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April 17, 2002

Secretary of the Public Service Commission  
Governor Office Building  
200 Madison Street, Suite 100  
P.O. Box 360  
Jefferson City, MO 65102-0360

**Re: Avon Energy Partners Holdings  
Case No. EO-2002-215**

Dear Mr. Roberts:

On behalf of Aquila, Inc., enclosed for filing in the above-referenced case please find an original and eight (8) copies of a Third Status Report. A copy has also been hand-delivered to the Office of the Public Counsel this date. Please note that I have further enclosed a receipt copy of the Third Status Report, which I ask that you file stamp and return with the messenger delivering same.

Thank you for your assistance with this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND, P.C.

By: 

Paul A. Boudreau

PAB/aw

Enclosures

cc: Mr. David A. Meyer, PSC  
Mr. John Coffman, OPC

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

In the Matter of the Application of UtiliCorp            )  
United Inc. for Authority to Acquire the Shares        )  
of Avon Energy Partners Holdings and to                ) Case No. EO-2002-215  
Take All Other Actions Reasonably Necessary         )  
to Effectuate Said Transaction.                         )

**THIRD STATUS REPORT**

COMES NOW Aquila, Inc. (“Aquila”), f/k/a UtiliCorp United Inc., Applicant in the captioned matter, and submits the following report on the status of the transaction which is the subject of the Application in this case:

1. On December 18, 2002, the Missouri Public Service Commission (“Commission”) issued an Order Approving Application in this case authorizing UtiliCorp, among other things, to acquire all of the outstanding shares of Avon Energy Partners Holdings pursuant to the terms of a Share Purchase and Sale Agreement between UtiliCorp and EI UK Holdings, Inc. Ordered ¶ 15 of the Commission’s Order Approving Application directed:

[t]hat UtiliCorp United Inc., file status reports in this proceeding beginning 60 days from the date of this order and each 30 days thereafter advising of the status of the transaction so that the Commission may be apprised of the status of the transactions presented in this case and when the case may be closed.

2. In compliance with that directive from the Commission, Aquila has attached hereto its Third Status Report setting forth the current circumstances concerning the subject matter of the Application, as amended.

Respectfully submitted,



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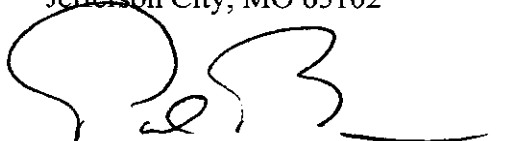
Attorneys for Aquila, Inc.

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 17<sup>th</sup> day of April, 2002, to:

Mr. David A. Meyer  
Missouri Public Service Commission  
Governor Office Building  
200 Madison Street, P.O. Box 360  
Jefferson City, MO 65102

Mr. John B. Coffman  
Office of the Public Counsel  
Governor Office Building  
200 Madison Street, Suite 650  
P.O. Box 7800  
Jefferson City, MO 65102



Paul A. Boudreau

On December 18, 2001, the Missouri Public Service Commission (the "Commission") issued an *Order Approving Application* (the "Order") approving UtiliCorp's acquisition of the outstanding shares of Avon Energy Partners Holdings ("Avon"), provided the acquisition was completed with a financial partner as contemplated in UtiliCorp's Application. In the Order, UtiliCorp was directed to file a status report in 60 days and every 30 days thereafter, so that the Commission could remain apprised of the status of the transactions presented in the case and be able to determine when the case should be closed. UtiliCorp filed its Second Status Report on March 15, 2002.

UtiliCorp filed a notice of its name change to Aquila, Inc. ("Aquila") on March 27, 2002.

#### Participation of Financial Partner

Discussions since December resulted in an arrangement under which Aquila's partner will be FirstEnergy Corp. ("FirstEnergy"), the company now holding all of Avon's outstanding shares. Aquila's economic interest and its total cost will be greater, and its relative cost will be lower, than previously contemplated. Aquila filed a *Motion for Supplemental Order or Alternatively Second Amended Application* on March 18, attaching updated pro forma financial information and (filed under seal as Highly Confidential) the new Purchase and Sale Agreement. The joint venture agreement between Aquila and FirstEnergy, pertaining to the jointly-owned company that will own the shares of Avon following the closing of the transaction, was provided to Staff on March 25 and filed under seal as Highly Confidential on April 11.

#### Updated Financial Information

The pro forma financial results of the transaction with FirstEnergy as Aquila's partner are substantially similar to those submitted in November in support of the approved acquisition. Aquila continues to believe that the pro forma financial impacts of the FirstEnergy transaction do not differ significantly from those previously provided.

#### Timing

On March 22, the Commission directed Staff to proceed expeditiously with a review of the amended application and to file its Recommendation not later than April 20. Staff filed that Recommendation on April 16. Aquila's formal Response on April 17 accepted the Recommendation and its conditions.

Aquila and FirstEnergy seek to finalize MPSC approval as soon as possible, to permit timely closing of the transaction. All other approvals have been completed.