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July 26, 2001

FILED²
JUL 26 2001

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, MO 65102

**Re: In the Matter of the Joint Application of Gateway Pipeline Company, Inc., Missouri Gas Company and Missouri Pipeline Company
Case No. GM-2001-585**

Dear Mr. Roberts:

On behalf of UtiliCorp United Inc., I deliver herewith an original and eight (8) copies of an Suggestions of UtiliCorp United Inc., Missouri Pipeline Company and Missouri Gas Company in Opposition to Staff's Request for Modification of Procedural Schedule to be filed with the Commission in the referenced case. A copy is also being hand-delivered to The Office of the Public Counsel this date.

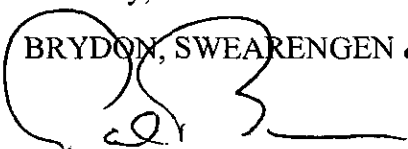
I have also enclosed an extra copy of the Suggestions of UtiliCorp United Inc., Missouri Pipeline Company and Missouri Gas Company in Opposition to Staff's Request for Modification of Procedural Schedule which I request that you stamp "Filed" and return to the person delivering same to you.

Thank you for your attention in this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:


Paul A. Boudreau

PAB:aw
Enclosures
cc: Office of the Public Counsel
Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
JUL 26 2001

Missouri Public
Service Commission

In the Matter of the Joint Application of)
Gateway Pipeline Company, Inc.,)
Missouri Gas Company and Missouri)
Pipeline Company.)

Case No. GM-2001-585

**SUGGESTIONS OF UTILICORP UNITED INC., MISSOURI PIPELINE COMPANY
AND MISSOURI GAS COMPANY IN OPPOSITION TO STAFF'S REQUEST
FOR MODIFICATION OF PROCEDURAL SCHEDULE**

COME NOW UtiliCorp United Inc. ("UtiliCorp"), Missouri Pipeline Company ("MPC") and Missouri Gas Company ("MGC"), and offer the following suggestions in opposition to Staff's Request for Modification of Procedural Schedule (the "Request").

1. With the ink hardly dry on the Commission's July 5, 2001, Order Adopting Procedural Schedule, Staff has come forward with a request that the agreed-to procedural schedule be extended by 45 days. The Office of the Public Counsel ("Public Counsel") has joined in the Request. UtiliCorp, MPC and MGC submit that neither Staff nor Public Counsel has offered good cause for delaying the procedural schedule in this case. It is regrettable that these parties were not more forthcoming in negotiating the agreed-to procedural schedule.

2. Staff's suggestion that the Joint Applicants did not file their Joint Application in a timely manner, raised now for the first time after the procedural schedule had been negotiated, is factually incorrect and misleading. The Stock Purchase Agreement did not become definitive for purposes of filing with the Commission until April 12, 2001, when a Second Amendment to the Stock Purchase Agreement was signed by the parties. The Joint Application was filed with the Commission on April 19, 2001, a mere seven (7) days after the agreement, as amended, became final and operative. The timing of the filing apparently gave Staff and Public Counsel little concern previously as evidenced by their agreement to the proposed procedural schedule which has now been

ordered by the Commission.

3. This matter now has been before the Commission for more than three (3) months since the Application was filed. UtiliCorp, MPC and MGC suggest that there has been adequate time available for Staff and Public Counsel to fully investigate this transaction. Moreover, if the Commission issues a decision by the end of September, as is currently anticipated by the agreed-to procedural schedule in this case, the Joint Application will have been before the Commission for investigation and decision for nearly six (6) months, hardly a break-neck pace.

