

Attachment #2

M E M O R A N D U M

TO: Dale Johansen  
FROM: Mark Oligschlaeger  
RE: GM-89-151, Utilicorp Merger with Michigan Energy Resources Co.  
DATE: March 17, 1989

The Accounting Department does not take a position regarding approval of the proposed Utilicorp merger with Michigan Energy Resources Company (MERC). In our experience with past Utilicorp merger and acquisition dockets, it is our understanding that approval or disapproval of these utility acquisitions by the Commission is dependent upon a legal test of detriment to Missouri ratepayers. It has also been our experience that a future detriment resulting from these acquisitions is very difficult to demonstrate in this type of proceeding. Past Accounting Department discovery efforts related to Utilicorp acquisition dockets have not obtained meaningful data and information from which to determine the question of future detriment. From this, the Department has concluded that any investigation or challenge to Utilicorp's policy for mergers and acquisitions at this time may not best be handled in dockets such as GM-89-151.

The Accounting Department will continue to be interested in monitoring Utilicorp's acquisition policy for its impact on Missouri Public Service division ratepayers.

MO/msj

cc: Cary Featherstone  
Andy Snider

Exhibit No. 22  
Date 9/7/01 Case No. GM-2001-585  
Reporter KRM