Missouri Public Service Commission

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July 20, 2001

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

FILED[2]
JUL 2 0 2001
Missouri Public
Service Commission

RE: Case No. GM-2001-585

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **REQUEST FOR MODIFICATION OF PROCEDURAL SCHEDULE.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Lera L. Shemwell
Associate General Counsel
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LLS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED[2]
JUL 2 0 2001
Missouri Public Service Commission

In the Matter of the Joint Application of Gateway Pipeline Company, Inc., Missouri Gas Company and the Acquisition by Gateway Pipeline Company of the Outstanding Shares of Utilicorp Pipeline, Inc.	))))))	Case No. GM-2001-585

REQUEST FOR MODIFICATION OF PROCEDURAL SCHEDULE

COMES NOW the Staff of the Missouri Public Service Commission and requests that the Procedural Schedule adopted by the Commission on July 5, 2001 be amended to allow the Staff additional time to seek information concerning the impact of the proposed sale on Missouri consumers. Staff also respectfully requests that the Commission grant its request for such modification prior to the July 30, 2001 filing date for Staff's rebuttal testimony in this case. In support of its request Staff states:

1. Staff realizes that it is important to the companies requesting approval of this transaction for this matter to be resolve as quickly as possible, but notes that UtiliCorp United, Inc. announced the sale of these assets as early as February 2001, so that it is reasonable to think that the companies, who are familiar with Commission procedures, could have made their initial filings earlier.

2. Staff is attempting to gather information to assist the Commission in determining whether the transaction is detrimental to the public interest. *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468(Mo.App. 1980).

3. The process of discovery has raised some issues that Staff needs to investigate more thoroughly in order to make a useful and complete recommendation to the Commission.

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4. In Case No. GA-90-280 the Commission granted certificates of public convenience and necessity to Missouri Pipeline Company and Missouri Gas Company to construct pipelines to serve communities in Missouri, such as Sullivan, St. James, Waynesville and Rolla that had no access to natural gas.

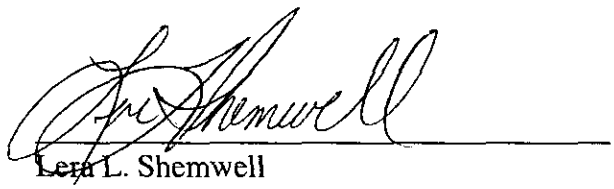
5. These communities, as well as others on the lines in question, are captive customers of Missouri Gas Company and Missouri Pipeline Company. The impact if gas supply to these areas were to be lost or if the rates were to be increased needs to be evaluated. These communities have historically relied on propane for space heating and have converted to natural gas. A significant increase in rates could create a migration back to propane with the related customer dissatisfaction.

6. Analysis at this point indicates that the pipelines may not be economically viable without significant changes in the volume of business or higher rates. Currently these pipelines are supported by a large Missouri utility with rates regulated by the Commission. Current concerns with the sale of the pipelines include a reduction in financial resources supporting these pipelines and the probability of the new owners seeking Federal Energy Regulatory Commission jurisdiction of the pipelines and their rates. The impact on Missouri consumers of a change in the regulatory jurisdiction and a change in ownership from a large Missouri utility to an out of state partnership needs further evaluation.

WHEREFORE the Staff requests that the Commission extend the procedural schedule by 45 days to allow Staff time to complete its investigation and evaluation of the proposed sale.

Respectfully submitted,

DANA K. JOYCE
General Counsel



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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this July 20, 2001.

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Case No. GM-2001-585
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