

**STATE OF MISSOURI
MISSOURI PUBLIC SERVICE COMMISSION**

**In the Matter of the Request of)
Aquila, Inc., d/b/a Aquila Net-)
works-L&P to Implement a General)
Rate Increase in Steam Rates)**

HR-2004-0024

**APPLICATION TO INTERVENE
OF AG PROCESSING INC, A COOPERATIVE**

This application requests intervention in this proceeding for AG PROCESSING INC, A COOPERATIVE ("AGP"). Pursuant to 4 C.S.R. 240-2.075 AGP applies to intervene and to become a party in this proceeding. In support, AGP states:

1. AGP is an agricultural cooperative and is a large manufacturer and processor of soybean meal, soy-related food products, and other grain products throughout the central and upper Midwest, including the State of Missouri. AGP is the largest cooperative soybean processing company in the world, the third-largest supplier of refined vegetable oil in the United States and the third-largest commercial feed manufacturer in North America.

2. AGP operates a major processing facility in St. Joseph, Missouri where it is believed to be the largest industrial steam customer of the applicant utility Aquila, Inc. ("Aquila") in the St. Joseph service area.

3. AGP's interest in proceedings affecting the rates, terms and conditions of steam and other utility services from

Aquila, Inc. has been previously recognized by the Missouri Public Service Commission in permitting AGP's intervention in prior Aquila rate design and rate-related proceedings. AGP has actively participated in such cases.

4. Correspondence or communications regarding this application, including service of all notices and orders of this Commission, should be addressed to:

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and to:

Mr. Gary Chesnut
Corporate Purchasing Manager
Ag Processing Inc.
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5. On July 3, 2003, Aquila filed proposed tariffs reflecting an annual increase in steam revenue of roughly \$1.4 million. Initial investigation and review of these proposed tariffs and the accompanying materials indicates that the proposed increase has not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory, and not based on costs.

6. As the largest steam service customer supplied by Aquila, AGP's preliminary calculations indicate that its rates for steam service would increase roughly \$1 million over the current rate levels were this proposed increase allowed.

7. Accordingly, AGP is vitally interested in issues that are or may be raised by or developed as a result of the investigation of Aquila's steam rate proposal including, without limitation; (1) the revenues which will or may be realized under such rates and the increase over revenues resulting from former rates in effect before the current filing; (2) the amount and prudence of expenses and purported matching revenues to be charged to the appropriate test period; (3) the proper allocation of fuel costs to the Lake Road generating station and the relationship of the claimed increase in natural gas costs to the Lake Road operations given that Lake Road is fueled by coal; (4) the relationship and quantification of the claimed "benefits" from the merger between St. Joseph Light & Power Co. and UtiliCorp United, Inc. that is presently before the appellate courts; and (5) the design and structure of rates needed to raise revenues sufficient to meet a proper cost of service for Missouri-American. In a contemporaneous submission, AGP is requesting that these proposed tariffs be suspended for the maximum statutory period.

8. AGP will be bound or adversely affected by any Commission order in this proceeding. Because of the structure of the rate schedules under which Aquila sells industrial steam to AGP, and because of AGP's size and consistency of steam usage for production purposes, AGP is in the special position of representing its own interest that is direct, immediate, different from that of the general public, and that cannot adequately be repre-


sented by any other party. Therefore, it will aid the Commission and serve and protect the public interest that AGP be permitted to intervene in this proceeding to protect its interests.

9. For purposes of 4 C.S.R. 240-2.075(2), AGP states that it opposes the discriminatory and excessive pricing of public utility services, including those provided by Aquila and therefore opposes the relief sought by Aquila in this proceeding.

WHEREFORE, AGP prays: (a) that it be permitted to intervene and be a party to this case with all rights to have notice of and participate in any proceedings and hearings to present evidence, to cross-examine witnesses, file briefs and present any argument; and (b) for all other relief to which AGP is entitled.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.



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ATTORNEYS FOR AG PROCESSING INC.

CERTIFICATE OF SERVICE

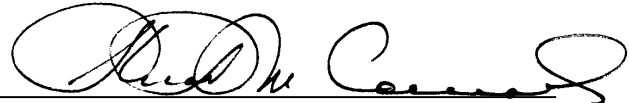
I certify that I have served a copy of the foregoing Application to Intervene on each of the following persons either by postage-paid U.S. mail, by e-mail or facsimile.

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Dated: July 17, 2003



Stuart W. Conrad, an attorney for
within applicant