

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Aquila, Inc. d/b/a)
Aquila Networks-MPS and Aquila)
Networks-L&P, for authority to file) ER-2007-0004
tariffs increasing electric rates)
for the service provided to custom-)
ers in the Aquila Networks-MPS and)
Aquila Networks-L&P service areas)

APPLICATION TO INTERVENE OF
SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION

COMES NOW the SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIA-
TION ("SIEUA") 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. d/b/a Aquila Networks L&P
("L&P") and Aquila Networks MPS ("MPS") July 3, 2006. 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 surround-
ing area. SIEUA was formed for the purpose of economical repre-
sentation of its members' interests through intervention and
other activities in regulatory and other appropriate proceedings.

2. Current members of SIEUA are as follows: **Pitts-**
burgh 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 MPS 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, Case No. EO-2002-384, in Case No. ER-2004-0034 and in Aquila's prior electric rate case, Case No. ER-2005-0436.

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 July 3, 2006 Aquila filed proposed tariffs with the Commission that it states would increase its rates for electric service by \$94.5 million in its MPS service area and \$24.4 million in its L&P area, or nearly \$119 million in the aggregate. The reasons alleged for the filing include increased costs of operations including fuel and purchased power and a claimed insufficient return on investment as well as claimed increased natural gas costs affecting the cost of generation. Although the tariffs affect different service areas, the filing has been combined by Aquila.

6. SIEUA members are vitally interested in this proposed tariff, in its terms and conditions, and its impact on ratepayers generally and upon their operations specifically. As major electric customers of MPS, SIEUA members are in a position

to be directly affected by the proposed increases and may be bound or adversely affected by any Commission order issued in this proceeding. Because MPS 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 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 SIEUA be permitted to intervene in this proceeding so as to protect its members' interest which no other party is in a position properly to protect and adequately represent.

7. For purposes of 4 C.S.R. 240-2.075(2), SIEUA states that it is opposed to discriminatory pricing of electricity and related utility services, is opposed to increases that are not reasonable and are not related to prudent costs that are incurred by the utility in providing utility service, and is opposed to a utility being permitted to earn what may be an unreasonably high rate of return in order to extricate itself from a financial situation of its own making. Moreover, utility ratepayers are not understood by SIEUA to be the ultimate guarantors of a utility's financial health. Rather utility management should be accountable to its shareholders for the proper and prudent management of the assets that they have provided for

public service. A more detailed statement of position and identification of issues with respect to the July 3, 2006 filing may be submitted following a more extensive review of the tariff filing and the materials claimed to support such filing.

WHEREFORE, SIEUA prays (without prejudice to later requests for relief): (a) 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 argument, should any be had; (b) that a full procedural schedule be adopted providing for a hearing and the filing of exhibits and testimony; (c) that following such investigation the matter be set for hearing before the Commission in which the applicant utility shall be put to its proof regarding the need for the proposed tariff and all aspects of its proposed methodology of recovery; and (d) for all other needful and proper relief appropriate in the premises.

Respectfully submitted,

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ATTORNEYS FOR SEDALIA INDUSTRIAL
ENERGY USERS' ASSOCIATION

July 14, 2006

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 or by electronic mail addressed to all parties by their attorneys of record as made available by the Secretary of the Commission through its EFIS.


Stuart W. Conrad

Dated: July 14, 2006