

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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EARLY PREHEARING CONFERENCE

10

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June 30, 2005

12

Jefferson City, Missouri

13

Volume 1

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16 In the Matter of the Tariff )  
Filing of Aquila, Inc., to )  
17 Implement a General Rate )  
Increase for Retail Steam Heat )  
18 Service Provided to Customers ) Case No. HR-2005-0450  
in its L&P Missouri Service ) Tariff No. YH-2005-1066  
19 Area )

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KEVIN A. THOMPSON, Presiding,  
DEPUTY CHIEF REGULATORY LAW JUDGE.

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REPORTED BY:

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STEPHANIE L. KURTZ MORGAN, RPR, CCR  
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1 P R O C E E D I N G S

2 JUDGE THOMPSON: We are here in the matter of  
3 Aquila Networks doing business -- excuse me -- in the matter  
4 of Aquila, Inc. doing business as Aquila Networks, L.L.P. for  
5 authority to file tariffs increasing steam rates for the  
6 service provided to customers in the Aquila Networks L&P area.

7 This is Case HR-2005-0450. My name is Kevin  
8 Thompson. I'm the Regulatory Law Judge assigned to preside  
9 over this matter.

10 And why don't we begin with oral entries of  
11 appearance, and we'll start with the Company.

12 MR. SWEARENGEN: Yes, thank you, Your Honor. Let  
13 the record show the appearance of James C. Swearngen and  
14 Janet Wheeler, Brydon, Swearngen & England. I've given you a  
15 written entry of appearance. We're appearing on behalf of  
16 Aquila, Inc.

17 Thank you.

18 JUDGE THOMPSON: Thank you very much.

19 How about Staff?

20 MR. WILLIAMS: Dana K. Joyce, Steven Dottheim,  
21 Nathan Williams appearing on behalf of the Staff,  
22 P.O. Box 360, Jefferson City, Missouri 65102.

23 JUDGE THOMPSON: Thank you.

24 Public Counsel?

25 MR. MILLS: Lewis R. Mills, Jr., Post Office

1 Box 2230, Jefferson City, Missouri 65102, appearing on behalf  
2 of the Public Counsel and the Public.

3 JUDGE THOMPSON: And then we have, I believe, some  
4 intervention applications.

5 Mr. Conrad?

6 MR. CONRAD: For AG Processing, Stuart W. Conrad,  
7 law firm of Finnegan, Conrad & Peterson, 3100 Broadway,  
8 Suite 1209, Kansas City, Missouri 64111.

9 JUDGE THOMPSON: Okay. Thank you.

10 Sir?

11 MR. STEINMEIER: Bill Steinmeier, William B.  
12 Steinmeier, P.C. of Jefferson City, Missouri on behalf of  
13 intervenor, the City of St. Joseph, Missouri.

14 JUDGE THOMPSON: Very well.

15 MR. KEEVIL: Yes. Appearing on behalf of the  
16 Empire District Electric Company, Jeffrey A. Keevil of the law  
17 firm of Stewart & Keevil, L.L.C. Our address is 4603 John  
18 Garry Drive, Suite 11, Columbia, Missouri 65203.

19 And -- and if you would also please reflect the  
20 entry of appearance of Charles Brent Stewart of the same firm,  
21 please.

22 JUDGE THOMPSON: I will do so.

23 Are there any other counsel present who've not  
24 entered their appearance?

25 (NO RESPONSE.)

1 JUDGE THOMPSON: Very well.

2 It's my understanding that there are outstanding  
3 applications to intervene, and I just want to see which ones  
4 are contested.

5 MR. CONRAD: We have objected to the proposed  
6 intervention of Empire District.

7 JUDGE THOMPSON: AG Processing has objected to the  
8 intervention of Empire District?

9 MR. CONRAD: Yeah. Ours was filed actually -- I  
10 think, actually at the head perhaps one day and almost  
11 sequentially or simultaneous of the suspension order that was  
12 filed along with the request for suspension tariffs.

13 And if the Commission either issued an order the  
14 same day or the next day. So if it was the next day, we'd  
15 appreciate it.

16 JUDGE THOMPSON: Very well.

17 MR. CONRAD: The point being that, I think, the  
18 10-day time has well run on that application.

19 JUDGE THOMPSON: Okay. I will go ahead and grant  
20 the uncontested application, so AG Processing's application to  
21 intervene is granted, and the City of St. Joseph's application  
22 to intervene is granted.

23 A contested application for intervention is a  
24 matter of the Commission, and I would expect the Commission  
25 rule on that next week sometime, okay?

1           MR. KEEVIL: Yeah, I think that there's still time  
2 for me to get a response filed under the Commission rules.

3           JUDGE THOMPSON: If -- if there's not, then just  
4 simply attach a motion to be filed out of time, and we'll take  
5 that up.

6           Okay. Do any of the parties have anything to bring  
7 to my attention at this time?

8           MR. CONRAD: I guess one initial question that we  
9 would have, Your Honor, is the relationship between this case  
10 and the ER dockets.

11          JUDGE THOMPSON: That's a very good question.  
12 My -- my initial thought would be to try the two cases --  
13 certainly hear the two cases together. I don't know whether  
14 they should be consolidated or not for all purposes. And I'd  
15 be happy to hear from the parties on whether or not they think  
16 that would be sensible.

17          But certainly the hearing and -- and the prehearing  
18 conference, the long prehearing conference, I think should be  
19 simultaneous.

