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January 21, 2000

FILED<sup>3</sup>
JAN 2 1 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Missouri Public Service Commission

Re: Case No. EM-2000-292

Dear Mr. Roberts:

DAVID V.G. BRYDON

GARY W. DUFFY

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SONDRA B. MORGAN

CHARLES E. SMARR

JAMES C. SWEARENGEN

WILLIAM R. ENGLAND, III

JOHNNY K. RICHARDSON

Enclosed for filing in the referenced case on behalf of UtiliCorp United Inc. and St. Joseph Light & Power Company, please find an original and fourteen copies of Response of UtiliCorp and SJLP to Motion to Consolidate.

Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

I thank you in advance for your cooperation in this matter.

Sincerely yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

 $B_{y}$ 

James C. Swearengen

JCS/lar Enclosure

cc: All Parties of Record

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

FILED<sup>3</sup>
JAN 2 1 2000

In the matter of 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 connection therewith, certain other related transactions.

Case No. EM-2000-292

Service Commission

## RESPONSE OF UTILICORP AND SJLP TO MOTION TO CONSOLIDATE

COME NOW UtiliCorp United Inc. ("UtiliCorp"), and St. Joseph Light & Power Company ("SJLP"), by counsel, and for their response to the Motion to Consolidate filed by the Office of the Public Counsel ("OPC") respectfully state as follows to the Missouri Public Service Commission ("Commission"):

- 1. UtiliCorp and SJLP are sympathetic to the concerns expressed by the OPC in its Motion to Consolidate. UtiliCorp and SJLP also desire to avoid a waste of resources in connection with the processing of the involved applications. UtiliCorp and SJLP submit, however, that consolidation of these cases, as proposed by the OPC, would not achieve this result, but rather would serve to confuse and complicate these matters.
- 2. UtiliCorp and SJLP oppose the Motion to Consolidate for several reasons. First, the UtiliCorp/SJLP merger and the UtiliCorp/The Empire District Electric Company ("Empire") merger are two separate and distinct transactions. Each is the subject of a separate and distinct merger agreement with different timetables. Each has its own unique facets. Each should be decided on its own merits by a separate and distinct Commission order based on record evidence pertaining to that transaction. Either, neither or both may be consummated and therefore each proposed merger should be dealt with accordingly. To "consolidate" and thereby "join together into one whole" these two separate transactions would not only create confusion and processing

inefficiencies, but would also deny UtiliCorp and SJLP the opportunity to have their application and merger agreement considered and decided on its own merits based on the record evidence by a separate Commission order and consequently a consolidation of these applications would violate their due process rights.

- 3. In addition, rather than simplifying the processing of these matters, the consolidation of these two distinct and different cases will produce just the opposite result for the following reasons:
  - The two transactions are each based on separate and distinct merger agreements, resulting from different processes, the terms of which are in no way identical. One of the agreements (SJLP) was the result of a bid process. The other (Empire) was the result of a negotiation process. The Commission should consider each agreement and the process which led to it independent of the other.
  - The "regulatory plans" for the two transactions are significantly different. For example, the UtiliCorp/Empire regulatory plan, for which approval is sought in the merger docket, includes certain details concerning what is described as "the Pre-Moratorium Rate Case" which Empire will file in the second half of 2000. No such issues are present in the UtiliCorp/SJLP case. To consolidate these cases and consider in one proceeding these separate and distinct regulatory plans will unnecessarily confuse and complicate these proceedings and result in a waste of resources.
  - SJLP's and Empire's service territories are different in that SJLP serves retail customers in Missouri only, while Empire serves retail customers in three other

states.

. . .

- Given the differences in the transactions, consolidating the cases with a single set of witness testimony for both matters, a single statement of issues and a joint hearing with all witnesses from both cases taking the stand will be inefficient and cumbersome. In fact, it will be difficult and burdensome for UtiliCorp and other witnesses to undergo cross examination on both transactions at the same time. Shifting back and forth between the two cases with respect to the various issues will be confusing for the witnesses, as well as the Commission and the other parties, and will likely produce an unclear record.
- The parties to the two cases are not the same. AG Processing, Inc. is in the UtiliCorp/SJLP case but not UtiliCorp/Empire. IBEW Local 1474, Praxair, Inc. and ICI Explosives USA, Inc. are in the UtiliCorp/Empire case, but not UtiliCorp/SJLP. Consequently, some parties will be entitled to file testimony and cross examine with respect to one case, but not the other. Dealing with this situation in a consolidated hearing format will create more issues and inefficiencies than it will resolve.
- 4. Notwithstanding the foregoing, should UtiliCorp and SJLP later determine that joint processing in certain area(s) could be beneficial and would not jeopardize their due process rights, UtiliCorp and SJLP will bring this to the attention of the other parties and the Commission. For example, UtiliCorp and SJLP believe that it may be useful if the discovery in their case is utilized, where appropriate, in the UtiliCorp/Empire case so long as said utilization is in accordance with the Commission's orders and is otherwise lawful and reasonable.

- 5. Processing each case independently and on its own separate schedule will preserve the due process rights of UtiliCorp and SJLP while affording the Commission the opportunity to examine the two transactions and the issues in the same general timeframe and with the assumption that either or both mergers may be consummated.
- 6. In view of the foregoing, the Motion to Consolidate should be denied and the UtiliCorp/SJLP case should continue to be processed in accordance with the previously Commissioned-ordered schedule.

WHEREFORE, UtiliCorp and SJLP respectfully urge the Commission to issue its order denying the Motion to Consolidate.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered, on this 2/3T day of 1/2/4/9, 2000, to:

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