| 1 | STATE OF MISSOURI |
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| 2 | PUBLIC SERVICE COMMISSION |
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| 5 | TRANSCRIPT OF PROCEEDINGS |
| 6 | Conference |
| 7 | November 17, 2011 |
| 8 | Jefferson City, Missouri |
| 9 | Volume 1 |
| 10 | |
| 11 | In The Matter Of KCP&L Greater) |
| | Missouri Operations Company) |
| 12 | For Authority To File Tariffs) File No. HT-2011-0343 |
| | Changing The Steam QCA For) Tariff No. YH-2012-0159 |
| 13 | Service Provided To Customers In) |
| | Its Service Territory) |
| 14 | |
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| | DANIEL JORDAN, Presiding, |
| 17 | SENIOR REGULATORY LAW JUDGE |
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| 20 | REPORTED BY: |
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| 1 | PROCEEDINGS |
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| 2 | JUDGE JORDAN: The Commission calls File |
| 3 | No. HT-2011-0343. This concerns a QCA filing of KCP&L |
| 4 | Greater Missouri Operations. I'll begin by introducing |
| 5 | myself. My name is Daniel Jordan; I'm the senior |
| 6 | regulatory law judge assigned to this action. |
| 7 | Also present in the room, I'd like to |
| 8 | introduce Mike Bushman, the newest regulatory law judge. |
| 9 | And he's here to observe and see how a conference goes. |
| 10 | Next I'll take entries of appearance. Let's |
| 11 | start with the utility that filed the tariff. |
| 12 | MR. FISCHER: Judge, let the record reflect |
| 13 | the appearance of James M. Fischer and Karl Zobrist. Karl |
| 14 | will be participating by telephone today. Our contact |
| 15 | information is on the written entries of appearance that |
| 16 | I've filed. And also, I have with me today Tim Rush. |
| 17 | JUDGE JORDAN: Thank you. And for Staff? |
| 18 | MS. KLIETHERMES: Thank you, Judge. For |
| 19 | Staff, Sarah Kliethermes, Nathan Williams, and John |
| 20 | Borgmeyer, 200 Madison Street, Jefferson City, Missouri |
| 21 | 65101. And we have John Rogers, Lena Mantle, Leon Bender |
| 22 | of Staff available. Thank you. |

MR. CONRAD: Judge, Stuart Conrad and David

JUDGE JORDAN: Thank you. And Ag

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Processing.

- 1 Woodsmall of the law firm Finnegan Conrad Peterson. I have
- 2 entered and given the reporter the detail on that. I'd
- 3 also like to introduce -- you may not know him. I think
- 4 he's known around the Commission here. Don Johnstone is
- 5 our consultant on this matter. Thank you.
- JUDGE JORDAN: Thank you very much. And I
- 7 think that's everyone. I think that accounts for everyone
- 8 that's appearing today and present. I will not do my usual
- 9 procedural speech because we are fortunate to have seasoned
- 10 counsel on this case.
- 11 I have called this a conference rather than
- 12 a prehearing conference because I've scheduled no hearing.
- And I hope that, if all goes well, we won't require a
- 14 hearing. We are currently under a procedure -- has someone
- 15 joined us?
- MS. NUNN: Yes. Linda Nunn, KCP&L.
- 17 JUDGE JORDAN: Okay. I'm going to turn up
- the volume a little bit because you're a little bit faint.
- 19 Would you repeat that? Would you repeat your
- 20 identification, please?
- MS. NUNN: Linda Nunn, KCP&L.
- JUDGE JORDAN: Oh, thank you very much.
- 23 We've just started. You haven't missed anything.
- MS. NUNN: Okay. Thank you.
- 25 JUDGE JORDAN: The filing of the tariff that

