

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of a Working Docket)	
to Review the Commission's Missouri)	
Energy Efficiency Investment Act)	EW-2015-0105
(MEEIA) rules 4 CSR 240-3.163, 4)	
CSR 240-3.164, 4 CSR 240-20.093,)	
and 4 CSR 240-20.094)	

COMMENTS OF AG PROCESSING INC A COOPERATIVE

COMES NOW AG PROCESSING INC A COOPERATIVE ("AGP") and offers its comments on this matter.

No rational customer intentionally wastes properly priced utility services. The question is not whether efficiency should be encouraged, but, rather, what is the best method of encouraging efficient use. The best method to promote efficiency is to price utility services properly at their cost. If utility services are priced to all according to their cost, all customers will be able properly to appraise the value each ascribes to adopting methods that result in greater efficiency.

Charges imposed on customers, whether by surcharge or otherwise, that do not relate to the cost of providing **their** service should be discouraged.

Regulation should encourage prudent expenditures on the part of the utility. The ability to impose non-cost-based charges on needed services relieves pressure on the provider to be prudent in incurring those costs. If surcharges are to be

imposed at all, they only should be permitted on a subject-to-refund basis and then confirmed only following a rigorous prudence review in which the burden of proof remains on the service provider. There is no rational basis to shift this burden to any other party that lacks access to relevant information readily available to the provider. Prudent providers should not resist such a review.

Regulation should serve as a substitute for the competition that would otherwise occur. Careful analysis of the result of that competition would encourage services that are based on the cost of providing those services and enforce prudent expenditures. Artificial and complicated rule-based methods to enforce prudence will result in gaming and evasion of even well-intentioned rules. Such rules ultimately will not result in efficient provision of service. Instead, they will result in programs that are designed to comply with each jot and tittle of the rule while the spirit and intention behind the rule are lost.

Pricing utility services at cost, eliminating intra-class subsidies, and robustly investigating prudence, while leaving the burden of proof on the provider, will accomplish more

to advance the efficient use of energy than will massaging the technicalities of rules.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

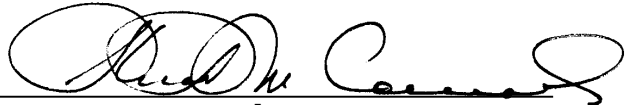
A handwritten signature in black ink, appearing to read "Stuart W. Conrad", is written over a horizontal line.

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ATTORNEYS FOR AG PROCESSING INC A
COOPERATIVE

CERTIFICATE OF SERVICE

I have this day served the foregoing pleading by electronic means, by United States Mail, First Class postage prepaid, or by hand delivery to all known parties in interest upon their respective representatives or attorneys of record as reflected in the records maintained by the Secretary of the Commission.


Stuart W. Conrad

Dated: November 14, 2014