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May 11, 1998

Mr. Frank DeBacker
VP – Fuel & Purchased Power
UtiliCorp United, Inc.
10750 East 350 Highway
P.O. Box 11739
Kansas City, MO 64138

Dear Mr. DeBacker:

Your April 7, 1998 letter requested comments from OPC and the Commission Staff regarding the Request for Proposal (RFP) that UtiliCorp intends to issue on May 29. Public Counsel appreciates the opportunity to comment on the RFP process that UtiliCorp intends to use to meet resource needs in the years 2000 and 2001. We are generally supportive of using RFPs to meet future resource needs.

The main concern that Public Counsel has with the current RFP is the provision in Section I that allows UtiliCorp to submit an EWG proposal in response to the RFP. Given the current uncertainties about what regulations and market structure are likely to arise in the electric industry, OPC does not believe that UtiliCorp should be acquiring an ownership interest in additional generating facilities that are located in the same market where it owns and operates electric distribution and transmission facilities. The comments below all pertain to areas of special concern with the RFP that would only apply if UtiliCorp continues to allow itself (or an affiliated corporation) the opportunity to bid on the RFP.

Public Counsel shares the concerns that were expressed by the Commission Staff in its May 1, 1998 letter regarding having personnel from the same corporation submit a bid while at the same time allowing them to issue and evaluate the bid. OPC would have the same concern even if the personnel involved worked for separate affiliates that had ownership ties.

The Staff pointed out a valid and important concern when they stated that "if there is an appearance of UtiliCorp providing an advantage to its own bid, UtiliCorp may find that some entities will not be willing to submit bids that otherwise would have done so." The Staff's

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opposition to getting involved in the process of selecting or recommending the selection of a third party evaluator makes this approach even more questionable since a third party evaluator would need to be perceived as truly independent if UtiliCorp chooses to submit its own EWG proposal.

Another concern mentioned by the Staff in its May 1, 1998 letter was that the RFP lacks "a section describing how the proposals will be evaluated and how the contract(s) will be awarded." OPC supports the Staff recommendation to hire a third party evaluator before sending out the RFP so the evaluator could critique the RFP and describe the evaluation method/criteria to be used. Public Counsel would appreciate being included in any discussions between the Company and the Staff regarding the RFP process.

Sincerely,



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cc:

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