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October 12, 1999

FILED

OCT 12 1999 *mb*

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

Missouri Public
Service Commission

EF-2000-270

Re: In the Matter of UtiliCorp United Inc./Horizon Energy Distribution Limited

Dear Mr. Roberts:

On behalf of UtiliCorp United Inc., I deliver herewith an original and fourteen (14) copies of an Application for filing with the Commission in the referenced matter. I would appreciate it if you would see that the copies are distributed to the appropriate Commission personnel.


I have enclosed three (3) extra copies of the document, each of which I request that you stamp "Filed" and return to the person delivering it to you.

Thank you for your attention in this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:


Paul A. Boudreau

PAB/aw
Enclosures

cc: The Office of the Public Counsel

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

FILED
OCT 12 1999
Missouri Public
Service Commission

In the Matter of the Application of)
UtiliCorp United Inc. for authority)
to increase its ownership interest in)
Horizon Energy Distribution Limited,)
a New Zealand electric distribution)
utility, by acquiring indirectly)
approximately 47.7% of the capital)
stock thereof, and to take all other actions)
reasonably necessary to effectuate said)
transaction.)

Case No. EF-2000-270

APPLICATION

COMES NOW UtiliCorp United Inc. ("UtiliCorp"), pursuant to Section 393.190 RSMo. 1994 and 4 CSR 240-2.060(9), and for its Application to the Missouri Public Service Commission ("Commission") states as follows:

1. UtiliCorp is a Delaware corporation, in good standing in all respects with its principal office and place of business at 20 West 9th Street, Kansas City, Missouri 64105. UtiliCorp is authorized to conduct business in Missouri through its Missouri Public Service ("MPS") operating division and, as such, is engaged in providing electrical and natural gas utility services in its service areas subject to the jurisdiction of the Commission as provided by law. UtiliCorp's Certificate of Incorporation and Amended Certificate of Authority as a Foreign Corporation have been filed with the Commission in Case No. EM-87-6 and said documents are incorporated herein by reference, collectively, in accordance with 4 CSR 240-2.060(2)(E), and made a part hereof for all purposes.

2. Pleadings, notices, orders and other correspondence and communications concerning this Application and proceeding should be addressed to:

Mr. Jon Empson
UtiliCorp United Inc.
20 West 9th Street
Kansas City, MO 64105-1711
Telephone (816) 467-3410

Mr. Paul A. Boudreau
Brydon, Swearengen & England, P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
Telephone (573) 635-7166

3. UtiliCorp, through its 78.8% owned New Zealand subsidiary, UnitedNetworks Limited ("UnitedNetworks"), formerly Power New Zealand Limited, holds approximately 52.3% of the voting securities of Horizon Energy Distribution Limited ("Horizon"), formerly Bay of Plenty Electricity Limited. UtiliCorp's several investments and current aggregate ownership interest in UnitedNetworks has previously been authorized by the Commission in various orders issued in Case Nos. EM-95-84 and GM-98-531. UnitedNetworks' principal office and place of business is at 44 Taharoto Road, Takapuna, Auckland, New Zealand. UnitedNetworks is engaged in the business of providing electric network service in the Waitemata, Thames Valley, Waikato, and Wellington regions of New Zealand.

4. Horizon is involved in the operation of an electric lines business in New Zealand. The electricity distribution network owned and operated by Horizon services the eastern Bay of Plenty area, located in the eastern part of the North Island of New Zealand. The Horizon electricity distribution network serves approximately 22,500 industrial, commercial and residential customers. Horizon's principal office and place of business is at 52 Commerce Street, Whakatane, Bay of Plenty, New Zealand. It has assets, excluding cash on hand, valued at around NZ \$64 million.

5. UtiliCorp, through its subsidiary UnitedNetworks (or its nominee), proposes to increase UnitedNetworks' equity ownership interest in Horizon to 100%, by acquiring the remaining voting securities that UnitedNetworks does not currently own. This is approximately 47.7% of the total outstanding shares of Horizon. The acquisition will likely be undertaken by a combination of private purchases from other large shareholders and open market purchases. The other major shareholders in Horizon are the Bay of Plenty Electricity Consumers Trust (the "Trust"), with approximately 25% of the voting securities, and South Eastern Utilities Limited, with approximately 5.5% of the voting securities.

6. Although UnitedNetworks owns a majority of the outstanding voting shares of Horizon, a shareholder agreement between UnitedNetworks and the Trust limits the amount of influence that UnitedNetworks can have on Horizon's business. The proposed transaction will allow UtiliCorp to reposition itself from an active, but non-operating, owner of Horizon to the actual operator of Horizon. Direct operating control of Horizon will allow UtiliCorp to employ its own business practices with the goal of significantly increasing business efficiencies.

