

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

**In the matter of Aquila, Inc. d/b/a)
Aquila Networks L&P and Aquila)
Networks MPS to implement a general) GR-2004-0072
rate increase in natural gas rates)**

**APPLICATION TO INTERVENE OF
SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION**

COMES NOW SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION (hereinafter SIEUA) and pursuant to 4 C.S.R. 240-2.075 and applies to intervene herein and become a party hereto for all purposes in respect to the filing by Aquila, Inc. d/b/a Aquila Networks L&P ("L&P") and Aquila Networks MPS ("MPS") August 1, 2003. In support of this motion, SIEUA respectfully shows the following:

1. SIEUA is an unincorporated voluntary association consisting of large commercial and industrial users of natural gas and electricity in the Sedalia, Missouri and in the surrounding area. SIEUA was formed for the purpose of economical representation of its members' interests through intervention and other activities in regulatory and other appropriate proceedings.

2. Current members of SIEUA are as follows: **Pittsburgh Corning Corporation**, a manufacturer of cellular glass insulation at its manufacturing facility in Sedalia, Missouri where roughly 160 workers are employed; **Waterloo Industries**, a manufacturer of tool storage equipment and employer of approximately 650 workers at its manufacturing facility in Sedalia,

Missouri; **Hayes Lemmerz International** employs roughly 800 workers at its Sedalia, Missouri facility where it manufactures automobile wheels; **EnerSys Inc.** employs approximately 500 persons in its industrial battery manufacturing facility in nearby Warrensburg, Missouri; **Alcan Cable Co.** manufactures aluminum electrical conductors and employs 250 persons in its Sedalia, Missouri operation; **Gardner Denver Corporation** employs 320 workers at its Sedalia works where it makes industrial compressors and blowers; **American Compressed Steel Corporation** employs 35 workers in scrap metal recycling at its facility near Sedalia, Missouri; and **ThyssenKrupp Stahl Company**, a major United States manufacturer of specialty and precision aluminum castings at facilities located in Warrensburg and Kingsville, Missouri, where approximately 1,100 workers are employed. Collectively, these SIEUA members provide gainful employment for approximately 3,815 workers in central Missouri.^{1/}

3. SIEUA's interests in proceedings affecting the rates, terms and conditions of utility service from MPS have been previously recognized by the Missouri Public Service Commission in permitting SIEUA's intervention in numerous rate design, electric and natural gas distribution rate proceedings concerning

^{1/} Although members of SIEUA and so listed here, EnerSys Inc. and ThyssenKrupp Stahl Company are located in Warrensburg and Kingsville, Missouri and receive gas distribution services from another local distribution company. No assertion is made that these two companies are customers of Aquila's gas distribution system.

Aquila and its predecessor UtiliCorp, including without limitation the last series of Missouri Public Service rate increase cases and its ongoing load research and class cost of service case, No. EO-2002-384.

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

Stuart W. Conrad, Esq.
FINNEGAN, CONRAD & PETERSON, L.C.
1209 Penntower Office Center
3100 Broadway
Kansas City, Missouri 64111
Voice: (816) 753-1122
Fax: (816) 756-0373
E-mail: stucon@fcplaw.com

5. On August 1, 2003 Aquila filed proposed tariffs with the Commission proposing to increase its rates for natural gas distribution service in its two claimed Missouri service areas by roughly \$5.6 million in its MPS service area and \$800,000 in its L&P area, or \$6.4 million in the aggregate. The reasons alleged for the filing include increased costs of operations and costs associated with additional investment in gas distribution facilities. Although the tariffs affect different service areas, Aquila has combined the filing and also proposes to consolidate several rate schedules.^{2/}

^{2/} SIEUA members do not have facilities in the L&P service territory. Insofar as the filing utility has chosen to consolidate the filings and several of the tariffs, SIEUA seeks to intervene in the case as filed by the utility.

6. SIEUA members are vitally interested in this proposed tariff, in its terms and conditions, and its impact on ratepayers generally and upon their operations specifically. As major natural gas transportation customers of MPS, SIEUA members are in a position to be directly affected by the proposed increases and may be bound or adversely affected by any Commission order issued in this proceeding. Because MPS provides natural gas transportation services to SIEUA members on under separate contracts or rate schedules and because of SIEUA members' size and load factors, these companies are in the special and unique position of representing interests that will not and cannot be represented adequately by any other party and which is direct and immediate and differs from that of the general public. Therefore, it will aid the Commission and protect and advance the public interest that SIEUA be permitted to intervene in this proceeding so as to protect its members' interest.

7. For purposes of 4 C.S.R. 240-2.075(2), SIEUA states that it is opposed to discriminatory pricing of natural gas distribution, transmission and related utility services, is opposed to increases that are not reasonable and are not related to prudent costs that are incurred by the utility in providing utility service, and is opposed to a utility being permitted to earn what may be an unreasonably high rate of return in order to extricate itself from a financial situation of its own making. Moreover, utility ratepayers are not understood by SIEUA to be

the ultimate guarantors of a utility's financial health. Rather utility management should be accountable to its shareholders for the proper and prudent management of the assets that they have provided for public service. A more detailed statement of position and identification of issues with respect to the August 1, 2003 filing may be submitted following a more extensive review of the tariff filing and the materials claimed to support such filing.

WHEREFORE, SIEUA prays (without prejudice to later requests for relief): (a) that SIEUA be permitted to intervene herein and be made a party hereto with all rights to have notice of and participate in hearings to present evidence, cross-examine witnesses, file briefs and participate in argument, should any be had; (b) that an investigation be ordered concerning the matters asserted to justify this proposed increase; (c) that following such investigation the matter be set for hearing before the Commission in which the applicant utility shall be put to its proof regarding the need for the proposed tariff and all aspects

of its proposed methodology of recovery; and (d) for all other needful and proper relief appropriate in the premises.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.



Stuart W. Conrad MBE #23966
3100 Broadway, Suite 1209
Kansas City, Missouri 64111
(816) 753-1122
Facsimile (816)756-0373
Internet: stucon@fcplaw.com

ATTORNEYS FOR SEDALIA INDUSTRIAL
ENERGY USERS' ASSOCIATION

August 8, 2003

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Application to Intervene by electronic means or by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as provided by the Secretary of the Commission.



Stuart W. Conrad

Dated: August 8, 2003