- 1 initiated this action is not a contested case, just now.
- 2 And the beauty of the noncontested case procedure is
- 3 there's no need for a record, no need for findings of fact
- 4 to support a decision and, indeed, there's no need for a
- 5 case at all for a Commission to act on a tariff. They can
- 6 simply allow a tariff to go into effect by operation of
- 7 law.
- 8 Staff's recommendation is to the contrary,
- 9 so I'd like to go through the issues as I understand them
- 10 so that we have -- make sure I understand where we are at
- 11 in this. And the parties can certainly chime in as they
- 12 feel they need to.
- 13 My understanding is that this action began
- 14 with a previous action ordering a refund of about
- 15 \$2.8 million through the QCA; is that correct?
- 16 MR. ZOBRIST: Judge, on behalf of the
- 17 company, I'm not sure that's entirely accurate. That is
- certainly the predicate for the issue before you at this
- 19 time, but as I think Mr. Rush can explain, this is part of
- 20 the standard QCA quarterly cost adjustment process.
- 21 And this was the tariff that was required to
- 22 be filed on a quarterly basis. But clearly the Report and
- 23 Order on Mr. Conrad's complaint case is the basis for the
- 24 disagreement here.
- 25 MS. KLIETHERMES: And, Judge, Staff would

- 1 agree with that.
- JUDGE JORDAN: Okay. Thank you for that
- 3 helpful characterization. I think I understand that a QCA
- 4 is subject to a periodic tariff filing. The issue here is
- 5 a refund ordered in the prior case.
- 6 MR. FISCHER: Judge, could I have Mr. Rush
- 7 explain a little bit more the technicalities. There's a
- 8 periodic filing every quarter, and that was what initiated
- 9 the case. But as a part of the process, we had the Order
- 10 come in and Mr. Conrad's complaint case. I think the
- 11 difference is, how is the refund being treated under the
- 12 QCA? But if I could ask Mr. Rush just to put a little bit
- on the record, that would be great.
- 14 MR. RUSH: I think you clarified.
- MR. FISCHER: Okay.
- JUDGE JORDAN: Very good. Now, if I
- 17 remember this correctly, the tariff was filed before the
- 18 time for an application for rehearing was up. Rehearing
- 19 was still pending when this tariff was filed. After it was
- filed, then application for rehearing was denied. I think
- 21 that the sequence that we dealt with in this.
- 22 Anyway, I think the -- if I understand what
- 23 the parties are disputing here, it seems mostly to do with
- the refund, the timing of it, and also Ag Processing has
- 25 raised the issue of interest as well. I've read

- 1 propositions that the refund should be over the period of
- 2 30 months or 12 months or maybe a single day, write a check
- 3 for the whole amount. Does anyone want to add to those
- 4 issues before we go on?
- 5 MR. ZOBRIST: Judge, I think that's
- 6 generally correct. Staff's -- the basis of their
- 7 rejection, apparently, is that they feel the amount should
- 8 be flowed back over 12 months.
- 9 We had a number of points that we raised on
- 10 behalf of the company, you know, a number of legal and
- 11 factual points. But the major factual point was that these
- amounts in dispute were collected, pursuant to the QCA,
- over a period of 30 months. And we felt that if there were
- any refunds, once there is a final nonappeal of a judgment,
- 15 presumably against the company, that would be the time
- 16 period.
- 17 But generally, you've outlined them
- 18 correctly and I believe Mr. Conrad, in his pleading filed
- 19 yesterday, requested a lump sum plus interest.
- MS. KLIETHERMES: And, Judge --
- 21 MR. CONRAD: I started here, so just to
- 22 correct, a couple of times it's been referred to as
- 23 Mr. Conrad's complaint. While I'm not necessarily averse
- 24 to that characterization, I am not a Steam customer. It is
- 25 the complaint that was brought by me on behalf of a client,

- 1 Ag Processing. And I don't really object to the company
- 2 referring to it as my complaint, but it is technically not
- 3 my complaint.
- 4 The only complaint that we have raised there
- is essentially to -- in large measure, I think, to agree
- 6 with Staff, but suggest that the opportunity is present in
- 7 the tariff for the Commission to order some other
- 8 treatment.
- 9 And since that kind of opens the door, one
- of the things that the company had suggested -- although
- 11 this is one step beyond -- was that there was some problem
- 12 about refunding to different people and the checks, taking
- 13 care of that. So that's a simple matter.
- 14 The company's had this money for some period
- 15 of time. The tariff does not expressively provide for
- interest, but this is, in some part, an atypical case. And
- 17 I can understand the company's arguments, but we obviously
- don't agree with them. The Steam customers paid the money
- 19 in. It's been sitting in the company's treasury for some
- 20 time, being used by them for the conduct of their business,
- 21 presumably, and it's time now to get the money back.
- 22 JUDGE JORDAN: Thank you, counselor. Staff?
- MS. KLIETHERMES: Judge, to follow up on
- 24 Mr. Conrad's -- kind of the middle of the three points he
- 25 made there. And he did -- Mr. Conrad did indicate this in

