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December 14, 1999

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

FILED³

DEC 14 1999

Missouri Public
Service Commission

RE: Case No. EM-2000-292 – 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

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **STAFF'S PROPOSED PROCEDURAL SCENARIOS**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Steven Dottheim
Chief Deputy General Counsel
(573) 751-7489
(573) 751-9285 (Fax)

Enclosure
cc: Counsel of Record

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

DEC 14 1999

Missouri Public
Service Commission

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

STAFF'S PROPOSED PROCEDURAL SCENARIOS

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to the directive of the Regulatory Law Judge at the early prehearing conference on December 6, 1999 to submit a joint proposed procedural schedule, if agreement among the parties could be reached, or separate proposed procedural schedules, if agreement among the parties could not be reached. Agreement among the parties could not be reached.

As a consequence, the Staff is submitting proposed procedural schedule scenarios, minus specific dates at this point, because of the Staff not having had an opportunity to review the impending merger case filing of Empire District Electric Company (EDE) – UtiliCorp United, Inc. (UtiliCorp) and the Staff not knowing how the Missouri Public Service Commission (Commission) will rule on certain outstanding disputes. The Staff's proposed procedural schedule scenarios are consistent with the Staff's position previously indicated in the November 24, 1999 Staff Response To Commission Notice Regarding Motion To Establish Procedural Schedule and the December 13, 1999 Staff Reply To December 3, 1999 Response Of UtiliCorp And SJLP. The Staff stated therein that the procedural schedule for the St. Joseph Light & Power Company (SJLP) – UtiliCorp merger case should be based on SJLP – UtiliCorp

remedying the inadequacies of their October 19, 1999 direct testimony filing, and the Staff's recommendation respecting a consolidated procedural schedule for the SJLP – UtiliCorp merger case and the EDE – UtiliCorp merger case, based on the Staff's review of the EDE – UtiliCorp merger filing once it occurs.

As an indication of the inappropriateness of the SJLP – UtiliCorp proposed procedural schedule, the Staff set out in both its November 24, 1999 filing and its December 13, 1999 filing, the number of days between events in the Union Electric Company (UE) – CIPSCO Inc. (CIPSCO) merger procedural schedule. A review of the various procedural schedules agreed to and jointly proposed by the Staff, Public Counsel and Western Resources, Inc. (Western Resources) – Kansas City Power & Light Company (KCPL), and set by the Commission at the various stages of the Western Resources – KCPL merger case, clearly shows how entirely inappropriate the SJLP – UtiliCorp proposed procedural schedule is and how reasonable the Staff's proposed procedural schedule is. In fact, upon further review, the following comparison causes the Staff to believe that its proposed procedural schedule for the SJLP – UtiliCorp and the EDE – UtiliCorp mergers combined is more than reasonable given the scope of the work that must be done by the Staff in order for it to determine whether the mergers are not detrimental to the public interest and what conditions to the mergers may be necessary:

Original Western Resources - KCPL Merger Case Procedural Schedule, Agreed To By Staff, Public Counsel And Western Resources – KCPL, And Set By The Commission:

EVENT

DATE

Joint Application
& Direct Testimony

May 30, 1997

(Shareowners Approve
Mergers on July 30, 1998)

333 Days Between Direct Testimony and Rebuttal Testimony

(Joint Applicants File Supplemental
Direct Testimony On Market Power
Issues On December 15, 1997)¹

Rebuttal Testimony	April 28, 1998
	45 Days
Surrebuttal & Cross - Surrebuttal Testimony	June 12, 1998
	10 Days
Evidentiary Hearings	June 22-26, 1998

**Revised Western Resources – KCPL Merger Case Procedural Schedule (Assuming No Earnings
Complaint Case Against KCPL) Agreed To By Staff, Public Counsel And Western Resources -
KCPL:**

<u>EVENT</u>	<u>DATE</u>
Amended Joint Application & Updated/New Direct Testimony	June 17, 1998
(Shareowners Approve Mergers on July 30, 1998)	260 Days Between Direct Testimony and Rebuttal Testimony
Rebuttal Testimony	March 4, 1999
	28 Days
Surrebuttal & Cross - Surrebuttal Testimony	April 1, 1999
	32 Days
Evidentiary Hearings	May 3-14, 1999

