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June 26, 2000

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

Re: Case No. EM-2000-292

Dear Mr. Roberts:

Enclosed for filing in the referenced case on behalf of UtiliCorp United Inc., please find an original and eight (8) copies of a Statement of Position on Issues of UtiliCorp United Inc.

Copies of this filing will be provided to all parties of record.

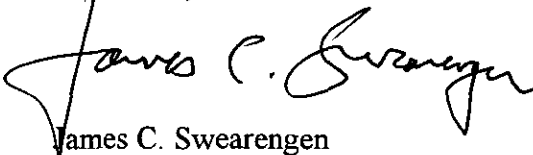
Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

I thank you in advance for your cooperation in this matter.

Sincerely yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



James C. Swearengen

JCS/lar

Enclosure

cc: All Parties of Record

FILED²
JUN 26 2000
Missouri Public
Service Commission

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
JUN 26 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

STATEMENT OF POSITION
ON ISSUES OF UTILICORP UNITED INC.
("UtiliCorp" or "UCU")

- I. Does the proposed merger and related transactions and proposals satisfy the not detrimental to the public interest standard required for the approval of mergers by the Commission?**

Yes. There is no evidence that UtiliCorp cannot provide safe and reliable gas, electric and industrial steam service in the SJLP service area and consequently the level of said service will not deteriorate as a result of the merger. Rates for gas, electric and industrial steam service will be frozen at existing levels for five years and will not increase as a result of the merger. A guaranteed \$1.6 million reduction in cost of service will occur.

Merger Costs/Benefits:

- (1) Under reasonable assumptions, do estimated merger savings exceed estimated merger costs?

Yes, but this issue is not critical to approval of the merger under the proposed regulatory plan. UtiliCorp will bear the responsibility and risk of generating merger synergies, quantifying them properly and providing that information to the Commission in future rate proceedings. If UtiliCorp cannot prove any merger synergies, then it will not achieve any premium recovery through rates. SJLP customers, however, are guaranteed a \$1.6 million dollar reduction in cost of service in any event.

- (2) If under reasonable merger assumptions, estimated merger savings do not exceed estimated merger costs should the merger be approved as being not detrimental to the public interest?

Yes. There will be no rate changes until year five after the closing of the merger and then only with approval of the Commission. At that time, SJLP's customers are guaranteed a \$1.6 million dollar reduction in cost of service.

Regulatory Plan - Overall:

(1) Should the Companies' proposed regulatory plan for treating merger related savings and costs in rates be adopted in total as not detrimental to the public interest?

Yes. No aspect of the plan is detrimental to the public interest. Safe and reliable service will be maintained. There will be no rate changes until the post moratorium rate case five years after closing and then only with Commission approval. At that time, SJLP's customers are guaranteed a \$1.6 million dollar reduction in cost of service. UtiliCorp bears the risk of generating merger synergies, quantifying them properly and providing that information to the Commission in future rate proceedings.

(2) Should SJLP be placed under a rate "moratorium" for Years 1-5 after the closing of the merger?

Yes. The moratorium will benefit SJLP's customers by avoiding rate increases which would result from a stand-alone SJLP.

Acquisition Adjustment:

(1) Should the amortization of one-half of the acquisition adjustment and the return on the unamortized portion of one-half of the acquisition adjustment be treated above-the-line for rate purposes in Years 6-10 following the closing of the merger as the Companies propose?

Yes. This is a critical component of the regulatory plan approval of which is necessary in order for the merger to make economic sense from UtiliCorp's standpoint.

(2) Should the amortization of the acquisition adjustment begin at the closing of the merger between SJLP and UCU?

Yes. This is required by sound accounting principles and is a critical component of the regulatory plan.

(3) Should any portion of the acquisition adjustment ever be included in rates for (a) "recovery of" the acquisition adjustment (amortization of the acquisition adjustment) and (b) "return on" the acquisition adjustment (rate base component of the unamortized balance of the acquisition adjustment)?

