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memorandum recommending that

- (1) MGE be granted a one-time variance,
- (2) MGE be allowed to delay the refunds until 30 days after the effective date of the order authorizing the variance with interest accruing on the refund,
- (3) MGE firm sales customers receive 72.14% of the Kansas ad valorem taxes for the period of 1983 through 1988 per MGE's PGA tariff, and
- (4) the Wyoming Tight Sands (WTS) volumes be used to distribute the refunds to the individual Large Customers.

Staff suggested in its memorandum that it would be more appropriate to use the audited sale volumes from Actual Cost Adjustment (ACA) filings to establish the percentage of the refunds each customer class receives rather than the WTS volumes. After allocating the proper portion of the refund to the firm customers using the PGA/ACA filings, Staff stated that it had no objection to the WTS volumes being used to distribute refunds to individual Large Customers. Staff also stated that it believed that the additional time for MGE to process the refunds is reasonable provided that interest accrue to the refund amount.

On September 25, MGUA filed its response to Staff's recommendation. MGUA also requested that a prehearing conference be scheduled pursuant to 4 CSR 240-2.090(4). MGUA reiterated its position stating that it did not disagree with MGE's approach but indicated that there was still a need to confirm the figures that MGE is using to calculate the refunds. MGUA agreed that the refunds, to the extent possible, should be returned to the customers who paid the original overcharges. MGUA stated that it represents the interests of former "LC and LI customers (virtually all of whom are transporters today) and seeks the return to them of the overcharges that they paid during the applicable period." However, MGUA expressed its concern over the difference that could be caused by missing one full year of ACA data. MGUA specifically requested the opportunity, even informally, to review Staff's data and discuss that data with Staff. MGUA requested that a prehearing conference be scheduled to permit the parties to explore resolution and expeditious distribution of these

funds to the appropriate parties in the appropriate shares. MGUA also noted other issues that might be explored at the same prehearing conference.

MGUA stated that it does not take issue with Staff's recommendations (1) that MGE be granted a one-time variance, consistent with its other comments, (2) that further refunds be delayed as requested with interest accruing in the interim, and (3) that WTS volumes be used to distribute refunds to the individual large customers.

On October 13, Ford Motor Company (Ford) filed its application to intervene. Ford stated that it is a large transportation customer of MGE and that it has substantial interest in these proceedings that is different from that of the general public. Ford also stated that it may be entitled to a substantial refund and the data and evidence in support of its refund will be different than the information supporting refunds to other customers. Ford requested that the Commission grant its application to intervene, and that the Commission schedule a prehearing conference of all the interested parties.

The Commission has reviewed the application for intervention of Ford. The application for intervention is in substantial compliance with Commission rules regarding intervention. Ford has an interest in this matter which is different from that of the general public and granting intervention would serve the public interest pursuant to 4 CSR 240-2.075(4). The Commission concludes that the request for intervention should be granted.

Further, the Commission has reviewed the file and finds that a prehearing conference should be convened to give the parties the opportunity to examine the figures included in both proposals for distribution of the refunds, and to attempt to resolve this matter.

IT IS THEREFORE ORDERED:

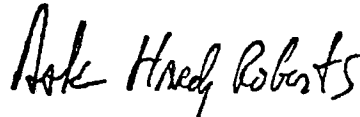
1. That the application to intervene filed by Ford Motor Company is granted.

2. That a prehearing conference is set on March 3, 1999, in the offices of the Missouri Public Service Commission, Room 530, Harry S Truman State Office Building, Conference Room No. 3, beginning at 10 a.m.

3. That the parties shall file a proposed procedural schedule by March 12, 1999.

4. That this order shall become effective on February 26, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Shelly R. Register, Regulatory
Law Judge, by delegation of
authority pursuant to 4 CSR
240-2.120(1), (November 30, 1995)
and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 16th day of February, 1999.