¹ The Commission in an August 8, 1997 Order in Case No. EM-97-515 stated as follows:

. . . the Commission has made it clear in the context of the Union Electric/CIPSCO merger proceeding, Case No. EM-96-149, that market power and related issues, and transmission access issues, are proper subject matter for consideration in the context of a case of this nature. In its Report and Order approving the merger, the Commission affirmatively instructed the parties to address market power issues as they related to the creation of an ISO and deregulated retail prices. See In re Union Elec. Co. Merger with Central Ill. Public Serv. Co., No. EM-96-149 (Mo.P.S.C., Feb. 21, 1997). The Commission has not altered its approach to the issues in question and finds the concerns set out in the four applications for intervention to be potentially appropriate for consideration in this case.

Revised Western Resources – KCPL Merger Case Procedural Schedule (Assuming An Earnings Complaint Case Against KCPL) Agreed To By Staff, Public Counsel And Western Resources - KCPL:

<u>EVENT</u>	<u>DATE</u>
Amended Joint Application & Updated/New Direct Testimony	June 17, 1998
(Shareowners Approve Mergers on July 30, 1998)	271 Days Between Direct Testimony and Rebuttal Testimony
Rebuttal Testimony	March 15, 1999
	28 Days
Surrebuttal & Cross - Surrebuttal Testimony	April 12, 1999
	49 Days
Evidentiary Hearings	May 31- June 11, 1999

Ultimate Western Resources – KCPL Merger Case Procedural Schedule Agreed To By Staff, Public Counsel And Western Resources – KCPL, And Set By The Commission:

<u>EVENT</u>	<u>DATE</u>
Amended Joint Application & Updated/New Direct Testimony	June 17, 1998
(Shareowners Approve Mergers on July 30, 1998)	309 Days Between Direct Testimony and Rebuttal Testimony
Rebuttal Testimony	April 22, 1999
	49 Days
Surrebuttal & Cross - Surrebuttal Testimony	June 10, 1999
	46 Days
Evidentiary Hearings	July 26-30 and August 2-6, 1999

Included in the Table that follows are the steps involving the various scenarios that were discussed in the Staff's filing yesterday, December 13, 1999, in the instant proceeding. Separate steps are not shown for a possible hearing before the Commission respecting the need for the

Commission to make a determination whether on the basis of an assertion by the Staff, and possibly other parties, that the EDE – UtiliCorp direct testimony is deficient, it will order EDE – UtiliCorp to file supplemental direct testimony.

EVENT

DATES

Joint Application and Direct Testimony of EDE – UtiliCorp
Filed 12/13/99 or 12/14/99

Staff, Public Counsel and Intervenors File Proposed Procedural
Schedule After Reviewing EDE – UtiliCorp Direct Testimony

Testimony Respecting Whether SJLP – UtiliCorp
Should File Supplemental Direct Testimony

Hearings On Whether SJLP – UtiliCorp Should
File Supplemental Direct Testimony

Supplemental Direct Testimony of SJLP – UtiliCorp

Supplemental Direct Testimony of EDE – UtiliCorp

Rebuttal Testimony of Staff, Public Counsel
and Intervenors

Joint Applicants' Surrebuttal Testimony and
Other Parties' Cross-Surrebuttal Testimony To Each Other

Other Parties' Surrebuttal Testimony
To Joint Applicants SJLP – UtiliCorp and EDE - UtiliCorp

