

December 17, 2007
Jefferson City, Missouri
Volume 1

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

MORRIS L. WOODRUFF, Presiding
DEPUTY CHIEF REGULATORY LAW JUDGE

18 REPORTED BY: Monnie S. VanZant, CCR, CSR, RPR
19 Midwest Litigation Services
20 3432 W. Truman Boulevard, Suite 207
 Jefferson City, MO 65109
 (573) 636-7551

1 A P P E A R A N C E S

2 For Staff of the Missouri Public Service Commission:

3 Mr. Steven Dottheim
4 Missouri Public Service Commission
5 P.O. Box 360
Jefferson City, MO 65102
(573) 751-7489

6
7 For Office of Public Counsel and the Public

8 Mr. Lewis Mills
9 Office of the Public Counsel
P.O. Box 2230
200 Madison Street
Jefferson City, MO 65102

10
11 For Aquila, Inc.:

12 Mr. Paul A. Boudreau
13 Brydon, Swearngen & England
312 E. Capitol Ave.
Jefferson City, MO 65102-0456
14 (573) 635-7166

15
16 For Empire District Electric Company:

17 Mr. Dean L. Cooper
18 Brydon, Swearngen & England
312 E. Capitol
P.O. Box 456
Jefferson City, MO 65102
19 (573) 635-7166

20
21 For Union Electric Company:

22 Mr. James B. Lowery
23 Smith Lewis, LLC
111 S. 9th Street, Suite 200
Columbia, MO 65201
24 (573) 443-3141

25

1 For Missouri Industrial Energy Consumers:

2 Ms. Carol Iles
3 and Ms. Diana Vuylsteke
4 Bryan Cave, LLP
5 211 N. Broadway, Suite 3600
6 St. Louis, MO 63102
7 (314) 259-2543

8 For Southwest Power Pool, Inc.:

9 Mr. David C. Linton
10 Attorney at Law
11 424 Summer Top Lane
12 Fenton, MO 63026
13 (636) 349-9028

14 Ms. Heather Starnes
15 Attorney at Law
16 415 North McKinley, Suite 140
17 Little Rock, AR 72205

18 For KCPL:

19 Mr. Gerald Reynolds
20 Attorney at Law
21 1201 Walnut Street
22 Kansas City, MO 64106

23

24

25

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

2 JUDGE WOODRUFF: We're on the record. Good
3 afternoon, everyone. Welcome to the prehearing conference
4 in Case No. EO-2008-0134, which is the matter of the
5 Application of Union Electric Company for Authority to
6 Continue the Transfer of Functional Control of Its
7 Transmission System to the Midwest Independent
8 Transmission System Operator, Incorporated.

9 And we'll begin today by taking entries of
10 appearance, beginning with AmerenUE.

11 MR. LOWERY: Thank you, your Honor. James B.
12 Lowery, Smith Lewis, LLP, 111 South 9th, Suite 200,
13 Columbia, Missouri, 65201, appearing on behalf of Union
14 Electric Company.

15 JUDGE WOODRUFF: Thank you. And for Staff of
16 the Commission?

17 MR. DOTTHEIM: Steven Dottheim and Nathan
18 Williams, Post Office Box 360, Jefferson City, Missouri,
19 65102, appearing on behalf of the Staff of the Missouri
20 Public Service Commission.

21 JUDGE WOODRUFF: Okay. Did someone else join
22 us? Mr. Zobrist and Mr. Reynolds, are you still the only
23 ones there?

24 MR. ZOBRIST: Yes.

25 MR. REYNOLDS: Yeah. I'm still here.

1 MR. LAUGHLIN: Judge, this is Jim Laughlin for
2 MITSO. I'm also on the line.

3 JUDGE WOODRUFF: Okay. I thought I heard
4 someone else come on. For Public Counsel?

5 MR. MILLS: On behalf of the Office of Public
6 Counsel and the public, my name is Lewis Mills. My
7 address is Post Office Box 2230, Jefferson City, Missouri,
8 65102.

