

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of (1) Missouri Public Service Corporation (a Delaware corporation) and of Missouri Public Service Company (a Missouri corporation) for authorization of a merger, whereby the Missouri corporation will acquire all properties and assets of the Delaware corporation, and of (2) Missouri Public Service Company for authority to own and operate the properties and assets of Missouri Public Service Corporation, and to issue 133,705 shares of its common stock, and assume the debts and liabilities of said Missouri Public Service Corporation.

Case No. 11,892

REPORT AND ORDER

This proceeding is before the Commission upon a joint application, filed April 17, 1950, by Missouri Public Service Corporation, a Delaware corporation (herein sometimes referred to as "Delaware Corporation"), and by Missouri Public Service Company, a Missouri corporation (herein sometimes referred to as "Missouri Company"), for authorization of a merger, whereby the Missouri Company will acquire all properties and assets of the Delaware Corporation and Missouri Company will own and operate such properties and assets, upon the assumption by the Missouri Company of all the debts, liabilities and obligations of the Delaware Corporation. Authority is also requested for Missouri Company to issue and deliver 133,705 shares of its Common Stock, without par value, to the shareholders of the Delaware Corporation on a share-for-share basis, upon the surrender, for cancellation, of the certificates representing the outstanding shares of Common Stock of the Delaware Corporation. Authority is also requested for the Missouri Company to execute and deliver a Supplemental Indenture adopting the Indenture of Mortgage, dated January 1, 1946, and all Supplemental Indentures executed thereto, executed by the Delaware Corporation, as the mortgage of the Missouri Company and assuming and agreeing

to pay all bonds heretofore or hereafter issued thereunder and agreeing to perform the terms and conditions of the said Mortgage and Supplemental Indentures.

A hearing on the application was held at Jefferson City, Missouri, on April 28, 1950, at which time all interested parties were given an opportunity to be heard and the case was submitted on the record.

The evidence submitted on behalf of applicants showed that the Delaware Corporation is a public utility corporation with principal business office at Warrensburg, Missouri, engaged principally in generating, purchasing, transmitting, distributing and selling electric energy in Western Missouri and North Central Missouri. It also produces, purchases, and distributes manufactured and natural gas and water in certain municipalities in its territory. Designation of the areas within which the Delaware Corporation was authorized to construct, maintain and operate electric utility facilities has heretofore been made by order of this Commission entered in Case No. 9470 on January 18, 1938.

The purpose of the merger was stated by applicants to be to change the place of organization of the Delaware Corporation from Delaware to Missouri. The Missouri Company, formed for that purpose, (a) will acquire all properties and assets of the Delaware Corporation, (b) will assume all the debts, liabilities and obligations of the Delaware Corporation, (c) will issue and deliver 133,705 shares of its common stock without par value for a like number of the outstanding shares of the common stock of the Delaware Corporation, being all of such outstanding shares. Delaware Corporation, having acquired the 20 shares of the organization shares of common stock of the Missouri Company, will surrender such shares for cancellation and no new shares will be issued therefor. Upon completion of the merger, the Delaware Corporation will be merged into the Missouri Company, the surviving corporation, and the Delaware Corporation will cease to exist as a separate corporate entity. A copy of the Agreement and Plan of Merger was offered in evidence, and marked Exhibit A.

The merger plan, in addition to providing for authorization and issuance of common stock of the Missouri Company, provides for authorization of 35,000 shares of First Preferred Stock of such Company of the par value of \$100 per share. Application in Case No. 11,823, relating to authorization for issuance of 20,000 shares of such First Preferred Stock, was submitted to the Commission jointly with the application herein, and reference to such application and the order issued thereon is made for a more complete description of such preferred stock and the purposes of its issue.

The capitalization of the Delaware Corporation as at December 31, 1949, consisted of an authorized 175,000 shares of common stock without par value, of which 133,705 shares were issued and outstanding with stated value of \$3,200,000, a capital surplus of \$26,761.96, and an earned surplus of \$2,724,449.17. The Corporation's funded debt, at said date, consisted of First Mortgage Bonds, Series A due 1976, 3%, principal amount \$5,100,000; Series B due 1976, 2-7/8%, principal amount \$750,000; Series C due 1978, 3-1/4%, principal amount, \$1,150,000; Series D due 1979, 3-1/4%, principal amount, \$1,000,000, 3-1/8% Serial Debentures, 1950-1955, principal amount \$341,000; and 3-1/2% Serial Debentures, 1956-1970, principal amount \$900,000.

