

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

PREHEARING CONFERENCE
January 15, 1999
Jefferson City, Missouri
Volume I

In the Matter of the Monitoring)
of the Experimental Alternative) Case No. EO-96-14
Regulation Plan of Union)
Electric Company.)

BEFORE:

SHELLY A. REGISTER, Presiding,
REGULATORY LAW JUDGE.

REPORTED BY:

KRISTAL R. MURPHY, CSR, RPR, CCR
ASSOCIATED COURT REPORTERS, INC.
714 West High Street
Post Office Box 1308
JEFFERSON CITY, MISSOURI 65102
(314) 636-7551

1 APPEARANCES:

2

3 JAMES A. COOK, Attorney at Law
Post Office Box 66149
4 St. Louis, Missouri 63166

5 FOR: Union Electric Company (Ameren UE).

6 DIANA M. SCHMIDT, Attorney at Law
Bryan Cave, LLP
7 211 North Broadway
Suite 3600
8 St. Louis, Missouri 63102

9 FOR: Missouri Industrial Energy Consumers.
Adam's Mark.
10 Anheuser-Busch.
Alcoa.
11 Boeing.
Ford.
12 General Motors.
Holnam.
13 ISP Minerals.
Mallinckrodt.
14 MEMC Electronic Materials.
Monsanto.
15 Precoat Metals.
Procter & Gamble.

16
17 ROBIN E. FULTON, Attorney at Law
Post Office Box 151
Fredericktown, Missouri 63645

18 FOR: The Doe Run Company.

19
20 ROBERT C. JOHNSON, Attorney at Law
Peper, Martin, Jensen, Maichel and Hetlage
720 Olive Street
21 Suite 2400
St. Louis, Missouri 63101

22 FOR: Chrysler Corporation.
23 Barnes - Jewish Hospital, et al.

24

25

1 SAMUEL E. OVERFELT, Attorney at Law
618 East Capitol Avenue
2 Jefferson City, Missouri 65101

3 FOR: Missouri Retailers Association.

4
JOHN COFFMAN, Senior Public Counsel
5 P.O. Box 7800
Jefferson City, Missouri 65102
6

7 FOR: Office of Public Counsel and the Public.

8 STEVEN DOTTHEIM, Deputy General Counsel
P.O. Box 360
Jefferson City, Missouri 65102
9

10 FOR: Staff of the Missouri Public Service
Commission.

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 P R O C E E D I N G S

2 (Written Entries of Appearance filed.)

3 JUDGE REGISTER: We're here for the
4 prehearing conference for Case No. EO-96-14, in the
5 matter of the monitoring of the experimental
6 alternative regulation plan of Union Electric
7 Company. And there are also matters pending on Case
8 No. EM-96-149, in the matter of the application of
9 Union Electric Company for an order authorizing,
10 number one, certain merger transactions involving
11 Union Electric Company; two, the transfer of certain
12 assets, real estate, leased property, easements and
13 contractual agreements to Central Illinois Public
14 Service Company; and, number three, in connection
15 therewith, certain other related transactions, which I
16 understand actually have to do with the settlement
17 agreement, weatherization -- that part has to do with
18 weatherization normalization.

19 MR. DOTTHEIM: As that relates to the rate
20 reduction, which is provided for in the stipulation
21 and agreement in Case No. EM-96-149.

22 JUDGE REGISTER: Okay. Now, as I understood
23 it from just looking at these, these cases have not
24 been consolidated, though, but we're just taking them
25 both up because they're issues provided for in this

1 settlement agreement?

2 MR. DOTTHEIM: Yes, that is correct. They
3 are not consolidated. And, actually, I think as it's
4 indicated in one or more of the pleadings, there is a
5 need possibly for an interim rate design for purposes
6 of effectuating the rate reduction as provided for in
7 EM-96-149. And there is reference to -- there is
8 presently pending a comprehensive rate design
9 customer class cost of service case, which is Case
10 No. EO-96-15, and I believe all of the parties in
11 EO-96-15 but one are also parties in EO-96-14.

12 JUDGE REGISTER: Okay. And I do have
13 EO-96-15, which is in the matter of the investigation
14 of class cost of service and rate design for Union
15 Electric Company, and have one pending application to
16 intervene outside the established deadline from the
17 State of Missouri, but we'll take that one up earlier
18 only if necessary. Or I'll -- you-all may need to
19 discuss it, rather, I should say, on the procedural
20 schedule.

21 Let's go ahead and taken the entries of
22 appearance, please. Mr. Cook, do you want to start?

23 MR. COOK: Certainly. James J. Cook, Post
24 Office Box 66149, St. Louis, Missouri, 63166-6149,
25 appearing on behalf of Union Electric Company, or

1 Ameren UE.

2 JUDGE REGISTER: Next.

3 MR. DOTTHEIM: Steven Dottheim, Post Office
4 Box 360, Jefferson City, Missouri, 65102, appearing on
5 behalf of the Staff of the Missouri Public Service
6 Commission.