- 1 his earlier pleading in this case. The QCA tariff itself,
- 2 we have Paragraph 4 on Sheet 6.9, which seems to indicate
- 3 that adjustments, unless otherwise ordered, are simply
- 4 thrown back through the QCA.
- 5 And that is exactly what Staff is attempting
- 6 to do because Staff read the report and Order, for which
- 7 rehearing was denied. It just simply states that, GMO
- 8 shall refund to its Steam customers, through operation of
- 9 the QCA, the net cost of operating, et cetera.
- 10 JUDGE JORDAN: Okay. Thank you.
- 11 MR. CONRAD: And beyond that, Judge, let me
- just supplement my correction. It was pointed out to me
- 13 that I have used the term and the term has been used that
- it was a "rate case." It is a prudence review. I mean, it
- 15 was docketed as an HC case, but --
- JUDGE JORDAN: Right. It has the prefix
- 17 HC being --
- MR. CONRAD: Yeah. It's actually a prudence
- 19 review.
- JUDGE JORDAN: Thank you for that
- 21 clarification. And I have one other matter that I wanted
- 22 to ask about. The filings indicate the possibility of an
- 23 appeal. I checked EFIS this morning. I did not see the
- 24 previous case, the HC case, that was subject to a notice of
- appeal. Is there something that I missed as to that?

- 1 MR. ZOBRIST: No. That's correct, Judge.
- 2 It is imminent. That will be filed probably within a week.
- JUDGE JORDAN: Okay.
- 4 MS. KLIETHERMES: Well, Judge, I would just
- 5 suggest, given that, that it's even more clear that the
- 6 company's filings in this case constitute a collateral
- 7 attack on the Commission's Order in that HC docket. And as
- 8 the company has repeatedly stated in pleadings that Staff
- 9 has not responded to the company's allegations concerning
- 10 the timing of this refund and the effect of that refund,
- 11 and that's simply because we think the Commission handled
- 12 it quite well in denying the application for a hearing in
- 13 the HC case.
- 14 JUDGE JORDAN: Thank you. I believe this
- 15 tariff bears an effective date two days from today; is that
- 16 correct? Two weeks -- I said two days; I meant two weeks.
- 17 MS. KLIETHERMES: December 1st.
- JUDGE JORDAN: So I am pretty confident that
- 19 everyone here is in close contact with their client and has
- an idea of what they feel they need and want out of this
- 21 action. So I will leave the parties to constructive
- 22 discussions. This room is available to you for the rest of
- 23 the day. I am available also for the rest of the day, if
- 24 need be.
- 25 And should you -- should the parties believe

- 1 that facilitation of these discussion could be helpful, the
- 2 Commission does offer mediation services. Does anyone have
- 3 any other matters, particularly procedural matters --
- 4 MS. KLIETHERMES: Judge --
- JUDGE JORDAN: -- before we go off the
- 6 record and I leave the room?
- 7 MS. KLIETHERMES: I do. You raised earlier
- 8 the idea of a hearing. And I guess that's just not
- 9 something Staff had contemplated. The QCA operates
- 10 pursuant to a formula. It's a rather complex formula.
- 11 It's rather driven by timing. I think that throwing off --
- 12 you know, unless something could be resolved, filed, and
- approved prior to December 1st, it would almost certainly
- 14 throw off the timing of the QCA.
- 15 I wouldn't say I'm suggesting this, but just
- so the Commission is aware, if a hearing is what the
- 17 Commission seeks, it would probably be most appropriate to
- let this tariff that's pending, without the refund, go into
- 19 effect December 1st, either by order or operation of law so
- 20 that the timing isn't thrown off. And then take up any
- 21 disputes in the next QCA.
- 22 Again, as Staff interprets the Order, we
- think it's most appropriate to simply implement the refund
- in this QCA as was ordered in the HC docket.
- 25 JUDGE JORDAN: I appreciate your mentioning