Yes. This is a critical component of the regulatory plan approval of which is necessary in order for the merger to make economic sense from UtiliCorp's standpoint.

Estimated Merger Savings:

(1) Should the Companies' estimate of merger savings and merger costs be relied upon by the Commission in its findings regarding the Merger Application?

Yes, because they are reasonable. However, under the regulatory plan, SJLP's rates will be frozen for five years. In the post moratorium rate case, UtiliCorp will bear the responsibility and risk of quantifying the actual merger synergies and providing that information to the Commission. Nonetheless, UtiliCorp must know now whether or not certain savings will be considered to be merger related in order to determine the economic viability of the transaction.

(2) Does the Companies' estimate of generation/joint dispatch savings reflect only impacts directly attributable to the merger?

Yes. The bulk of the estimated savings are directly attributable to UtiliCorp's ability to sell power at market-based rates and to more efficiently use and sell SJLP capacity and energy.

(3) Does the Companies' estimate of merger savings reflect the expected operation of the UCU and SJLP pension plans following closing of the merger?

Yes.

Savings Tracking/Benchmark:

(1) Should the Companies' proposal for utilizing a savings tracking system for identifying and quantifying merger related savings in Years 6-10, after the closing of the merger, be adopted?

Yes, but approval of a specific tracking system is not critical to approval of the merger. In future rate proceedings, UtiliCorp will have the burden to

demonstrate that it has been able to both track and quantify merger savings.

(2) If the Commission finds that establishing a merger savings tracking system is necessary, should this tracking system be in place for Years 1-5, as well as for Years 6-10, after the closing of the merger?

No. UtiliCorp will have the burden in future rate proceedings beginning in year 5 to demonstrate to the Commission that it has been able to both track and quantify a merger savings. UtiliCorp should have the discretion to determine how it will meet that burden.

(3) Should the Companies' proposal for establishing a guaranteed merger revenue requirement benefit to SJLP customers of at least \$1.6 million dollars for each year of Years 6-10, following the closing of the merger, be adopted?

Yes, assuming that all other elements of the regulatory plan are approved. This guarantee will benefit customers in the SJLP service territory.

(4) If "yes" to question 3 above, what period of time should be used as a "baseline" for the purpose of measuring future merger savings?

For benefits costs and for generation related synergies, the proper starting points are year by year projections. For all other operating and maintenance costs, the starting point should be 1999 budget.

(5) Should actual or budgeted amounts be used for purposes of establishing a savings tracking "baseline"?

An appropriate baseline must be established to facilitate the management and measurement of merger savings. The "baseline" for fuel and purchased power energy costs should be a projected \$/Mwh. This cost could be the projected future values included in UtiliCorp's direct testimony or based on a historical period. For incremental capacity costs, the savings should be based on actual incremental capacity costs incurred and the actual amount of capacity diversity between MPS and SJLP. For benefit costs the correct bases are the ten-year projected future values incurred in UtiliCorp's direct testimony. For all other operating and maintenance costs, the correct starting point is the 1999 budget of SJLP to facilitate management control and have the correct starting point.

(6) If a baseline using actual amounts is adopted, what baseline and what adjustments to the "baseline" are appropriate for this purpose?

For fuel and purchased power energy costs, an appropriate starting point

would be the 1999 actual fuel and purchased power energy costs including margins from off system sales and normalized for any abnormal conditions. The "baseline" for future fuel and purchased power energy costs would be the normalized 1999 actual costs increased annually by an agreed upon inflation factor. The inflation factor could be either a fixed percentage or be of the "CPI-X" format. For benefits costs and other operating and maintenance costs, the appropriate "baseline" would be the Staff's adjusted 1998 actual costs with several additional adjustments.

