

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
February 21, 2002**

CASE NO: EM-2002-297

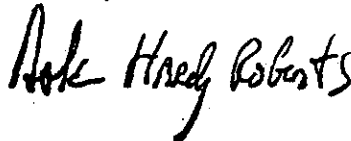
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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office in
Jefferson City on the 21st day
of February, 2002.

In the Matter of the Application of UtiliCorp)
United Inc., a Delaware Corporation, for)
Authority to Merge to Effect a Name Change)

Case No. EM-2002-297

ORDER APPROVING MERGER

On December 21, 2001, UtiliCorp United Inc. filed an application under Section 393.190, RSMo 2000, with the Missouri Public Service Commission for approval of the merger between UtiliCorp and UtiliCorp Renaming Corporation, to effect a name change after the purchase by UtiliCorp of stock in Aquila, Inc.

After the Office of the Public Counsel requested an evidentiary hearing by pleading filed on January 11, 2002, the Commission issued a procedural order on January 16, 2002, setting a prehearing conference and requesting a procedural schedule by February 21, 2002. On January 22, 2002, UtiliCorp filed its Motion for Reconsideration of the procedural order. The Commission held a prehearing conference as scheduled on January 29, 2002.

On January 30, 2002, Staff filed a Status Report, discussing discovery it had performed. In its filing, Staff indicated its willingness to either provide a Recommendation, should the Commission not order a hearing as requested by the Public Counsel, or file testimony for any hearing that the Commission might order, should the Commission order a hearing as requested by the Public Counsel. On January 31, 2002, the Commission ordered Staff to file its Recommendation, which Staff did on February 4, 2002.

In a pleading filed January 7, 2002, Staff noted that UtiliCorp sought Commission approval only over the statutory merger between UtiliCorp and Renaming, the stated sole purpose of which was to change the UtiliCorp name. Staff's Recommendation noted that UtiliCorp did not seek Commission authorization to (1) issue UtiliCorp shares of common stock and acquire with these shares, through a special acquisition subsidiary, 50% of the outstanding publicly held Class A common shares of Aquila; and (2) to merge Aquila and the special acquisition subsidiary in a short-form merger and thereby own 100% of Aquila's Class A common shares. Accordingly, Staff's Recommendation addressed only the former transaction. (The Commission notes, however, that the discovery Staff conducted, and submitted to the Commission as a part of its Status Report, does address all three transactions.)

In its Recommendation, Staff recommended that the Commission approve UtiliCorp's Application, subject to four conditions.

First, Staff recommended that the Commission specify that nothing in the Commission's order will be considered a finding by the Commission of the value of this transaction for ratemaking purposes, and that the Commission reserves the right to consider the ratemaking treatment to be afforded this transaction in any subsequent proceeding. Staff noted that UtiliCorp had agreed to this condition, since it stated in its Motion for Reconsideration, "[i]n transactional dockets such as this case, ratemaking issues are not properly before the Commission."

Second, Staff recommended that the Commission state that the Commission's order must not be deemed precedent for any future transaction, even if the facts may be similar.

Third, Staff recommended that the Commission condition its approval on the premise that any adverse financial effects of this merger must be borne by UtiliCorp's stockholders and not by Missouri ratepayers.

Finally, Staff asks that the Commission require that all records pertaining to this transaction must be maintained at UtiliCorp's headquarters and made available to the Staff as the Staff deems necessary.

As a fifth condition, the Staff further recommended that if the merger is approved, rather than filing entirely new tariffs for its Missouri Public Service and St. Joseph Light & Power divisions, UtiliCorp, under its new name, should file adoption notices adopting the electric, gas, and steam tariffs on file for MPS and SJLP, similar in form to the ones that UtiliCorp filed in case number EM-2000-292.

UtiliCorp filed its pleading on February 6, 2002, stating that it had no objection to the first four of the conditions set out above. (UtiliCorp did not comment on the fifth condition.) On the same day, Public Counsel filed its pleading, stating that it agreed with or had no objection to all five of Staff's recommendations.

However, according to Public Counsel, under the third condition set out above, "the language should be even stronger, to wit, that the Commission condition its approval on the acceptance by [UtiliCorp] of the requirement that any adverse effects shall be borne by stockholders in UtiliCorp, under whatever name, rather than by Missouri customers." Public Counsel gave no reason for this request. The Commission finds that the additional language requested by Public Counsel is superfluous and unnecessary.

Also, according to Public Counsel, under the fourth condition set out above, the Commission should also "direct UtiliCorp, by whatever name, to make [the records of the

transaction] available to Public Counsel as Public Counsel deems necessary." Public Counsel gave no reason for this request. The Commission finds that the additional language requested by Public Counsel is superfluous and unnecessary.

The Commission has reviewed the application, documentation of the parties, and Staff's recommendation, and determines that approval of UtiliCorp's application is not detrimental to the public interest. The Commission will approve the application, with the conditions recommended by the Staff.

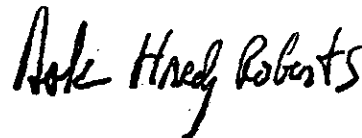
IT IS THEREFORE ORDERED:

1. That the proposed acquisition of the electrical facilities, as set out in detail in the application of UtiliCorp United Inc. filed on December 21, 2001, is hereby approved, subject to the five conditions set out in the recommendation of the Staff of the Missouri Public Service Commission filed on February 4, 2002.

2. That UtiliCorp United Inc. must file a notification with the Missouri Public Service Commission within 10 days after it has complied with this order.

3. That this order will become effective on March 3, 2002.

BY THE COMMISSION



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

(S E A L)

Simmons, Ch., Murray, Lumpe, Gaw and Forbis, CC., concur

Hopkins, Senior Law Judge

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 21st day of Feb. 2002 .

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