7 JUDGE REGISTER: Thank you.

8 MR. JOHNSON: John B. Coffman, P.O.
9 Box 7800, Jefferson City, Missouri, 65102, appearing
10 on behalf of the Office of the Public Counsel.

11 MS. SCHMIDT: Diana M. Schmidt, Bryan Cave,
12 LLP, 211 North Broadway, Suite 3600, St. Louis,
13 Missouri, 63102, appearing on behalf of the Missouri
14 Industrial Energy Consumers.

15 MR. FULTON: Robert Fulton, P.O. Box 151,
16 Fredericktown, Missouri, appearing on behalf of Doe
17 Run Company.

18 JUDGE REGISTER: Any other intervenors?

19 MR. JOHNSON: Robert C. Johnson, 720 Olive,
20 St. Louis, Missouri, 63101, appearing on behalf of
21 Chrysler Corporation and Barnes - Jewish, et al.

22 JUDGE REGISTER: Okay. I have received
23 phone contacts from Mr. William Riggins representing
24 KCP&L, and they have been excused this morning, and
25 also a telephone call from Michael Pendergast on

1 behalf of Laclede Gas Company, and they've asked to be
2 excused this morning. Any objections to those?

3 (No response.)

4 JUDGE REGISTER: If that's all of the
5 intervenors present --

6 MR. OVERFELT: Sam Overfelt, Jefferson City,
7 Missouri, P.O. Box 1336, 65102, appearing on behalf of
8 the Missouri Retailers Association.

9 JUDGE REGISTER: Any other intervenors? Did
10 I miss anybody?

11 (No response.)

12 JUDGE REGISTER: Okay. Thank you for
13 catching me there.

14 All right. Just to clear up my record, are
15 there parties that are not present that you-all know
16 of? Missouri Gas Energy, are they represented here
17 today? I think they were previously a party in
18 95-411. And Empire District Electric Company, Jim --
19 James C. Swearingen?

20 (No response.)

21 JUDGE REGISTER: Okay. All right. We have
22 a couple of pending matters today, and I'd like to
23 take up the pending request for Commission guidance
24 and the responses to that and the purpose for the --
25 or the request for early prehearing notice from Office

1 of the Public Counsel and the request filed by Staff
2 requesting the early prehearing conference and the
3 areas of disagreement that are brought forth here
4 today under the stipulation and agreement in Case
5 No. ER-95-411.

6 Do you-all have a particular way that you
7 want to proceed this morning, or have you-all
8 discussed the procedure at all this morning?

9 MR. COOK: We've not discussed the
10 procedure. It's my thought that they all somewhat
11 work together, and we had anticipated that, frankly,
12 after the entry of appearance and perhaps a little bit
13 of procedural discussion that we might have some time
14 to discuss whether any of the issues in part or in
15 whole might be resolved.

16 JUDGE REGISTER: Okay. Let me go over what
17 I have, then, pending before me so that we're clear,
18 and then I have also another question then on the
19 motion to compel.

20 I have Union Electric's request for
21 Commission guidance filed November 23rd, 1998; Office
22 of the Public Counsel's notice filed November 24th,
23 1998. We have pending before us the corrected final
24 earnings report and corrected proposed sharing report
25 for the third sharing period July 1, 1997 through

1 June 30, 1998 filed 11-25 by Ameren UE; Staff's motion
2 for setting an expedited early prehearing conference,
3 which was filed November 25th, 1998, which brings us
4 here -- it's one of the things that brings us here --
5 and on November 25th, Staff's motion for leave to file
6 late initial report for third year share and credit
7 calculations and initial report speculating weather
8 normalization earnings share to ratepayers. And then
9 I have on December 28th, Office of the Public Counsel
10 filed a motion to compel, and on January 13th, '99,
11 Ameren UE filed a motion for extension of time in
12 which to file a response to the Public Counsel's
13 motion to compel.

14 Is there anything else pending that I'm
15 not --

16 MR. DOTTHEIM: Pardon me, Judge Register.
17 I'm not sure whether you mentioned the Staff's
18 response to Union Electric Company's request for
19 Commission guidance.

20 JUDGE REGISTER: I'm sorry. I do have both
21 Office of the Public Counsel's and Staff's responses,
22 both filed on December 3rd, 1998, to Ameren UE's
23 request for Commission guidance. Yes, those are both
24 pending.

25 MR. DOTTHEIM: Thank you.

1 JUDGE REGISTER: Okay. Let me ask, first,
2 about the motion to compel. Are there -- does anyone
3 intend to file an objection to the request for an
4 extension of time by Ameren UE for time to file?
5 Should I wait?

