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.                     1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL                                            .
.                     2006 WINTER PEAK - UTILICORP BASE CASE WITH WERE CHANGES                                          .
.             *** ACCC OVERLOAD REPORT: MONITORED ELEMENTS LOADED ABOVE 100.0 % OF RATING SET B ***                     .
.                                        *** ACCC VOLTAGE REPORT ***                                                    .
........................................................................................................................

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
           X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58782 [NLIBTAP3115.00] TO BUS 58837 [NLIB   3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 59
                                                                                  *** NONE ***

                                                  X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
      AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58816 E-LIBER134.5 1.0700 1.0459  58829 S-LIBER134.5 1.0739 1.0490

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
           X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58792 [SEWARD 3115.00] TO BUS 58796 [ST-JOHN3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 74
                                                                                  *** NONE ***

                                                  X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
      AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58826 PRATT  134.5 1.0651 1.0352

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
           X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58800 [W-LIBER3115.00] TO BUS 58836 [W-LIBER134.500] CKT 1 ------------------------------ CONTINGENCY SINGLE 83
                                                                                  *** NONE ***

                                                  X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
      AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58838 NLIB   134.5 1.0656 1.0449

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
           X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58800 [W-LIBER3115.00] TO BUS 58837 [NLIB   3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 84
                                                                                  *** NONE ***

                                                  X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
      AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58838 NLIB   134.5 1.0651 1.0449

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
           X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58754 [CIM-PLT3115.00] TO BUS 56455 [NCIMARN3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 88
                                                                                  *** NONE ***

                                                  X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
      AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58830 SATANTA134.5 1.0658 1.0382

         AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58752 CMRIVTP3 115 0.9099 0.9838  58753 CIM-PLT113.8 0.8890 0.9748
                                                  58754 CIM-PLT3 115 0.9041 0.9826  58759 CUDAHY 3 115 0.9484 0.9981
                                                  58772 E-LIBER3 115 0.9060 0.9807  58782 NLIBTAP3 115 0.9040 0.9796
                                                  58790 S-LIBER3 115 0.9049 0.9798  58800 W-LIBER3 115 0.8992 0.9753
                                                  58837 NLIB   3 115 0.9019 0.9779
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Schedule No. 7

1 10 SUMMER PEAK

A. AREA 539 TOTALS

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS/E MON, APR 03 2000 16:19
1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL AREA TOTALS
2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES IN MW/MVAR

AREA	FROM GENERATION	TO LOAD	TO BUS SHUNT	TO LINE SHUNT	FROM CHARGING	TO NET INT	LOSSES	DESIRED NET INT
539	321.9	646.0	0.0	0.0	0.0	-345.1	20.9	-345.0
WEPL	67.4	215.1	-208.0	0.0	124.3	44.0	140.5	
TOTALS	321.9	646.0	0.0	0.0	0.0	-345.1	20.9	-345.0
	67.4	215.1	-208.0	0.0	124.3	44.0	140.5	

B. INTER-AREA TRANSFER DATA

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS/E MON, APR 03 2000 16:20
1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL INTER-AREA
2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES TRANSFER DATA

X--FROM AREA-X	X---TO AREA--X	ID	PTRANS	PTOTAL	DESINT
539 [WEPL]	515 [SWPA]	1	-20.0		
539 [WEPL]	534 [SUNC]	1	-50.0		
539 [WEPL]	534 [SUNC]	2	-2.0		
539 [WEPL]	536 [WERE]	1	-261.0		
539 [WEPL]	536 [WERE]	2	2.0		
539 [WEPL]	536 [WERE]	3	-14.0	-345.0	-345.0

C. GENERATOR UNIT DATA

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS/E MON, APR 03 2000 16:21
1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL GENERATOR
2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES UNIT DATA

BUS#	NAME	BSKV	CD	ID	ST	PGEN	QGEN	QMAX	QMIN	PMAX	PMIN	OWN	FRACT
58753	CIM-PLT	113.8	2	1	1	50.0	18.2	28.0	-15.0	58.0	25.0	1	1.000
58753	CIM-PLT	113.8	2	2	0	0.0	0.0	10.0	-5.0	14.0	2.0	1	1.000
58755	CLIFTON	113.8	2	1	1	55.0	4.4	32.0	-15.0	70.0	5.0	1	1.000
58770	JUD-LRG	113.8	2	4	1	136.9	29.5	98.0	-45.0	143.0	30.0	1	1.000
58777	MULGREN	113.8	2	3	1	80.0	15.3	34.0	-16.0	93.0	30.0	1	1.000

Schedule No. 7

D. TRANSFORMER DATA

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS/E MON, APR 03 2000 16:21
1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL TRANSFORMER DATA
2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES

FROM	TO	CKT	TP	RATIO	ANGLE	RG	CONT	RMAX	RMIN	VMAX	VMIN	STEP	TABLE	CR	CX
56470	58795	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
56565	58792	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
56601	58779	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58751	58802	1	T	1.0625	0.00	1	-58802	1.1000	0.9000	1.0500	1.0300	0.00625			
58753	58754	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58755	58756	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58756	58804	1	T	1.0125	0.00	1	-58804	1.1000	0.9000	1.0500	1.0300	0.00625			
58757	58758	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58757	58805	1	T	1.0313	0.00	1	-58805	1.1000	0.9000	1.0500	1.0300	0.00625			
58759	58806	1	T	1.0812	0.00	1	-58806	1.1000	0.9000	1.0500	1.0300	0.00625			
58761	58807	1	T	1.0562	0.00	1	-58807	1.1000	0.9000	1.0500	1.0300	0.00625			
58762	58808	1	T	1.0500	0.00	1	-58808	1.1000	0.9000	1.0500	1.0300	0.00625			
58763	58809	1	T	1.0500	0.00	1	-58809	1.1000	0.9000	1.0500	1.0300	0.00625			
58764	58810	1	T	1.0063	0.00	1	-58810	1.1000	0.9000	1.0500	1.0300	0.00625			
58765	58811	1	T	1.0438	0.00	1	-58811	1.1000	0.9000	1.0500	1.0300	0.00625			
58767	58812	1	T	1.0562	0.00	1	-58812	1.1000	0.9000	1.0500	1.0300	0.00625			
58768	58813	1	T	1.0750	0.00	1	-58813	1.1000	0.9000	1.0500	1.0300	0.00625			
58769	58814	1	T	1.0438	0.00	1	-58814	1.1000	0.9000	1.0500	1.0300	0.00625			
58770	58771	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58771	58815	1	T	1.0562	0.00	1	-58815	1.1000	0.9000	1.0500	1.0300	0.00625			
58772	58816	1	T	1.0562	0.00	1	-58816	1.1000	0.9000	1.0500	1.0300	0.00625			
58773	58774	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58773	58817	1	T	1.0875	0.00	1	-58817	1.1000	0.9000	1.0500	1.0300	0.00625			
58776	58818	1	T	1.0187	0.00	1	-58818	1.1000	0.9000	1.0500	1.0300	0.00625			
58777	58778	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58778	58779	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58778	58819	1	T	1.0438	0.00	1	-58819	1.1000	0.9000	1.0500	1.0300	0.00625			
58780	58820	1	T	1.1000	0.00	1	-58820	1.1000	0.9000	1.0500	1.0300	0.00625			
58781	58821	1	T	1.0438	0.00	1	-58821	1.1000	0.9000	1.0500	1.0300	0.00625			
58783	58822	1	T	1.0750	0.00	1	-58822	1.1000	0.9000	1.0500	1.0300	0.00625			
58784	58823	1	T	1.0688	0.00	1	-58823	1.1000	0.9000	1.0500	1.0300	0.00625			
58784	58823	2	T	1.0688	0.00	1	-58823	1.1000	0.9000	1.0500	1.0300	0.00625			
58785	58824	1	T	1.0938	0.00	1	-58824	1.1000	0.9000	1.0500	1.0300	0.00625			
58786	58825	1	T	1.0625	0.00	1	-58825	1.1000	0.9000	1.0500	1.0300	0.00625			
58787	58826	1	T	1.0812	0.00	1	-58826	1.1000	0.9000	1.0500	1.0300	0.00625			
58788	58827	1	T	1.0187	0.00	1	-58827	1.1000	0.9000	1.0500	1.0300	0.00625			
58789	58828	1	T	1.0625	0.00	1	-58828	1.1000	0.9000	1.0500	1.0300	0.00625			
58790	58829	1	T	1.1000	0.00	1	-58829	1.1000	0.9000	1.0500	1.0300	0.00625			
58791	58830	1	T	1.0875	0.00	1	-58830	1.1000	0.9000	1.0500	1.0300	0.00625			
58793	58831	1	T	1.0812	0.00	1	-58831	1.1000	0.9000	1.0500	1.0300	0.00625			
58794	58795	1	F	1.0000	0.00	1	0	1.5000	0.5100	1.5000	0.5100	0.00625			
58794	58832	1	T	1.0375	0.00	1	-58832	1.1000	0.9000	1.0500	1.0300	0.00625			
58797	58833	1	T	1.0625	0.00	1	-58833	1.1000	0.9000	1.0500	1.0300	0.00625			
58798	58834	1	T	1.1000	0.00	1	-58834	1.1000	0.9000	1.0500	1.0300	0.00625			
58799	58835	1	T	1.1000	0.00	1	-58835	1.1000	0.9000	1.0500	1.0300	0.00625			
58800	58836	1	T	1.1000	0.00	1	-58836	1.1000	0.9000	1.0500	1.0300	0.00625			
58837	58838	1	T	1.1000	0.00	1	-58838	1.1000	0.9000	1.0500	1.0300	0.00625			
58839	58840	1	F	1.0812	0.00	1	-58839	1.1000	0.9000	1.0500	1.0300	0.00625			

E. BASE ` _E BRANCH LOADINGS ABOVE 100.0 % OF RATING SET A:

1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL
2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES

X-------FROM BUS-------X				X--------TO BUS--------X					CURRENT(MVA)		
BUS	NAME	BSKV	AREA	BUS	NAME	BSKV	AREA	CKT	LOADING	RATING	PERCENT
58771	JUD-LRG3	115	539	58840*	EDODGE 3	115	539	1	89.4	86.0	103.9

F. BASE CASE BUSES WITH VOLTAGE GREATER THAN 1.0500:

PTI INTERACTIVE POWER SYSTEM SIMULATOR--PSS/E MON, APR 03 2000 16:23
1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL
2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES

BUSES WITH VOLTAGE GREATER THAN 1.0500:

X------ BUS -----X	AREA	V(PU)	V(KV)	X------ BUS -----X	AREA	V(PU)	V(KV)