- 1 that. Should the Commission decide that a -- follow
- Staff's recommendation and require -- well, that's why I
- 3 raised the issue of the effective date, so I appreciate you
- 4 mentioning that. Is there anything else that anyone would
- 5 like to raise?
- 6 MR. CONRAD: Well, just not to leave that
- 7 unanswered, I don't -- we don't think it would be correct
- 8 to perpetuate the problem. We have an Order from the
- 9 Commission. An Order from the Commission, unless it is
- 10 stayed by the Commission, which has not -- has not been
- 11 done, the time, therefore, has run -- is an effective
- 12 Order.
- So the Commission needs to respect its own
- orders. And I think that's the very point that Staff
- 15 makes, with which we agree. I'm not sure that the problem
- is solved by kicking the can down the road.
- MS. KLIETHERMES: And to be clear, Staff is
- not suggesting delaying the refund until the next QCA.
- 19 Simply to -- that if the Commission decides to go the route
- of a hearing, that it needs to go ahead and implement this
- 21 QCA period adjustment in the meantime. Although, we do
- 22 recommend that we simply proceed as recommended in the
- 23 Staff recommendation filed earlier this month.
- JUDGE JORDAN: Okay. If we follow Staff's
- 25 recommendation though and if the Commission decides that a

- 1 refund should be part of this tariff, that will require the
- filing of a new tariff, will it not?
- 3 MS. KLIETHERMES: Yes, it will.
- 4 JUDGE JORDAN: Okay. Well, here's what I'd
- 5 like Staff to do. At the close of the discussion today,
- 6 I'd Staff to prepare a brief report, a paragraph or so, to
- 7 give me an idea of where the parties are with respect to
- 8 settling this matter without Commission hearing and
- 9 decision. Of course, I expect you to not get into details
- 10 of negotiation.
- 11 Yes, counselor?
- 12 MR. WILLIAMS: Judge, it may be that the
- discussions are very short. I don't know. I think we
- 14 could find that out pretty quickly among the parties, but I
- 15 anticipate the likelihood of a resolution coming out of
- meeting today to be rather highly unlikely. Perhaps you
- 17 just want to keep the court reporter around for ten minutes
- or so, and see if we make a report then as opposed to
- 19 filing some written report later?
- JUDGE JORDAN: Well, I'll tell you what: I
- 21 can come back in ten minutes, and you can tell me and we
- 22 can do that on the record.
- 23 MR. WILLIAMS: I think that might be worth
- 24 doing.
- 25 JUDGE JORDAN: Well, unless there's anything

- else then, we'll go off the record for about ten minutes,
- 2 and then we'll resume this conference. Anything else?
- 3 Okay. Thank you. We'll go off the record.
- 4 (Off the record.)
- JUDGE JORDAN: Let's go on the record.
- 6 MS. KLIETHERMES: Judge, I think that
- 7 proceeding as Staff suggests does not require an
- 8 evidentiary hearing because nothing contained in GMO's
- 9 responses to Staff's recommendation and other pleadings
- filed is different from or in any way adds to what they
- 11 have filed already in the HC docket, to the extent it is
- 12 different or greater.
- 13 I think that's a collateral attack on the
- 14 Commission's Report and Order and applications denying the
- 15 hearing in that docket. In effect, GMO's had their bite at
- the apple, applied for rehearing, and now they're seeking
- 17 additional relief in an improper venue.
- JUDGE JORDAN: Okay. My question has to do
- 19 with -- first, let me make sure I understand what you're
- 20 saying. You're saying that everything that GMO has raised
- in its response to Staff's recommendation has already been
- determined in the previous HC case; is that correct?
- MS. KLIETHERMES: Yes.
- JUDGE JORDAN: Okay. Here's my question,
- 25 because that was not my case: Did the subject of the

