

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
December 20, 2000**

CASE NO: EM-2000-369

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General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

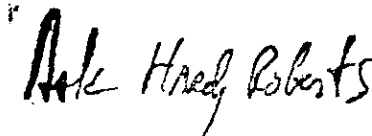
Shelley A. Woods
Department of Natural Resources
PO Box 899
Jefferson City, MO 65102

James J. Cook
Union Electric Company d/b/a AmerenUE
P. O. Box 66149 (MC 1310)
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Finnegan, Conrad & Peterson
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Kansas City, MO 64111

Enclosed find certified copy of an Ex Parte in the above-numbered case(s).

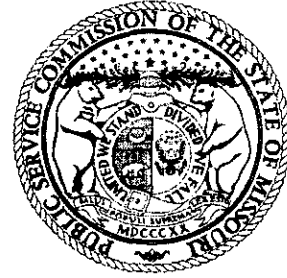
Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Notice of *Ex Parte* Contact

TO: Records Department:
All Parties in Case No. **EM-2000-369**
All Commissioners



FROM: Chair Sheila Lumpe *SL*

DATE: December 21, 2000

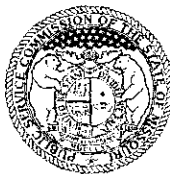
On December 21, 2000, I received a letter from Peter C. Rauch, Utilities Superintendent, City Utilities, Monett, Mo. The Commission is currently considering the same issues as to those set out in this document in Case Number **EM-2000-369**. The Commission is bound by the same *ex parte* rule as a court of law.

Pursuant to 4 CSR 240-4.020(4) it is improper for any person to attempt to sway the judgement of the Commission by undertaking, directly or indirectly, outside the hearing process, to bring pressure or influence to bear upon the Commission, or the Regulatory Law Judge assigned to the proceeding. Whenever such contact might occur 4 CSR 240-4.020(a) states: as *ex parte* communications (either oral or written) may occur inadvertently, any member of the Commission or Regulatory Law Judge who received the communication shall immediately prepare a written report concerning the communication and submit it to the Chair and each member of the Commission. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, out of an abundance of caution, I think it appropriate to submit this notice of *ex parte* contact pursuant to the standards set out in the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel

SL



Missouri Public Service Commission

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573-751-3234
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Commissioners

SHEILA LUMPE
Chair

M. DIANNE DRAINER
Vice Chair

CONNIE MURRAY

ROBERT G. SCHEMENAUER

KELVIN L. SIMMONS

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Director, Research and Public Affairs

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

December 21, 2000

Peter C. Rauch
Utilities Superintendent
City Utilities
P.O. Box 110
Monett, MO 65708

Re: Case Number EM-2000-369

Dear Mr. Rauch:

The Commission appreciates knowing your opinion.

This case is an open case, so I cannot comment on it. Your letter will be shared with all the Commissioners and be placed in the official file so all the parties can view it.

Thank you for taking the time to write.

Sincerely,

A handwritten signature in cursive script that reads "Sheila Lumpe".

Sheila Lumpe

cc: Commissioners

City Utilities

217 5th Street
P.O. Box 110
Monett, MO 65708

Peter C. Rauch, Superintendent

TEL (417) 235-3300

FAX (417) 235-4635

E-MAIL: pete.rauch@cityofmonett.com

December 18, 2000

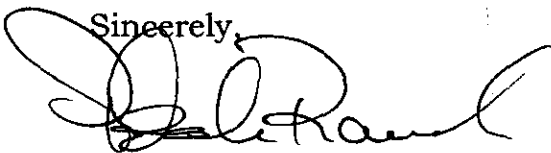
Ms. Sheila Lumpe, Chair
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102-0360

Dear Ms. Lumpe:

I am enclosing copies of two letters I have sent to Jim Miller, Senior Vice President at UtiliCorp United and to Bill Gipson, Senior Vice President at Empire District Electric. As Empire District's largest wholesale customer, I have expressed several concerns in light of UtiliCorp's recent news release in which they announced their intent to sell off all services relating to construction, operations and maintenance. I hope you will take a few minutes to read both letters particularly the letter to Mr. Miller at UtiliCorp. If the pending merger proceeds, the negative impact such actions could have on us and our customers could be extreme.

If I can answer any questions you might have, please contact me. Thank you for your attention to this important matter.

Sincerely,



Peter C. Rauch
Utilities Superintendent

cc. Mayor Fulp
Commissioner Dierker
Commissioner Overeem

City Utilities

Peter C. Rauch, Superintendent

217 5th Street
P.O. Box 110
Monett, MO 65708

TEL (417) 235-3300

FAX (417) 235-4635

E-MAIL: pete.rauch@cityofmonett.com

December 18, 2000

Mr. Bill Gibson
Empire District Electric Company
P.O. Box 127
Joplin, MO 64802

Dear Bill,

Earlier this year I drove to Joplin and visited with you and Bill Eichman because I wanted to express my concerns of the announced merger with UtiliCorp United. Of primary importance to me was the question of maintenance of Empire's system and emergency response to problems as they directly related to the operations in the Monett area. We discussed the availability of skilled personnel strategically located to Monett and their familiarity with the system.

