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September 29, 2000

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Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED

SEP 29 2000

Missouri Public
Service Commission

RE: Case No. EM-2000-292

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original of the Nonproprietary and eight (8) conformed copies of the Highly Confidential **STAFF MOTION FOR A COMMISSION ORDER DIRECTING AN ON THE RECORD CONFERENCE AND EXPEDITED TREATMENT.**

This filing has been e-mailed and sent by overnight courier 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)

SD:sw

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

SEP 29 2000

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 MOTION FOR A COMMISSION ORDER DIRECTING AN
ON THE RECORD CONFERENCE AND EXPEDITED TREATMENT**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and files the instant motion requesting that the Missouri Public Service Commission (Commission) schedule an on the record conference for Thursday, October 12, 2000 at 1:30 p.m. for the purpose of requiring UtiliCorp United Inc. (UtiliCorp) and St. Joseph Light & Power Company (SJLP) to explain the present status of their proposed merger under their March 4, 1999 Agreement And Plan Of Merger, which is Schedule RKG-1 to Exhibit 2, the Direct Testimony of Robert K. Green in the instant case. Even though reply briefs soon will be filed with the Commission, the Commission should not expend extensive time and effort deliberating on a merger if it appears that the merger will be terminated **_____** The Staff requests that pursuant to 4 CSR 240-2.080(17), the Commission shorten the time for filing responses to the instant motion to Friday, October 6, 2000 by 3:00 p.m. due to the fact that briefing in the instant docket will conclude on October 3, 2000 and deliberations by the Commissioners may be expected to commence thereafter.

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Finally, the Staff seeks to advise the Commission that the Staff is conducting additional discovery related to the developments between UtiliCorp United Inc. (UtiliCorp) and St. Joseph Light & Power Company (SJLP), respecting the Lake Road Power Plant Turbine 4 / Boiler 6 fire and outage. The requested information is relevant to both the instant SJLP – UtiliCorp merger case and the SJLP accounting authority order case, Case No. EO-2000-845. The data requests were submitted in the instant merger case on September 22, 2000 and request information from both UtiliCorp and SJLP. The Staff is hopeful that UtiliCorp and SJLP will respond to the Staff data requests in less than the 20 days permitted by 4 CSR 240-2.090(2). This is particularly important given the stage of the merger case and in the accounting authority order proceeding, the impending Staff rebuttal testimony filing date and the hearing dates.

In support of its motion, the Staff states as follows:

1. On September 21, 2000, counsel for UtiliCorp and representatives of SJLP separately contacted the Staff and advised the Staff of separate public statements issued that date by UtiliCorp and SJLP. The Staff was provided copies of those statements, which are appended hereto. Attachment 1 is a two-page document received on September 21, 2000 from UtiliCorp which contains the September 21, 2000 statement of UtiliCorp, an article in the September 21, 2000 St. Joseph News-Press and the September 21, 2000 statement of SJLP. Attachment 2 is a copy of a September 21, 2000 SJLP press release, which is in full the SJLP statement that appears in Attachment 1.¹

¹ **

2. The subject of the exchange of correspondence between UtiliCorp and SJLP is the June 7, 2000 fire and unplanned shutdown of Turbine 4 / Boiler 6 at SJLP's Lake Road Power Plant, hereinafter referred to as Lake Road Unit 4/6. SJLP's September 21, 2000 Press Release indicates that on September 15, 2000, UtiliCorp orally advised SJLP that "UtiliCorp was 'suspending' ongoing merger transition team meetings pending resolution of certain issues between the two companies."

3. SJLP further announced in its September 21, 2000 Press Release that it had received a letter from UtiliCorp wherein UtiliCorp stated that it had completed a preliminary investigation of the impact and projected costs of the Lake Road Unit 4/6 outage and that in the opinion of UtiliCorp the impact is material. SJLP's press release explains that the UtiliCorp letter claims that under the March 4, 1999 Agreement And Plan Of Merger "UtiliCorp may terminate the Merger Agreement if SJLP breaches its representation and warranty in the Merger Agreement relating to the absence of a material adverse effect on SJLP since December 31, 1998, and fails to remedy any such breach within 45 business days after receiving notice in writing of the breach."

4. SJLP relates in its Press Release that the UtiliCorp "letter states that '[t]his letter does not represent the termination notice' contemplated by the Agreement, but constitutes a request for SJLP 'to confirm whether it views the damage caused by the fire as material.'" The Agreement being referred to is the March 4, 1999 Agreement And Plan Of Merger.

