

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

<b>In the Matter of an Examination of</b>	)	
<b>the Class Cost of Service and Rate</b>	)	
<b>Design in the Missouri Jurisdic-</b>	)	<b>EO-2002-384</b>
<b>tional Electric Service Operations</b>	)	<b>[EO2002384xxx]</b>
<b>of Aquila, Inc. (f/k/a UtiliCorp</b>	)	
<b>United Inc.)</b>	)	

**SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION  
AND  
FEDERAL EXECUTIVE AGENCIES'  
RESPONSE TO STAFF MOTION FOR CLARIFICATION**

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Sedalia Industrial Energy Users' Association (SIEUA) and the Federal Executive Agencies (FEA) respond to the Missouri Public Service Commission Staff's "Request for Clarification" as follows:

1. On September 1, 2005, Staff moved for "clarification" (Staff Motion) of the Commission's August 23, 2005 Order (August 23 Order). By asserting that there are only two interpretations, Staff poses a false dichotomy in its alternative "clarifications." Neither interpretation is correct in our view.

2. Case No. EO-2005-384 was spun-off from a rate case docket, by agreement, with the stated intention of creating a separate forum in which, *first*, data on actual customer usage could be collected through a load research study, and, *second*, those data could be used to develop class cost of service studies by the various parties leading to implementation, in the next rate case, of the necessary adjustments to bring the revenue

responsibilities of the various customer classes into proper balance. As the Commission has stated, this task was complicated by Aquila's acquisition of the St. Joseph Light & Power service territory (with its own rate structure and rate forms) and the desire to consolidate the two somewhat disparate sets of tariffs.

3. The "next" rate case (ER-2004-0034) came and went, but the existing structures and relationships were preserved with an equal percentage change to the rates,<sup>1/</sup> explicitly so that the work that had been done to that point in *this* case would not be rendered useless.

4. Now we approach the end of the process. Staff had initially urged that this case be consolidated with the rate case. Now, because Staff cannot seek "rehearing," it seeks to accomplish by a "clarification" what the Commission rejected in the August 23 Order. Staff's effort should be rejected. In this particular, we believe the August 23 Order needs no clarification.

5. Case No. EO-2002-384 was never intended to be a meaningless exercise in theory. Certainly, a "cost of service" case could not directly result in rate changes, because no filings would have been made by the utility to initiate tariff changes. But just as certainly, the purpose of the case was to quantify and resolve the revenue responsibility shifts that would

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<sup>1/</sup> Save, of course, for the implementation of an Interim Energy Charge and the resulting adjustments necessary to maintain proper balance.

be needed to bring the class revenue responsibility into proper balance.

6. Second, the implementation of those changes in a subsequent rate case would not be subject to having all the work undone or having a "second bite" by having -- as Staff phrases it -- "proposals regarding how the results of the rate design case *should be implemented . . . .*"<sup>2/</sup> Case No. EO-2002-384 was intended to address and resolve these shifts both in class revenue and in new consolidated tariffs (based on the load research study data) and those changes would become a *new starting point* for class revenue responsibility in the ER-2005-0436 rate case. The results should be such that the ER-2005-0436 parties could avoid a series of class cost-of-service studies in that case. And that, at base, was and remains the point of this case. Certainly all the ER-2005-0436 rate case parties would be permitted to address the methodology to implement any increase found warranted in the ER-2005-0436 rate case, but the implementation of the class revenue shifts and rate design changes resulting from the nearly three years of work on the EO-2002-384 case would not be relitigated with new cost-of-service studies. Nor would those results be nullified by further revenue shifts. Instead, the relationships that had been established by the adjustments indicated by EO-2002-384 would be preserved.

7. Staff's false dichotomy assumes away the different purposes of the two cases and again seeks, through the back door,

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<sup>2/</sup> Staff Motion, p. 2 (emphasis added from original).

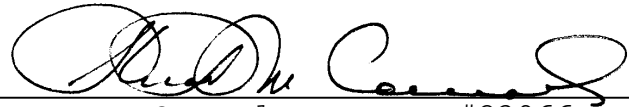
to consolidate the cases. On the other hand, the Commission's August 23 Order provides a simple solution, namely that all the ER-2005-0436 rate case parties are drawn into the EO-2002-384 case so that they can be involved, albeit late, in the analytical process of the revenue shifts and rate design changes.

8. SIEUA has stated its understanding of the EO-2002-384 ongoing process and that understanding has been confirmed by the Commission in the August 23 Order. The August 23 Order needs no clarification in the manner sought by Staff.

WHEREFORE, Staff's September 1, 2005 Motion for Clarification should be denied.

Respectfully submitted,

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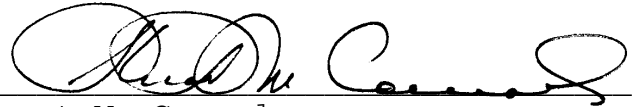
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CERTIFICATE OF SERVICE

I hereby certify that I have on the date below sent true copies of the foregoing pleading either by United States Mail, facsimile or other electronic means, to all the parties of record as shown by the Commission records maintained by the Secretary.

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

Stuart W. Conrad  
An Attorney for SIEUA

September 12, 2005