

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
SEP 11 2000

Missouri Public
Service Commission

In the matter of the Joint Application of)
UtiliCorp United Inc. and The Empire District)
Electric Company for authority to merge The)
Empire District Electric Company with and)
into UtiliCorp United Inc. and, in connection)
therewith, certain other related transactions.)

Case No. EM-2000-369

**STAFF'S MOTION TO FILE REPLACEMENT PAGES TO
TRAXLER REBUTTAL TESTIMONY AND SCHEDULES**

Comes now the Missouri Public Service Commission Staff (Staff) and requests leave to file replacement pages to the rebuttal testimony and schedules of Steve M. Traxler. For the reasons indicated below, Mr. Traxler has revised various schedules to his rebuttal testimony and various numbers contained in his rebuttal testimony. Due to the number of changes, the Staff thought it would be most efficient to file replacement pages with the Commission prior to Mr. Traxler taking the stand for the first time in the scheduled evidentiary hearings. The Staff also thought that it would be most efficient to show the changes in red type for revised numbers, red type for language additions and red type line-through for language deletions.

Several days prior to August 14, 2000, the Staff sent to UCU in Kansas City an updated Schedule SMT-2 which reflected settlement of the pension issue and the use of a 2.5% inflation rate for both Transmission & Distribution, and Administrative & General savings and costs transferred from EDE to UCU consistent with Mr. Siemek's recommendation. On August 14, 2000 the Staff sent to UCU in Kansas City a corrected update of Schedule SMT-2 and a corrected Schedule SMT-6 which reflected corrections for the 2, 3, and 4-year average percent increases in UCU overhead costs to Missouri Public Service.

On Friday, September 8, 2000 the Staff provided to UCU copies of the red type replacement pages to Mr. Traxler's rebuttal testimony, which are being filed this date. Copies were provided on September 8, 2000 to UCU in Kansas City and to counsel for UCU and The Empire District Electric Company (EDE) in Jefferson City. The reasons for the revisions to Mr. Traxler's schedules and rebuttal testimony are as follows:

- (1) Schedule SMT-2 was updated by Mr. Traxler to reflect a decision by the Staff to adopt UCU witness Vern Siemek's recommendation to use a 2.5% inflation factor for costs transferred from EDE to UCU and resulting savings from consolidating existing EDE functions at UCU after the proposed merger. The Staff and the Joint Applicants' still have a remaining issue regarding the proper inflation factor to be used in escalating UCU's corporate overhead costs. Mr. Siemek is recommending a 2.5% inflation factor. The Staff is recommending a 5% factor.
- (2) Prior to the scheduled hearing of the FAS 87 pension issue in Case No. EM-2000-292, the Joint Applicants agreed with the Staff's condition to maintain the pre-merger funded status of the SJLP pension fund for purposes of calculating FAS 87 pension cost for the SJLP division post-merger. During the Case No. EM-2000-369 prehearing conference, the Joint Applicants made the same commitment for the Empire division. Traxler Schedule SMT-2 has been updated to reflect settlement of the pension issue and the change addressed in item (1) above.
- (3) Traxler Schedule SMT-7 has been updated to reflect corrections to the average annual percent increases in UCU's corporate overhead costs allocated to MPS on lines 5, 6, and 7.

Wherefore the Staff requests leave to file replacement pages to the rebuttal testimony and schedules of Staff witness Steve M. Traxler.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 11th day of September 2000.



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