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In the Matter of Missouri Public Service, a)
Division of UtiliCorp United Inc.'s Tariff)
Designed to Increase Rates for Electric Service) Case No. ER-97-394
to Customers in the Missouri Service Area of the)
Company.)
)

ORDER REGARDING MOTION FOR RECONSIDERATION

MPS argued that real-time pricing and flexible rate tariff/special contracts issues should be included in the rate case because other Missouri electric utilities are using these strategies and MPS should be allowed to compete on the same basis. MPS stated that the proposed new line extension policy and energy audit program involve the company's rules and regulations and do not present new rate design proposals. The company stated that it already has time-of-day rates and is only requesting a modification of an existing feature of its tariff. Finally, the company argued that the off-system sales proposal is a revenue requirement issue and that striking

this particular testimony will prejudice the company's revenue requirement request.

As an alternative, MPS offered to withdraw the tariffs it filed to institute this proceeding and refile them including the rate design components and other proposals previously discussed. MPS would agree to a schedule for this filing that would maintain the currently established hearing dates for this case. MPS stated that it intends to make a separate cost-of-service/rate design filing to present the remaining stricken issues for Commission consideration.

The Commission issued a notice directing parties to file their responses to the Motion for Reconsideration no later than July 18. Staff filed its response on July 18, proposing a resolution of the situation that the Commission will discuss in more detail later in this order. Staff did not recommend as the preferred procedure that MPS withdraw its March tariff filing and refile its case.

The Office of the Public Counsel (OPC) filed a Response on July 18 supporting Staff's proposal.

Staff filed a pleading on July 25 designed to advise the Commission that Staff had been unable to get MPS's response to certain elements of the proposal made in Staff's July 18 filing.

MPS filed a Response on July 30 objecting to Staff's proposal. MPS did acknowledge that its failure to build its rate design proposals into the initial tariffs filed in March has created confusion in the docket, and proposed to withdraw those tariffs and start again as a means of rehabilitating the rate case. However, MPS's preference is that the Commission reconsider and reverse its ruling striking the testimony regarding real-time pricing, flexible rate tariff/special contracts, line

extension policy, energy audit program, time-of-day rates, and off-system sales.

The Commission issued a notice permitting the parties to respond to Staff's proposal no later than July 30.

Sedalia Industrial Energy Users Association (SIEUA) filed a Response to Staff's proposal on July 30 stating that the class cost of service issue should be handled in the basic rate proceeding. SIEUA stated that it had no objection to an alternative procedure so long as the result would be no delay in the opportunity for anticipated industrial user rate decreases, no procedural or legal impediments to obtaining those rate decreases, and providing the procedural inefficiencies of conducting multiple dockets are minimized.

OPC filed a Motion to Late File Response and Response to Notice on July 31. OPC stated that it was unable to meet the July 30 deadline for response because of the unexpected absence from the office of the counsel assigned to the case, and problems with the electronic transfer of the Response to Notice. OPC requested permission to late-file its response and stated that no party would be harmed by the one-day delay in filing. In its Response to Notice OPC stated that, although OPC concurred in the proposal Staff filed on July 18, it wished to make an additional statement. In particular, Staff proposed that the direct testimony filing date for OPC, Staff and the intervenors be moved from September 9 to September 16. OPC stated that Staff's proposal, if approved, would introduce six new issues to which OPC would need to respond in direct testimony. Therefore, OPC supports Staff's proposal that direct filing dates be delayed one week.

Staff filed a Reply on August 4 and a Staff Correction on August 6 addressing pleadings filed under the July 30 deadline. In essence, the

August 4 filing presents further support for Staff's request for a one-week delay in the filing of direct testimony and clarifies Staff's position in regard to MPS's proposal to withdraw its tariff sheets and refile.

The Commission has reviewed all the pleadings filed in this case from July 11 through August 6 and has determined that Staff's proposal, set out in paragraphs 2 through 5 of the July 18 filing, is the best resolution of the procedural issues in dispute. Therefore, Staff's proposal will be adopted as set out in the Ordered paragraphs below.

IT IS THEREFORE ORDERED:

1. That Staff's proposal regarding the procedural issues in this case set out in paragraphs 2, 3, 4 and 5 of Staff Response to MPS's Motion for Reconsideration filed on July 18, 1997 is adopted.

2. That all other motions and requests for relief filed between July 11, 1997 and August 6, 1997 are denied to the extent that those requests are inconsistent with the relief granted in Ordered Paragraph 1.

3. That the procedural schedule is modified to change the filing date for the direct testimony currently due on September 9 to September 16, 1997.

4. That the procedural schedule is modified to change the dates for the prehearing conference in this case from September 22 through 26 to September 23 through 26, 1997.

5. That UtiliCorp United Inc. d/b/a Missouri Public Service may file tariffs encompassing real-time pricing, flexible rate tariff/special contracts, line extension policy, and the energy audit program. These tariffs shall be filed in a separate case to be denominated an ET (electric tariff) case, and must be filed no later than August 18, 1997. Once filed,

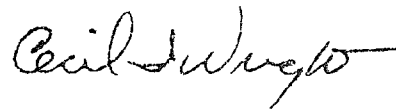
this tariff filing shall be consolidated with Case No. ER-97-394 and shall proceed using the schedule established for ER-97-394.

6. That, in order to address the company's time-of-day rates in this case, the company may: refile the time-of-day direct testimony of Maurice L. Arnall, page 24, line 22 to page 25, line 3; withdraw the time-of-day tariff sheets filed on March 21, 1997; file substitute time-of-day tariff sheets consistent with the direct testimony of Mr. Arnall no later than August 18, 1997.

7. That, in order to consider the company's off-system sales proposal, the company may refile the supplemental direct testimony of Mr. Arnall, page 2, line 17 to page 3, line 10.

8. That this order shall become effective on August 8, 1997.

BY THE COMMISSION

A handwritten signature in dark ink, appearing to read "Cecil I. Wright", with a stylized flourish at the end.

**Cecil I. Wright
Executive Secretary**

(S E A L)

Crompton, Drainer, Murray
and Lumpe, CC., concur.
Zobrist, Chm., absent.

ALJ: Wickliffe