5. The SJLP Press Release also announces that the SJLP Board of Directors met the previous day, September 20, 2000, and that after the Board's meeting, "SJLP advised UtiliCorp that the impact and projected costs of the Lake Road plant fire are not 'material' for purposes of the Merger Agreement, that SJLP remains in full compliance with the Merger Agreement . . ."

6. The term "material adverse effect" is defined in the March 4, 1999 Agreement And Plan Of Merger as follows:

ARTICLE III
Representations and Warranties of the Company [i.e., SJLP]

For purposes of this Agreement, "Company Material Adverse Effect" means a material adverse effect (i) on the business, properties, assets, liabilities (contingent or otherwise), financial condition, results of operations or prospects of the Company and its Subsidiaries, taken as a whole, or (ii) on the ability of the Company to perform its obligations under or to consummate the transactions contemplated by this Agreement, other than effects caused by changes resulting from conditions affecting the electric utility or gas utility industries generally.

(Exhibit 2, Schedule RKG-1, page A-11).

ARTICLE IV
Representations and Warranties of UCU

For purposes of this Agreement, "UCU Material Adverse Effect" means a material adverse effect (i) on the business, properties, assets, liabilities (contingent or otherwise), financial condition, results of operations or prospects of UCU and its Subsidiaries, taken as a whole, or (ii) on the ability of UCU to perform its obligations under or to consummate the transactions contemplated by this Agreement, other than effects caused by changes resulting from conditions affecting the electric utility or gas utility industries generally.

(Exhibit 2, Schedule RKG-1, page A-21).

7. On September 21, 2000, counsel for the Staff advised counsel for UtiliCorp that the Staff would be submitting a data request for the UtiliCorp letter that is referenced in the SJLP statement of September 21, 2000. ** _____

_____ ** UtiliCorp has designated
the letter as "Highly Confidential." A copy of the letter is appended hereto, under seal, as

Attachment 3. The contents of the letter will be specifically referred to herein and will be treated as "Highly Confidential" in accordance with the Commission's Protective Order in the instant case.

8. **

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9. **

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10. The Commission established Case No. EO-2000-845 in response to SJLP's application for an accounting authority order to defer costs associated with the June 7, 2000 fire and outage at SJLP's Lake Road Power Plant. **

**

11. Although the parties discussed possible dates for a procedural schedule at the August 31, 2000, prehearing conference held in Case No. EO-2000-845, ultimately they were unable to reach a consensus, and each proposed different schedules to the Commission. SJLP proposed the shortest schedule and the Office of the Public Counsel proposed the longest schedule. Although the Commission adopted a procedural schedule with different dates than those which SJLP proposed for the filing of direct, rebuttal and surrebuttal testimony and a list of issues, the Commission adopted the dates proposed by SJLP for the evidentiary hearing² and the filing of briefs -- evidentiary hearing on October 26 and 27, 2000; initial briefs due on November 21, 2000; and reply briefs due on December 4, 2000. In particular, the Commission, in its September 14, 2000 Order Adopting Procedural Schedule entered in Case No. EO-2000-845, on pages 2-3, stated as follows:

SJLP's application and its response to the procedural schedules proposed by Staff and Public Counsel make it clear that SJLP needs to have an answer to its request for an AAO no later than the week of January 15, 2001, when it closes its books for the year. . . . The Commission agrees with SJLP that it would be reasonable for SJLP to have an answer to the AAO request prior to the closing of its books on January 15, 2001. . . .

The Commission has reviewed the procedural schedule proposed by SJLP and finds that it is generally acceptable. . . .

² SJLP proposed only one day for the evidentiary hearing, but the Commission scheduled two days as suggested by the Staff and the Office of the Public Counsel.

Thus, SJLP received the most critical procedural schedule dates it requested; the dates for the evidentiary hearing and the filing of initial and reply briefs. ** _____

_____ **

12. The Staff would note that it does not have in its possession copies of all of the correspondence between UtiliCorp and SJLP regarding these matters. ** _____

_____ ** The September 21, 2000 SJLP Press Release states in part that “[f]ollowing a meeting of its board of directors held on Wednesday, September 20, 2000, to review the UtiliCorp request, SJLP advised UtiliCorp . . .” The Staff requested from counsel for SJLP in the instant merger case a copy of this communication. On September 25, 2000, the Staff received a copy of this document from counsel for SJLP in the accounting authority order case. A copy of this document is appended hereto, under seal, as Attachment 4. The contents of this document will be specifically referred to herein and will be treated as “Highly Confidential” in accordance with the Commission’s Protective Order in the instant case.

