ATTORNEYS AND COUNSELORS AT LAW

1209 PENNTOWER OFFICE CENTER 3100 BROADWAY KANSAS CITY, MISSOURI 64111

> (816) 753-1122 TELECOPIER (816) 756-0373

JEREMIAH FINNEGAN, P.C. STUART W. CONRAD C. EDWARD PETERSON\*

\*Also admitted in Kansas and massacrusetts

August 24, 2001

Mr. Dale Hardy Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission 200 Madison, P.O. Box 360 Jefferson City, MO 65102-0360

Re:

Case No. ER-2001-672 - Missouri Public Service

FILED<sup>2</sup>
AUG 2 7 2001
Service Commission

Dear Judge Roberts:

Upon re-review of my recently submitted Suggestions in Support of Public Counsel's Motion to Reject Tariff, it was discovered that I had failed to complete an argument on p. 2. It was also discovered that the manner in which I had written the last sentence on p. 1 could be construed as suggesting that the Missouri Supreme Court may be guilty of undue discrimination, rather than stating that the Missouri Supreme Court had determined that the anti-discrimination statute created two offenses.

The purpose of the enclosed filing is to correct these two deficiencies. Although, I have only corrected pages 1 and 2, rather than asking everyone to tear up and discard pages 1 and 2 of my original suggestions and substitute them with new pages 1 and 2, since the entire document is only 4 pages long, I am enclosing for filing an original and (8) copies of the County of Jackson's Revised Suggestions. The only changes to the body of the document are found on pages 1 and 2.

Also enclosed is a self-addressed and stamped envelope for you to return the extra copy with the file stamp thereon.

If you have any questions regarding this filing, please contact me. I apologize for any inconvenience this may have caused anyone.

Very truly yours,

FINNEGAN, CONRAD & PETERSON, L.C.

Rv

Jeremiah D. Finnégan

JDF:crb

Mr. Dale Hardy Roberts August 24, 2001 Page 2

## **Enclosures**

cc:

Office of Public Counsel General Counsel's Office James C. Swearengen Duncan E. Kincheloe, III Stuart W. Conrad

Mark W. Comley

F:\DOCS\JDF\49099.1

FILED<sup>2</sup>

## STATE OF MISSOURI MISSOURI PUBLIC SERVICE COMMISSION

Missouri Public Service Commission

In the Matter of Tariff Filing of Missouri	)	
Public Service (MPS) a Division of UtiliCorp	)	
United, Inc. to Implement a General Rate In-	)	Case No. ER-2001-672
crease for Electric Service Provided to Custom-	)	
ers in the Missouri Service Area of MPS.	)	
	)	
	)	

# COUNTY OF JACKSON'S REVISED SUGGESTIONS IN SUPPORT OF PUBLIC COUNSEL'S MOTION TO REJECT TARIFF

COMES NOW the County of Jackson, Missouri ("Jackson County"), pursuant to the Order and Notice dated August 15, 2001 and files the following additional suggestions in support of Public Counsel's Motion to Reject Tariff:

In addition to the reasons advanced by Public Counsel, Jackson County would add that the tariff filing violates Section 393.130.3, RSMo.<sup>1/2</sup>, which provides in pertinent part:

"No ... electrical corporation... shall make or grant any undue or unreasonable preference or advantage to any ...locality ... in any respect whatsoever, or subject any locality ... to any undue or unreasonable prejudice or disadvantage in any respect whatsoever."

A provision with virtually identical language pertaining to common carriers found at Section 387.110.1, was determined by the Missouri Supreme Court *en banc* to create two offenses: 1) giving any undue or unreasonable preference or advantage to any particular locality; and 2) subjecting any particular locality to any undue or unreasonable prejudice or

<sup>&</sup>lt;sup>1</sup>/ All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), revision of 2000.

disadvantage. In Alexander v. Chicago, Milwaukee & St. Paul Ry. Co., 221 S.W.712, 715 (Mo. banc 1920), the Supreme Court stated the following as to the two offenses created by the statute:

"Either act is an offense against the law. Both might be committed at the same time, and conceivably in the same transaction; but, the offenses are not necessarily concomitant, nor in any sense interdependent. It is not necessary for the carrier to violate the law twice in order to be held liable once."