9 JUDGE WOODRUFF: All right. For KCPL?

10 MR. REYNOLDS: On behalf of KCPL, my name is
11 Gerald Reynolds. My address is 1201 Walnut Street, Kansas
12 City, Missouri, 64106.

13 JUDGE WOODRUFF: Thank you. And for Empire?

14 MR. COOPER: Dean L. Cooper, P.O. Box 456,
15 Jefferson City, Missouri, 65102, appearing on behalf of
16 the Empire District Electric Company.

17 JUDGE WOODRUFF: Southwest Power Pool?

18 MR. LINTON: On behalf of Southwest Power Pool,
19 David C. Linton and Heather Starnes. I'm David Linton,
20 424 Summer Top Lane, Fenton, Missouri, 63026. And for
21 Heather Starnes, 415 North McKinley, Suite 140, Little
22 Rock, Arkansas, 72205.

23 JUDGE WOODRUFF: Thank you. And for Aquila?

24 MR. BOUDREAU: For Aquila, Paul A. Boudreau, Law
25 Firm of Brydon, Swearngen & England, 312 East Capitol

1 Avenue, Post Office Box, 456, Jefferson City, Missouri.

2 JUDGE WOODRUFF: And for MIEC?

3 MS. ILES: For MIEC, I am Carol Iles also
4 entering an appearance for Diana Vuylsteke with Bryan
5 Cave, LLP, 211 North Broadway, St. Louis, Missouri, 63102.

6 JUDGE WOODRUFF: And for Midwest ISO?

7 MR. ZOBRIST: Karl Zobrist, Sonnenschein, Nath &
8 Rosenthal, LLP, 4520 Main Street, Suite 1100, Kansas City,
9 Missouri, 64111.

10 JUDGE WOODRUFF: Thank you. And I believe
11 that's all the parties. Did I miss anyone? Okay. I
12 don't see any other -- any other hands popping up.

13 I scheduled this prehearing conference initially
14 to allow the parties a chance to discuss a procedural
15 schedule. And then this morning a filing was made by
16 AmerenUE indicating that there was a hitch in these
17 proceedings. Or some changes anyway.

18 Mr. Lowery, just -- do you want to, for the
19 record, explain what has happened?

20 MR. LOWERY: Sure. We made a filing this
21 morning, as your Honor indicated, notifying the Commission
22 and the other parties of a request by the Midwest ISO
23 itself and certainly -- not all, but certain of the
24 Midwest ISO transmission-owning members to change the OATT
25 that's on file by MISO in terms of distributing revenues

1 and what's called the post transition period which starts
2 1/1/08.

3 And indicated that because of that immediate
4 filing and the fact that some FERC proceedings are going
5 to unfold over the next few months that the company felt
6 like it needed to re-evaluate exactly what its direction
7 should be with respect to its MISO participation, see
8 what's going to happen at the FERC, which should unfold
9 over the next few months, and that we thought it would be
10 appropriate to suspend further formal proceedings in this
11 case to allow that process to take place.

12 And I think that pretty much -- pretty much
13 indicates that the -- the issue that has been raised by
14 that FERC filing could greatly impact the -- the revenues
15 the company received in that post transition period, which
16 obviously affects the economics to participate in the MISO
17 versus something else.

18 And that, together with some other factors that
19 we identified on our application and the recency of that
20 filing, in our view, makes it prudent for us to step back
21 a little bit.

22 We may or may not be inclined to proceed. The
23 other parties may not be inclined to proceed as we had
24 initially indicated in our application. But given that
25 our permission doesn't expire for, I guess, about a year

1 and a half and given that the FERC proceedings would
2 unfold, we thought it was best to suspend the proceedings.

3 And, obviously, the other parties haven't had a
4 chance to respond to that. The Commission hasn't had a
5 chance to think about it. But that's pretty much where we
6 are at this point as reflected in our filing.