6 MR. COFFMAN: We're certainly willing to
7 meet with the Company, and wouldn't object to a
8 reasonable extension. But these are matters that we
9 had initiated discovery on back in September, and
10 since there isn't a time limit in this case, I am
11 somewhat hesitant to agree to an open-ended extension.
12 I think that these matters are preliminary to us even
13 determining what -- what issues we're going to take
14 with the earnings report.

15 We feel as if our basic ability to verify
16 some of the items that we described in the notice and
17 are included in the earnings calculation is being
18 frustrated at this point, and we feel like the
19 information contained in that motion to compel is
20 essential to us being able to actually form opinions
21 and get, I guess, our testimony together to actually
22 try this case, so it is important. And I wouldn't
23 have an objection to, you know, a brief extension --

24 JUDGE REGISTER: Okay.

25 MR. JOHNSON: -- to try to work it out.

1 JUDGE REGISTER: Mr. Cook's request is ten
2 days -- a request for an additional ten days to file
3 his response --

4 MR. JOHNSON: Right.

5 JUDGE REGISTER: -- to your motion to
6 compel, Mr. Coffman. Is that reasonable?

7 MR. JOHNSON: I wouldn't object to that.

8 JUDGE REGISTER: I'll issue that notice
9 today, and I'll make that ten days from today.

10 MR. COOK: Thank you.

11 For the record, I've indicated, Mr. Coffman,
12 that we've come today prepared to sit down and try to
13 resolve as many of the issues that are in dispute as
14 possible, so that if there is anything that is still
15 pending, it hopefully will be fewer than we have in
16 the initial motion.

17 JUDGE REGISTER: You may not even need that
18 time if you resolve your issues here today?

19 MR. COOK: Yes.

20 JUDGE REGISTER: Is there anything else
21 procedural that you would like to take up now, or do
22 you need any decision from the Commission to proceed
23 with your negotiations?

24 MR. COOK: No. At least -- the others may
25 have a different opinion, but my hope today would be

1 to see if there is any possibility of settling some or
2 all of the issues. We would, of course, on the
3 assumption that it is all settled today, and Staff
4 apologizes and goes away, that we will still meet the
5 deadline for filing the procedural schedule. I
6 believe we can start to work on that today as well.

7 As to the pending matters, just so it is
8 clear, I -- the Company filed its request for
9 Commission guidance, the Staff and Public Counsel
10 have -- at least the Staff has responded to that.
11 I've forgotten if Public Counsel did. And the Company
12 has not yet filed its reply. It will seek leave to
13 still do that, if necessary, after today. We'll be
14 doing so in the near future. So I would not ask for a
15 ruling on that today.

16 And we -- and I think that's one of the
17 things we need to discuss from a procedural
18 standpoint. If there is something like that that the
19 parties wish to have verified or an order before we
20 proceed or whether we should just proceed on the
21 assumption that that will happen of its own course,
22 I'm not sure.

23 JUDGE REGISTER: Okay. The one other thing
24 I wanted to note is I did note, I think, in your
25 response, Mr. Dottheim, that there was a reference to

1 no decision being rendered yet in '96 -- EO-96-15, and
2 I did want to note that my calendar has that scheduled
3 for hearing April 26th through April 30; is that
4 correct?

5 MR. DOTTHEIM: I believe that is correct.

6 JUDGE REGISTER: So if there is some need
7 for a decision before that time or if the parties
8 enter into an agreement, that's fine, but we might be
9 able to correlate the two if you do end up needing to
10 have a hearing on that issue.

11 MR. DOTTHEIM: Of course, it -- it depends
12 on what happens in EO-96-15. Even if both dockets go
13 to hearing, EO-96-15 and EO-96-14, I would anticipate
14 that the Commission would render a decision in
15 EO-96-14 sooner than it would do so in EO-96-15, the
16 rate design customer class cost of service docket.

17 So if EO-96-14 goes to hearing, or if it
18 doesn't, I think we will need an interim rate design.
19 I think the only thing that would possibly prevent the
20 need for an interim rate design is if EO-96-15 settles
21 around the time that EO-96-14 either settles or there
22 is a Commission decision in EO-96-14 after having gone
23 to hearing.

24 So I think prudence would -- would indicate
25 that the parties at this stage do need to be talking

1 about an interim rate design to effectuate the rate
2 reduction that would come out of the first alternative
3 regulation plan as provided for in the stipulation and
4 agreement in EM-96-149.

5 JUDGE REGISTER: Sounds like you-all have
6 some pretty complex issues to discuss today and it's
7 time for me to leave you alone. Does that sound about
8 right?

9 MR. DOTTHEIM: We're here at your pleasure.

10 JUDGE REGISTER: Well, I have a few other
11 things I can attend to, unless someone else needs
12 something from me now.

13 MR. DOTTHEIM: We won't be bashful if we do
14 need you to look for you.

15 JUDGE REGISTER: I'll be there.

16 Okay. Then I will go off the record then.

17 Whereupon, the on-the-record portion of the
18 prehearing conference was concluded.

19

20

21

22

23

24

25