Evidentiary Hearings

It is not possible for the Staff to place dates in the above Table other than to indicate as follows. The Staff needs ten days to two weeks to review the EDE – UtiliCorp merger filing before it can propose a procedural schedule to the Commission for both merger cases. (Unless otherwise directed by the Commission, the Staff will file a proposed procedural schedule ten days to two weeks after EDE – UtiliCorp make their merger filing. Although EDE – UtiliCorp did not make their merger case filing on December 13, 1999 or December 14, 1999, the latest information that the Staff has is that the EDE – UtiliCorp merger filing is still imminent.) At an absolute minimum, the Staff recommends a procedural schedule based, in essence, upon the

number of days between events in the UE – CIPSCO merger revised procedural schedule, which the Staff identified for the Commission in the Staff's filings on November 24, 1999 and December 13, 1997 and which is replicated below, plus an additional number days, i.e., an additional 30 days, plus the 182 days of the UE – CIPSCO merger revised procedural schedule, for the period between SJLP's – UtiliCorp's supplemental direct testimony filing, which the Staff is requesting that the Commission order, and the rebuttal testimony filing of the Staff and the other parties, assuming the EDE – UtiliCorp direct testimony is not deficient. The additional 30 days for the filing of the Staff's and other parties' rebuttal testimony on top of the 182 days provided for in the UE – CIPSCO revised procedural schedule, are necessitated by the complexity of SJLP's – UtiliCorp's regulatory plan (e.g., among other things, the tracking of purported merger savings and the relationship of the tracking to the proposed recovery of the acquisition adjustment), the incomplete aspects of certain facets of the merger (e.g., among other things, the work of the transition teams and, in particular, the method to be used to track purported merger savings) and the additional work required to be performed by there being a second merger, the EDE – UtiliCorp merger, which is interrelated with the SJLP – UtiliCorp merger. Thus, the Staff would request 212 days (182 days, plus 30 additional days) for the period between SJLP's – UtiliCorp's supplemental direct testimony filing, which the Staff is requesting that the Commission order, and the rebuttal testimony filing of the Staff and the other parties, assuming the EDE – UtiliCorp direct testimony is not deficient.

<u>EVENT</u>	<u>UTILICORP – SJLP PROPOSAL</u>	<u>UE – CIPSCO</u>	<u>REVISED UE – CIPSCO</u>
Joint Application & Direct Testimony	October 19, 1999 115 Days	November 7, 1995 175 Days	November 7, 1995 182 Days
Rebuttal Testimony	February 11, 2000	April 30, 1996	May 7, 1996


	28 Days	31 Days	27 Days
Surrebuttal & Cross - Surrebuttal Testimony	March 10, 2000	May 31, 1996	June 3, 1996
	31 Days	31 Days	28 Days
Evidentiary Hearings	April 10-14, 2000	July 1-3, 8-12, 1996	July 1-3, 8-12, 1996
Briefs	May 2000		
Stipulation & Agreement Filed			July 12, 1996
Hearing Regarding Stipulation & Agreement			September 5, 1996
Order Directing Filing of Market Power Testimony			September 25, 1996
Market Power Testimony UE			November 1, 1996
Staff & Public Counsel			November 26, 1996
Order Approving Merger			

The events which would initiate the absolute minimum schedule, i.e., the UE – CIPSCO merger revised procedural schedule, plus 30 additional days between SJLP's – UtiliCorp's supplemental direct testimony filing and the rebuttal testimony filing of the Staff and the other parties, is the filing of supplemental direct testimony respecting the SJLP – UtiliCorp merger, after the imminent filing of the EDE – UtiliCorp merger case, and the resolution of any dispute regarding the adequacy of the EDE – UtiliCorp direct testimony.

Counsel for Intervenor the City of Springfield , Missouri has authorized the undersigned counsel to state that it concurs in the instant filing of the Staff. Counsel for the Office of the Public Counsel has authorized the undersigned counsel to state that although Public Counsel is filing its own pleading this date, it does not oppose the instant filing of the Staff.

Wherefore the Staff requests that the Commission adopt the proposal of the Staff relating to the setting of a procedural schedule.


Respectfully submitted,
DANA K. JOYCE
General Counsel


Steven Dottheim
Chief Deputy General Counsel
Missouri Bar No. 29149
Attorney for the Staff of the
Missouri Public Service Commission

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 14th day of December, 1999.



**Service List for
Case No. EM-2000-292
December 14, 1999**

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