* NONE *

G. BASE CASE BUSES WITH VOLTAGE LESS THAN 0.9500:

X------ BUS -----X	AREA	V(PU)	V(KV)	X------ BUS -----X	AREA	V(PU)	V(KV)
58787 PRATT 3 115	539	0.9433	108.48				

Schedule No. 7

H. ACCC RLOAD REPORT MONITORED ELEMENTS LOADED ABOVE 10 % OF RATING SET B & ACCC VOLTAGE REPORT

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.                                 1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL                     .
.                              2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES                      .
.               *** ACCC OVERLOAD REPORT: MONITORED ELEMENTS LOADED ABOVE 100.0 % OF RATING SET B ***        .
.                                             *** ACCC VOLTAGE REPORT ***                                    .
..............................................................................................................
DISTRIBUTION FACTOR FILE:       Dfax10SP.sgf
SUBSYSTEM DESCRIPTION FILE:     USER DIALOGUE
MONITORED ELEMENT FILE:         opsmon539.txt
CONTINGENCY DESCRIPTION FILE: opscon2k.txt
X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
BASE CASE                                            ------------------------------------------------------------------- BASE CASE
                                                                                 *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58787 PRATT  3 115 0.9433 0.9433

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58754 [CIM-PLT3115.00] TO BUS 58782 [NLIBTAP3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 5
                                                                                 *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58782 NLIBTAP3 115 0.9475 0.9684  58800 W-LIBER3 115 0.9417 0.9630
                                                     58837 NLIB   3 115 0.9442 0.9653

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58757 [CONCORD3115.00] TO BUS 58758 [CONCORD6230.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 9
                                                                                 *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58757 CONCORD3 115 0.9416 1.0072  58763 GLENELD3 115 0.9281 0.9819
                                                     58769 JEWELL 3 115 0.9320 0.9879  58785 PHLBURG3 115 0.9284 0.9658
                                                     58793 SMITH-C3 115 0.9259 0.9738  58798 WALDO  3 115 0.9476 0.9758

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58757 [CONCORD3115.00] TO BUS 58763 [GLENELD3115.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 10
                                                                                 *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58763 GLENELD3 115 0.9341 0.9819  58785 PHLBURG3 115 0.9404 0.9658
                                                     58793 SMITH-C3 115 0.9408 0.9738

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58757 [CONCORD3115.00] TO BUS 58769 [JEWELL 3115.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 11
                                                                                 *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58769 JEWELL 3 115 0.9445 0.9879
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Schedule No. 7

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                    1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL
                    2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES
       *** ACCC OVERLOAD REPORT: MONITORED ELEMENTS LOADED ABOVE 100.0 % OF RATING SET B ***
                               *** ACCC VOLTAGE REPORT ***

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
       X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO     NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58764 [GRNBURG3115.00] TO BUS 58771 [JUD-LRG3115.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 24
                                                                             *** NONE ***

                                             X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58764 GRNBURG3 115 0.9414 0.9910  58773 MED-LDG3 115 0.9310 0.9652
                                             58774 MED-LDG4 138 0.9370 0.9709  58787 PRATT  3 115 0.9175 0.9433
                                             58797 SUNCITY3 115 0.9358 0.9769

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
       X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO     NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58764 [GRNBURG3115.00] TO BUS 58797 [SUNCITY3115.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 25
                                                                             *** NONE ***

                                             X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
   AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58810 GRNBURG134.5 1.0729 1.0435

     AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58773 MED-LDG3 115 0.9291 0.9652  58774 MED-LDG4 138 0.9378 0.9709
                                             58787 PRATT  3 115 0.9177 0.9433  58797 SUNCITY3 115 0.9289 0.9769

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
       X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO     NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58766 [GBENDTP3115.00] TO BUS 58778 [MULGREN3115.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 28
                                                                             *** NONE ***

                                             X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58766 GBENDTP3 115 0.9417 0.9956  58787 PRATT  3 115 0.9198 0.9433
                                             58792 SEWARD 3 115 0.9414 0.9798  58796 ST-JOHN3 115 0.9366 0.9666

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
       X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO     NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58766 [GBENDTP3115.00] TO BUS 58792 [SEWARD 3115.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 29
                                                                             *** NONE ***

                                             X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58787 PRATT  3 115 0.9189 0.9433  58792 SEWARD 3 115 0.9398 0.9798
                                             58796 ST-JOHN3 115 0.9355 0.9666

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
       X---- MULTI-SECTION LINE GROUPINGS ----X   FROM     NAME        TO     NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58768 [HARPER 4138.00] TO BUS 58774 [MED-LDG4138.00] CKT 1 ----------------------------- CONTINGENCY SINGLE 32
                                                                             *** NONE ***

                                             X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58773 MED-LDG3 115 0.9389 0.9652  58774 MED-LDG4 138 0.9389 0.9709
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Schedule No. 7

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.........   ...........................................................   ...........................................................
.                        1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL                                                        .
.                        2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES                                                      .
.              *** ACCC OVERLOAD REPORT: MONITORED ELEMENTS LOADED ABOVE 100.0 % OF RATING SET B ***                                   .
.                                       *** ACCC VOLTAGE REPORT ***                                                                    .
.........................................................................................................................................

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58768 [HARPER 4138.00] TO BUS 58775 [MILANTP4138.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 33
                                                                                         *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58818 MILAN  134.5 1.0669 1.0468

       AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58764 GRNBURG3 115 0.9394 0.9910  58768 HARPER 4 138 0.8329 0.9819
                                                     58773 MED-LDG3 115 0.8722 0.9652  58774 MED-LDG4 138 0.8641 0.9709
                                                     58787 PRATT  3 115 0.8775 0.9433  58796 ST-JOHN3 115 0.9294 0.9666
                                                     58797 SUNCITY3 115 0.9009 0.9769  58813 HARPER 134.5 0.8322 1.0317
                                                     58817 MED-LDG134.5 0.9253 1.0331

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58773 [MED-LDG3115.00] TO BUS 58774 [MED-LDG4138.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 44
                                                                                         *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58813 HARPER 134.5 1.0564 1.0317

       AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58773 MED-LDG3 115 0.9389 0.9652

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58773 [MED-LDG3115.00] TO BUS 58787 [PRATT  3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 45
                                                                                         *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58813 HARPER 134.5 1.0518 1.0317  58817 MED-LDG134.5 1.0679 1.0331
                                                     58833 SUNCITY134.5 1.0746 1.0457

       AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58787 PRATT  3 115 0.8918 0.9433  58796 ST-JOHN3 115 0.9386 0.9666

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58773 [MED-LDG3115.00] TO BUS 58797 [SUNCITY3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 46
                                                                                         *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58810 GRNBURG134.5 1.0781 1.0435  58833 SUNCITY134.5 1.1026 1.0457

       AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58773 MED-LDG3 115 0.9300 0.9652  58774 MED-LDG4 138 0.9391 0.9709
                                                     58787 PRATT  3 115 0.9185 0.9433
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Schedule No. 7

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 ........   ................................................   ................................................
 .                        1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL                                    .
 .                        2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES                                   .
 .              *** ACCC OVERLOAD REPORT: MONITORED ELEMENTS LOADED ABOVE 100.0 % OF RATING SET B ***               .
 .                                       *** ACCC VOLTAGE REPORT ***                                                  .
 ......................................................................................................................

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58780 [N-DODGE3115.00] TO BUS 58840 [EDODGE 3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 57
                                                                                        *** NONE ***
                                                    X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58839 EDODGE 134.5 1.0662 1.0461

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58782 [NLIBTAP3115.00] TO BUS 58837 [NLIB   3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 59
                                                                                        *** NONE ***

                                                    X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58816 E-LIBER134.5 1.0713 1.0438  58829 S-LIBER134.5 1.0673 1.0389

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58784 [OTISSUB3115.00] TO BUS 58823 [OTISSUB134.500] CKT 1 ------------------------------ CONTINGENCY SINGLE 61
                                                    58784*OTISSUB3 115 58823 OTISSUB134.5 2       5.4       9.9       8.0     123.6

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58784 [OTISSUB3115.00] TO BUS 58823 [OTISSUB134.500] CKT 2 ------------------------------ CONTINGENCY SINGLE 62
                                                    58784*OTISSUB3 115 58823 OTISSUB134.5 1       4.2      10.1       8.0     126.5

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58785 [PHLBURG3115.00] TO BUS 58786 [PLAINVL3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 63
                                                                                        *** NONE ***

                                                    X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58785 PHLBURG3 115 0.9244 0.9658

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58785 [PHLBURG3115.00] TO BUS 58824 [PHLBURG134.500] CKT 1 ------------------------------ CONTINGENCY SINGLE 65
                                                                                        *** NONE ***

                                                    X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
     AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58831 SMITH-C134.5 1.0658 1.0428

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
         X---- MULTI-SECTION LINE GROUPINGS ----X    FROM     NAME        TO      NAME     CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58787 [PRATT  3115.00] TO BUS 58796 [ST-JOHN3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 68
                                                                                        *** NONE ***

                                                    X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
        AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58768 HARPER 4 138 0.9481 0.9819  58773 MED-LDG3 115 0.9042 0.9652
                                                    58774 MED-LDG4 138 0.9155 0.9709  58787 PRATT  3 115 0.8444 0.9433
                                                    58797 SUNCITY3 115 0.9267 0.9769  58826 PRATT  134.5 0.9272 1.0381
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Schedule No. 7

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 1-2000 SOUTHWEST POWER POOL BASE CASE POWER FLOW MODEL
 2010 SUMMER PEAK - UTILICORP BASE CASE WITH WERE CHANGES
 *** ACCC OVERLOAD REPORT: MONITORED ELEMENTS LOADED ABOVE 100.0 % OF RATING SET B ***
 *** ACCC VOLTAGE REPORT ***

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58792 [SEWARD 3115.00] TO BUS 58796 [ST-JOHN3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 74
                                                                                           *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
          AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58773 MED-LDG3 115 0.9421 0.9652  58774 MED-LDG4 138 0.9495 0.9709
                                                     58787 PRATT  3 115 0.9053 0.9433  58796 ST-JOHN3 115 0.9185 0.9666

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58799 [W-DODGE3115.00] TO BUS 58835 [W-DODGE134.500] CKT 1 ------------------------------ CONTINGENCY SINGLE 82
                                                                                           *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
       AREA 539 BUSES WITH VOLTAGE GREATER THAN 1.0500: 58812 HAGGARD134.5 1.0637 1.0395

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58779 [MULGREN6230.00] TO BUS 56601 [HEIZER 3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 90
                                                                                           *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
          AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58751 ALEXNDR3 115 0.9372 0.9888  58785 PHLBURG3 115 0.9452 0.9658

X-------- C O N T I N G E N C Y   E V E N T S --------X X-- O V E R L O A D E D   L I N E S --X  X--MVA(MW)FLOW--X
          X---- MULTI-SECTION LINE GROUPINGS ----X   FROM      NAME        TO      NAME    CKT  PRE-CNT  POST-CNT  RATING  PERCENT
OPEN LINE FROM BUS 58786 [PLAINVL3115.00] TO BUS 56551 [SALINE 3115.00] CKT 1 ------------------------------ CONTINGENCY SINGLE 92
                                                                                           *** NONE ***

                                                     X------ BUS -----X V-CONT V-INIT  X------ BUS -----X V-CONT V-INIT
          AREA 539 BUSES WITH VOLTAGE LESS THAN 0.9500: 58785 PHLBURG3 115 0.9278 0.9658  58786 PLAINVL3 115 0.9349 0.9819
                                                     58793 SMITH-C3 115 0.9467 0.9738  58798 WALDO  3 115 0.9453 0.9758
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Schedule No. 7

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HOGAN & HARTSON

L.L.P.