13. ** _____

14. **

15. The Commission may recall certain events that occurred in Case No. EM-97-515, the case respecting the merger of Western Resources, Inc. (Western Resources) and Kansas City Power & Light Company (KCPL). On January 9, 1998, Western Resources, KCPL, the Staff and Public Counsel filed with the Commission in Case No. EM-97-515 a Joint Motion Of Staff, Public Counsel And Western Resources And KCPL To Suspend Procedural Schedule. On December 19, 1997 Western Resources and KCPL announced the postponement of their respective special meetings of shareowners to vote on their Agreement And Plan Of Merger. Representatives of Western Resources' investment banker indicated that on the basis of the previously announced terms of the merger transaction, it was unlikely that the investment banker's fairness committee would be in a position to issue a fairness opinion on the merger

transaction. A fairness opinion was a condition precedent to the mailing of proxy materials to the shareowners of Western Resources for the shareowners' vote. As a result of discussions relating to Western Resources' and KCPL's announcement, the Staff, Public Counsel and Western Resources and KCPL agreed to jointly request that the Commission suspend the procedural schedule. On January 26, 1998, the Commission issued an Order Suspending Procedural Schedule. Subsequently, on June 17, 1998, Western Resources and KCPL filed their First Amended Joint Application and new prepared direct testimony, after the merger had been renegotiated.

16. The Staff believes that the aforementioned developments should not prevent the completion of the briefing of the instant merger case on the revised schedule requested by Public Counsel for reply briefs and granted by the Commission on September 27, 2000. Nonetheless, before the Commission begins extensive deliberations, UtiliCorp and SJLP should be required to appear before the Commission to explain the import of the present exchange of correspondence between the two companies and why the Commission should not put its deliberations on hold until after closure has occurred between UtiliCorp and SJLP respecting the June 7, 2000 fire and outage at Lake Road Unit 4/6.³

17. The Commission should direct UtiliCorp and SJLP to appear for an on the record conference commencing Thursday, October 12, 2000 at 1:30 p.m.

18. ** _____

³ ** _____

_____ **

why the Commission should not put its deliberations on hold until after closure has occurred between UtiliCorp and SJLP respecting the June 7, 2000 outage at Lake Road Unit 4/6. The Staff also requests that pursuant to 4 CSR 240-2.080(17), the Commission shorten the time for filing responses to the instant motion to Friday, October 6, 2000 by 3:00 p.m.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Steven Dottheim
Chief Deputy General Counsel
Missouri Bar No. 29149
Nathan Williams
Assistant General Counsel
Missouri Bar No. 35512

Attorneys for the Staff of the
Missouri Public Service Commission
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(573) 751-9285 (Fax)

Certificate of Service

I hereby certify that copies of the foregoing have been sent in part by electronic transmission and in entirety by overnight courier or hand-delivery to all counsel of record as shown on the attached service list this 29th day of September 2000.



September 21, 2000 – UtiliCorp United (NYSE:UCU) today issued the following statement in response to a news release issued today by St. Joseph Light & Power Company (NYSE:SAJ):

A great deal of solid, responsible work has been accomplished by both companies in preparing to complete the terms of our merger agreement, and the transition effort is on track and on schedule. However, a very serious issue awaits resolution involving the financial and operational implications of a June 7, 2000 fire that damaged a unit at the Lake Road power plant operated by St. Joseph. UtiliCorp has asked St. Joseph to provide a detailed explanation regarding the materiality of this incident, and remains hopeful that a satisfactory response will be forthcoming.

***St. Joseph Light & Power Statement Awaited**
St. Joseph (Mo.) News-Press – 09/21/2000
By Robyn L. Davis

Amid rumors and speculation about the St. Joseph Light & Power and UtiliCorp United merger, Light & Power plans to issue a press release early this morning.

But company officials won't say what it entails, and won't comment on rumors that the merger may be dead. However, UtiliCorp spokesman Jerry Cosley denied the rumors.

It probably all started with a memo to Light & Power employees saying that the transition teams formed to handle the merger were suspending operations. Mr. Cosley said it was a natural pause for the seven transition teams looking at 30 subjects.

"It's very clear that the work is on schedule and continuing in the right direction," Mr. Cosley said.

Light & Power held its monthly board meeting at The Elms Hotel in Excelsior Springs, Mo., Wednesday.

Employees say they have no idea what's going to be announced today, but they hope whatever it is ends the speculation.

"Truthfully, I wish we would know one way or the other," said one employee who wouldn't give her name.

Another said, "I wish it was over."

