

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
October 6, 2000**

**CASE NO: GR-2000-520, GM-2000-637, GE-2000-639, EM-2000-292, and EM-2000-369**

**Office of the Public Counsel**

P.O. Box 7800  
Jefferson City, MO 65102

**Dean L. Cooper**

Brydon, Swearengen & England P.C.  
312 E. Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102

**Mark W. Comley**

Newman, Comley and Ruth, P.C.  
601 Monroe Street, Suite 301  
Jefferson City, MO 65101

**Gary L. Myers**

Vice President, General Counsel & Secretary  
St. Joseph Light & Power Company  
P.O. Box 998  
St. Joseph, MO 64502

**James J. Cook**

Ameren Services Company  
1901 Chouteau Avenue  
P.O. Box 66149 (MC 1310)  
St. Louis, MO 63166-6149

**Jeffrey A. Keevil**

Stewart & Keevil, L.L.C.  
1001 Cherry Street, Suite 302  
Columbia, MO 65201

**James B. Deutsch**

308 E. High Street, Ste. 301  
Jefferson City, MO 65101

**General Counsel**

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

**James C. Swearengen/Paul A. Boudreau**

Brydon, Swearengen & England P.C.  
312 East Capitol  
P.O. Box 456  
Jefferson City, MO 65102

**Karl Zobrist/Christine Egbarts**

Blackwell Sanders Peper Martin LLP  
2300 Main Street, Suite 1100  
Kansas City, MO 64108

**Stuart W. Conrad**

Finnegan, Conrad & Peterson, L.C.  
3100 Broadway, Suite 1209  
Kansas City, MO 64111

**Shelley A. Woods/Jeremiah W. Nixon**

Assistant Attorney General  
P.O. Box 899  
Jefferson City, MO 65102

**William A. Jolley**

International Brotherhood of Electrical  
Workers  
204 W. Linwood Blvd.  
Kansas City, MO 64111

**Leslie Jackson Parrette, Jr.**

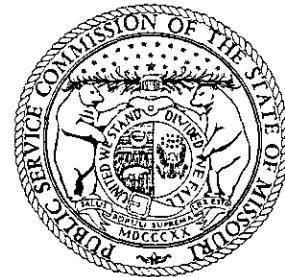
UtiliCorp United, Inc.  
20 W. 9<sup>th</sup> Street  
Kansas City, MO 66209

## Notice of *Ex Parte* Contact

TO: Records Department:  
All Parties in Case No. **GR-2000-520**  
All Commissioners **GM-2000-637**  
**GE-2000-639**  
**EM-2000-292**  
**EM-2000-369**

FROM: Chair Sheila Lumpe *SL*

DATE: October 6, 2000



On September 9, 2000, I received a anonymous letter concerning UtiliCorp United Incorporated's Gas Supply Services Department. The Commission is currently considering the same issues as to those set out in this document in Case Numbers **GR-2000-520, GM-2000-637, GE-2000-639, EM-2000-292 & 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

Ms. Sheila Lumpe  
Missouri Public Service Commission  
200 Madison St.  
Box 360  
Jefferson City, Mo. 65102-0360

cc:  
Dale  
Bureau  
Ran

Dear Ms. Lumpe,

I would like to bring to your attention certain business practices that are common at UtiliCorp United Incorporated's Gas Supply Services Department. You maybe unaware that the unit is more than just a supply services group. The unit is also a significant profit center for USU Utilities (previously UED). The overall unit has a profit goal of nearly \$10,000,000.00. Personnel are paid bonuses based on the value that can be extracted from managing the assets paid for by the Missouri Public Service rate- payers. Value is extracted in a number of ways. One way that would not be detectable to staff audit efforts is selling a first of the month put to suppliers and invoicing the put premium on a separate invoice that would never be included in audit documentation. If prices drop the supplier puts first of the month gas to MPS. A second example of ways the group extracts value is capacity releases. Operation personnel extract one to two cents per release by doing buy sells with MPS capacity instead of doing a posted release. They look at the lowest credit amount possible to report instead of maximizing the capacity release credit. This is done due to the push for significant earnings from the group as stated previously. The group will post a certain amount of capacity but generally will hold back some portion in order to do incremental deals during the month. Do to the emphasis on earnings GSS's top priority is earnings not providing efficient, reliable, economic natural gas supplies. You may not be the person that deals directly with UtiliCorp but I would appreciate it if you would forward this information to the appropriate personnel within your organization.

As I am still employed by UCU I cannot divulge my identity. But I feel that these business practices are not appropriate and should be brought to your attention. This is occurring at other UCU LDC's in Michigan, Minnesota, Iowa, and Nebraska. If I hear of you pursuing these issues and if I can provide you information I will.

**STATE OF MISSOURI**

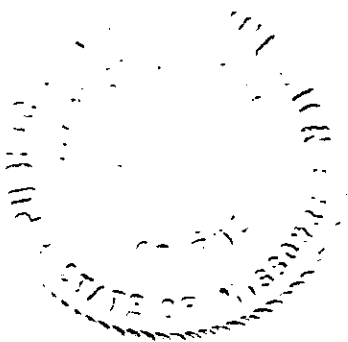
**OFFICE OF THE PUBLIC SERVICE COMMISSION**

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 6<sup>th</sup> day of Oct. 2000.



A handwritten signature in dark ink, reading "Dale Hardy Roberts". The signature is written in a cursive style with a horizontal line underneath.

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