RECEIVED

MAY 25 2000

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May 19, 2000

BY HAND DELIVERY

MAY 23 2000

SPIEGEL & McDIARMID

Mr. David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: UtiliCorp United Inc., et al., Docket Nos. EC00-27-000 and EC00-28-000

Dear Mr. Boergers:

By letter dated April 17, 2000, Mr. Michael C. McLaughlin, Director of the Division of Corporate Applications of the Office of Markets, Tariffs and Rates, requested the preparation of certain additional competitive analyses (as well as other information) from the Applicants in the referenced proceedings, for the stated purpose of expediting further consideration of the subject Application by the Commission. That letter order ("the April 17 order") called for a response by Applicants within twenty-one days of its issuance, which would have been May 8, 2000. By letter dated May 4, 2000, Applicants requested an extension of time, to May 12, 2000, to file their response. On May 11, 2000, Applicants requested a further extension, to May 19, 2000. Both requested extensions were granted. With the submission transmitted herewith, Applicants hereby file their response to the April 17 order.

While Applicants now respond in full to the April 17 order, we wish to note our disagreement with the premise on which it was issued – namely, that as of March 10, 2000, a significant change had occurred with respect to the Application, which required that the review process be started over. The April 17 order noted that the Application had not included a competitive analysis of the Applicants' systems based on the assumption of future integration, because "it would be too speculative to try to analyze future interconnections that might or might not occur" (quoting Applicants' witness, Dr. Mark Frankena). Apparently focusing solely on that statement by Dr. Frankena and ignoring the more detailed direct (and rebuttal) testimony of Applicants' witness, Richard C. Kreul, the order asserted that Applicants had "stated for the first time on March 10, 2000, that integration would definitely occur." (April 17 order at pages one and two.) The April 17 order went on to state:

> "...[I]t now appears certain that Applicants will integrate their systems but are still contemplating different ways in which to accomplish such integration. The integration of the merging systems could materially change the results of the initial competitive analysis filed by the Applicants as part of their application. The Commission cannot evaluate the competitive effects of the proposed merger without incorporating the effects of such integration and the application does not contain the information necessary to do so."

In responding herein to the April 17 order, Applicants wish to state that it has always been their intention to integrate the merged systems in the future and believed that they had so indicated in the totality of the testimony contained in their Application filed last November. We thus disagree with the suggestion in the April 17 order that such intention was stated by Applicants for the first time on March 10, 2000. The uncertainties previously noted by Applicants as the reason for their decision not to attempt to provide competitive analyses of the merged systems in one or more hypothetical, future configurations, related to the question of *how* such integration would be accomplished in the future, not to the issue of *whether* it would be done.1/

It should also be noted that all of the potential options for permanently integrating Applicants' systems after the merger would be accomplished by making substantial investments in transmission upgrades or new lines, which then would

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1/ Such uncertainty regarding the method of future integration is to be expected, given the continuing uncertain state of affairs with respect to the development of Regional Transmission Organizations in the region surrounding Missouri and Kansas. Indeed, Applicants still cannot state definitively how such integration will be accomplished; however, in order to respond to the April 17 order, Applicants have prepared analyses for the two remaining integration options under consideration.

be placed under the control of regional transmission entities. The competitive impact of future integration in those circumstances could only be positive, and additional Appendix A analyses assuming post-merger integration under all potential future configurations then under consideration seemed superfluous, at best.

Applicants take exception, therefore, to the statement in the April 17 order that there have been "significant changes" to the merger proposal requiring the new analyses requested, which "will start the Commission's merger review process over." (April 17 order at page two). Notwithstanding such disagreement, Applicants have moved as quickly as possible to carry out and provide the requested analyses. We tender those materials and the other information requested for the Commission's review at this time, with the request that the Commission now act promptly to approve the mergers involved in this Application. Consistent with the twenty-one day period for intervenor comments on this filing, required by the April 17 order, Applicants respectfully request that the Commission approve the Application by no later than July 12, 2000.

Sincerely,

John P. Mathis
Counsel for UtiliCorp United Inc.,
on behalf of all Applicants

Enclosures

cc: Hon. James J. Hoecker, Chairman
Hon. Linda Key Breathitt, Commissioner
Hon. Curt Hebert, Jr., Commissioner
Hon. William L. Massey, Commissioner
Mr. Michael C. McLaughlin, Director, Division of Corporate Applications, Office of Markets, Tariffs and Rates
All parties of record

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

UtiliCorp United Inc. and St. Joseph Light & Power Company	)))	Docket No. EC00-27-000
UtiliCorp United Inc. and The Empire District Electric Company	))	Docket No. EC00-28-000

RESPONSE OF APPLICANTS TO LETTER ORDER DATED APRIL 17, 2000

INTRODUCTION

UtiliCorp United Inc. ("UtiliCorp"), St. Joseph Light & Power Company ("St. Joseph") and The Empire District Electric Company ("Empire"), the Applicants in the above-captioned proceedings ("the Applicants"), hereby submit their response to the Commission's Letter Order dated April 17, 2000 (the "April 17 order"). In that letter order, the Commission requested that Applicants supplement the competitive analysis filed with their Application on November 23, 1999, to take into account the post-merger integration of UtiliCorp's Missouri Public Service division ("MPS") with the systems of St. Joseph and Empire. The Commission also requested that Applicants explain certain transactions relating to natural gas that were announced after November 1999.

In response to the April 17 Order, Applicants submit the Supplemental Testimony of Mr. Richard C. Kreul and of Dr. Mark W. Frankena, attached hereto. As Mr. Kreul explains, the purpose of his testimony is to provide the Commission with certain updated information concerning the Applicants' plans with respect to the future permanent integration of the MPS, St. Joseph and Empire systems. Dr. Frankena's testimony describes the additional competitive analyses performed at Applicants' request, which incorporate the assumptions regarding the future integration options that Mr. Kreul testifies are under consideration by Applicants, and also explains the competitive significance of the results of those analyses.

Applicants respectfully submit that the Supplemental Testimony of Mr. Kreul and of Dr. Frankena provide a full and complete response to the April 17 order. This additional information and analysis provide further confirmation that the mergers before the Commission in this proceeding do not present significant competitive concerns under any future integration scenario under consideration and that the Commission should now proceed to approve the Application without further delay.

DESCRIPTION OF TESTIMONY AND EXHIBITS INCLUDED IN RESPONSE

With respect to the question of the potential future options for permanent integration of the merged companies' currently separate systems in Missouri (*i.e.*, the MPS, St. Joseph and Empire systems), Mr. Kreul provides an update of events that have occurred since his rebuttal testimony was filed on February 10, 2000. He points out that UtiliCorp received on April 21, 2000, the initial results of the System Impact Study prepared by the Southwest Power Pool ("SPP"), in connection with its consideration of UtiliCorp's application for network service, described in his rebuttal testimony (dated February 10, 2000). Upon review of the data provided by the SPP System Impact Study, Mr. Kreul states that UtiliCorp has concluded that the costs of the upgrades to SPP member company systems that would be required in order to meet SPP's requirements for agreeing to provide network service, when coupled with the charges for such service under the SPP tariff, will cause the total cost of that approach to integration to exceed by a substantial margin the costs involved with construction of the new facilities contemplated originally as the likely integration option for the merged systems in question. (Kreul Supplemental Testimony at 3-4) In addition, Mr. Kreul's supplemental testimony points out that the comparative operational benefits favor the original integration approach as well. (Id.) As a result, he states that UtiliCorp has decided not to continue the application to the SPP for network service and has thus ruled out the use of that approach to the future integration of the subject systems. Because that potential option to future integration is no longer under consideration, Applicants have not attempted to furnish a competitive analysis of the mergers based on that assumption.

Mr. Kreul explains that the Applicants are now limited to the consideration of only two potential alternatives for such integration, both of which involve construction of the new transmission facilities described in his direct testimony, filed in November 1999. Those options are quite straightforward. They are: (a) to place the subject systems of the merged companies, as interconnected by the new transmission facilities, under the SPP regional transmission tariff, or (b) to place such systems, as interconnected, under the regional transmission tariff of the

Midwest Independent System Operator ("the Midwest ISO"). Mr. Kreul emphasizes in his supplemental testimony that the earliest time by which the subject systems could be interconnected (or "integrated") under either the SPP tariff or the Midwest ISO by means of such new facilities is mid-to-late 2002 (Id. at 6). He also notes that during that two-year period, there will likely be significant changes in the structure and configuration of those regional transmission entities. Mr. Kreul states that the Applicants have no objection to being required to join a Regional Transmission Organization meeting the criteria of Order No. 2000 (an "RTO") as a condition of approval of their mergers, but they have requested that they be given the same latitude afforded to all other public utilities under that Order regarding the timing of their statement of intentions with respect to the specific RTO they intend to join. 1/

In view of the above described developments, the Applicants (through the undersigned) instructed Dr. Frankena to prepare competitive analyses utilizing both potential alternative approaches to future integration that remain under active consideration. Thus, analyses of the competitive impact of the mergers assuming integration via construction of the new lines and placing the subject systems under the SPP regional tariff, in the one situation, and under the Midwest ISO, in the other, are furnished and explained in Dr. Frankena's supplemental testimony submitted herewith.

1/ See, e.g., American Electric Power Co. and Central and South West Corp., 90 FERC ¶ 61,242, opinion and order dismissing in part, denying in part, and granting

Dr. Frankena notes at the outset that data used for the pre- and post-merger cases have been updated to reflect changes in generation and transmission in the relevant market since his direct testimony was prepared over six months ago. And of course, the other major difference from his previous analyses is the fact that the current post-merger assumptions include the addition of the new transmission lines interconnecting MPS with St. Joseph and Empire, under the two integration scenarios described above. The supplemental Appendix A analyses cover the same 3,960 cases that were considered in Dr. Frankena's direct testimony, where no future integration was assumed. 2/ As a result of conducting the requested supplemental analyses, Dr. Frankena found that for each of the two alternatives, the combined effect of the two mergers is to cause an increase in the Herfindahl-Hirschman Index ("HHI") slightly above "Screen 1" 3/ in only 27 (for Alternative A) and 25 (for Alternative B) of the 3,960 cases. There are only 7 results which are above "Screen 2" 4/ by a trivial amount for each of the alternative integration options analyzed.