- 1 period of the refund come up? That is, whether it should
- 2 be 12 months, 30 months, or a single day?
- 3 MR. ZOBRIST: Absolutely not.
- 4 MS. KLIETHERMES: Judge, if I may respond to
- 5 that?
- JUDGE JORDAN: Please do.
- 7 MS. KLIETHERMES: I was not on that case
- 8 either. However, I did listen to the Commission's agenda
- 9 sessions on that case and it's my understanding that the
- 10 Commission considered at those agenda sessions, taking up
- on rehearing, the issue of the refund, specifically the
- 12 timing.
- 13 These discussions were after GMO had filed
- their responses to Staff's recommendation in this docket,
- and the Commission decided not to take up that application
- 16 for rehearing. It was specifically raised, whether the
- 17 Commission should rehear the refund issues and the length
- of time, and the Commission decided no.
- 19 JUDGE JORDAN: Okay. So what you're telling
- 20 me is that in the application for rehearing, the issue of
- 21 the period for refund came up, the Commission decided not
- 22 to make a determination on that. Is that what you're
- 23 telling me?
- 24 MS. KLIETHERMES: I can't speak specifically
- 25 to what was contained in the application for rehearing, but

- I believe it was though. I haven't confirmed that. I car
- 2 say that Commissioner Davis specifically brought up the
- 3 issue of the timing. The Commissioners discussed bringing
- 4 it up on the issue of the timing, and the Commissioners
- 5 decided not to bring it up on the issue of the timing.
- 6 JUDGE JORDAN: Okay. Mr. Williams, do you
- 7 have any more familiarity with the case?
- 8 MR. WILLIAMS: No. I don't, but certainly
- 9 GMO had the opportunity to raise the issue of timing in the
- 10 prudence review in terms of what would happen to monies
- 11 belonging to --
- 12 MR. ZOBRIST: Well, Judge, the application
- 13 for rehearing, among other things, said that it was the
- 14 measure of damages that was not properly calculated, and
- 15 there were a lot of arguments back and forth about that.
- But there was nothing about how any amount would flow back,
- over what period of time through the QCA.
- JUDGE JORDAN: Thank you, counselor. And
- was there anything more from Staff on that?
- MR. WILLIAMS: All I would reiterate is that
- 21 the company had the opportunity to raise the issue about
- 22 how any amount that was found to be imprudent would be
- 23 returned to customers or how it would be handled.
- JUDGE JORDAN: Okay.
- 25 MS. KLIETHERMES: And if I might follow up

- on Mr. Zobrist's comment, not withstanding that the length
- of time was not explicitly addressed in GMO's application
- 3 for rehearing, the Commissioners did explicitly address
- 4 that point in their discussion of the application for
- 5 rehearing.
- JUDGE JORDAN: Well, as a recent Commission
- 7 decisions have discussed, finality is something of a
- 8 mystery at the Commission. It's often an issue, finality
- 9 of decisions.
- 10 Let me also, while we're on the record,
- 11 clarify my understanding of what Staff is suggesting.
- 12 Should the Commission determine that an evidentiary hearing
- is a good idea in this case, Staff would, in response to
- that, change its recommendation to say, Let currently filed
- 15 tariff go into effect and then take up the period of refund
- in separate action. Is that what Staff suggests?
- 17 MS. KLIETHERMES: Not exactly, Judge. The
- operation of the QCA is very much driven by formula.
- 19 There's a divisor of twelve relating to billing month
- 20 determinants. Changing -- it's important that new QCAs --
- 21 or I'm sorry -- that CQCAs that affect on the predetermined
- 22 three-month intervals. Staff is simply suggesting that
- 23 those intervals not be varied.
- 24 I think that it could also work to keep the
- 25 currently effective CQCA rate in effect until the next CQCA