Frozen Capital Structure:

(1) Should SJLP divisional customer rates in Years 6-10, after the closing of the merger, be calculated, as proposed by the Companies', using the stand-alone SJLP capital structure advocated by the Staff in Case No. ER-99-247?

Yes. This is a critical component of the regulatory plan.

Corporate Allocations:

(1) Does the Companies' allocation of escalated corporate overhead costs to the SJLP division represent a reasonable assumption as to an escalation rate to be applied to these allocated costs?

Yes. This is a critical component of the regulatory plan which provides that costs will flow to SJLP customers along with the savings to offset said costs.

(2) Following the closing of the merger, should MPS divisional customer rates be calculated using levels of UCU corporate overhead allocated costs that assume the non-inclusion of SJLP in the UCU corporate structure?

Yes. This is a critical component of the regulatory plan which provides that costs will flow to SJLP customers along with the savings to offset said costs.

MPS Savings Assignment:

(1) Should no or very little merger savings and costs be reflected in the MPS divisional customer rates after the closing of the merger, as proposed by the Companies?

Yes. This is a critical component of the regulatory plan which provides that costs will flow to SJLP customers along with the savings to offset said costs. There is no requirement that the transaction produce benefits for MPS's existing customers.

Electric Allocations Agreement:

(1) How should the energy costs and profits from off-system sales associated with the joint dispatch of MPS and SJLP power supply resources be allocated between these two post-merger UCU divisions?

They should all flow to SJLP to offset the merger costs.

(2) Should the Electric Allocations Agreement include the specific calculations for estimating energy cost savings from joint dispatch and increased profits from off-system sales?

No.

Transaction Costs:

(1) Should the Companies recover in rates the transaction costs associated with the merger?

Yes. They are a part of the costs to achieve the merger synergies.

(2) If yes to question 1, over what period of time should these costs be amortized into cost of service?

10 years.

(3) If yes to question 1, what portion of transaction costs should be assigned to nonregulated operations?

The proposed regulatory plan includes an implicit and appropriate assignment of a portion of the transaction costs to nonregulated operations.

Costs to Achieve:

(1) Should the Companies recover in rates the "costs to achieve" associated with executive severance payments?

Yes.

(2) Should the Companies recover in rates the costs of the "paid advisory board"?

Yes.

(3) Should the Companies recover in rates the costs associated with full funding of SJLP's Supplemental Executive Retirement Plan?

Yes.

(4) For those "costs to achieve" that are deemed eligible for rate recovery, how should they be accounted for pending consideration in a future general rate proceeding?

They should be tracked to ensure rate recovery.

Market Power:

(1) Will a post-merger UCU possess more horizontal, vertical, or retail market power?

No.

(2) If the answer to question 1 is yes, will the additional vertical or retail market power possessed by a post-merger UCU be detrimental to the public interest and will the risk of additional horizontal market power possessed by a post-merger UCU be detrimental to the public interest?

(3) Will the merger allow the Companies to take valuable, limited transmission capacity necessary for other Missouri utilities to maintain deliveries under their purchased power contracts?

No. There is no reduction of Available Transmission Capacity ("ATC").

Transmission Access and Reliability:

(1) Have the Companies conducted and provided adequate studies of the impact of the proposed merger upon transmission facilities within, and interconnecting with, the State of Missouri, and upon all providers of electric service in the State, to prove that the proposed merger is not detrimental to the public interest?

Yes. This is a matter under the jurisdiction of the FERC and this information has been filed with the FERC.

(2) Will the proposed merger provide the Companies the ability to gain

unduly preferential priority of access to limited transmission facilities and/or exercise their post-merger transmission access anti-competitively, to the detriment of other customers in the State and therefore to the detriment of the public?

No. This is a matter under the jurisdiction of the FERC and information concerning this matter has been filed with the FERC.

(3) Could a post-merger UCU refunctionalize its transmission facilities in anti-competitive ways to the detriment of the public?