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in part reh'g, 91 FERC ¶ 61,129 (2000) (conditionally approving merger while permitting applicants to determine appropriate RTO(s) to join).

2/ There are 3,960 cases for each alternative because there are 33 destinations, 15 periods, two capacity types (Economic Capacity and Available Economic Capacity), two methods of allocating transmission capability, and two sets of proxies for pre-merger market prices (33 x 15 x 2 x 2 x 2 = 3,960), as explained in Dr. Frankena's direct testimony.

3/ Screen 1 is an increase of 100 or more in a market in which the post-merger HHI is between 1,000 and 1,800.

4/ Screen 2 is an increase of 50 or more in a market in which the post-merger HHI is 1800 or more.

As Dr. Frankena explains in his supplemental testimony, among the supplemental HHI results that are above Screen 1, none of the post-merger HHIs is above 1,450, and the increases in HHIs are all 188 or less. Dr. Frankena explains that it would be highly unusual for a federal antitrust agency or court to find that a merger that left the HHI well below 1,800 would raise significant competitive concerns or violate the antitrust laws, particularly where the increase in the HHI was under 200. For the HHI results above Screen 2, the increase in HHI is 62 or less, which is indistinguishable from the safe harbor level of 50 in markets with a post-merger HHI of 1,800 or more. (Frankena Supplemental Testimony at 13).

Dr. Frankena's supplemental analyses do not raise competitive concerns for several fundamental reasons. First, based on their small size and limited historical sales, UtiliCorp, St. Joseph, and Empire would not be significant competitors in any market for electric power absent the proposed merger. Second, the HHI results suggest that the proposed mergers are not likely to increase market power, regardless of entry conditions. Third, all of the screen failures are for Economic Capacity, and as long as utilities retain obligations to serve retail load, the relevant measure of market shares for competitive analysis is Available Economic Capacity. Fourth, entry conditions are such that the proposed mergers are not likely to increase market power, regardless of HHI results. Neither of the supplemental analyses has any relevance until after the new interconnections are completed and after obligations to serve retail load are substantially eliminated in the region. Because such obligations to serve are unlikely to be eliminated within the next several years, the ease of entry of new generation virtually eliminates any concerns regarding the competitive consequences of the mergers. (Frankena Supplemental Testimony at 12-16). 5/

THE COMMISSION SHOULD ACT PROMPTLY TO APPROVE THE MERGERS

The supplemental material included with this response reinforces the conclusions contained in the original Application, namely that the mergers of UtiliCorp and St. Joseph and of UtiliCorp and Empire are consistent with the public interest and should be approved. 6/ Even if one concedes the premise of the April 17 order, the Commission now has before it all of the information it requires to approve the proposed mergers. In its Merger Policy Statement, the Commission stated that it would make every reasonable effort to issue an initial order on a complete merger application within 120 to 150 days of the filing of the application. The Applicants filed their Application on November 23, 1999. The Commission issued the April 17 Order 146 days later. Applicants therefore respectfully request that the

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5/ Dr. Frankena also provides testimony explaining why none of the natural gas transactions involving UtiliCorp subsidiaries that have occurred since November 1999 is of any significance for the level of competition in any market for electric power.

6/ Indeed, Mr. Kreul's Supplemental Testimony resolves the most contentious issue raised by intervenors in response to the original application. Several intervenors had argued that the merged company should be required to place all of its Missouri and Kansas transmission facilities under a single regional tariff. Mr. Kreul now explains that upon completion of the planned transmission facility additions necessary to interconnect the Applicants' systems, all of the merged company's Missouri and Kansas transmission facilities will be placed under a single RTO, either the SPP or the Midwest ISO.

Commission approve the proposed mergers expeditiously -- if possible, by no later than the Commission's July 12, 2000 meeting. Since Intervenor comments on this filing are required by the April 17 order to be filed by June 9, 2000, the July 12 meeting would provide the Commission with over 30 days after the filing of such comments to issue its order.

The Commission's July 12 meeting is 232 days after the original Application was filed. The Commission has approved mergers with far more significant competitive consequences on much shorter timetables. For example, on November 22, 1999, one day before the Applicants filed their application in these dockets, Commonwealth Edison Company and PECO Energy Company filed their merger application in Docket No. EC00-26-000. Although the applicants in that docket were many times the relative size of UtiliCorp, St. Joseph and Empire, and the applicants' competitive analysis showed Appendix A screen failures far more significant than those at issue in this proceeding, 7/ the Commission approved the merger on April 12, 2000. 8/

7/ For example, applicants economic capacity analysis (without mitigation) showed significant screen failures for 10 of 11 time periods for the Commonwealth Edison destination market. The post-merger HHIs ranged from 4395 to 5671 and the HHI changes ranged from 179 to 297. The analysis showed similar results for available economic capacity. Despite these screen failures, the Commission approved the merger without requiring any form of mitigation.

8/ Commonwealth Edison Co and PECO Energy Co., 91 FERC ¶ 61,036 (2000).

CONCLUSION

The Applicants thus respectfully request that the Commission issue a decision approving the proposed mergers of UtiliCorp and St. Joseph and of UtiliCorp and Empire as expeditiously as possible.

Respectfully submitted,

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On behalf of
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On behalf of
The Empire District Electric Company

Date: May 19, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, by U.S. mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 19th day of May, 2000.

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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

UtiliCorp United Inc. and St. Joseph Light & Power Company	))	Docket No. EC00-27-000
UtiliCorp United Inc. and The Empire District Electric Company	))	Docket No. EC00-28-000

SUPPLEMENTAL TESTIMONY OF
RICHARD C. KREUL

Q. Please state your name, position and business address.

A. My name is Richard C. Kreul. I am employed by UtiliCorp United Inc. ("UCU"), within the operating group, UtiliCorp Energy Delivery ("UED"), as Vice President of Transmission Services. My business address is 10700 East 350 Highway, P.O. Box 11739, Kansas City, MO 64138.

Q. Are you the same Richard C. Kreul who provided direct testimony on behalf of UCU in the above-captioned dockets on November 23, 1999 and rebuttal testimony on February 10, 2000?

A. Yes.

Q. What is the purpose of this supplemental testimony?

A. In a letter order dated April 17, 2000, the Commission directed the Applicants in these proceedings to provide additional competitive analyses to reflect the integration of Applicants' systems by any mechanisms under consideration for achieving such integration. The purpose of this supplemental testimony is to describe such mechanisms that remain under consideration, which are the bases for the additional analyses undertaken by Applicants' expert witness, Dr. Mark W. Frankena, in response to the April 17 letter order.

Q. Have there been any additional factual developments since your rebuttal testimony was filed on February 10, 2000, that have a bearing on the subject matter of the Company's response to the April 17 order?

A. Yes.

Q. Please explain.

A. As I mentioned in my rebuttal testimony last February, UtiliCorp applied on December 6, 1999, for network service under the Southwest Power Pool ("SPP") tariff and on February 8, 2000, executed System Impact Study Agreements with the SPP related to that request. As I stated at that time, the option of potentially integrating the merged companies' systems using network service under the SPP tariff would be considered in the context of the results of the System Impact Study. A principal benefit of such a Study is that it provides UtiliCorp with load flow and other data that permit it to estimate the costs involved in the option of taking network service under the SPP tariff, as compared to the costs associated with the Company's original integration concept of building its own transmission lines (or having such lines built) to join the systems of UtiliCorp's Missouri Public Service ("MPS") division with those of St. Joseph Light & Power Company ("St. Joseph") and The Empire District Electric Company ("Empire"). (A detailed description of those lines is contained in my direct testimony, dated November 15, 1999, at pages 12 and 13.) The initial results of the System Impact Study were delivered by the SPP to UtiliCorp on April 21, 2000.

Q. What is the significance of those results to the Applicants' thinking regarding the options for the future integration of the systems of the merged companies referred to above?

A. Based on our analysis and estimates of the likely cost of the upgrades to SPP member company systems that the SPP has stated will be required in order to approve UtiliCorp's application for network service, it appears that the costs of those upgrade investments, coupled with the SPP's charges for network service, will cause the total costs of that integration option to exceed by a substantial amount the costs that have been estimated for UtiliCorp's original concept of building new transmission lines connecting MPS / St. Joseph and MPS / Empire. It also appears on further study that the comparative benefits to the merged companies' operations of integrating through the use of network service under the SPP tariff will be inferior to those which can be obtained through the construction of the above-described new lines joining the merged companies' systems. Thus, it does not appear fruitful for UtiliCorp to continue to pursue the application for network service with the SPP, and to incur the related costs of that process, at the present time.

Q. What options then are Applicants currently considering for the future integration of the systems in question?

A. Two options remain under serious consideration, both of which involve the construction of the new transmission lines mentioned above and in my direct testimony. The first option would be to build the lines described (or have them built) and then to place the merged-company systems in question under the SPP transmission tariff but without taking network service (because if the lines are built, network service would no longer be required in order to permit those systems to be joined into a single control area). The second option would be to build such lines and place the systems in question under the transmission tariff of the Midwest Independent System Operator.

Q. Are the Applicants willing to limit the amount of transfer capability that is reserved between the three current control areas?

A. Yes. Under normal operating conditions, the Applicants are willing, for a period of three years after completion of the integration of the systems described, to limit the amount of priority transfer rights to the following amounts:

From	To	Megawatts
MPS	SJLP	200
MPS	EDE	200
SJLP	MPS	100
EDE	MPS	100

Q. What is the basis for those transfer amounts?

A. The above transfer amounts permit the Applicants to achieve the energy cost savings which are one of the benefits resulting from the integration of the power supply functions of the Applicants.

Q. Are there any situations in which the Applicants would exceed the above transfer amounts?

A. Yes. Under abnormal operating conditions (such as loss of a major generating unit), the transfer amounts shown above may be exceeded due to redispatch or other system requirements, which would be determined by the applicable regional transmission system operator.

Q. Is any approach, other than the two options described, for the permanent integration of the merged companies' systems under consideration by Applicants at this time?

A. No.

Q. Why is UtiliCorp not making an immediate decision regarding whether to place the future integrated systems of MPS, St. Joseph and Empire under the SPP or the Midwest ISO?

A. There are several reasons underlying UtiliCorp's belief that such an immediate decision on that choice remains premature at this time.