- 1 comes up, and I believe that would be March.
- MR. WILLIAMS: Judge, I don't know how
- 3 familiar you are with the quarterly cost adjustment rider.
- 4 It's an analogous to a fuel adjustment clause.
- 5 JUDGE JORDAN: Staff's preference is -- so
- 6 what Staff's worried about is --
- 7 MS. KLIETHERMES: Staff doesn't want --
- 8 Staff would prefer the Commission not act in a way that
- 9 would throw off the three-month timing of the QCA.
- 10 JUDGE JORDAN: So effective date is what
- 11 Staff is worried about.
- MS. KLIETHERMES: Yes.
- JUDGE JORDAN: Okay.
- MR. WILLIAMS: Judge, also you mentioned,
- off the record, that the company had raised the concern
- about the steam operations and the impact of having to
- 17 refund the dollar amount that's involved here, what impact
- that would have on the company. I point out that steam is
- 19 not the only operation that GMO has. It has electric
- operations. It has plenty of revenues from those.
- I think the Commission should be looking
- 22 at -- if looking at impacts at all, it should be looking at
- them on the company itself, not on a particular utility
- 24 operation of that company.
- 25 JUDGE JORDAN: My concern is the basis on

- 1 which -- if we can focus on the period of the refund,
- 2 assuming that we're -- because that seems to be the only
- 3 major issue: On what basis -- what basis the Commission
- 4 would have for picking a period of such refund, if it were
- 5 to do that.
- 6 MS. KLIETHERMES: The QCA tariff states it.
- JUDGE JORDAN: Right. But I have other
- 8 suggestions. I have the suggestions of 1 day, I have
- 9 12 months, and I also have a suggestion of 30 months.
- 10 MS. KLIETHERMES: And if I may respectfully
- 11 point out why the 1 day and the 36 month are wrong,
- 12 Paragraph 4 of Sheet 6.9 simply states, effectively, that
- 13 the refund amount gets put into the -- what's the term?
- MR. WILLIAMS: Reconciliation.
- 15 MS. KLIETHERMES: Reconciliation account.
- 16 That reconciliation account is what the normal QCA function
- uses, which is set up over 12 months.
- MR. ZOBRIST: And, Judge, the only point, as
- 19 I think you understand, the company makes is that we're not
- dealing just with the previous QCA. We're dealing with
- 21 seven prior QCAs. And that's why we are talking about
- 30 months as opposed to 12.
- 23 JUDGE JORDAN: And that's the way I
- 24 understood the QCAs to work. They all seem to be sort of
- 25 interlocking.

- 1 MS. KLIETHERMES: But this paragraph of the
- 2 QCA states that any refund gets dumped into this
- 3 reconciliation account, absent a specific Commission order
- 4 otherwise.
- 5 Staff's position is that the appropriate
- 6 place for that Commission order would have been in the HC
- 7 docket. The HC docket simply said to refund it through the
- 8 QCA, so Staff's reading of that Order is that it's refunded
- 9 through the QCA through the normal operation of that QCA.
- 10 JUDGE JORDAN: Okay. And for the record can
- 11 you read into the record the tariff number and the page
- 12 that you're citing?
- MS. KLIETHERMES: This is PSC MO No. 1.
- Original Sheet 6.9. of KCP&L Greater Missouri Operations
- 15 Company. Paragraphs 4 and 9 would be the most pertinent.
- 16 JUDGE JORDAN: Okay. Thank you. I've
- 17 heard a lot from Staff. Can I hear from the utility now?
- 18 Anything that you would like to tell me?
- MR. FISCHER: Mr. Zobrist, would you like to
- 20 close?
- MR. ZOBRIST: Well, I mean, I think that the
- 22 proper argument is that the tariff itself contemplates that
- 23 cost flow over periods of time reflective of the prior
- 24 quarter, and in this case we're dealing with seven prior
- 25 quarters. And because the Commission did not order an

- 1 immediate QCA refund, it said it would flow through the
- 2 QCA.
- 3 Our point is, costs that were passed on to
- 4 customers through seven QCAs, over 30 months, should
- 5 therefore flow back in the same manner. It's a very simple
- 6 argument.
- 7 The other overriding point is that because,
- 8 you know, we intend to take this up on appeal, this case is
- 9 not -- it's not the subject of a final nonappealable
- judgment, it would premature at this point to order
- 11 anything other than the tariff filed by the company to go
- 12 into effect.
- 13 JUDGE JORDAN: Okay. Anything from Ag
- 14 Processing?
- 15 MR. CONRAD: Well, we -- I appreciate the
- desire to be solicitous about the company. I guess I'd
- 17 like to raise the concern about the customer because this
- 18 is the Public Service Commission, and it's intended not to
- 19 exclusively look at the interest of the company, but also
- 20 to try to balance those interests.
- The tariff is what it is. Mr. Zobrist wants
- 22 to string it out, but there is not provision that he could
- 23 cite in the tariff that permits that. I've made it plain
- that the endorsement that we have of the Staff's proposal,
- 25 which is to put it into the reconciliation process, is

