



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
SHEILA LUMPE
STEVE GAW
BRYAN FORBIS

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.state.mo.us>

March 21, 2002

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

FILED³

MAR 21 2002

Missouri Public
Service Commission

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

RE: Case No. EO-2002-215-In the Matter of the Application of UtiliCorp United Inc. for Authority to Acquire the Shares of Avon Energy Partners Holdings and to Take All Other Actions Reasonably Necessary to Effectuate Said Transaction.

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and the appropriate number of conformed copies of a **STAFF RESPONSE TO UTILICORP'S MOTION FOR SUPPLEMENTAL ORDER OR ALTERNATIVELY SECOND AMENDED APPLICATION** --(Highly confidential and Non-proprietary versions).

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,

David A. Meyer
Associate General Counsel
(573) 751- 8706
dmeyer@mail.state.mo.us

Enclosure

cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

MAR 21 2002

Missouri Public
Service Commission

In the Matter of the Application of)
UtiliCorp United Inc. for Authority to)
Acquire the Shares of Avon Energy)
Partners Holdings and to Take All Other)
Actions Reasonably Necessary to)
Effectuate Said Transaction.)

Case No. EO-2002-215

**STAFF RESPONSE TO UTILICORP'S MOTION FOR SUPPLEMENTAL ORDER OR ALTERNATIVELY
SECOND AMENDED APPLICATION**

COMES NOW the Staff of the Missouri Public Service Commission and in response to the Commission's Order Directing Filing of February 28, 2002, states:

1. On October 30, 2001, UtiliCorp United Inc. ("UtiliCorp") filed with the Commission, pursuant to Section 393.190 RSMo 2000 and 4 CSR 240-2.060(12), an Application requesting authority to acquire 100% of the outstanding shares of Avon Energy Partners Holdings from EI UK Holdings, Inc. The Commission approved that Application on December 18, 2002, subject to a series of conditions, including a requirement that UtiliCorp file a status report indicating the status of the transaction on a regular basis.

2. On March 18, 2002, UtiliCorp filed a *Motion for Supplemental Order or Alternatively Second Amended Application*. UtiliCorp indicated that it had a change of financial partners in the acquisition, and that the structure of the acquisition has changed. It now seeks Commission action. It has requested the Commission to either issue a supplemental order in this case stating that "no further Commission authority is required for UtiliCorp to proceed in accordance with the terms of the Agreement and transaction" as portrayed in its filing; or issue

****Denotes Highly Confidential Information****

NP

an order "approving the application as further amended and expressly authorizing UtiliCorp to perform in accordance with the terms of the Agreement," whichever the Commission deems appropriate.

3. UtiliCorp has asked the Commission to act by no later than March 29, 2002. However, Staff respectfully requests the opportunity to review the newly-filed information and conduct a review, as it typically does in such situations. Staff notes that the Purchase and Sale Agreement by and between Aquila Europe, Inc. and EI UK dated March 15, 2002 states ** _____

_____ **

4. In the recitals section of the new Purchase and Sale Agreement, the parties state

** _____

_____ **

5. In Staff's *Response to UtiliCorp's First Status Report*, Staff stated that its "acquiescence to proceeding in this manner [i.e., within the context of the existing case] also presumes Staff will have adequate time to supplement its recommendation."

6. To date, Staff has commenced its review of the revised transaction and expects to be able to issue a recommendation to the Commission in the near future addressing the issue of


whether the Commission should renew or withdraw its approval of UtiliCorp's acquisition of Avon Energy Partners Holdings. However, Staff cannot be precise about a date when it can complete its recommendation, as that will depend upon the responsiveness of UtiliCorp to Staff's data requests.

7. Staff expects to issue its initial data requests within a day of this filing, and expects to be able to file its recommendation within the next thirty days, if UtiliCorp provides complete and satisfactory response to its data requests.

WHEREFORE, Staff respectfully requests that the Commission provide that it review the newly-filed documents pertaining to the UtiliCorp United, Inc.-AvonEnergy Partners Holdings transaction, and submit its Recommendation.

Respectfully submitted,

DANA K. JOYCE
General Counsel


David A. Meyer
Associate General Counsel
Mo. Bar. #46620

Attorney for the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8706 (Telephone)
(573) 751-9285 (Fax)
dmeyer@mail.state.mo.us

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 21st day of March, 2002.

_____

Service List for
Case No. EO-2002-215
Verified: March 15, 2002 (cgo)

Office of the Public Counsel
P. O. Box 7800
Jefferson City, MO 65102

James C. Swearengen
Paul A. Boudreau
Brydon, Swearengen & England P.C.
P.O. box 456
Jefferson City, MO 65102