I realize that many internal changes were taking place at Empire around the time of our meeting but I came away with the distinct impression that Empire was dedicated to keeping skilled personnel strategically located near Monett. Some weeks later I was told that the same crew that has serviced our substations for the past several years would continue in that capacity. Recently UtiliCorp announced that they will seek a buyer for their construction, operation and maintenance services. To say the least, this is disconcerting news to City Utilities of Monett and the Monett City Council if the merger proceeds.

I am attaching a copy of a letter I have sent to Jim Miller, Senior Vice President and CEO of U.S. Utility, UtiliCorp United. I hope to have a response from Mr. Miller in the near future and I would also like to meet with you at your earliest convenience to discuss these issues. I believe Mayor Fulp and Commissioners Dierker and Overeem would also like to attend this meeting. I will be on vacation for the remainder of the year but will be glad to come in for a meeting anytime. I will give you a call later this week.

Kindest regards,



Peter C. Rauch
Utilities Superintendent

cc. Mayor Fulp
Commissioner Dierker
Commissioner Overeem
Sheila Lumpe, Missouri Public Service Commission

Encl.

City Utilities

217 5th Street
P.O. Box 110
Monett, MO 65708

Peter C. Rauch, Superintendent

TEL (417) 235-3300

FAX (417) 235-4635

E-MAIL: pete.rauch@cityofmonett.com

December 13, 2000

Mr. Jim Miller, Senior Vice President and CEO
UtiliCorp United, Inc.
20 West Ninth Street
Kansas City, Missouri 64105-1711

Dear Mr. Miller:

I am writing on behalf of City Utilities of Monett and the Monett City Council in response to a recent news release dated November 16, 2000, in which UtiliCorp announced it would "seek a buyer for its utility network construction, operation and maintenance business". The City of Monett is currently Empire District Electric's largest wholesale customer by far. Furthermore, it is my understanding that, if the proposed merger takes place, we will be UtiliCorp's largest wholesale electric customer as well.

At City Utilities of Monett, customer service and system reliability are of primary importance to us. At the heart of our customer service and system reliability are our construction and maintenance crews. We are constantly evaluating our system and making the improvements vital to keeping it in top condition. These improvements start at the substations where we take delivery of power and extend to the tree-trimming crew that works year round to minimize line loss and weather-related outages for our customers. These crews are certainly not inexpensive to operate; however, it is our mission to provide the best service and system reliability possible to our customers. We expect the same commitment from our power provider.

We simply cannot over-state the importance of highly trained personnel strategically located and able to respond immediately to any emergency situation. As Empire District is currently structured, City Utilities of Monett and, therefore, our customers are the recipients of the same rapid response of skilled personnel when a problem occurs on Empire's system. Frankly, we can see great potential harm to us, as your largest customer, in turning over to contractors the maintenance of the system supplying our power. We can see no benefit, long or short-term, to the

Customer Service and Reliability

City of Monett and our customers by proceeding with this plan of UtiliCorp to divest itself of these vital services. Your reply to the following questions will assist us with further study:

1. What criteria have been established to determine the present and ongoing capabilities of a contractor relative to liability, personnel qualifications, system familiarity, equipment standards and safety?
2. Who will be responsible for stores, standardized material and equipment, emergency supplies, etc.?
3. Who will respond to emergency and trouble calls?
4. What will trouble call response time be?
5. How often will contractors be changed along with operating personnel?
6. Will there be any identification of vehicles and maintenance operating equipment?

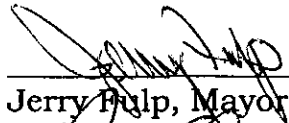
In summary, we respectfully request that you reconsider this plan of divestiture and do what is in the best interest of your customers.

Sincerely,

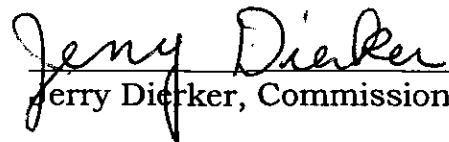


Peter C. Rauch
Utilities Superintendent

We, the City Council of the City of Monett, concur with the above comments.



Jerry Pulp, Mayor

Ron Overeem, Commissioner

Jerry Dierker, Commissioner

cc. Empire District Electric Company
Sheila Lumpe, Missouri Public Service Commission
Federal Energy Regulatory Commission

**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 20th day of December 2000.**

Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

