q. Let's go back to 3-130(g). We talked about
- 12 the statement of tax revenue impact. What would you do
- 13 with that? Are you saying we just should take that out of
- 14 there, take that out of -- that statement out of the
- 15 rules?
- 16 A. Yes, Commissioner, I would recommend taking
- 17 the statement out of the rules, and the information that
- 18 the Commission would like with respect to electric
- 19 corporations is already required pursuant to 393.190.
- 20 Q. So really by default, there will always be
- 21 a tax differential?
- 22 A. That's correct.
- 23 Q. So that's one of the reasons you're
- 24 recommending that we take this out?
- 25 A. That's right. The electric corporations

- 1 and the rural electric cooperatives are taxed differently.
- 2 There will always be a ta-- there will always be
- 3 differential with the taxes, and that is not something
- 4 that the Commission has any control to change with respect
- 5 to either the electric cooperatives or electric
- 6 corporations.
- 7 COMMISSIONER APPLING: Okay. Thank you.
- 8 JUDGE DIPPELL: Thank you, Ms. Chase. I
- 9 don't think there's any further questions for you.
- 10 MS. CHASE: Thank you.
- 11 JUDGE DIPPELL: Then one more commenter.
- 12 (Witness sworn.)
- 13 JUDGE DIPPELL: Thank you. Would you
- 14 please state your name for the court reporter.
- MR. BLANC: My name is Curtis Blanc with
- 16 KCPL, and my comments today will be brief, basically just
- 17 having to do with the request for legal descriptions and
- 18 the 10-day response time that has already been discussed
- 19 this morning.
- 20 With respect to the legal descriptions, we
- 21 are aware and understand that Staff and the Commission
- 22 needs the necessary information to draw reliable lines on
- 23 the map and that the term "legal description" appears in
- 24 the existing regulation, but we also understand that the
- 25 accepted practice had been for the Staff of the Commission

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1 to accept maps, a schedule of townships, ranges and
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- 2 sections and information of that sort to draw those lines.
- 3 And in our opinion that has worked in the
- 4 past, and we would like the new rule to reflect that --
- 5 that type of flexibility. And perhaps KCPL would suggest
- 6 that Staff be given the option of requesting legal
- 7 descriptions if the initial proposal isn't clear enough or
- 8 if there are ambiguities.
- 9 It's our concern, one, that legal
- 10 descriptions are sometimes difficult to come by, and
- 11 they're often cumbersome and potentially confusing and, in
- 12 our opinion, would be more prone to misunderstandings and
- 13 error.
- 14 And then with respect to the 10-day
- 15 response time, our comments were based on my discussions
- 16 with the people at KCP&L who would actually be
- 17 accumulating and providing that information. And their
- 18 concern was that a vast majority of the time they wouldn't
- 19 be able to accumulate the information necessary within 10
- 20 days. And we recognize the proposed rule would permit us
- 21 to request additional time, but since we would anticipate
- 22 doing so close to always, we thought a more reasonable
- 23 deadline might be a better way to go.
- 24 That concludes my comments.
- 25 JUDGE DIPPELL: Thank you. Commissioner

- 1 Murray, did you have questions for Mr. Blanc?
- 2 OUESTIONS BY COMMISSIONER MURRAY:
- Q. Did you have any specific suggestions as to
- 4 how that language should be drafted according -- in
- 5 reference to the description that would have to be
- 6 provided?
- 7 A. We did not prepare draft language. We
- 8 would be happy to submit, but I guess it would be
- 9 something to the effect that we would provide a map and a
- 10 reasonable description to the Staff's satisfaction of the
- 11 line, and then the Staff would be able to request
- 12 additional information if it wasn't clear.
- 13 Q. And it seems that you're really objecting
- 14 to the term "legal description" as maybe being interpreted
- 15 to be a legal term that has ramifications as to what has
- 16 to be supplied; is that right?
- 17 A. Correct, and with it being the
- 18 Plan A requirement, so to speak, as opposed to the Plan B
- 19 if other information isn't sufficiently clear.
- 20 Q. And I believe Mr. Wood indicated earlier
- 21 that there might still be some chance to look at that
- 22 language as to whether it could be drafted in a more
- 23 acceptable manner, and then the time frame I believe has
- 24 agreed that your 20 days is acceptable, and that was it?
- 25 A. That was all we had.

Τ	COMMISSIONER MURRAY: Thank you.
2	JUDGE DIPPELL: Commissioner Appling?
3	COMMISSIONER APPLING: No questions.
4	JUDGE DIPPELL: I believe that's all the
5	questions for you, then, Mr. Blanc.
6	MR. BLANC: Thank you.
7	JUDGE DIPPELL: Are there any other
8	comments or additional comments?
9	(No response.)
10	JUDGE DIPPELL: Seeing none, then I guess
11	this concludes the comment portion of this hearing. Thank
12	you. We can go off the record.
13	WHEREUPON, the public hearing was
14	concluded.
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