7 JUDGE WOODRUFF: All right. One question that I
8 have after reading what Ameren filed this morning was --
9 and the question of suspending these proceedings is what
10 do we do if the requirement -- I believe it's in the
11 stipulation agreement that we -- the Commission shall
12 issue a decision by July 31st, 2008.

13 MR. LOWERY: Well, your Honor, I would have to
14 look at stipulation itself. I think that some of the
15 dates in the stipulation in terms of when the Commission
16 needs do certain things turned upon the company's -- and
17 I'd have to check, but turned on the company's
18 participation initially through Grid America.

19 I don't know if you're familiar with that, but
20 we initially --

21 JUDGE WOODRUFF: Only this -- only from what
22 I've heard.

23 MR. WOODRUFF: We initially joined the Midwest
24 ISO through participation in Grid America, which is an
25 independent transmission company. We withdrew from Grid

1 America -- I don't know the exact date. It's reflected in
2 our application. And there were certain contractual
3 documents in the Grid America documents that dictated a
4 certain finding that no longer necessarily applied.

5 And I could certainly look at that, and maybe
6 Mr. Dottheim remembers off the top of his head. I don't.
7 But it's my belief that given the fact that we're not in
8 Grid America, those time frames don't apply now and that
9 we -- we -- we should have plenty of time to take a pause
10 in the schedule in this case and still process it in a
11 timely fashion to deal with when our -- when our
12 permission would actually expire.

13 I can certainly get back to you on that, though,
14 and the other parties.

15 JUDGE WOODRUFF: I certainly don't need an
16 answer about that today, and I'm certainly not going to
17 make a decision about that today. So I just wanted to
18 throw that out so the parties can discuss it later today.

19 Any other matters anyone wants to bring up while
20 we're on the record? All right. Hearing nothing else,
21 what I'll do is in a moment we'll go off the record.
22 Before that, I just want to ask you to, say, by December
23 26th give me some sort of pleading, I'll ask Ameren to
24 file it, with the input from everyone else as to how you
25 want the Commission to proceed.

1 If you want to suspend it and the circumstances
2 of that, if you can't all reach an agreement on that, of
3 course, any other party that wishes to do so can file a
4 competing pleading.

5 MR. LOWERY: So just to clarify, if we came to a
6 consensus about how we want to proceed, the company would
7 file that and report that?

8 JUDGE WOODRUFF: Yes.

9 MR. LOWERY: If we don't come to a consensus,
10 what filing are you looking for from the company in
11 particular as opposed to other parties?

12 JUDGE WOODRUFF: If you can't reach a consensus,
13 I would expect recommendations on how we proceed from
14 anyone who wants to file it, including the company.

15 MR. LOWERY: Okay. Very good.

16 JUDGE WOODRUFF: Did anyone else join us on the
17 loan?

18 MR. FREELY: Yes. I'm sorry. Todd Freely,
19 Kansas City Power & Light.

20 JUDGE WOODRUFF: Okay. All right. Unless
21 there's anything else, then, that the parties want to
22 bring up, I will -- we'll go off the record at this time.
23 We're off the record.

24

25

1 REPORTER'S CERTIFICATE

2

3 STATE OF MISSOURI)
) ss.
4 COUNTY OF OSAGE)

5

6 I, Monnie S. VanZant, Certified Shorthand Reporter,
7 Certified Court Reporter #0538, and Registered
8 Professional Reporter, and Notary Public, within and for
9 the State of Missouri, do hereby certify that I was
10 personally present at the proceedings as set forth in the
11 caption sheet hereof; that I then and there took down in
12 stenotype the proceedings had at said time and was
13 thereafter transcribed by me, and is fully and accurately
14 set forth in the preceding pages.

15

16 IN WITNESS WHEREOF, I have hereunto set my hand and
17 seal on December 19, 2007.

18

19

20

21 _____
Monnie S. VanZant, CSR, CCR #0539

22 Registered Professional Reporter

23

24

25