First, when we address the question of the future integration of the subject systems by means of the new lines described, we are talking about an event that will not take place for at least the next two years. The process of planning, siting and building the subject transmission lines will require a minimum of eighteen months from the formal commencement of that process, which will not begin in earnest until after all regulatory approvals for the mergers have been obtained and financial closing of the merger transactions has occurred. That timing would mean that the commencement of integrated operations utilizing those facilities could not occur prior to mid-to-late 2002. Second, UtiliCorp anticipates that the organizational structures and configurations of both the SPP and the Midwest ISO will change significantly during the next six to eighteen months and that a decision on which of the two regional transmission entities the merged systems should join will become clearer than it is today. In fact, discussions among the affected parties in the region regarding the possibilities for changes and additions to the current configurations of the SPP and Midwest ISO are occurring on almost a continuous basis. It is also entirely possible that within the two-year period mentioned above, there may be either in place or in prospect a broader regional entity that encompasses some or all of the systems presently within both the SPP and the Midwest ISO, which of course would remove all uncertainty as to this issue and moot any concerns about whether the merged company systems should be in one entity or the other, for reasons unrelated to the merger.

Q. What do you consider to be the date when a definitive decision on this issue should or must be made?

A. Given the Commission's requirement in Order No. 2000 that all public utilities must inform it by October 15, 2000, regarding their plans for joining a regional transmission organization meeting the criteria set forth in that Order, UtiliCorp considers that date to be the practical deadline for a decision on this issue, and that is the latitude that the Applicants have requested in the current proceeding. Neither the SPP nor the Midwest ISO has been approved by the Commission as an RTO meeting the criteria of Order No. 2000; however, both of those entities are administering regional transmission tariffs under which they exercise effective control over the operation of the facilities subject to them. Thus, regardless of which of those two entities the merged companies should elect to join, the transmission facilities of the merged companies would be under the control of an operator independent of such companies. And, finally, I would reiterate a point made earlier in these proceedings that Applicants' transmission facilities are *already* under the operational control of regional transmission entities – the

SPP, in the case of Empire, and MAPP, in the case of MPS, St. Joseph and UtiliCorp's WestPlains Energy – Kansas division.

Q. Do Applicants have any objection to the imposition by the Commission, as a condition of approval of the Application in this proceeding, of a requirement that the merged companies join a Regional Transmission Organization?

A. No. As I stated previously, Applicants ask only that they not be required to disclose their intentions on that issue any earlier than the date provided by Order No. 2000 for all public utilities to do so -- October 15, 2000. That latitude will provide the maximum opportunity for the choices on that issue to become clearer in Applicants' region than they are today, but nevertheless with a reasonably prompt deadline for a decision on this subject of importance to the region.

Q. Does that conclude your supplemental testimony?

A. Yes.

AFFIDAVIT

State of Missouri)
) ss.
County of Jackson)

Richard C. Kreul, having been duly sworn, upon his oath, states that he is the Vice President, Transmission Services of UtiliCorp United Inc., and that he has participated in the preparation of the foregoing written testimony, in question and answer form, and believes that the statements therein are true and correct to the best of his knowledge, information and belief.

RICHARD C. KREUL

Subscribed and sworn to before me this 18th day of May, 2000.

NOTARY PUBLIC

My Commission Expires:

NANCY J. MANION
NOTARY PUBLIC STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXPIRES 7/31/2001

Schedule No. 8

SUPPLEMENTAL TESTIMONY OF MARK W. FRANKENA

I. INTRODUCTION

Q. What is your name, company affiliation and position?

A. My name is Mark W. Frankena. I am a Principal at Economists Incorporated, an economics consulting firm located at 1200 New Hampshire Avenue, N.W., Washington, D.C. 20036.

Q. Are you the same Mark W. Frankena who submitted Direct Testimony and Rebuttal Testimony on behalf of Applicants in the above-captioned dockets in November 1999 and February 2000?

A. Yes.

Q. What is the purpose of your Supplemental Testimony?

A. In a letter order dated April 17, 2000, the Commission requested that Applicants supplement the competitive analyses filed on November 23, 1999, to take into account post-merger integration of Missouri Public Service Co. (MPS), St. Joseph Light & Power Co. (St. Joseph) and The Empire District Electric Co. (Empire). The Commission also requested that Applicants explain certain transactions relating to natural gas that were announced after November 1999.

Counsel for UtiliCorp United Inc. (UtiliCorp), St. Joseph and Empire asked me to carry out the additional competitive analyses requested by the

Commission in a manner that is consistent with Appendix A to the Commission's 1996 *Merger Policy Statement* and 1998 *Notice of Proposed Rulemaking* relating to merger filings. Also, counsel asked me to provide an explanation of the competitive implications of the natural gas transactions identified by the Commission that took place after November 1999.

Q. Does your Supplemental Testimony revise or replace any of your Direct Testimony or Rebuttal Testimony?

A. No. My Supplemental Testimony responds to the Commission's request for additional analyses. Moreover, the exposition in my Supplemental Testimony assumes that the reader is familiar with my Direct Testimony.

Q. How is your Supplemental Testimony organized?

A Section II is a summary. Section III presents the additional Appendix A analyses with post-merger system integration of MPS, St. Joseph and Empire. Section IV explains that the proposed mergers and the integration of MPS, St. Joseph and Empire raise no competitive concerns. Section V evaluates the relevance of natural gas transactions involving UtiliCorp subsidiaries that have occurred since November 1999. Section VI is a conclusion. Data and detailed results for the supplemental Appendix A analyses are provided on a CD-ROM.

II. SUMMARY OF SUPPLEMENTAL TESTIMONY

Q. Please summarize the findings of the Appendix A analysis that you presented earlier in your Direct Testimony.

A. In my Direct Testimony, I used the Appendix A methodology to analyze the effects of the proposed mergers in 33 destinations during 15 time periods, or a total of 495 non-firm and short-term energy markets (33 x 15 = 495). For each of these 495 markets, I presented eight analyses, one for each combination of (i) each of two methods of measuring market shares, based on Economic Capacity and Available Economic Capacity, (ii) each of two sets of market prices, based on system lambdas and *Power Markets Week* data, and (iii) each of two methods of allocating transmission capacity, Economic and Pro-rata (2 x 2 x 2 = 8). Among the resulting 3,960 cases analyzed (495 x 8 = 3,960), there was no case in which the two mergers combined caused an increase in the Herfindahl-Hirschman Index (HHI) of market concentration above either of the screens used by the Commission, namely:

- *Screen 1*: An increase in the HHI of 100 in a market in which the post-merger HHI is between 1,000 and 1,800.
- *Screen 2*: An increase in the HHI of 50 in a market in which the post-merger HHI is 1,800 or more.

Q. How do the supplemental Appendix A analyses differ from the analyses presented in your Direct Testimony?

A. In the supplemental analyses, the post-merger cases reflect integration of the MPS, St. Joseph and Empire systems through construction of direct transmission interconnections. Also, data used for the pre- and post-merger cases have been updated to reflect changes in generation and transmission since my Direct Testimony was prepared.

Q. What methods are Applicants considering for integrating their systems after the mergers?

A. Richard C. Kreul explains in his Supplemental Testimony that Applicants are giving serious consideration to two alternatives for integrating their systems after the mergers (Alternatives A and B). Both alternatives involve construction of the same two direct interconnections, one between MPS and St. Joseph and the other between MPS and Empire. The difference between the two alternatives is that in Alternative A the Applicants would participate in the Southwest Power Pool (SPP) regional transmission organization, while in Alternative B they would join the Midwest Independent System Operator (MISO).

Q. What are the results of the supplemental Appendix A analyses?

A. For each of the two integration alternatives, the combined effect of the two mergers is to increase HHIs modestly above Screen 1 and very slightly above Screen 2 in a small number of markets.

Q. Do the results of the supplemental analyses change your previous finding that there is no indication that the proposed mergers would lead to a significant increase in generation market power?

A. No, this finding is not changed. There are several reasons that the supplemental analyses do not raise competitive concerns. First, as I explained in my Direct Testimony, UtiliCorp is a small owner of electric generating resources, and St. Joseph and Empire are very small owners. Based on the competitive analysis and the review of historical trade data that are presented in my Direct Testimony, it is clear that absent the proposed mergers UtiliCorp, St. Joseph and Empire would not compete significantly in any market. The proposed mergers therefore raise no concerns about generation market power.

Second, the supplemental HHI results are not significantly above the Commission's safe harbor levels, and the results are not close to the levels that raise concerns under merger enforcement standards used by the federal antitrust agencies and courts.

Third, no supplemental HHI result that is above the Commission's screens is of any potential relevance to evaluation of competition until both (i) Applicants have completed transmission interconnections and integrated their systems and (ii) states in the relevant region have reduced utilities' obligations to serve to the point that market shares are appropriately measured based on Economic Capacity rather than Available Economic Capacity. Entry by new generators into relevant markets will be easy by the time that both (i) and (ii) have occurred, and hence the supplemental HHI results provide no basis for concern about increased market power as a result of the merger. Applicants will not even complete the interconnections needed to integrate their systems before mid-to-late 2002.

In addition, the merged company will be a member of a regional transmission organization and will add transmission lines. Therefore, the mergers will not create or enhance transmission market power. Moreover, Mr. Kreul states in his Direct Testimony that Applicants will not effectuate any interconnection plan that would reduce Available Transmission Capacity into or out of Applicants' systems below the levels needed by a transmission dependent entity to import energy to serve its load or to export energy from existing generation. Also, as I explained in my Direct Testimony, the proposed mergers will not create or enhance vertical (gas-electric) market power.

Q. Did you analyze whether the natural gas transactions involving UtiliCorp's Aquila Energy subsidiary that are identified in the fourth paragraph of the Commission's April 17, 2000, letter order would affect the competitive analyses of the proposed mergers?

A. Yes, I did analyze this. Those transactions have no effect on the competitive analyses of the proposed mergers, including the analysis of the effects of the mergers on vertical (gas-electric) market power. None of those transactions could contribute to market power in any market, and they certainly would not increase UtiliCorp's ability and incentive to reduce the supply of natural gas to rival generators in such a way that St. Joseph's and Empire's generators would sell output at higher wholesale prices.

Q. In summary, did any of the supplemental analyses that you carried out indicate that the two proposed mergers, individually or together, are likely to result in a significant reduction in competition in any market for electric power?

A. No, they did not. The issues addressed in my Supplemental Testimony do not lead to any change in the conclusions in my Direct Testimony.

III. ADDITIONAL APPENDIX A ANALYSES WITH POST-MERGER INTEGRATION

Q. How have you responded to the Commission's request for additional Appendix A analyses that reflect post-merger integration of the MPS, St. Joseph and Empire systems?

A. I analyzed two alternative post-merger integration scenarios.

Alternative A: UtiliCorp would build or have built transmission facilities that would directly connect the MPS, St. Joseph and Empire areas and would operate the combined area as a single control area. MPS, WestPlains Energy-Kansas (WPE-Kansas) and St. Joseph are presently members of the Mid-Continent Area Power Pool (MAPP) and participate in the MAPP regional tariff. MAPP has agreed to merge with the Midwest Independent System Operator (MISO).