No. UtiliCorp post-merger will follow FERC guidelines as articulated in the 7 factor test. Evaluation of transmission facilities using the FERC standard is ongoing. This is a matter under the jurisdiction of the FERC.

(4) Do the Companies being merged adhere to a single, consistent set of standards for designing and operating their transmission facilities and, if not, would not adhering to a single, consistent set of standards for designing and operating their transmission facilities be detrimental if the merger is approved?

The Companies each adhere to NERC planning and operating standards.

Stranded Costs:

(1) Would ratepayers be harmed if UCU were allowed to include any portion of the acquisition adjustment in its future calculation of stranded costs?

The determination of stranded costs will be made in the future by Legislature and the Commission.

Synergies In Unregulated Operations:

(1) Are some of the synergies (e.g., generation) included in the 10-year merger synergy calculations likely to accrue primarily to shareholders if electric restructuring occurs in Missouri prior to the end of the 10-year period used to calculate the merger synergies?

The Commission will determine conditions of electric restructuring in Missouri and in so doing will exercise its judgment on the assignment of merger synergies.

(2) Will UCU receive additional benefits from the proposed merger that are not reflected in the 10-year merger synergy calculations?

UtiliCorp will pass on benefits to customers under its proposed regulatory plan and it is UtiliCorp's intent to maximize merger benefits to the extent they exceed estimates.

Affiliate Transactions:

(1) Will UCU's affiliate transactions, as a result of the proposed merger, increase in size and scope and thus become more complex and difficult to monitor, while at the same time it will become more important to monitor such transactions to ensure compliance with standards?

No.

Steam/Gas Service:

(1) For the steam/gas customers of SJLP, does the analysis of the Companies show that the costs of the proposed merger exceed the savings of the proposed merger?

No.

Energy Efficiency:

(1) Will the proposed merger have a detrimental impact on low-income weatherization and therefore on the public?

No. UtiliCorp participates and provides funding to low-income weatherization and energy efficiency programs.

(2) Will the proposed merger have a detrimental impact on other energy efficiency assistance and therefore on the public?

No. UtiliCorp is willing to discuss other/additional programs including cost recovery outside of the merger proceeding with MDNR and other parties.

(3) Will the proposed merger have a detrimental impact on the use of renewable energy resources and therefore the public?

No.

II. If the adoption of conditions by the Commission cannot in the view of particular parties eliminate in total the situation that the proposed merger is detrimental to the public interest, but regardless of this view of particular

parties, the Commission decides to approve the proposed merger, should the Commission adopt any or all of the following conditions, as part of its approval of the Companies' merger?

See below.

Stranded Costs Condition:

(1) Should the Staff's proposed condition regarding elimination of the acquisition adjustment from future stranded cost calculations be adopted?

No. This is a matter for the Missouri Legislature and Commission when stranded costs are defined.

Pension Funds Condition:

(1) Should the Staff's proposed condition requiring maintaining the pre-merger funded status of SJLP's pension fund for calculating FAS 87 pension cost, be adopted?

UCU will account for the pension funds separately.

Access to Book and Records Condition:

(1) Should the OPC's condition that the merged entity be required to allow OPC and the Staff access to its books, records, employees and those of its wholly owned subsidiaries, be adopted?

No. However, UCU agrees to comply with all lawfully promulgated and effective Commission rules.

Affiliate Transaction Condition:

(1) Should the OPC's condition that the merged entity be required to agree to comply with the Commission's affiliate transaction rules, be adopted?

No. However, UCU agrees to comply with all lawfully promulgated and effective Commission rules.

Income Taxes Condition:

(1) Should the Staff's proposed condition regarding customer protections in the event the merger is treated as a "taxable" transaction be adopted?

The ultimate determination of the transaction as being taxable or non-taxable will not impact the fact that the deferred tax assets and liabilities of SJLP were acquired by UtiliCorp and will survive the transaction.

Surveillance Condition:

(1) Should the Staff's proposed conditions regarding continued submission of separate "surveillance" reports for UCU and SJLP, following closing of the merger, be adopted?

Yes.

Customer Service Indicators Condition:

(1) Should the Staff's proposed conditions regarding measurement, reporting and potential imposition of remedial action concerning certain customer service indicators be adopted?

No. Data relative to the measures Staff cited in rebuttal testimony is available by request at any time as well as during audits the Commission might conduct from time to time. UtiliCorp should not be singled out from all other Missouri utilities in terms of required remedial action or reporting requirements.

Gas Supply RFP Condition:

(1) Should the Staff's proposed condition regarding use of "request for proposals" for MPS and SJLP gas supply, following closing of the merger, be adopted?

UtiliCorp agrees with Staff's proposal regarding use of RFP's.

Gas Peak Load Supply Condition:

(1) Should the Staff's proposed condition regarding performance of a peak design day study for SJLP's gas operations, following closing of the merger, be adopted?

UtiliCorp agrees to conduct a peak design day study for SJLP's gas operations following the closing of the merger.

Market Power Conditions:

(1) Respecting vertical market power, should the Staff's condition that the Companies' be required to commit to join a single regional transmission entity before the October 15, 2000 deadline of FERC Order No. 2000, be adopted?

No. FERC's deadline of October 15, 2000 will be met.

(2) Respecting horizontal market power, should the Staff's condition that at the time retail competition becomes lawful in Missouri the Companies' be required to agree to submit a study showing what percentage of load throughout their merged service territory can be served from competitive generation sources, be adopted?

No. UCU will comply with requirements ordered by the Commission for studies at that time.

(3) Respecting horizontal market power, should OPC's condition that, the Companies' be required to agree that they will be subject to the same Horizontal Market Power Provisions that were approved by the Commission in Case No. EM-97-515 be adopted?

No. The Commission has determined this case is not the time for this study and UCU stated it will comply with the requirements at time of study.

(4) Respecting vertical market power, should OPC's condition that the Companies' be required to agree to join a Regional Transmission Organization (RTO) under the same Vertical Market Power Provisions that were approved by the Commission in Case No. EM-97-515 be adopted?

No. Case No. EM-97-515 was a different case with a different set of conditions and circumstances and its provisions are not applicable here.

(5) Respecting retail market power, should OPC's condition that the Companies' be required to agree that they will be subject to the same Retail Market Power Provisions that were approved by the Commission in Case No. EM-97-515 be adopted?

No. Case No. EM-97-515 was a different case with a different set of conditions and circumstances and its provisions are not applicable here.

(6) Respecting horizontal, vertical, and retail market power, should OPC's condition that the Companies be required to agree that they will be subject to the same Market Power Legislation Provisions that were approved by the Commission in Case No. EM-97-515 be adopted?

No. Case No. EM-97-515 was a different case with a different set of conditions and circumstances and its provisions are not applicable here.

(7) Respecting transmission capacity, should Springfield's proposed conditions regarding Transmission Access and Reliability (which are set forth in detail herein under the heading "Transmission Access and Reliability Conditions") be adopted?

No.

Transmission Access and Reliability Conditions:

(1)(a) Should the Commission order the Joint Applicants to conduct production cost, load flow and stability studies of the impact of the proposed merger upon transmission facilities within, and interconnecting with, the State of Missouri, and upon all providers of electric service in the State, prior to approval of the merger and if so, what should such studies contain? (b) Should the Joint Applicants be ordered to provide these studies in hard copy and electronic form to the other parties, and should the Commission keep this case open until such time as the studies have been completed and all parties have been allowed sufficient time to review/analyze and file comments in this case on such studies? (c) Should the Joint Applicants be required to construct and/or upgrade, at their expense, transmission facilities necessary to insure that their integrated operation will not adversely impact others? (d) If the answer to (c) is yes, what transmission facilities?

No. These questions relate to FERC jurisdictional issues.

(2) Should the Commission impose conditions on the merger such that:

- The Joint Applicants be required by the Commission to commit that with respect to any and all generating resources associated with any one of their existing four control areas (including purchased generating resources) serving load in any other control area of the merging companies, the merging companies should waive or not assert: (i) native load priority on scheduling and curtailing non-firm network transmission service; (ii) the native load preference arguably accorded to bundled retail loads over wholesale loads under the

decision in Northern States Power Co. v. FERC, 176 F.3d 1090 (8th Cir. 1999); and (iii) use of any native load priority that will enable any one of the merging companies to import power through constrained interfaces so as to free up its local generating resources for off-system sales?

No. These questions relate to FERC jurisdictional issues.

- The Joint Applicants not be allowed to combine any or all of their existing control areas without first submitting their plans for such combinations to peer group review and approval by the SPP ISO/RTO and the affected regional reliability councils?

No. UtiliCorp and SJLP will submit their plans to FERC for approval.

- The merged Companies' be required to schedule all power flows and/or reserve transmission capacity on the relevant OASIS for purposes of carrying out any internal dispatch between what are now four geographically isolated pockets of load and generation in four separate control areas of the merging companies, to implement real-time monitoring of intra-company flows associated with internal dispatch, to report continuously the amount of such flows on its OASIS and to make all reasonable efforts to limit internal dispatch to levels at or below the transmission capacity reserved for purposes of carrying it out?

No. The merged companies will continue to comply with FERC Orders 888 and 889.

- If the burdens on Springfield attributable to internal dispatch of the Joint Applicants turn out to be substantial (i.e., a substantial increase in curtailments of Springfield's firm schedules from Montrose), the merged company be required to reimburse Springfield for the incremental costs to Springfield of re-dispatching Springfield's generating resources that are attributable to the post-merger integrated operations of the Joint Applicants' separate systems?

No. The City of Springfield must take its issue to FERC for evaluation because FERC has jurisdiction over transmission.

- The merged company be required to put all of its transmission facilities in Missouri and Kansas under the control of the SPP ISO/RTO in a single zone under the SPP transmission tariff and that

the merged company joint - and maintain membership in - the SPP ISO/RTO and be required to file an integrated open access transmission tariff ("OATT") and an integrated transmission rate for their four control areas in Missouri and Kansas?

No. The SPP petition for approval for RTO status by FERC was unanimously defeated in May. The merged company will join a FERC-approved RTO. That decision is under review.

- UCU be required to (i) not set aside transmission capacity for Capacity Benefit Margins (CBM) and Transmission Reserve Margins (TRM) and (ii) to waive any future claims for CBM and TRM?

No. UCU will use prudent CM practices as specified by NERC guidelines (North American Electricity Reliability Council) to reserve CBM and TRM.

(3) Should UCU be required to not seek refunctionalization of any currently categorized transmission lines of the merging companies that operate at or above 69 kV?

No. UtiliCorp currently uses the FERC 7 factor test in the classification of transmission versus distribution. The FERC 7 factor test is not based on voltage, but usage and other characteristics.

(4) Should the Joint Applicants be required (i) to establish and implement a single standard for transmission system design and operation for the entirety of the merged company and (ii) to comply with the Southwest Power Pool Criteria?

No. FERC has jurisdictional authority over transmission. The Joint Applicants will continue to comply with the FERC Orders 888, 889 and 2000.

Load Research Condition:

(1) Should the Staff's proposed conditions regarding production of load research data, following closing of the merger, be adopted?

No. UtiliCorp agrees to treat MPS and SJLP separately for load research purposes as long as they have separate rate structures. UtiliCorp intends to in-source MPS's load research program. UtiliCorp has improved MPS's load research program. UtiliCorp disagrees with Staff's recommendation regarding staffing levels and frequency and standards for load research data.

Tariff Condition:

(1) Should the Staff's proposed condition regarding changes to SJLP's current tariffs, following closing of the merger, be adopted?

Yes.

Gas Safety Program Condition:

(1) Should the Staff's proposed condition regarding continuation of SJLP's current gas yard line replacement program, following closing of the merger, be adopted?

UtiliCorp agrees to replace all 162 gas yard lines on or before January 1, 2005 as per the agreement with SJLP.

Fuel Energy Cost Information Condition:

(1) Should the Staff's proposed condition regarding the continued provision of separate MPS and SJLP fuel and energy cost information following closing of the merger be adopted?

Yes.

Energy Conditions:

(1) Should the Commission approve DNR's proposed condition that UCU must enter into a partnership with MDNR and other interested parties to market and leverage funds for the development of energy efficiency programs?

See below.

(2) Should the Commission approve DNR's proposed condition that UCU must develop or retain low-income service packages to meet customer needs, reduce energy costs and provide a return to UCU?

See below.

(3) Should the Commission approve DNR's proposed condition that UCU must offer additional renewable energy options to Missouri customers?

See below.

(4) Should the Commission approve DNR's proposed condition that UCU must target outreach to customers that are income eligible and encourage them to take advantage of the opportunity to reduce energy consumption and to improve home affordability?

See below.

(5) Should the Commission approve DNR's proposed condition that UCU must amend the cooperative agreement between UCU and Kansas City, Missouri to permit averaging unit cost within the agreement to maximize the opportunity to assist customers?

See below.

(6) Should the Commission approve DNR's proposed condition that UCU must eliminate tying the dollar amount to specific measures to maximize the energy conservation measures installed in each home? Should the Commission approve DNR's proposed condition that any energy efficient measure that is deemed cost-effective as a result of computer analysis, as stated in the agreement between UtiliCorp and Kansas City, Missouri, shall be permitted?

See below.

(7) Should the Commission approve DNR's proposed condition that UCU must permit energy-efficiency assistance to all eligible households? Should the Commission approve DNR's proposed condition that UCU must allow funds to be spent on non-electric appliances?

See below.

(8) Should the Commission approve DNR's proposed condition that UCU must implement a 25-site Benefit Outreach and Screening Software (BOSS) pilot project, and must expand the program, as appropriate, if found to successfully deliver benefits to low-income customers?

See below.

(9) Should the Commission approve DNR's proposed condition that UCU must implement a base load and space heating electric energy efficiency program directed toward high use payment-troubled low-income customers?

See below.

(10) Should the Commission approve DNR's proposed condition that UCU must implement a pilot solar energy program directed toward high use low-income customers?

See below.

(11) Should the Commission approve DNR's proposed condition that UCU must implement a periodic survey process through which the merged company will take pro-active efforts to identify which of its payment-troubled customers represent low-income households?

See below.

(12) Should the Commission approve DNR's proposed condition that UCU must implement an Outcome-based Performance Reporting System (OPRS) through which the customer service outcomes to low-income customers can be systematically tracked over time?

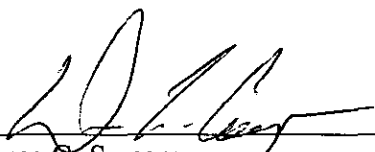
No. UtiliCorp opposes items (1) through (12) supra, being made conditions to approval of the merger. UtiliCorp is willing to discuss with the MDNR and other parties options for additional or different types of programs related to energy and low income weatherization/assistance as long as discussions also involve methods of recovery of increased costs for these programs. UtiliCorp intends to continue to participate in low income and energy efficiency programs and supports a number of them currently through funding and other measures.

OPC Regulatory Plan Condition:

(1) If the Commission approves the proposed merger, should OPC's regulatory plan be approved?

No.

Respectfully submitted,


James C. Swearngen #21510
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Attorneys for UtiliCorp United Inc.

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered, on this 26th day of June, 2000, to all parties of record.