7. The total consideration for the proposed transaction is not known at this time. The actual purchase price will be determined by negotiations between UnitedNetworks and other Horizon shareholders. However, it is presently anticipated that UtiliCorp's aggregate investment in the remaining shares of Horizon would not exceed NZ \$50 million. This amount represents approximately US \$26 million, assuming an exchange rate of 0.52.

8. Because any additional investment in Horizon would be the result of open market share purchases or private negotiations with other large shareholders, there is no definitive stock purchase agreement available to submit as an appendix to the Application.

9. The proposed investment in shares of Horizon by UnitedNetworks and the related events described herein will have no adverse effect on the Missouri customers of UtiliCorp. MPS customers will see no change in their day-to-day utility service, and said customers will continue to be served effectively and efficiently. Further, the proposed transaction will have no impact on the tax revenues of Missouri political subdivisions in which any structure, facility or equipment of MPS is located. As a result, the proposed transaction is not detrimental to the public interest.

10. Attached hereto, marked Appendix 1 and made a part hereof for all purposes, are financial statements showing the results of the proposed investment in Horizon on UtiliCorp's consolidated financial statements. The proposed investment will be financed by UnitedNetworks borrowing under existing or new lines of credit from New Zealand financial institutions.

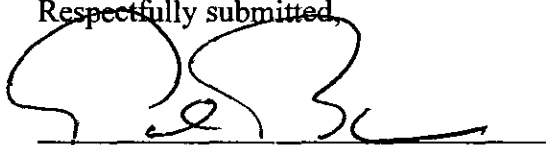
11. It will not be necessary for the Board of Directors of UtiliCorp to approve the proposed investment so no such resolutions are available to be filed as an appendix to this Application. In lieu thereof, UtiliCorp will late-file, as Appendix 2 hereof, a certified copy of the resolutions of the Board of Directors of UnitedNetworks at such time as the total consideration for the Horizon shares has been determined and duly authorized. It is acceptable to UtiliCorp that the Commission's approval of this Application be made conditional on the subsequent filing of the said resolutions.

12. The negotiations to accomplish the described investment in Horizon have commenced with the intention to purchase of all shares completed by December 31, 1999. Accordingly, Commission approval of this Application is requested by no later than December 15, 1999.

WHEREFORE, UtiliCorp respectfully requests the Commission issue an Order no later than December 15, 1999:

- (1) authorizing the acquisition by UtiliCorp through UnitedNetworks (or its nominee), of up to and including 47.7% of the capital stock of Horizon, such that its total ownership interest in Horizon at the completion of the transaction amounts to 100% of the capital stock of Horizon;
- (2) authorizing UtiliCorp, directly or through UnitedNetworks, to execute and perform in accordance with the terms of all documents and take, or cause to be take, any and all actions reasonably necessary to effectuate the transactions herein above described;
- (3) finding that the proposed transactions are not detrimental to the public interest; and
- (4) granting such other relief deemed by the Commission to be just and proper in the circumstances.

Respectfully submitted,



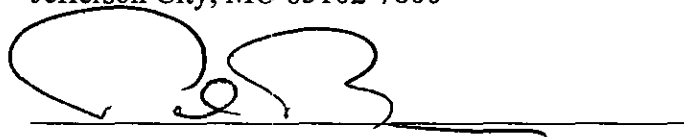
Paul A. Boudreau #33155
BRYDON, SWEARENGEN & ENGLAND P.C.
P.O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166

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 12th day of October, 1999, to:

The Office of the Public Counsel
Truman Building, Room 250
P.O. Box 7800
Jefferson City, MO 65102-7800



VERIFICATION

STATE OF NEBRASKA

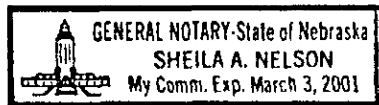
COUNTY OF DOUGLAS, TO-WIT:

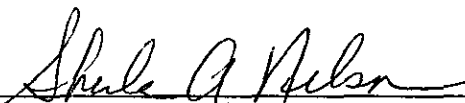
I, Jon R. Empson, Senior Vice President - Regulatory, Legislative, & Environmental Services, for UtiliCorp United Inc., the Petitioner named in the foregoing Petition, being duly sworn, says that the facts and allegations therein contained are true, and that, so far as they are therein stated to be on information, I believe them to be true.



Jon R. Empson

Taken, sworn to and subscribed before me this 21st day of September, 1999.
My commission expires on March 3, 2001.





