

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the Application of	)	
Aquila, Inc. for an Accounting	)	
Authority Order Concerning Fuel	)	EU-2005-0041
Purchases	)	

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. ("Aquila") on August 4, 2004. 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.

3. SIEUA's interests in proceedings affecting the rates, terms and conditions of electric service from Aquila have been previously recognized by the Missouri Public Service Commission in permitting SIEUA's intervention in numerous rate design and electric rate proceedings concerning Aquila and its predecessor UtiliCorp, including without limitation the last series of Missouri Public Service rate increase cases, its ongoing load research and class cost of service case, No. EO-2002-384, and the recently-concluded general rate case, No. ER-2004-0034.

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

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5. On August 4, 2004 Aquila sought authorization from this Commission to implement an Accounting Authority Order to allow it to accrue what Aquila characterizes as "undercollections" for the purpose of possible future recovery. At several places in its Application, Aquila appears to recognize that this would represent a modification of the Interim Energy Charge that was recently agreed to as an integral part of the settlement of Case No. ER-2004-0034. SIEUA was an active party to that rate case.

6. A component of that settlement was that ratepayers should take the risk that **overall** prices might decline below the refund floor established in that settlement while Aquila accepted the risk that such prices would rise above the IEC cap. Meanwhile, Aquila was permitted to collect revenues at the highest level permitted by the IEC. Aquila now appears dissatisfied with the deal that it struck and wishes to retrade its Commission-approved settlement agreement by setting up a mechanism whereby

it can shift the risk that it agreed to accept back on the ratepayers.

7. SIEUA members are vitally interested in this proposal, in its terms and conditions, its potential impact on ratepayers generally, and its impact upon their operations specifically. As major electric customers of Aquila, SIEUA members are in a position to be directly affected by the proposal and may be bound or adversely affected by any Commission order issued in this proceeding. Because Aquila provides electricity to SIEUA members on under separate contracts or rate schedules and because of SIEUA members' size and load factor, 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 that are direct and immediate and differ from those 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' interests.

8. For purposes of 4 C.S.R. 240-2.075(2), SIEUA states that it is opposed to the relief that is sought by Aquila in this proceeding, such relief is unnecessary, does not meet the standards established by this Commission for the exceptional relief of Accounting Authority Orders and openly represents an attempt at a unilateral "end run" around, modification and retrade of the IEC mechanism and the settlement agreement in ER-

2004-0034 which Aquila badly wanted but on which the ink is scarcely dry. SIEUA anticipates a more detailed address to the proposal when it has been thoroughly reviewed.

WHEREFORE, SIEUA prays (without prejudice to later requests for relief) 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 any argument.

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 SEDALIA INDUSTRIAL  
ENERGY USERS' ASSOCIATION

August 10, 2004

CERTIFICATE OF SERVICE

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

  
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Stuart W. Conrad

Dated: August 10, 2004