

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of an Examination of Class)	
Cost of Service and Rate Design in the)	
Missouri Jurisdictional Electric Service)	Case No. EO-2002-384
Operations of Aquila, Inc., Formerly)	
Known as UtiliCorp United Inc.)	

**PROPOSED LIST OF ISSUES AND
MOTION TO WAIVE THE REQUIREMENTS OF RULE 4 CSR 240-2.080(21)**

COMES NOW the Staff of the Missouri Public Service Commission in response to the Commission's August 23, 2005 Order Regarding Consolidation and Procedural Schedule and states:

1. In its Order Regarding Consolidation and Procedural Schedule the Commission issued August 23, 2005 addressing both this case and Aquila's general electric rate increase case, Case No. ER-2005-0436, the Commission, among other things, ordered AARP, Calpine Central, L.P., City of St. Joseph, The Empire District Electric Company and the Missouri Department of Natural Resources be added as parties in this case, and ordered the parties to agree on and file a list of issues by 4:00 Friday, September 30, 2005 with the Staff having responsibility for "actually drafting and filing the list of issues." Further, in the order the Commission stated, "Any issue not included in the issues list will be presumed to not require determination by the Commission." The parties in this case before that order were: The Staff of the Missouri Public Service Commission, The Office of the Public Counsel, Aquila, Inc., Sedalia Industrial Energy

Users' Association, the Federal Executive Agencies, City of Kansas City, Missouri and County of Jackson, Missouri.

2. AARP, on August 30, 2005, filed a motion for reconsideration of the Commission's order challenging the Commission's authority to involuntarily join it as a party in this case. The Commission has not ruled on that motion. The City of St. Joseph and The Empire District Electric Company both filed appearances and appeared at the September 26-28, 2005 settlement conference in this case. The Missouri Department of Natural Resources filed its appearance in this case. Neither AARP nor Calpine appeared at the September 26-28, 2005 settlement conference and neither participated in any way in the creation of the proposed list of issues. The Staff of the Missouri Public Service Commission, The Office of the Public Counsel, Aquila, Inc, the Federal Executive Agencies, City of Kansas City, Missouri, County of Jackson, City of St. Joseph, The Empire District Electric Company and the Missouri Department of Natural Resources agree to, or do not object to, the proposed list of issues below for this case. The Sedalia Industrial Energy Users' Association does not agree to the proposed list of issues below.

3. Commission Rule 4 CSR 240-2.080(21) provides:

Any list of issues ordered by the commission must contain one (1) or more questions presented for decision, stated in the following form per issue: in three (3) separate sentences, with factual and legal premises, followed by a short question; in no more than seventy-five (75) words; and with enough facts woven in that the commission will understand how the question arises in the case.

(A) The questions must be clear and brief, using the style of the following examples of issue statements, which illustrate the clarity and brevity that the parties should aim for:

1. Example A: The Administrative Procedures Act does not require the same administrative law judge to hear the case and write the final order. ABC Utility Company filed an appeal based on the fact that the administrative law judge who wrote the final order was not the administrative law judge who heard the case. Is it reversible error for one administrative law judge to hear the case and a different administrative law judge to write the final opinion?

2. Example B: For purposes of establishing rates, ABC Utility Company is entitled to include in its costs expenses relating to items that are used or useful in providing services to its customers. ABC Utility Company has spent money to clean up environmental damages resulting from the operation of manufactured-gas plants some 70 to 80 years ago. Should ABC Utility Company be allowed to include these expenses among its costs in establishing its future natural gas rates?

4. The parties were unable to comply with the requirements of Commission Rule 4 CSR 240-2.080(21); therefore, the Staff requests, pursuant to 4 CSR 240.2.025, that, for good cause, the Commission waive the requirements of 4 CSR 240-2.080(21).

5. The proposed list of issues is not an agreement by any party that any particular listed issue is, in fact, a valid or relevant issue. Indeed, in their position statements, some parties may assert that a particular listed issue is not, or no longer is, a valid issue. Moreover, despite the Commission's assertion that any issue not included in the list will be presumed not to require Commission determination, the parties recognize that the list does not include AARP's position that it is not a party to this case and that they may not have anticipated all issues may yet be raised in rebuttal or surrebuttal testimony and, therefore, on their behalf, the Staff advises the Commission that the proposed list of issues included in this filing may not encompass all of the issues parties may bring to the Commission for decision in this case.

6. The proposed list of issues is not to be construed as impairing any party's ability to argue about any of these issues or related matters, or to restrict the scope of any party's response to arguments made by others.

7. Following is the proposed list issues:

PROPOSED LIST OF ISSUES

Class Cost of Service Issues

1. What is the appropriate method for allocating generation-related costs to customer classes?

2. What is the appropriate method for allocating transmission-related costs to customer classes?
3. What is the appropriate method for allocating distribution-related costs to customer classes?
4. What is the appropriate classification of distribution plant into categories such as primary demand, secondary demand, primary customer-related and secondary customer-related?
5. What are the appropriate methods for allocating administrative and general expenses to customer classes?

Rate Design Issues

6. Should inter-class revenue adjustments be determined in this case and should inter-class revenue adjustments be implemented in this case?
 - A. What are the appropriate inter-class revenue adjustments?or
 - B. What is the appropriate method to determine them?
7. What rate schedules should be combined, eliminated or added?
8. What changes to the rate structures on each rate schedule are appropriate?
9. How should the appropriate rate values for each rate schedule be determined?

WHEREFORE, the Staff moves the Commission to waive the requirements of Rule 4 CSR 240-2.080(21) and submits the foregoing in response to the Commission's August 23, 2005 Order Regarding Consolidation and Procedural Schedule.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Nathan Williams

Nathan Williams
Senior Counsel
Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8702 (Telephone)
(573) 751-9285 (Fax)
nathan.williams@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mail to all counsel of record this 30th day of September 2005.

/s/ Nathan Williams