20          MR. SWEARENGEN: If I could speak to that just for  
21 a second, Your Honor.

22          JUDGE THOMPSON: Yes.

23          MR. SWEARENGEN: I -- I would agree, I think for  
24 purposes of processing of the two cases, they ought to be  
25 consolidated, if that's the right word, or at least put on the

1 same procedural track.

2 I think it would be a mistake to consolidate them  
3 for pur-- for purposes of the Commission's ultimate decision.

4 JUDGE THOMPSON: Okay.

5 MR. SWEARENGEN: And -- and on that point, the --  
6 the Staff has generated this morning a proposed procedural  
7 schedule for both the electric and the steam case. I  
8 understand we're just in the prehearing right now for the  
9 steam case.

10 JUDGE THOMPSON: Right.

11 MR. SWEARENGEN: It may be of some value to wait  
12 and discuss that when we have the electric docket, because I  
13 think that there's some parties in the electric proceeding  
14 that are not in the steam case.

15 JUDGE THOMPSON: That's exactly right. You're -- I  
16 think everyone that's here is also in that case, but there are  
17 some additional parties that are not in the steam case.

18 MR. WILLIAMS: Judge, since we're talking about the  
19 possibilities of consolidation, I think we'll now see a  
20 pending Glascock perpetration (sic) in the case for Aquila  
21 that it might be appropriate to wrap in, to a certain extent  
22 as well.

23 MR. CONRAD: Well, I -- Your Honor, I would speak  
24 to the issue of consolidation. I'm not sure that -- that  
25 I'm -- completely understand the Counsel for the Company. I'm



1 not -- I'm not yet prepared to suggest that the cases be  
2 consolidated for all purposes. I think at this point I do not  
3 have -- I do not see a problem, however, with them being put  
4 on a parallel time track.

5 I would offer this limited caveat to that. We have  
6 not yet gotten into un-- unpeeling the onion on this, and it's  
7 possible that something would be exposed in that process that  
8 might suggest some either reduced time or some -- some way to  
9 separately handle it.

10 It is, however, our -- our intention at this point,  
11 as we do that unpeeling, to try to identify issues that would  
12 really be common to both cases. And I -- I can't speak for  
13 others, but it might be nice to have the best two out of  
14 three.

15 But probably the most I can expect is a fair  
16 hearing and ruling on one of -- of those issues one time.

17 We recognize that there are certain -- certain  
18 issues that are common, I think, you know, A&G that's  
19 allocated and so on is not properly allocated.

20 There may be some others that I -- as we go through  
21 this, that the process will expose. And we're eager to try to  
22 be efficient in that regard.

23 JUDGE THOMPSON: Very good.

24 Mr. Keevil, any comments?

25 MR. KEEVIL: Not at this time.

1 JUDGE THOMPSON: Okay.

2 Mr. Mills?

3 MR. MILLS: Yeah. Well, I mean, as far as I know,  
4 there is no pending motion to consolidate, so I won't really  
5 even speak to that.

6 But in -- in terms of putting them on the -- on  
7 a -- the same time track, I think that makes a lot of sense.  
8 I think currently the hearings are scheduled at different  
9 times, so that we're -- we're already on a slightly different  
10 track. But I suppose we could change that.

11 JUDGE THOMPSON: Indeed we can.

12 Mr. Steinmeier?

13 MR. STEINMEIER: I'm sorry, Your Honor, but perhaps  
14 I'm being too informal. But completing Mr. Mills' sentence  
15 they are however consecutive, are they not, three weeks  
16 electric and the next week we go into steam?

17 MR. CONRAD: I think that's --

18 MR. MILLS: Yeah.

19 MR. CONRAD: I think that's correct.

20 JUDGE THOMPSON: And -- and that was done, you  
21 know, just as kind of a formality. It's important to -- to  
22 establish hearing dates in the suspension order, because of  
23 the large blocks of time that need to be set aside for a rate  
24 case. And if you don't get them set aside early on, then you  
25 find they're not available.

1           And since the cases were filed separately and on  
2     separate days, simply separate blocks were set aside. Again,  
3     as I say, as a formality, we can keep the cases separate or we  
4     can put them together as much as possible or, in fact  
5     completely, whatever seems to be best.

6           It -- it's certainly my view that it might be more  
7     efficient, less costly to the parties and the Company, and  
8     would save everyone a lot of time if we put them on the same  
9     procedural path as much as possible without doing damage to  
10    the separate issues raised in the two separate cases.

11          So perhaps at this point what we should simply do  
12    is aim at producing a procedural schedule that will work for  
13    both cases, so far as we know. And you might give me  
14    some -- I -- I hope you will give me suggestions in those  
15    procedural schedules as to just how much hearing time you  
16    think you're gonna need.

17          You have two blocks to work with, so you can -- if  
18    the two cases are heard together, perhaps you'll need less  
19    than all of that time. I don't know. You know what the  
20    issues are, certainly, much better than I do.

21          Anything else at this point?

22          (NO RESPONSE.)

23          JUDGE THOMPSON: Of course you know that your  
24    principle task at this early prehearing conference is to get  
25    your calendars out and work on putting a proposed procedural

1 schedule together. I'm glad to hear that Staff has gotten  
2 that ball rolling.

3 If there's nothing else, then I will go ahead and  
4 adjourn the recorded portion of this prehearing conference.  
5 And I'll plan to be back at ten o'clock to see you again  
6 wearing our energy hats -- electric hats.

7 Very well. Thank you.

8 MR. STEINMEIER: Thank you, Your Honor.

9 WHEREUPON, the on-the-record portion of the  
10 prehearing conference was concluded.

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