Therefore, absent the proposed mergers these utilities would soon obtain service under the MISO tariff, and service over their systems would be available to others under the MISO tariff. In Alternative A, after the mergers MPS, WPE-Kansas and St. Joseph would join Empire as members of the SPP regional transmission organization, and transmission service over the four systems would be available to others under the SPP tariff.

Alternative B: UtiliCorp would build or have built the same transmission facilities considered in Alternative A. After the mergers MPS, WPE-Kansas, St. Joseph and Empire would be members of the MISO, and transmission service over the four systems would be available to others under the MISO tariff.

Q. **What transmission facilities would be added in Alternatives A and B?**

A. Applicants would add two transmission lines. Specifically, Applicants would add a 25-mile 161 kV line rated at 312 MVA between the St. Joseph and MPS areas and a 42-mile 161 kV transmission line rated at 251 MVA between the Empire and MPS areas. Applicants would take out of service (open) a 161 kV transmission line rated at 153 MVA between St. Joseph and KCPL that limits power flows. These changes in transmission facilities are summarized in Exhibit No. ___ (MWF-26).

Q. **How did you model system integration in Alternatives A and B?**

A. I assumed that after the mergers the transmission line changes identified above would be implemented and that as a result Applicants would have new priority for certain power transfers among the MPS, St. Joseph and Empire areas. Based on the commitment stated in Mr. Kreul's Supplemental Testimony, I assumed there would be 200 MW of new priority transfers from the MPS area to the St. Joseph area when evaluating the St. Joseph destination, 200 MW from the MPS area to the Empire area when evaluating the Empire destination, and 100 MW from the St. Joseph area and 100 MW from the Empire area to the MPS area when evaluating the MPS destination. Therefore, as a result of the merger in my analysis Applicants would have 200 MW of new priority transfers to each of St. Joseph, Empire and MPS.

Q. **In carrying out the additional Appendix A analyses did you update any data, beyond making the changes described above relating to the integration alternatives?**

A. Yes. I updated data on transmission pricing, flowgates, anticipated mergers, and generating units. These updated data were used in computing HHIs both before and after the proposed mergers.

Q. **Please explain the updates to transmission pricing data.**

A. MAPP is merging with the MISO. Therefore, for transmission pricing in MAPP I used the license plate pricing system of the MISO instead of the megawatt-mile pricing system of MAPP's Schedule F.

Q. Please explain the updates to flowgate data.

A. I updated flowgate data to reflect the latest publicly available NERC summer and winter reference cases, Summer 1999 Trial 7 and Winter 1999/2000 Trial 5. Based on these reference cases, I calculated new flowgate and net import limits as well as new transfer distribution factors based on the latest Book of Flowgates by using MUST (v 3.01). Post-merger transfer distribution factors are different from pre-merger ones in Alternatives A and B because of improvements in the transmission system.

Q. Please explain the updates to anticipated mergers.

A. Since my Direct Testimony was prepared, KCPL and Western Resources have abandoned their proposed merger. Therefore, I have returned to KCPL ownership of KCPL's generating units and responsibility for KCPL's loads.

Q. Please explain the updates to generating unit data.

A. There have been a number of additions to generating capacity in the relevant region since my Direct Testimony was prepared. Exhibit No. ___ (MWF-27) summarizes the generation additions (none of which are owned by Applicants) that are now included in the data.

Q. Where do you summarize the results from the competitive analysis screen if Applicants adopt post-merger integration Alternative A or B.

A. Summaries for all results for Alternatives A and B that are above Screen 1 or Screen 2 are provided in Exhibit No. ___ (MWF-25).[1] Summaries for remaining cases and details of the 3,960 cases for each alternative are provided on the CD-ROM.

IV. IMPLICATIONS OF THE SUPPLEMENTAL ANALYSES

Q. Do the results of the supplemental analyses change your previous finding that there is no indication that the proposed mergers would lead to a significant increase in market power?

A. No, this finding is not changed. There are four reasons that the results of the supplemental analyses do not raise competitive concerns.

Q. What is the first reason that the supplemental results do not raise competitive concerns?

A. As I explained in my Direct Testimony, UtiliCorp is a small owner of electric generating resources, and St. Joseph and Empire are very small owners. At present, UtiliCorp owns 1,607 MW of generating capacity in Kansas and Missouri

[1] The reader is referred to my Direct Testimony and the exhibits to my Direct Testimony for explanations of the data and methodology used for the competitive analysis screen, how the HHIs have

while St. Joseph owns a mere 378 MW and Empire owns only 878 MW. If the three companies were now merged, UtiliCorp would still own only 2,863 MW of generating capacity, or less than Kansas City Power & Light (3,574 MW) and much less than Western Resources (5,600 MW) and other still larger utilities in the region, such as Ameren and Entergy, whose mergers were approved in the 1990s. Based on the competitive analysis and the review of historical trade data that are presented in my Direct Testimony, it is clear that absent the proposed mergers UtiliCorp, St. Joseph and Empire would not compete with each other significantly in any market. The proposed mergers therefore raise no concerns about generation market power. Furthermore, after the proposed mergers UtiliCorp will be a member of a regional transmission organization that will control its transmission facilities, and service over UtiliCorp's transmission facilities will be available to others under a regional tariff. Consequently, the proposed mergers would not create or enhance transmission market power. My Direct Testimony further explains that the proposed mergers would not create or enhance vertical (gas-electric) market power.

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been computed, and relevant antitrust enforcement standards. The exposition in my Supplemental Testimony assumes that the reader is familiar with my Direct Testimony.

Q. What is the second reason that the supplemental results do not raise competitive concerns?

A. None of the supplemental HHI results is significantly above the Commission's safe harbor levels,[2] and the results are not close to the levels that raise concerns under the merger enforcement standards used by the federal antitrust agencies and courts.

Among the supplemental HHI results that are above Screen 1, none of the post-merger HHIs is much above the middle of the "moderately concentrated" range (1,000 to 1,800), or above the level in a market with seven equal sellers (1,429). Moreover, all increases in the HHIs that result from the mergers in the cases that are above Screen 1 are less than 200. It would be highly unusual for a federal antitrust agency or court to find that a merger that left the HHI well below 1,800 would raise significant competitive concerns or violate the antitrust laws, particularly when the increase in the HHI was under 200.[3]

A few of the 3,960 HHI results for each of Alternatives A and B are above Screen 2 by a trivial amount. None of the increases in the HHI is greater than 62, which is indistinguishable from the safe harbor level of 50 in markets with a post-merger HHI of 1,800 or more.

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2 The 1992 Department of Justice and Federal Trade Commission *Horizontal Merger Guidelines* (*Merger Guidelines*), which have been adopted by the Federal Energy Regulatory Commission, state that "Other things being equal, cases falling just above and just below a threshold present comparable competitive issues." (Section 1.5)

Q. What is the third reason that the supplemental results do not raise competitive concerns?

A. All of the HHI results for Alternatives A and B that are above Screen 1 or Screen 2 are based on market shares for Economic Capacity. None is based on market shares for Available Economic Capacity. As long as utilities have existing obligations to serve, the relevant measure of market shares for competitive analysis is Available Economic Capacity; Economic Capacity is not relevant because sellers would receive the benefit of higher prices only on energy produced by their Available Economic Capacity.

Therefore, the proposed mergers combined with system integration will not have any results above either of the Commission's screens as long as utilities have existing obligations to serve. Given the pace of state restructuring, it will be some years before utilities are relieved of their obligations to serve and HHI results based on Economic Capacity become potentially relevant to market power. I will return to this point when I discuss entry conditions in the next answer.

Q. What is the fourth reason that the supplemental results do not raise competitive concerns?

A. Suppose, contrary to fact, that absent the proposed mergers the merging companies would be significant competitors in the sale of electric power. Even in

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3 See M. B. Coate, "Merger Enforcement at the Reagan/Bush FTC," in M. B. Coate and A. N. Kleit, eds., *The Economics of the Antitrust Process*, Kluwer, 1996, Chap. 7.

that case there would be no reason for competitive concerns in the markets with results above Screen 1 and Screen 2 because entry by new generators is easy.

Almost all the supplemental results that are above Screen 1 or Screen 2 relate to time periods during which, based on the *Power Markets Week* data used in the analysis, competitive market prices are above $26.50/MWh. That is, energy prices are sufficiently high so that in the analysis modern gas-fired combustion turbines operate. During these periods, entry could take the form of construction of new combustion turbines. In my Direct Testimony (pp. 36-37, 57-60 and Exhibit No. ___ (MWF-17)), I provided convincing evidence that entry by new combustion turbines is easy under the Commission's standards because entry would occur in less then two years in response to an exercise of market power. Given easy entry, there is no basis for concern that the proposed mergers would be likely to cause a significant increase in market power in the markets in question.

Moreover, none of the results that are above Screen 1 or Screen 2 for Alternatives A and B has any relevance until more than two years after consummation of the proposed mergers. This is true because Alternatives A and B are irrelevant until (i) Applicants complete direct interconnections among MPS, St. Joseph and Empire and (ii) obligations to serve have been substantially eliminated in the relevant region. Mr. Kreul explains in his Supplemental Testimony that Alternatives A and B will not be implemented prior to mid-to-late 2002. As I explained in my preceding answer, obligations to serve are unlikely to be substantially eliminated for some years. These facts provide additional time for entry of new generating capacity that would prevent any hypothetical increase in market power, beyond the two-year time period specified in the *Merger Guidelines*.

Entry by not only new combustion turbines but also new combined cycle generating capacity, which would operate during all conditions in which there are results above Screen 1 or Screen 2, is likely to be easy by the time that both (i) Alternative A or B has been implemented and (ii) state restructuring has proceeded to the point at which market shares based on Economic Capacity are relevant. Given typical lead times for new combined cycle projects, entry by new combined cycle generators in 2003 would be easy. There are two reasons to believe that entry by combined cycle units is likely to be easy before the end of 2002. First, it is likely that some combined cycle projects that are in various stages of planning would be speeded up if there were increased concern over market power. Second, combustion turbine units that are already installed in the region, or that are being installed in the region, probably could be converted to combined cycle operation by mid-to-late 2002.

V. TRANSACTIONS SINCE NOVEMBER 1999

Q. The Commission inquired about some transactions that have taken place since November 1999. What do these transactions have in common?

A. All these transactions involve UtiliCorp's subsidiary Aquila Energy, and all involve natural gas. Therefore, any relevance these transactions might be thought to have to the proposed mergers would involve vertical (gas-electric) market power. However, the analyses contained in my Direct Testimony are sufficient to reach the conclusion that none of these transactions is of any significance for the level of competition in any market for electric power.