- 1 appropriate.
- 2 We did raise, since the opportunity
- 3 presented itself, the issues of interest. And then the
- 4 company seemed to want to raise, Judge, the issue that,
- 5 Well, we would somehow be paying back to the wrong people,
- and that's a simple -- that's a simple question too.
- 7 That's very simple. Figure out who paid what, and you
- 8 either give them a check or use that as a basis.
- 9 But, in any event, I think that we have here
- is an Order from the Commission on a prudence review.
- 11 Rehearing was sought; rehearing was denied. Without regard
- 12 to your comments about what finality is, that Order now
- 13 binds the Commission. The Commission, in that Order, said,
- 14 Put it back through the QCA. That's making a reference to
- 15 the tariff, not to some 30-month period for which GMO can
- 16 cite nothing in the tariff.
- 17 If GMO wants to appeal, that's fine. The
- 18 rule however is -- and the statute is that when the
- 19 Commission issues an Order -- absent a stay issued by the
- 20 Commission, which was not sought here, or a stay issued by
- 21 a court, which has not yet been sought -- the Commission's
- 22 Order controls.
- 23 And that's what Staff's working on and we
- 24 rather agree with that and put these other things on the
- 25 table if it's going to be considered. If it's not, then

- 1 there is not basis, again, to kick this can further down
- 2 the road.
- 3 The customers have paid. Mr. Zobrist wants
- 4 to make the argument they've paid over 30 months. Well,
- okay, fine. Let's get the money back to them. The
- 6 company's not the only party here and it's not the only
- 7 party that has an interest in this proceeding. The Steam
- 8 customers too have an interest and they have paid these
- 9 monies in. The company has sat on those monies. They have
- 10 used them. They have benefited from them.
- 11 And let me make one final point: The
- 12 company in its pleading acknowledged that it is now turning
- 13 a fairly substantial profit. In its pleading it
- 14 acknowledged -- the very pleading that you made a reference
- 15 to. The prior period in which they were losing money, they
- 16 bought a company. They bought Aquila.
- 17 They knew what they were buying and there
- was an ample record in the proceeding below that's been
- 19 referred to as the HC, that they acknowledged -- Mr. Rush
- acknowledged that they did not do due diligence as to the
- 21 Steam operation. So they're stuck with that. They bought
- 22 what they bought and that's too bad. But it's time now for
- 23 the customers to be made whole.
- JUDGE JORDAN: Anything else before we wrap
- 25 up this conference?

| 1 | MR. WILLIAMS: Well, since it's turned into |
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| 2 | oral argument, I'd point out that what we have is a |
| 3 | situation where the Commission has found that the company |
| 4 | imprudently collected costs recovered costs from its |
| 5 | customers. That it did so over 30 months, I don't see how |
| 6 | that justifies delaying returning those funds to those |
| 7 | customers. |
| 8 | JUDGE JORDAN: Anything else before we |
| 9 | adjourn? Not hearing anything, we will go off the record. |
| 10 | Thank you very much. |
| 11 | (Off the record.) |
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| Τ | CERTIFICATE OF REPORTER |
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| 3 | I, Kristy Bradshaw, CCR No. 1269, within the State |
| 4 | of Missouri, do hereby certify that the testimony |
| 5 | appearing in the foregoing matter was taken by me to the |
| 6 | best of my ability and thereafter reduced to typewriting |
| 7 | under my direction; that I am neither counsel for, related |
| 8 | to, nor employed by any of the parties to the action in |
| 9 | which this hearing was taken, and further, that I am not a |
| 10 | relative or employee of any attorney or counsel employed |
| 11 | by the parties thereto, nor financially or otherwise |
| 12 | interested in the outcome of the action. |
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| 16 | Kristy Bradshaw, CCR |
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