

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

JUN 26 2000

Missouri Public
Service Commission

In re the Joint Application of)
UtiliCorp United, Inc. and St.)
Joseph Light & Power Company for)
authority to merge St. Joseph Light)
& Power Company with and into)
UtiliCorp United Inc. and, in con-)
nection therewith, certain other)
related transactions.)

Case No. EM-2000-292

INTERVENOR AG PROCESSING INC STATEMENT OF POSITION

COMES NOW Intervenor Ag Processing Inc. a Cooperative
(AGP) pursuant to Commission order and provides its Statement of
Position with respect to the Issues previously identified as
follows:

I. ISSUE I. Does the proposed merger and related transactions
and proposals satisfy the not detrimental to the
public interest standard required for the approval
of mergers by the Commission?

A. With respect thereto, AGP states its position as
follows:

1. No. Detriment to existing ratepayers has been
demonstrated by the evidence submitted herein. Merger
costs and resultant increased rates exceed benefits, the
regulatory plan is detrimental to the ratepayers and the
recovery of the acquisition premium is detrimental to the
ratepayers. This detriment is particularly demonstrable
with respect to current SJLP steam customers.

2. The regulatory plan should be rejected.

3. The acquisition adjustment should be rejected.

4. The applicants' analysis shows that the cost of
proposed merger exceed the savings of the proposed merger
for the steam customers.

5. Further, there is no statutory authority for approval of the proposed regulatory plan by the company. Although the utility may commit not to file for rate changes for any period of time, no action of the Commission may bind ratepayers nor Public Counsel, nor, indeed, the Commission itself, from future action to complain regarding or inquire into the justness and reasonableness of rates. Accordingly, a decision purporting to approve the proposed regulatory plan would be unlawful.

6. Moreover, there is no statutory authority to establish rates in the context of a merger proceeding. There has been no proposed tariff filed, no complaint has been directed to the present tariff, nor has there been any public notice as is required in a rate case. Absent either complaint or proposed tariff filing, there is no authority for the Commission to establish rates in this case, nor certainly the ability to establish rates for a period of time in this case.

II. ISSUE II. If the adoption of conditions by the Commission cannot in the view of particular parties eliminate in total the situation that the proposed merger is detrimental to the public interest, but regardless of this view of particular parties, the Commission decides to approve the proposed merger, should the Commission adopt any or all of the following conditions, as part of its approval of the Companies' merger?

A. With respect thereto, AGP states its position as follows:

1. AGP does not believe that any conditions could be successfully imposed in such a manner as to rectify the defects and detriments of the proposed merger. Therefore the proposed merger should be rejected. It is not possible to impose conditions on a sow's ear so as to make it into a silk purse.

2. Given the statement of the major issue, however, AGP's position on the issue as stated is that under no circumstances should the merger be approved without rejection of the proposed regulatory plan (see supra), the recovery of the acquisition premium, and without conditions sufficient to protect the interest of the electric and steam ratepayers on the SJLP system and the conditions recommended by Staff and Public Counsel. For reasons of economy, AGP

will not address each of the proposed conditions separately, but will address them grouped by the party proposing such condition.

a. Staff, Public Counsel and City of Springfield have proposed that numerous conditions be imposed on the merger *if* it is initially determined that it should be approved. AGP does not believe the merger should be approved in any case, but given the statement of these conditions, AGP intends at the present time to support each of these conditions without prejudice to its position that even the application of all these conditions will not justify approval of the merger.

b. Department of Natural Resources has proposed several conditions relating to energy efficiency programs. Without prejudice to its overall position, AGP does not at the present take a position with respect to these proposed conditions. However, AGP respectfully reserves its ability to take a position with respect to any of all of such conditions pending receipt of the evidence and following cross-examination.

WHEREFORE Intervenor AGP prays that the Commission accept its Statement of Position and that a decision consistent therewith be forthcoming.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.



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ATTORNEYS FOR AG PROCESSING INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Application for Leave to Intervene by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as provided by the Secretary of the Commission and shown on the sheet following.

A handwritten signature in black ink, appearing to read 'Stuart W. Conrad', written over a horizontal line.

Stuart W. Conrad

Dated: June 26, 2000

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