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July 7, 2000

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P. O. Box 360
Jefferson City, MO 65102

FILED²

JUL 07 2000

**Missouri Public
Service Commission**

RE: EM-2000-292 - 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.

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of **STAFF'S MOTION TO FILE REPLACEMENT PAGES** and **REPLACEMENT PAGES FOR REBUTTAL TESTIMONY OF STEVE M. TRAXLER**.

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,

Steven Dottheim
Chief Deputy General Counsel
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SD/jb
Enclosure
cc: Counsel of Record

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

JUL 07 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'S MOTION TO FILE REPLACEMENT PAGES

Comes now the Missouri Public Service Commission Staff (Staff) and requests leave to file replacement pages to the rebuttal testimony and schedules of Steve M. Traxler. For the reasons indicated below, Mr. Traxler has revised various schedules to his rebuttal testimony and various numbers contained in his rebuttal testimony. Due to the number of changes, the Staff thought it would be most efficient to file replacement pages with the Commission prior to Mr. Traxler taking the stand for the first time in the scheduled evidentiary hearings. The Staff also thought that it would be most efficient to show the changes in red type for revised numbers, red type for language additions and red type line-through for language deletions. The Staff has kept UtiliCorp United Inc. (UCU) advised of these changes and on July 6, 2000 sent multiple copies of the replacement pages to UCU in Kansas City by overnight courier from Jefferson City. The reasons for the revisions to Mr. Traxler's schedules and rebuttal testimony are as follows:

- (1) The comparison of the funded status of the St. Joseph Light & Power Company (SJLP) and UCU pension funds and FAS 87 pension cost contained in Mr. Traxler's rebuttal testimony was initially based upon information supplied in response to Staff Data Request No. 165. The information provided regarding UCU's 1999 FAS 87 pension cost and funded status was subsequently updated by UCU. This updated FAS 87 calculation and funded status was materially different than the information supplied to the Staff in response to Staff Data Request No. 165. The updated information was provided to the Staff approximately one month after the May 2, 2000 rebuttal testimony and schedules

filing date. Mr. Traxler's updating his rebuttal testimony and schedules to reflect this new information resulted in significant changes to Mr. Traxler's Schedules SMT-3, 6, and 7. The impact of this new information on these schedules also resulted in changes throughout Mr. Traxler's rebuttal testimony where amounts from these schedules are referenced.

- (2) Schedule SMT-2 was updated by Mr. Traxler to reflect UCU's estimate of annual depreciation expense related to the \$16 million in UCU's general plant investment allocated to SJLP. This information, provided in response to Staff Data Request No. 297, was not available to Mr. Traxler prior to the Staff's May 2, 2000 rebuttal filing date.
- (3) Schedule SMT-8 was updated by Mr. Traxler to reflect only the estimated impact on corporate overhead costs allocated to UCU's Missouri division, Missouri Public Service (MPS), as a result of adding the SJLP division to UCU after the proposed merger. Mr. Traxler's May 2, 2000 filed rebuttal testimony provided the estimated impact on MPS from adding both SJLP and the Empire District Electric Company to UCU as divisions after the proposed mergers.
- (4) Schedule SMT-3 also was updated by Mr. Traxler to reflect a decision by the Staff to adopt UCU witness Vern Siemek's recommendation to use a 2.5% inflation factor for costs transferred from SJLP to UCU and resulting savings from consolidating existing SJLP functions at UCU after the proposed merger. The Staff and the Joint Applicants' still have a remaining issue regarding the proper inflation factor to be used in escalating UCU's corporate overhead costs. Mr. Siemek is recommending a 2.5% inflation factor. The Staff is recommending a 5% factor.

Wherefore the Staff requests leave to file replacement pages to the rebuttal testimony and schedules of Staff witness Steve M. Traxler.

Respectfully submitted,

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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 7th day of July 2000.



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Case No. EM-2000-292
July 7, 2000**

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