Notary Public

UTILICORP UNITED INC.
CONSOLIDATED BALANCE SHEET
JUNE 30, 1999

(\$MILLION's)

	6/30/99	ADJ (a)	PRO FORMA
UTILITY PLANT			
Utility Plant	4,035.3		4,035.3
Construction Work in Progress	87.4		87.4
TOTAL Utility Plant	4,122.7	-	4,122.7
Accumulated Depreciation	1,303.6		1,303.6
Net Utility Plant	2,819.1	-	2,819.1
OTHER PROPERTY & INVESTMENTS			
Energy Related	522.7		522.7
Non-regulated and Other	1,245.9		1,245.9
Total non-regulated property	1,768.6	-	1,768.6
CURRENT AND ACCRUED ASSETS			
Cash and cash equivalents	189.3		189.3
Accounts receivable	1,247.3		1,247.3
Fuel inventory	198.5		198.5
Materials and supplies	26.0		26.0
Accrued utility revenues	42.9		42.9
Prepayments and current assets	251.5		251.5
Total current and accrued assets	1,955.5	-	1,955.5
DEFERRED DEBITS			
Deferred debits and other assets	282.9	18.0	300.9
TOTAL UTILITY PLANT AND OTHER ASSETS	6,826.1	18.0	6,844.1
PROPRIETARY CAPITAL			
Common Stock	93.6		93.6
Preferred stock	100.0		100.0
Premium on capital stock	1,200.7		1,200.7
Retained earnings	211.3		211.3
Total proprietary capital	1,605.6	-	1,605.6
LONG TERM DEBT			
Bonds	0.0		0.0
Other long term debt	1,976.9	26.0	2,002.9
Total long term debt	1,976.9	26.0	2,002.9
OTHER NONCURRENT LIABILITIES			
Obligations under capital leases	2.9		2.9
Total other noncurrent liabilities	2.9	-	2.9
CURRENT AND ACCRUED LIABILITIES			
Notes payable	467.3		467.3
Accounts payable	1,359.3		1,359.3
Customer deposits	6.8		6.8
Taxes accrued	19.8		19.8
Interest accrued	31.6		31.6
Dividends declared	4.0		4.0
Current maturities of long term debt	171.7		171.7
Miscellaneous current and accrued liabilities	266.7		266.7
Obligations under capital leases-current	0.7		0.7
Total current and accrued liabilities	2,327.9	-	2,327.9
DEFERRED CREDITS			
Customer advances for construction	14.1		14.1
Accumulated deferred investment tax credits	20.4		20.4
Other deferred credits and other	448.7	(8.0) (b)	440.7
Other regulatory credits	21.3		21.3
Accumulated deferred income taxes	408.3		408.3
Total deferred credits	912.8	(8.0)	904.8
TOTAL LIABILITIES AND OTHER CREDITS	6,826.1	18.0	6,844.1

Notes

(a) NZ\$ converted to US\$ based on a NZ\$ / US\$.52 exchange rate

(b) Represents elimination of minority interest "liability" as Horizon results are fully consolidated in the 6/30/99 actuals (52.3% owned)

UTILICORP UNITED INC.
CONSOLIDATED INCOME STATEMENT
TWELVE MONTHS ENDED JUNE 30, 1999

(\$MILLION's)

	6/30/99	ADJ (a)	PRO FORMA
OPERATING REVENUES			
Electric revenues	704.8		704.8
Gas revenues	613.6		613.6
Non-regulated & Energy related	13,555.6		13,555.6
Total operating revenues	14,874.0	-	14,874.0
OPERATING EXPENSES			
Fuel used for generation	93.3		93.3
Power purchased	178.3		178.3
Gas purchased for resale	383.3		383.3
Non-regulated & Energy related	13,159.6		13,159.6
Operating and maintenance	507.6	(0.6) (b)	507.0
Depreciation expenses	158.0		158.0
Amortization of utility plant	8.2		8.2
Amortization of utility plant acq. adj	5.1	0.9	6.0
Taxes other than income taxes	64.5		64.5
Income taxes	84.8	(1.0)	83.8
Total operating expenses	14,642.7	(0.7)	14,642.0
NET OPERATING INCOME	231.3	0.7	232.0
OTHER INCOME (NET)			
Interest income	(5.1)		(5.1)
Allowance for funds used during construction	0.0		0.0
Other income	0.0		0.0
Equity earnings, minority interests & other	62.5	1.1 (c)	63.6
Total other income (net)	57.4	1.1	58.5
INTEREST CHARGES			
Interest on long-term debt	136.8	2.4 (b)	139.2
Interest on short-term debt	9.7		9.7
Total interest charges	146.5	2.4	148.9
NET INCOME	142.2	(0.6)	141.6
Less preference dividends	0.0		0.0
Earnings available for common shares	142.2	(0.6)	141.6
WEIGHTED AVG COMMON SHARES OUTSTANDING			
Basic	85.96		85.96
Diluted	86.85		86.85
EARNINGS PER COMMON SHARE			
Basic	1.65	0.00 (d)	1.65
Diluted	1.64	(0.01) (d)	1.63

Notes

(a) NZ\$ converted to US\$ based on a NZ\$ / US\$.52 exchange rate

(b) Includes one-time financing and restructuring costs totaling \$ 0.6

(c) Represents elimination of minority interest expense as Horizon results are fully consolidated in the 6/30/99 actuals (52.3% owned)

(d) Due to rounding