Q. The Commission asked for an explanation of how Aquila Energy's long-term contract with American Public Energy Agency (APEA) would be likely to influence the competitive effects of the proposed mergers. Would you please address this issue?

A. On December 8, 1999, UtiliCorp announced that its subsidiary Aquila Energy and APEA had signed a 12-year contract under which Aquila Energy will provide the commodity natural gas to APEA for sale to APEA's municipal utility customers and other public agencies across the U.S. APEA has prepaid for the gas, and Aquila Energy's obligation to deliver and APEA's obligation to take the gas are firm. For reasons that are set out in my Direct Testimony, Aquila Energy's long-term gas supply contracts do not increase UtiliCorp's market power or the effects of the proposed mergers on market power in any relevant market. In my Direct

Testimony, I explained the following with reference to Aquila Energy's long-term contracts to supply the commodity natural gas to electric generators:

> UtiliCorp's Aquila Energy Marketing sells the commodity natural gas to electric generators. Exhibit No. ___ (MWF-8) is a list of plants served by Aquila Energy Marketing under long-term contracts. These contracts do not provide UtiliCorp with control over natural gas supplies to these generators, because these supplies are governed by the contracts. For other electric generators that are not under contract, and for the ones now under contract once the contracts expire, Aquila Energy Marketing must compete, and in the future will have to compete, with dozens of other gas marketers to supply gas. (Exhibit No. ___ (MWF-1), page 83)

In short, Aquila Energy's long-term contracts to supply the commodity natural gas directly or indirectly to electric generators do not increase UtiliCorp's ability or incentive to raise prices for electric power. Thus, regardless of the extent to which the natural gas sold by Aquila Energy to APEA would be used to generate electric energy for sale in any market in which St. Joseph's or Empire's generating plants might sell energy, the contract announced in December 1999 could not raise a competitive issue relating to the proposed mergers in any relevant market for electric power.

It follows from the explanation included in my Direct Testimony, as well as from the discussion immediate above, that the Aquila Energy-APEA contract is not relevant to the effects of the proposed mergers on market power.

Q. The Commission asked for an explanation of how Aquila Energy's acquisition of the marketing assets of U.S. Gas Transportation, Inc. (USGT), which was announced on March 14, 2000, would be likely to influence the competitive effects of the proposed mergers. Would you please address this issue?

A. Dallas-based USGT was a marketer of natural gas serving the midwestern and western US and Canada. Most of its activity was in markets off the Transwestern and El Paso pipelines. As part of the transaction, Aquila took assignment of USGT's gas purchase and sales contracts, the majority of which involve purchases in Texas and sales in California and to a lesser extent in Arizona and New Mexico. The transactions in question involve less than 5 percent of Transwestern's capacity. USGT now operates under the name USGT/Aquila, L.P. and is a subsidiary of Aquila Energy.

This acquisition could not have any significant effect on market power in any relevant market nor any effect on the competitive evaluation of the proposed mergers between UtiliCorp and St. Joseph and between UtiliCorp and Empire. First, marketing of natural gas is not concentrated, as I explained in my Direct Testimony:

> The merger presents no substantive competitive issues with respect to marketing of natural gas. Gas marketing in North America is unconcentrated, with an HHI below 650, and UtiliCorp's share is approximately 8 percent. (Exhibit No. ___ (MWF-7)) These figures are substantially below the minimum levels that might

suggest potential competitive concerns. (Exhibit No. ___ (MWF-1), page 83)

Second, USGT was a small company with 20 employees. There is no barrier to entry by natural gas marketing companies of that size, and no barrier to expansion of smaller natural gas marketing companies to reach that size. Therefore, the acquisition of a company of that size could not affect market power. Third, the terms on which the gas is sold under USGT's contracts are fixed by the contracts and the buyers are located principally in the Western States Coordinating Council area, which has only limited electric transmission connections to the SPP.

It follows from the explanation included in my Direct Testimony, and also from the discussion immediately above, that the Aquila Energy-USGT acquisition has no impact on the competitive effects of the proposed mergers.

Q. **The Commission asked for an explanation of how the February 2000 acquisition by an Aquila subsidiary from USGT of land and development rights for a natural gas storage facility in Texas would be likely to influence the competitive effects of the proposed mergers. Would you please address this issue?**

A. The potential gas storage facility in question, known as the Chaparral project, is located in the west Texas Permian Basin, four miles from the Waha gas transportation hub. At present, the property is undeveloped desert and a salt dome. Aquila has not decided whether or when it will create a gas storage facility there. A review of area water supplies, which are critical to the development, is ongoing.

It is estimated that if the storage facility is completed it will hold up to 6 billion cubic feet (Bcf) of natural gas. The Aquila subsidiary would have the ability to inject or withdraw natural gas on a short-notice basis.

My Direct Testimony addressed storage of natural gas but not specifically the Chaparral project. My Direct Testimony states:

> The merger presents no substantive competitive issues with respect to storage of natural gas….Aquila owns three storage facilities in Texas: Katy, Ambassador, and Pottsville. Katy and Ambassador have a combined capacity of 28.6 Bcf. Pottsville, which is in inactive storage, has capacity of approximately 4 Bcf. In addition, Aquila has contracted for 1 Bcf of capacity at the Moss Bluff field in Texas through March 2002. UtiliCorp's owned and contracted capacity in Texas is less than 5 percent of the 684 Bcf of storage capacity in Texas….Given these low shares of storage capacity [in Texas and other states], it is clear that UtiliCorp does not have the ability materially to affect storage. Nowhere in the country do Applicants have a share of storage capacity that would create competitive concerns of control or vertical foreclosure. (Exhibit No. ___ (MWF-1), pages 79-81)

From this information in my Direct Testimony plus the fact that—if developed—the Chapparal project would have a capacity of up to 6 Bcf,[4] one can compute that the Chapparal project would account for just under 1 percent of natural gas storage capacity in Texas. Also. one can compute that UtiliCorp's ownership of the Chaparral project would increase UtiliCorp's share of natural gas storage capacity in Texas from 4.9 percent to 5.8 percent. This share of storage capacity is much too low to raise competitive concerns relating to control over natural gas for electric generators, or more specifically vertical foreclosure that would impact

4 UtiliCorp, March 14, 2000, press release, cited in the Commission's April 17, 2000, letter order.

relevant markets in which St. Joseph's and Empire's generators would be likely to have significant shares of wholesale sales of electric energy.

It follows from the discussion in my Direct Testimony and the fact that the Chapparal project would have a capacity of up to 6 Bcf that Aquila Energy's acquisition of development rights relating to the Chapparal project has no impact on the competitive effects of the proposed mergers.

VI. CONCLUSION

Q. **Please summarize your conclusions.**

A. None of the issues raised in the Commission's April 17, 2000, letter order change my conclusion that the proposed mergers do not raise competitive concerns.

Q. **Does this conclude your Supplemental Testimony?**

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

UtiliCorp United Inc. and St. Joseph Light & Power Company	)	Docket No. EC00-27-000
UtiliCorp United Inc. and The Empire District Electric Company	)	Docket No. EC00-28-000

SUPPLEMENTAL TESTIMONY OF MARK W. FRANKENA

City of Washington)
)
District of Columbia) ss:

I, the undersigned, Mark W. Frankena, being duly sworn, depose and say that the content of the foregoing Supplemental Testimony on behalf of UtiliCorp United Inc., St. Joseph Light & Power Company, and The Empire District Electric Company is true, correct, accurate and complete to the best of my knowledge, information, and belief.

/s/ Mark Frankena
Mark W. Frankena

Subscribed and sworn to before me this 18th day of May 2000.

Sandra L. Resau
Notary Public

SANDRA L. RESAU
A Notary Public of District of Columbia
My Commission Expires May 31, 2004

Alternative A Results Above FERC Screen

Season	Time	Capacity	Pre-merger Price	UtiliCorp MW	UtiliCorp Pre-merger Share	St. Joseph & Empire MW	St. Joseph & Empire Pre-merger Share	Post-merger Share	HHI Change	Post-merger HHI	FERC Screen
Destination Utility: Missouri Public Service											
Pro-Rata Allocation, Pre-merger Prices based on Lambda Data											
Spring/Fall	Top 5%	EC	$26.24	1354	29.2	12.1	0.3	33.4	141	1165	Above 1
Summer	Top 5%	EC	$23.39	1544.3	32.8	11.2	0.2	36.2	151	1402	Above 1
Summer	Next 10%	EC	$23.49	1544.2	32.8	11.1	0.2	36.2	151	1402	Above 1
Pro-Rata Allocation, Pre-merger Prices based on Power Markets Week Data											
Spring/Fall	Top 5%	EC	$30.66	1354	29.2	12.1	0.3	33.6	145	1183	Above 1
Spring/Fall	Next 10%	EC	$28.27	1354.2	29.3	10.7	0.2	33.7	144	1186	Above 1
Spring/Fall	Low Peak	EC	$21.45	1298.6	28.2	13.6	0.3	32	127	1128	Above 1
Summer	Top 5%	EC	$100.00	1593.6	33.7	13.5	0.3	37.2	157	1433	Above 1
Summer	Next 10%	EC	$85.00	1593.6	33.7	13.5	0.3	37.2	157	1433	Above 1
Summer	Low Peak	EC	$28.40	1544	33	10.2	0.2	36.6	154	1399	Above 1
Summer	Weekend	EC	$21.48	1541.9	33.3	10.4	0.2	36.5	149	1408	Above 1
Winter	Top 5%	EC	$27.02	1422	30.3	10.9	0.2	34.5	144	1266	Above 1
Winter	Next 10%	EC	$26.51	1422.3	30.2	11.5	0.2	34.4	145	1269	Above 1
Economic Allocation, Pre-merger Prices based on Lambda Data											
Spring/Fall	Top 5%	EC	$26.24	1348.5	20.6	62.8	1	23.1	101	1032	Above 1
Summer	Top 5%	EC	$23.39	1538.4	22.9	118	1.8	25.3	134	1265	Above 1
Summer	Next 10%	EC	$23.49	1538.4	22.9	118	1.8	25.3	134	1266	Above 1
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Spring/Fall	Low Peak	EC	$21.45	1294.4	20	85.3	1.3	22.3	101	1017	Above 1
Summer	Top 5%	EC	$100.00	1588.8	23.4	72.9	1.1	25.3	108	1244	Above 1
Summer	Next 10%	EC	$85.00	1588.8	23.4	72.9	1.1	25.3	108	1244	Above 1
Summer	Low Peak	EC	$28.40	1538.4	22.8	86	1.3	25.2	121	1263	Above 1
Summer	Weekend	EC	$21.48	1538.4	22.9	119.2	1.8	25.1	131	1268	Above 1
Winter	Top 5%	EC	$27.02	1416.2	21.4	58.3	0.9	23.7	100	1053	Above 1
Winter	Next 10%	EC	$26.51	1416.2	21.4	59	0.9	23.8	101	1057	Above 1