Thus, under Section 393.130.3, it is unlawful for UtiliCorp to: 1) unduly discriminate against its St. Joseph division in any respect whatsoever; and 2) for it to give its Missouri Public Service (MPS) division undue preference or advantage in any respect whatsoever.

Missouri Public Service (MPS) is not the electrical corporation subject to the jurisdiction of the Commission, it is merely a division of UtiliCorp United, Inc., the electrical corporation regulated by the Commission. The MPS service areas is no more than one locality served by UtiliCorp, the electrical corporation subject to the jurisdiction of the Commission. UtiliCorp, the electrical corporation, serves two such localities, nevertheless, it is only seeking to increase rates in one of the localities it serves and does not seek to increase the rates in the other locality it serves. It can only be assumed by such inaction, that the rates in the St. Joseph locality are too high, otherwise UtiliCorp would be seeking an increase there as well. Because UtiliCorp has not filed to change the tariffs of the St. Joseph locality, the Commission cannot do anything in this proceeding to change such rates even if it is discovered during the investigation of all factors that such rates produce overearnings to UtiliCorp. There has been no notice to the public as to such rates. The Commission will be powerless to do anything about decreasing the rates for the St. Joseph locality except after further notice and hearing.

By the same token, were the Commission to utilize the overearnings in the St. Joseph locality to reduce the increase in UtiliCorp's revenue requirement as a result of a revenue deficiency in the MPS locality, the result will be undue discrimination against the St. Joseph locality and undue advantage given to the MPS locality. Without all of UtiliCorp's electric tariffs on the table, the Commission cannot do its job of regulating UtiliCorp properly. Without the St. Joseph locality rates also on the table, the Commission can only exacerbate the overearnings of UtiliCorp by granting an increase in rates in the MPS locality and not being able to order a decrease in rates in the St. Joseph locality.

At this time, because it is almost three months since UtiliCorp filed these tariffs, the only solution is to reject the tariff as requested by Public Counsel and to start over. Had something been done shortly after the filing, it may have been solved by requiring UtiliCorp to give notice to electrical customers in the St. Joseph locality to the effect that their rates may be impacted by this proceeding and allowing them an adequate time to intervene and participate. The passage of time has made this solution impractical, because they will have lost three months time in preparing to take action. The Commission should reject the tariff filing.

WHEREFORE, for the foregoing reasons, the County of Jackson respectfully requests that the Commission reject UtiliCorp's tariff for only one of the localities it serves with electrical service and not entertain a general increase for this electrical corporation until it puts the rates for both its localities at issue so that the Commission may properly perform its duties in setting just and reasonable rates for all localities served by UtiliCorp.

Respectfully submitted,

Jeremiah D. Finnegan

Mo. Bar #18416

FINNEGAN, CONRAD & PETERSON, L.C.

3100 Broadway, Suite 1209 Kansas City, Missouri 64111

(816) 753-1122

Facsimile (816)756-0373

Internet: jfinnegan@fcplaw.com

#### ATTORNEY FOR THE COUNTY OF JACKSON

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing pleading by hand delivery or U.S. mail, postage prepaid addressed to the following persons:

Office of the Public Counsel P.O. Box 7800 Jefferson City, MO 65102

Mr. James C. Swearengen Brydon, Swearengen & England, P.C. 312 East Capitol Avenue P. O. Box 456 Jefferson City, MO 65102-0456

Mr. Stuart W. Conrad Finnegan, Conrad & Peterson, LC 1209 Penntower Office Center 3100 Broadway Kansas City, MO 64111 General Counsel's Office Public Service Commission P.O. Box 456 Jefferson City, MO 65102

Mr. Duncan E. Kincheloe, III 2407 W. Ash Street Columbia, MO 65203

Mr. Mark W. Comley Newman, Comley & Ruth, P.C. 601 Monroe St., Suite 301 Jefferson City, MO 65102-0537

Dated: August 24, 2001

Jeremiah D. Finnegan