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December 4, 2000

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The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

Re: Case No. EA-2000-308

Dear Judge Roberts:

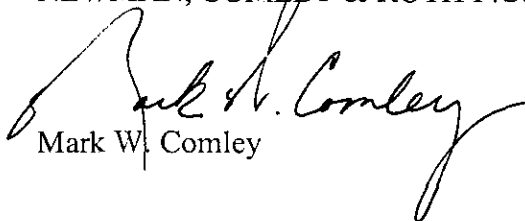
Enclosed for filing in the referenced matter please find the original and eight copies of an Application for Rehearing and Motion to Reconsider Order Regarding Motion to Compel and Motion to File Supplemental Rebuttal Testimony.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:


Mark W. Comley

MWC:ab

Enclosure

cc: Office of Public Counsel
Denny Frey
Gary W. Duffy
Michael R. Dunbar
Vernon W. Strickland

FILED

DEC - 4 2000

Missouri Public
Service Commission

FILED

DEC - 4 2000

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Application of the City of)
Rolla, Missouri, for an Order Assigning Exclusive)
Service Territories and for Determination of Fair)
and Reasonable Compensation Pursuant to)
Section 386.800, RSMo 1994)

Case No. EA-2000-308

APPLICATION FOR REHEARING AND MOTION TO RECONSIDER
ORDER REGARDING MOTION TO COMPEL AND
MOTION TO FILE SUPPLEMENTAL REBUTTAL TESTIMONY

Comes now Intercounty Electric Cooperative Association (Intercounty) and pursuant to §386.500 RSMo. 1994 submits this application for rehearing/motion to reconsider the Commission's Order of December 1, 2000, denying Intercounty's motions to compel and motion to file supplemental rebuttal testimony. In support thereof Intercounty states the following to the Commission:

I. Regarding the Motions to Compel

As the evidence unfolds in this proceeding, the Commission will learn that the wholesale power provider upon which Rolla Municipal Utilities (RMU) has relied historically will soon be terminating its relationship with RMU. RMU's agreement with Ameren UE (formerly known as Union Electric) will conclude at the end of calendar year 2000 by operation of its terms, as best as counsel understands the situation. In turn, RMU has entered a new agreement with another wholesale power supplier, one which it has not had a relationship before. In order for RMU to receive power from this new supplier, it must have in place a wheeling agreement, presumably with its former supplier, namely Union Electric.

Although Dan Watkins, one of RMU's witnesses in this case, is expected to excise from his testimony a reference to his employer's "business plan," he is equally expected to testify about the

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future of rate increases for the customers who may be transferred in this matter if the Commission approves RMU's application. Whether and to what extent rates increase or decrease for those customers unmistakably depends upon the costs, fees and charges RMU will pay pursuant to these new agreements. The timing of rate increases or decreases may depend upon the schedule set out in RMU's business plan. The Commission has concluded that RMU's business plan and the agreements which apparently have been entered in pursuit of that plan, are beyond the range of discovery. As a consequence, Mr. Watkins' favorable predictions about RMU's rate future will go without meaningful cross examination.

In this Commission, the rate paid by customers for home electricity, now or in the future, has traditionally been a fundamental consideration in measuring the effects a proposal may have on the public interest. At page 7 of its Order the Commission states that it is not apparent that RMU's new wholesale contract and wheeling arrangements and any information about them are relevant. Intercounty must disagree. These documents and information are directly connected to the rate that will be charged to RMU customers in the future. As mentioned above, RMU itself raises the issue of future rate increases in its own testimony. Interveners have raised their concern that their rates for service will rise when they become RMU customers. The Commission should not depart from its past practices. In considering whether the relief requested in the city of Rolla's application, in total, is in the public interest, the Commission should consider the stability and future stability of the rates which affected customers will be charged.

Intercounty will not reprint the contents of its motions and the suggestions it filed in support of both, but instead incorporates them in this pleading by reference as if they were set forth verbatim. On the basis of what has been pleaded before, and the foregoing, Intercounty respectfully requests that the Commission grant rehearing of the motions, vacate its earlier order and grant the relief its

motions request.

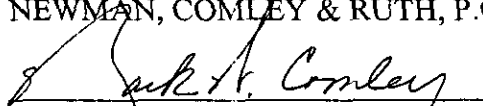
II. Regarding the Motion for Leave to File Supplemental Rebuttal Testimony of Vernon Strickland.

Intercounty incorporates herein its motion for leave to file the supplemental rebuttal testimony of Mr. Strickland with these additions. One of the subjects addressed in Mr. Strickland's supplemental rebuttal was a new issue raised in Mr. Dan Watkins' surrebuttal testimony regarding an "understanding" between RMU and Intercounty on payment of franchise fees in a manner like RMU's payment to the city of Rolla. In opposing Intercounty's motion, the city of Rolla stated that Intercounty cited page 15, lines 14-18 of Mr. Watkins' surrebuttal, for the source of this new matter, but Intercounty included no such cite. Mr. Watkins does mention the understanding on that page, but he refers to it also at page 39, lines 8-11 of the same testimony, *where he addresses the rebuttal testimony of Mr. Strickland*. Again, this "understanding" or other arrangement is new, and a complete surprise to Intercounty. The rules of prepared testimony are designed to minimize if not eliminate surprise. Since Mr. Watkins already knows about the understanding, the city of Rolla should require no further discovery on the matter and would not be prejudiced by Mr. Strickland's testimony on the issue.

The Commission's order did not address this specific matter and apparently overlooked it.

WHEREFORE, Intercounty respectfully requests the Commission to grant rehearing of its motions to compel and motion for leave to file supplemental rebuttal testimony, vacate its earlier order denying those motions, and grant the relief requested in the motions.

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Certificate of Service

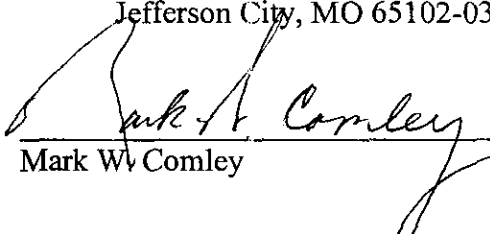
I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, on this 4th day of December, 2000, to:

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