Schedule No. 8

Alternative A Results Above FERC Screen

Season	Time	Capacity	Pre-merger Price	UtiliCorp MW	UtiliCorp Pre-merger Share	St. Joseph & Empire MW	St. Joseph & Empire Pre-merger Share	Post-merger Share	HHI Change	Post-merger HHI	FERC Screen
Destination Utility: West Plains Energy - Kansas											
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Top 5%	EC	$100.00	535.2	26.4	19.9	1	27.9	54	2004	Above 2
Summer	Next 10%	EC	$85.00	535.2	26.4	19.9	1	27.9	54	2005	Above 2
Destination Utility: Empire											
Pro-Rata Allocation, Pre-merger Prices based on Lambda Data											
Summer	Top 5%	EC	$50.69	13.8	0.4	1140.3	32.4	36	188	1372	Above 1
Summer	Next 10%	EC	$38.77	14.7	0.4	1140.2	32.1	36	188	1365	Above 1
Pro-Rata Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Top 5%	EC	$100.00	13.3	0.4	1140.5	32.5	36	188	1371	Above 1
Summer	Next 10%	EC	$85.00	13.3	0.4	1140.5	32.4	36	188	1371	Above 1
Summer	Low Peak	EC	$28.40	9.3	0.2	1127.5	29.8	35.6	181	1285	Above 1
Destination Utility: Kansas City Power & Light											
Economic Allocation, Pre-merger Prices based on Lambda Data											
Summer	Low Peak	EC	$22.37	716.6	7.8	309.7	3.4	11	57	1816	Above 2
Summer	Weekend	EC	$20.19	659.5	7.6	306.5	3.5	11	59	1971	Above 2
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Low Peak	EC	$28.40	654.7	6.3	370.1	3.6	9.7	51	1956	Above 2
Summer	Weekend	EC	$21.48	709.7	8.1	306.5	3.5	11.4	62	1888	Above 2
Destination Utility: Sunflower Electric Corp.											
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Top 5%	EC	$100.00	412.5	21.6	23.9	1.3	22.3	54	2281	Above 2

Schedule No. 8

Alternative B Results Above FERC Screen

Season	Time	Capacity	Pre-merger Price	UtiliCorp MW	UtiliCorp Pre-merger Share	St. Joseph & Empire MW	St. Joseph & Empire Pre-merger Share	Post-merger Share	HHI Change	Post-merger HHI	FERC Screen
Destination Utility: Missouri Public Service											
Pro-Rata Allocation, Pre-merger Prices based on Lambda Data											
Spring/Fall	Top 5%	EC	$26.24	1354	29.2	12.1	0.3	33.2	140	1180	Above 1
Summer	Top 5%	EC	$23.39	1544.3	32.8	11.2	0.2	36.2	150	1395	Above 1
Summer	Next 10%	EC	$23.49	1544.2	32.8	11.1	0.2	36.2	151	1395	Above 1
Pro-Rata Allocation, Pre-merger Prices based on Power Markets Week Data											
Spring/Fall	Top 5%	EC	$30.66	1354	29.2	12.1	0.3	33.4	143	1172	Above 1
Spring/Fall	Next 10%	EC	$28.27	1354.2	29.3	10.7	0.2	33.4	142	1174	Above 1
Spring/Fall	Low Peak	EC	$21.45	1298.6	28.2	13.6	0.3	31.9	127	1125	Above 1
Summer	Top 5%	EC	$100.00	1593.6	33.7	13.5	0.3	37	155	1426	Above 1
Summer	Next 10%	EC	$85.00	1593.6	33.7	13.5	0.3	37	155	1425	Above 1
Summer	Low Peak	EC	$28.40	1544	33	10.2	0.2	36.4	152	1388	Above 1
Summer	Weekend	EC	$21.48	1541.9	33.3	10.4	0.2	36.6	150	1412	Above 1
Winter	Top 5%	EC	$27.02	1422	30.3	10.9	0.2	34.3	143	1259	Above 1
Winter	Next 10%	EC	$26.51	1422.3	30.2	11.5	0.2	34.3	143	1262	Above 1
Economic Allocation, Pre-merger Prices based on Lambda Data											
Summer	Top 5%	EC	$23.39	1538.4	22.9	118	1.8	25.3	135	1267	Above 1
Summer	Next 10%	EC	$23.49	1538.4	22.9	118	1.8	25.3	135	1268	Above 1
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Spring/Fall	Low Peak	EC	$21.45	1294.4	20	85.3	1.3	22.2	102	1008	Above 1
Summer	Top 5%	EC	$100.00	1588.8	23.4	72.9	1.1	25.3	108	1248	Above 1
Summer	Next 10%	EC	$85.00	1588.8	23.4	72.9	1.1	25.3	108	1248	Above 1
Summer	Low Peak	EC	$28.40	1538.4	22.8	86	1.3	24.9	115	1268	Above 1
Summer	Weekend	EC	$21.48	1538.4	22.9	119.2	1.8	25.2	133	1267	Above 1

Schedule No. 8

Alternative B Results Above FERC Screen

Season	Time	Capacity	Pre-merger Price	UtiliCorp MW	UtiliCorp Pre-merger Share	St. Joseph & Empire MW	St. Joseph & Empire Pre-merger Share	Post-merger Share	HHI Change	Post-merger HHI	FERC Screen
Destination Utility: West Plains Energy - Kansas											
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Top 5%	EC	$100.00	535.2	26.4	19.9	1	27.4	52	1959	Above 2
Summer	Next 10%	EC	$85.00	535.2	26.4	19.9	1	27.4	52	1944	Above 2
Destination Utility: Empire											
Pro-Rata Allocation, Pre-merger Prices based on Lambda Data											
Summer	Top 5%	EC	$50.69	13.8	0.4	1140.3	32.4	35.9	187	1367	Above 1
Summer	Next 10%	EC	$38.77	14.7	0.4	1140.2	32.1	35.8	187	1359	Above 1
Pro-Rata Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Top 5%	EC	$100.00	13.3	0.4	1140.5	32.4	35.9	187	1365	Above 1
Summer	Next 10%	EC	$85.00	13.3	0.4	1140.5	32.4	35.9	187	1365	Above 1
Summer	Low Peak	EC	$28.40	9.3	0.2	1127.5	29.8	35.4	179	1277	Above 1
Destination Utility: Kansas City Power & Light											
Economic Allocation, Pre-merger Prices based on Lambda Data											
Summer	Low Peak	EC	$22.37	716.6	7.8	309.7	3.4	11.2	56	1615	Above 2
Summer	Weekend	EC	$20.19	659.5	7.6	306.5	3.5	11.1	59	1969	Above 2
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Low Peak	EC	$28.40	654.7	6.3	370.1	3.6	9.9	51	1955	Above 2
Summer	Weekend	EC	$21.48	709.7	8.1	306.5	3.5	11.6	62	1886	Above 2
Destination Utility: Sunflower Electric Corp.											
Economic Allocation, Pre-merger Prices based on Power Markets Week Data											
Summer	Top 5%	EC	$100.00	412.5	21.6	23.9	1.3	22.8	54	2275	Above 2

Schedule No. 8

Transmission Line Changes in Alternatives A and B

From Bus			To Bus			Electric Characteristics			Line Rating (MVA)		
Number	Name	Nominal KV	Number	Name	Nominal KV	Resistance (R, PU)	Reactance (X, PU)	Charging (B, PU)	Normal	Emergency	Length (Miles)
Add the following line between MPS and St. Joseph:											
57503	NASHUA5	161	69705	LAKE RD5	161	0.0108	0.0916	0.0475	312	312	25.5
Add the following line between MPS and Empire:											
57508	NEVADA 5	161	59202	ASB349 5	161	0.0191	0.1134	0.0607	251	251	42
Open the following line between St. Joseph and KCPL so it will be out of service:											
57728	NASHUA 5	161	69705	LAKE RD5	161	0.0327	0.1005	0.0449	163	172	–

Source: UtiliCorp.

Additions to Generating Capacity

Control Area*	Unit Owner*	Plant Name	Plant ID	Unit ID	Type	Fuel	Capability MW	Old Capability MW	Dispatch Cost $/MWh	Heat Rate mmBtu/MWh	Fuel Cost $/mmBtu	VOM $/MWh	SO2
CSWSPP	PANDAE	Oneta			CT	Gas	1000		24.81	12	1.8892	2.14	0
CSWSPP	CTRIXE	Green County		1	CC	Gas	800		15.60	7	1.9087	2.14	0
KCPL	KCPL	Hawthorne 7-8		7-8	CT	Gas	154		24.81	12	1.8892	2.14	0
KCPL	KCPL	Hawthorne 4		4	CC	Gas	140		15.36	7	1.8892	2.14	0
OKGE	WRI	Logan Cty			CT	Gas	300		24.81	12	1.8892	2.14	0
OKGE	OKGE	Mustang 1-2		1-2	Boiler	Gas	115		19.69	10	1.8892	0.8	0
WRI	WRI	Gordon Evans			CT	Gas	200		24.93	12	1.8989	2.14	0
WRI	WRI	Gordon Evans			CT	Gas	100		24.93	12	1.8989	2.14	0
KCPL	KCPL	Hawthorn	2079	5	Boiler	Coal	500	479	8.21	10.318	0.7024	0.87	0.63
ASEC	ASEC	New ASEC	X028	1	CC	Gas	530	250	15.36	7	1.8892	2.14	0
ASEC	ASEC	St. Francis	X028	2	CC	Gas	250	34	15.36	7	1.8892	2.14	0

Sources: RDI BaseCase, UtiliCorp, trade press, company web sites.
Notes: * Control area abbeviations in Names file on CD-ROM.
** Owner abbreviations in Names file on CD-ROM.

Schedule No. 8

Exhibit No. __ (MWF-27)

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 Company with	)**Case No. EM-2000-369**
and Into UtiliCorp United Inc., and in	)
Connection Therewith, Certain Other	)
Related Transactions	)

AFFIDAVIT
OF
WHITFIELD A. RUSSELL

WHITFIELD A. RUSSELL, on oath, deposes and states that the foregoing **Rebuttal Testimony and Exhibits**, on behalf of Springfield (MO) City Utilities before the Public Service Commission of the State of Missouri were prepared by him or at his direction and under his supervision, and that if asked the question herein, he would give the answers as shown, and that the facts stated herein are true to the best of his knowledge, information and belief.

WHITFIELD A. RUSSELL

Subscribed and sworn to before me on this 19th day of June, 2000.

NOTARY PUBLIC
My Commission Expires:

JAMES M. REED
Notary Public District of Columbia
My Commission Expires June 30, 2002