

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
AUG 23 2000

Missouri Public
Service Commission

In the matter of the Joint Application)
of Utilicorp United Inc. and The Empire)
District Electric Company for authority)
to merge The Empire District Electric) Case No. EM-2000-369
Company with and into Utilicorp United)
Inc. and, in connection therewith, certain)
other related transactions.)

**STATEMENT OF POSITION OF EMPIRE DISTRICT
ELECTRIC COMPANY RETIRED EMPLOYEES**

COMES NOW the Empire District Electric Company Retired Employees (EDE Retirees),
and for its Statement of Position regarding the List of Issues in this case, states as follows:

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?

EDE retirement benefits.

(1) If the Commission approves the Companies', OPC's or any regulatory plan, should the plan be modified to include provision for continuation and funding of EDE Retiree health, life and accidental death/dismemberment insurance, and surviving spouse benefits, in order for it to comply with law and otherwise satisfy the not detrimental to the public interest standard for approval of the merger?

Position of EDE Retirees: Yes. Any regulatory plan should be modified to include provision for continuation and funding of EDE Retiree health, life and accidental death/dismemberment insurance and surviving spouse benefits. Such modification must be made in order for the proposed merger to comply with Section 386.315, RSMo, and to satisfy the not detrimental to the public interest standard for approval of the merger by the Commission. Approval of the merger without the modification would inflict tremendous irreparable financial harm on EDE

Retirees, who are also EDE ratepayers, thus constituting substantial detriment to the public interest requiring disapproval.

(2) Should the calculation of merger costs/benefits include the treatment accorded EDE Retiree health, life and accidental death/dismemberment insurance and surviving spouse benefits?

Position of EDE Retirees: Yes. Any calculation of merger savings must take into consideration the proposed abandonment of Empire's obligations to its retired employees. Likewise, any calculation of merger costs should take into consideration the transfer to taxpayers of obligations for providing health care to EDE Retirees who will be financially stressed as a result of the proposed phase-out of their benefits.

EDE Health Insurance Trust Account Assets.

(1) Does the proposed merger's treatment or disposition of the EDE health insurance trust account assets comply with law and otherwise satisfy the not detrimental to the public interest standard?

Position of EDE Retirees: No. The proposed merger would transfer the EDE health insurance trust account assets, in violation of Section 386.315, RSMo, and any use of the EDE health insurance trust account assets for purposes other than to continue funding of current and future EDE Retiree health insurance coverage, including subsidies for premiums, would constitute substantial detriment to the public interest requiring disapproval.

With regard to the remaining sub-issues of Section I of the List of Issues filed July 31, 2000, EDE Retirees take no position at this time but reserve the right of cross-examination of any and all witnesses of other parties concerning such sub-issues.

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?

EDE Retiree Benefits Condition.

(1) Should the retirement health, life and other insurance benefits, and surviving spouse benefits, currently applicable to EDE Retirees be "grandfathered" in as a condition of approval of the merger?

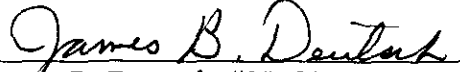
Position of EDE Retirees: Yes. Even if the merger should be approved, the Commission should "grandfather" all current EDE Retirees into benefits currently enjoyed, including subsidized health insurance premiums, pursuant to basic concepts of equity and fairness. The Empire Retirees in this case have helped to build the Company and make it an attractive merger partner for UCU shareholders, who stand to benefit handsomely from the merger. These former employees took and kept their jobs (in most cases for between 20 and 40 years) at Empire in substantial reliance upon these promised retirement benefits. Retirement decisions were made based upon assumptions about the cost of health insurance, life and accidental death/dismemberment insurance, and surviving spouse benefits, and those decisions cannot be reversed or retrieved now by the Retirees. Current active employees may be able to make future decisions based upon future benefit plans proposed by UCU and can work more years, or save more assets toward retirement income, or otherwise adjust to these changes. They can bargain collectively for better treatment. EDE Retirees can do none of these things and risk losing all health insurance coverage should they, as is likely, be unable to pay the tremendous increase in costs of health insurance coverage proposed in the merger. The Commission should require that benefits for retired employees be "grandfathered" into the merger transaction and continued as promised by the Company.

With regard to the remaining sub-issues of Section II of the List of Issues filed July 31, 2000, EDE Retirees take no position at this time but reserve the right of cross-examination of any and all witnesses of other parties concerning such sub-issues.

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the above and foregoing document were sent U.S. Mail, postage prepaid, to the following parties of record on this 23rd day of August, 2000:

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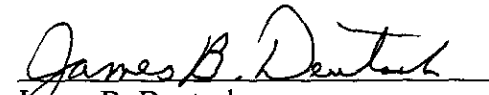
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