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KANSAS AND MASSACHUSETTS

June 29, 2000

FEDERAL EXPRESS

Mr. Dale H. Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
301 West High R530  
Jefferson City, Missouri 65102

**FILED<sup>2</sup>**  
JUN 30 2000  
Missouri Public  
Service Commission

Re: **St. Joseph Light & Power Company**  
**Mo PSC Case No. EO-2000-845**

Dear Mr. Roberts:

Enclosed are the original and eight (8) conformed copies of a pleading, which please file in the above matter and call to the attention of the Commission.

An additional copy of the material to be filed is enclosed, which kindly mark as received and return to me in the enclosed envelope as proof of filing.

Thank you for your attention to this important matter. If you have any questions, please call.

Sincerely yours,

FINNEGAN, CONRAD & PETERSON, L.C.

By:   
Stuart W. Conrad

SWC:s  
Enclosures  
cc: All Parties

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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
JUN 30 2000

Missouri Public  
Service Commission

In the Matter of the Application of )  
St. Joseph Light & Power Company )  
for the Issuance of an accounting )  
authority order relating to its )  
electrical operations )

Case No. EO-2000-845

APPLICATION TO INTERVENE,  
REQUEST FOR INQUIRY OR HEARING  
OF AG PROCESSING INC.

Comes now AG PROCESSING INC, a COOPERATIVE ("AGP") and pursuant to 4 C.S.R. 240-2.075 applies to intervene herein and become a party hereto in respect to the above matter. In support thereof, AGP respectfully states:

1. AGP is an agricultural cooperative and is a large manufacturer and processor of soybean meal and 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, is an important electrical supply customer of St. Joseph Light & Power Co. ("SJLP"), and there utilizes significant quantities of electrical energy provided by or through SJLP's facilities. AGP is among the largest electrical customers of SJLP.

3. AGP also uses process significant quantities of industrial steam purchased from SJLP in its St. Joseph processing facility. AGP is among the largest industrial steam customers of SJLP.

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

and to:

Mr. Gary Chesnut  
Corporate Purchasing Manager  
Ag Processing Inc.  
12700 West Dodge Rd.  
Omaha, NE 68154

5. On June 23, 2000, SJLP filed a request for issuance of an accounting authority order with respect to certain alleged increased costs for purchased power that it asserts that it has or will incur. These increased costs for purchased power, SJLP asserts, are a result of the temporary loss of one of its generating units at the Lake Road Generating Station in St. Joseph due to a fire or explosion that occurred on June 7, 2000. The application also references the pending merger case, EM-2000-292, and appears to assert that relief would not be necessary if the Commission approves the merger in the form proposed. Failing that, an estimated purchased power cost of \$7.1 million is threatened.

6. AGP is directly interested in this filing and in the relief proposed. As a major electric and steam customer of SJLP, AGP is in a position to be directly affected by the proposed order and may be bound or adversely affected by any Commission order issued in this proceeding. Because SJLP provides electricity and steam to AGP under separate rate schedules and because of AGP's size and load factor, AGP is in the special and unique position of representing an interest which will not and cannot be represented adequately by any other party and which interest 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 AGP be permitted to intervene in this proceeding so as to protect its interest which no other party is in a position properly to protect and adequately represent herein.

7. The application attempts to link the pending merger application, EM-2000-292, with this filing. AGP is an active intervenor in the merger proceeding.

8. For purposes of 4 C.S.R. 240-2.075(2), AGP states that it is opposed to the discriminatory pricing of electricity, steam and related utility services. With specific regard to the relief herein sought, and without attempt to develop an inclusive list of concerns at this early stage, AGP notes several basic concerns:

a. The costs of purchased power are part of the fuel adjustment clause that was held unlawful by the Missouri

Supreme Court. The basis for that decision was that it was unlawful to consider only one of a large number of possibly offsetting changes in costs and to grant rate relief upon consideration of only one of those factors or issues. In this case, **preemptive rate relief** through an accounting authority order is sought which is tantamount to preapproval of a major component of the utility's cost of energy distributed **in isolation** without consideration of other changes in costs, including reductions in personnel that may have occurred during the same period. This is nothing more than an attempt to do an "end run" around Missouri law prohibiting a fuel adjustment through the artificial means of an accounting authority order.

b. It is unknown from the application as to the cause of the fire/explosion and the recovery from any applicable insurance purchased by the utility including but not limited to business interruption insurance.

c. The cause of the fire/explosion is also unknown and may have resulted from improper maintenance procedures, employee error or numerous other factors that are not and should not be the responsibility of the ratepayers.

d. The application as well as the occurrence of the fire/explosion is juxtaposed by the utility against the pending merger so as to fortuitously appear to create an additional claimed "merger benefit."

e. It is further unclear whether the standards regarding issuance of accounting authority orders have been met

in this case, even if questions regarding the legality of the procedure and single issue ratemaking were resolved. Costs of purchased power are hardly extraordinary items for an electric utility, nor are market fluctuations in purchased power costs. SJLP appears to complain as much as anything about wholesale power market conditions, which is a risk taken by any utility and for which its shareholders are well compensated.<sup>1/</sup> On the other hand, a utility and not its customers should suffer the costs of its own imprudent actions including improper maintenance, operational errors, power purchasing practices and proper preventative measures.

9. The existence of these questions and possibly many others in connection with this filing by the utility very strongly suggest the initiation of an investigation of the circumstances of the fire/explosion, its cause, and in any event may be an unlawful attempt to evade the Missouri Supreme Court's decision regarding fuel adjustments. For all these and other reasons a full investigatory hearing should be scheduled to inquire into the utility's claims.

WHEREFORE, AGP prays: (a) that AGP 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,

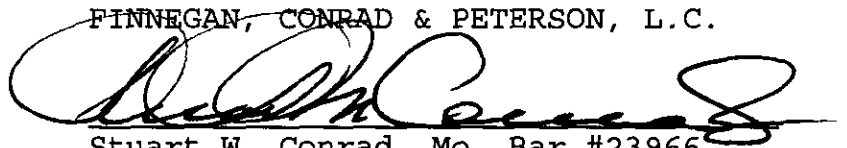
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<sup>1/</sup>In the not distant past, Unit 5 of Kansas City Power & Light Company's (KCPL) Hawthorne generating plant was placed out of service for a substantial period as a result of an explosion. KCPL has not sought AAO relief with respect to this explosion, through resulting in an increase in purchased power costs for that utility as well.

cross-examine witnesses, file briefs and participate in argument, should any be had; (b) that the application for accounting authority order be denied or rejected as insufficient on its face and contrary to law; (c) that the Commission initiate an inquiry into the circumstances of the asserted occurrence and thereupon schedule a hearing at an appropriate time and place; and (d) for all other needful and proper relief appropriate in the premises.

Respectfully submitted,

PINNEGAN, CONRAD & PETERSON, L.C.



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ATTORNEYS FOR AG PROCESSING INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Application for Leave to Intervene by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as provided by the Secretary of the Commission and shown on the sheet following.



Stuart W. Conrad

Dated: June 29, 2000

Service Listing for EO-2000-845

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