The capitalization and funded debt of the Missouri Company, as proposed, will be identical with that of the Delaware Corporation, except that the Missouri Company will have 35,000 shares of First Preferred Stock of \$100 par value per share, authorized, and 20,000 shares, 4-3/8% Series, of such stock outstanding.

In addition to the copy of the Agreement and Plan of Merger, applicants submitted a certified copy of the Articles of Incorporation and Certificate of Incorporation of the Missouri Company, certified copy of resolutions of the Boards of Directors of the two companies authorizing the merger, form of Supplemental Indenture of the Missouri Company adopting the Mortgage Indenture and Supplemental Indentures of the Delaware Corporation, and financial statements of the Delaware Corporation, all of which were designated as

exhibits and filed in this case.

Having examined the evidence, the Commission is of the opinion that the proposed merger will in no way detrimental to the public and that authority therefore should be granted. The properties and business of the applicants will be owned and operated by a corporation organized and existing under the laws of Missouri where all the public utility properties are located. Not taking into account the additional preferred stock, Missouri Company will have a capitalization practically identical to that of the Delaware Corporation, whose capitalization has been approved by this Commission in previous cases at the time such presently outstanding common stock, first mortgage bonds and debentures were issued and sold. The Commission has by separate order issued on the date of this order authorized the issuance and sale of 20,000 shares of 4-3/8% preferred stock.

It is, therefore,

ORDERED: 1. That, upon obtaining approval required by law from the holders of the voting stock of the constituent companies and the filing of evidence thereof in this case, Missouri Public Service Corporation be and hereby is authorized to merge with Missouri Public Service Company, pursuant to the Agreement and Plan of Merger dated April 11, 1960, made between the aforementioned corporations; and Missouri Public Service Company be and hereby is granted a certificate of public convenience and necessity to own, maintain and operate all properties and assets, and to acquire, hold and exercise all contracts, franchises, permits and rights now held and possessed by Missouri Public Service Corporation; including, without limitation, all rights to construct, own and maintain electric utility facilities in the areas in the State of Missouri described and designated in the order of this Commission entered in Case No. 9470 on January 18, 1938.

ORDERED: 2. That Missouri Public Service Company be and hereby is authorized to assume all debts, liabilities and obligations of Missouri Public Service Corporation.

ORDERED: 3. That Missouri Public Service Company be and hereby is authorized to issue and deliver 133,705 shares of its common stock, without par value, to the stockholders of Missouri Public Service Corporation on a share-for-share basis upon the surrender for cancellation of the certificates representing the outstanding shares of common stock of Missouri Public Service Corporation.

ORDERED: 4. That Missouri Public Service Company be and hereby is authorized to execute and deliver a Supplemental Indenture in the form, or substantially in the form, of the Supplemental Indenture filed in this case, to Commerce Trust Company, Kansas City, Missouri, as Trustee, under the Indenture of Mortgage dated January 1, 1946, and the Supplemental Indentures dated respectively September 1, 1946, January 1, 1948, and January 1, 1949, heretofore executed by the said Delaware Corporation to said Trustee, adopting said Mortgage and said Supplemental Indentures as the mortgage of Missouri Public Service Company and assuming and agreeing to pay all bonds heretofore or hereafter issued thereunder, and all interest due thereon, and agreeing to perform the terms and conditions of the said Indenture of Mortgage and Supplemental Indentures.

ORDERED: 5. That Missouri Public Service Company be and hereby is authorized to assume the payment of all debentures outstanding under the Debenture Trust Indenture executed by Missouri Public Service Corporation to The City National Bank and Trust Company of Kansas City, Trustee, dated as of January 1, 1945, and under the Debenture Trust Indenture executed by Missouri Public Service Corporation to the same Trustee, dated as of April 1, 1949, in accordance with the terms and conditions of such Debenture Trust Indentures.

ORDERED: 6. That nothing herein shall be considered as a finding by the Commission of the value for rate making purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by the parties in this proceeding.

ORDERED: 7. That this order shall take effect on this date

and the Secretary of this Commission shall forthwith deliver to each interested party a certified copy of this order.

BY THE COMMISSION

Marvin P. Moore
MARVIN P. MOORE,
SECRETARY.

Osburn, Chr., Williams, Henson,
McClintock and Randolph, CC., Concur.

Dated at Jefferson City, Missouri,
this 28th day of April, 1950.

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 correct transcript therefrom and of the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, this 28th day of April, 1950.

Harold L. Moore

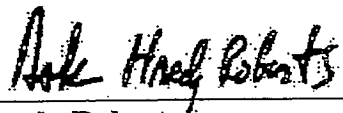
SECRETARY

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 19th day of November 2004.



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge