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October 23, 2000

Mr. Dale Hardy Roberts
Executive Secretary
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

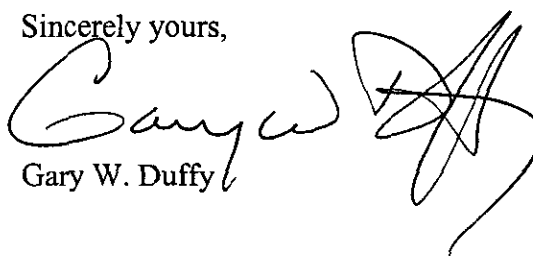
RE: Case No. EO-2000-845

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of St. Joseph Light & Power Company's Statement of Position on Issues.

If you have any questions, please give me a call.

Sincerely yours,


Gary W. Duffy

Enclosures
cc w/encl:

John Coffman, Office of Public Counsel
Nathan Williams, Office of General Counsel
Stuart Conrad
Tim Rush

FILED²
OCT 23 2000
Missouri Public
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED²
OCT 23 2000
Missouri Public
Service Commission

In the matter of the Application of St. Joseph)
Light & Power Company for the Issuance of)
an Accounting Authority Order Relating to) Case No. EO-2000-845
Its Electrical Operations.)

STATEMENT OF POSITION ON ISSUES

Comes now St. Joseph Light & Power Company (SJLP), by and through its counsel, and in compliance with the Order Adopting Procedural Schedule provides its statement of position on what it believes to be the issues list to be filed by the Staff of the Commission:

1. While an issues list and statements of position were originally due on October 20, 2000, the declaration of a day of mourning by the Governor for that day prevented the parties from complying with the Commission's order. The parties have strived to file the document as quickly as possible thereafter.

2. What follows is SJLP's understanding of what the Staff intends to file as an issues list, accompanied by SJLP's position on each issue.

Issue 1: Should the Commission grant to SJLP an Accounting Authority Order (AAO) to defer recognition of the costs it incurred as the result of the incident at Unit 4/6 at SJLP's Lake Road Power Plant on June 7, 2000?

SJLP Position: Yes

Issue 2: Was the cause of the costs SJLP seeks to defer in this case due to SJLP operator error?

SJLP Position: No. Further, SJLP does not believe this is an appropriate issue for the Commission to address in this proceeding.

Issue 3: If the answer to (2) is “yes,” was the SJLP operator error that caused the costs SJLP seeks to defer in this case the result of circumstances created by SJLP?

SJLP Position: The answer to (2) is “no.” Further, SJLP does not believe this is an appropriate issue for the Commission to address in this proceeding.

Issue 4: If the answer to (3) is “yes,” should the Commission grant to SJLP an Accounting Authority Order to defer recognition of the costs it incurred as the result of the incident at Unit 4/6 at SJLP’s Lake Road Power Plant on June 7, 2000?

SJLP Position: Regardless of the answer to (3) the Commission should grant the Accounting Authority Order.

Issue 5: Was the cause of the incident at Unit 4/6 at the Lake Road Power Plant on June 7, 2000, the result of SJLP’s acts and/or omissions?

SJLP Position: No. Further, SJLP does not believe this is an appropriate issue for the Commission to address in this proceeding.

Issue 6: Was the event involving Unit 4/6 at the Lake Road Power Plant on June 7, 2000, an “extraordinary event” as that term has been used by the Commission in the approval of past Accounting Authority Orders?

SJLP Position: Yes.

Issue 7: Was the event involving Unit 4/6 at the Lake Road Power Plant on June 7, 2000, a “nonrecurring event” as that term has been used by the Commission in the approval of past Accounting Authority Orders?

SJLP Position: Yes.

Issue 8: Do the costs identified by SJLP resulting from the June 7, 2000 event qualify as “material” under the definition of that word in the Uniform System of Accounts?

SJLP Position: Yes.

Issue 9: Should the Commission adopt the new criteria for the issuance of an AAO advocated by Staff in the prepared rebuttal testimony of Mr. Harris?

SJLP Position: No. If the Commission believes new criteria are appropriate, it should formally propose the new guidelines and allow all utilities in the State to comment on them before establishing a new general policy. Establishing new criteria outside of the rulemaking process is unlawful.

Issue 10: Should the Commission authorize the deferral of \$3,332,931 as requested by SJLP, or some other amount?

SJLP Position: Yes. The appropriate amount is \$3,332,931.

Issue 11: Should the Commission address the issue of prudence in this case?

SJLP Position: No. Questions involving prudence, or “operator error” or “acts or omissions” should be addressed in the general rate case when the Company seeks recovery of the deferred costs.

Issue 12: If the Commission allows SJLP to defer costs pursuant to an AAO, when should the Commission require the amortization to begin?

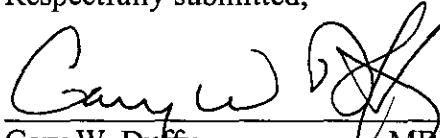
SJLP Position: Amortization should begin at the time that rates become effective in the next SJLP general electric rate case in order to match revenues and expenses, as per instructions in the USOA.

Issue 13: If the Commission allows SJLP to defer costs pursuant to an AAO, when should SJLP be required to file a rate case to recover the deferred costs?

SJLP Position: It should be the later of (a) the conclusion of the moratorium established in the merger case or (b) 12 months following the effective date of the order in this case.

WHEREFORE, SJLP submits its statement of position.

Respectfully submitted,



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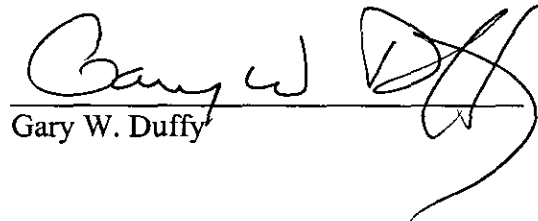
Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing was either mailed or hand delivered to the following counsel of record this 23rd day of October, 2000:

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