Light & Power announced in March 1999 that it would merge with UtiliCorp. Since then, both companies have jumped through a series of state and federal regulatory boards. Among the toughest has been a weeklong hearing before the Missouri Public Service Commission, held in July in Jefferson City. The staff of the PSC filed testimony against the merger.

PSC spokesman Kevin Kelly said no decision has been issued in the case.

St. Joseph, Missouri – St. Joseph Light & Power Company (SJLP) (NYSE-SAJ) announced today that it has received a letter from UtiliCorp United Inc. (NYSE-UCU) advising SJLP that UtiliCorp has completed a preliminary investigation of the impact and projected costs of the previously reported fire that occurred at SJLP's Lake Road power plant on June 7, 2000, and that, in the opinion of UtiliCorp, such impact is material.

The letter indicates that, under its existing Merger Agreement with SJLP entered into on March 4, 1999, UtiliCorp may terminate the Merger Agreement if SJLP breaches its representation and warranty in

the Merger Agreement relating to the absence of a material adverse effect on SJLP since December 31, 1998, and fails to remedy any such breach within 45 business days after receiving notice in writing of the breach.

UtiliCorp's letter states that "[t]his letter does not represent the termination notice" contemplated by the Agreement, but constitutes a request for SJLP "to confirm whether it views the damage caused by the fire as material."

On September 15, 2000, UtiliCorp further advised SJLP orally that UtiliCorp was "suspending" ongoing merger transition team meetings pending resolution of certain issues between the two companies.

Following a meeting of its board of directors held on Wednesday, September 20, 2000, to review the UtiliCorp request, SJLP advised UtiliCorp that the impact and projected costs of the Lake Road plant fire are not "material" for purposes of the Merger Agreement, that SJLP remains in full compliance with the Merger Agreement and that SJLP sees no reason why the merger with UtiliCorp cannot be completed promptly following receipt of Missouri Public Service Commission approval.

SJLP further advised UtiliCorp that, while SJLP is willing to meet with UtiliCorp as soon as possible to clarify any confusion on the part of UtiliCorp regarding the fire, SJLP intends to pursue any and all appropriate remedies available to SJLP to ensure its shareowners the benefits of the merger.

"We were disappointed to receive the recent inquiry from UtiliCorp and disturbed by UtiliCorp's decision to suspend transition team meetings," commented Terry F. Steinbecker, president and chief executive officer of St. Joseph Light & Power Company.

"The fire was a one-time event and the unit was returned to service within weeks with no disruption of service to our customers. We have applied for regulatory approval to defer the costs and seek recovery over a five-year period in SJLP's next general rate case. We continue to believe the merger with UtiliCorp is beneficial to shareowners of both SJLP and UtiliCorp and we intend to take the action necessary to ensure that the merger is completed," he said.

* * * * *



Bill Washburn
(573) 526-0145
From Tim Rush

For immediate release
September 21, 2000

News Release

St. Joseph, Missouri – St. Joseph Light & Power Company (SJLP) (NYSE-SAJ) announced today that it has received a letter from UtiliCorp United Inc. (NYSE-UCU) advising SJLP that UtiliCorp has completed a preliminary investigation of the impact and projected costs of the previously reported fire that occurred at SJLP's Lake Road power plant on June 7, 2000, and that, in the opinion of UtiliCorp, such impact is material.

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UtiliCorp's letter states that "[t]his letter does not represent the termination notice" contemplated by the Agreement, but constitutes a request for SJLP "to confirm whether it views the damage caused by the fire as material."

(more)

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Page 2

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"The fire was a one-time event and the unit was returned to service within weeks with no disruption of service to our customers. We have applied for regulatory approval to defer the costs and seek recovery over a five-year period in SJLP's next general rate case. We continue to believe the merger with UtiliCorp is beneficial to shareowners of both SJLP and UtiliCorp and we intend to take the action necessary to ensure that the merger is completed," he said.

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Contact: Jerry Musil, manager
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jmusil@sjlp.com (email)

* * * * *

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements reflect the Company's expectations and are based on currently available information. Such statements include, but are limited to, information relating to the operations of the Company, the outcome of regulatory proceedings, and the status, timing and certainty of the proposed merger between the Company and UtiliCorp. When used in this press release, the words "anticipates," "believes," "expects," "intends" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Actual results, performance, achievements or other information may vary materially from those expressed in, or implied by, such forward-looking statements and are subject to numerous risks and uncertainties. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations and financial conditions of the Company. These statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

ATTACHMENT 3

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

ATTACHMENT 4

HAS BEEN DEEMED

HIGHLY CONFIDENTIAL

IN ITS ENTIRETY

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Case No. EM-2000-292

Revised: September 29, 2000 (SW)

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