4. Turning to the substance of Staff's Request, UtiliCorp, MPC and MGC note that the concerns set forth in that filing are cryptic and conclusory. They certainly do not provide a compelling basis for delay. Generally, it appears that Staff's concerns are related to possible subsequent ratemaking considerations, although these concerns have not been set forth with any specificity. Issues of this nature are speculative and remote, particularly in view of the fact that the Joint Application does not request any modification to existing MPC or MGC rate schedules or other tariffs governing the terms and conditions under which transportation service will continue to be provided to shippers along the MPC/MGC system.¹ Ratemaking issues should be addressed only when they become ripe; that is, if and when rate cases are subsequently filed by MPC or MGC. It is also worth noting that the communities to which the Staff makes reference in ¶ 4 of the Request have been notified of this proceeding and, to the knowledge of UtiliCorp, MPC or MGC, none have intervened to express any reservations about the proposed transaction. Moreover, two major

¹ The Commission is required to approve the sale by UtiliCorp of UPL's stock unless it can be shown that it would be "detrimental to the public interest." *State ex rel. City of St. Louis v. Public Service Commission*, 73 S.W.2d 393 (Mo. banc 1934). Both Staff and Public Counsel have acknowledged that this is the minimal standard for approval. *See, Request*, ¶2; *Public Counsel Motion*, ¶3. This requires an affirmative showing that the transaction will have a "present and direct" adverse impact on rates or customer service. *Re Missouri-American Water Company*, Case No. WM-2000-222; *Re The Empire District Electric Company*, Case No. EM-2000-363.

shippers on the MPC/MGC system, Laclede Gas Company and AmerenUE, have intervened in the case and, presumably, they can look after their own interests.

5. Nevertheless, to the extent that Staff or Public Counsel have concerns about the proposed transaction that they believe should be addressed in this case, the appropriate place to set forth those concerns is in their rebuttal testimony, which is currently due to be filed on July 30, 2001. Setting forth those concerns fully in rebuttal testimony would give the Joint Applicants a full and fair opportunity to respond to the specific concerns that have been only generally alluded to by Staff in its Request.

6. To the knowledge of UtiliCorp, MPC and MGC, all data requests submitted to the Joint Applicants, including Gateway, by Staff and Public Counsel prior to the time Staff filed its Request have been expeditiously answered and all information pertinent to the questions thus far asked has been provided. It is significant to note that Staff and Public Counsel do not claim that their alleged inability to prepare rebuttal testimony is due to an inability or unwillingness on the part of the Joint Applicants to provide the information that has been requested of them on a timely basis.²

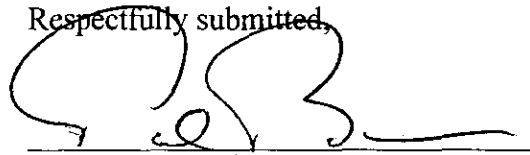
7. In summary, Staff and Public Counsel have presented no good cause for modification of the agreed-to procedural schedule in this case to further delay consideration of the Joint Application. As recently as July 2, 2001, they agreed to the schedule that is now in place. The Joint

² On Tuesday, July 24th at 1:13 p.m., four days *after* it filed its Request to delay the procedural schedule, Staff submitted to UtiliCorp an additional data request containing thirty (30) subparts. Nothing requested by Staff's eleventh hour data request is relevant to the seminal issue in this case, that is, whether the stock sale would be detrimental to the public interest. The transaction does not contemplate, and the Joint Application does not request, any change in rates or other terms and conditions of service which have previously been approved by the Commission. Likewise, none of the questions have anything to do with Gateway's ability to serve. *See*, fn. #1, *supra*. Notwithstanding the fact that the information requested by Staff is wholly irrelevant to the only issue presented in this case, UtiliCorp anticipates that it will respond in full to this most recent data request before the end of business today. Consequently, there is no need for further delay in the proceedings simply because the information sought by Staff, though wholly irrelevant, was not requested on a timely basis.

Applicants have answered all of the data requests submitted to them on an expedited and timely basis. The appropriate place to voice concerns about the transaction, if any, is in rebuttal testimony on July 30, 2001. This will then give Joint Applicants a fair opportunity to respond in surrebuttal to Staff's and Public Counsel's fully articulated recommendations.

WHEREFORE, UtiliCorp, MPC and MGC offer the foregoing suggestions in opposition to Staff's Request to delay the procedural schedule.

Respectfully submitted,



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Attorneys for UtiliCorp United Inc., Missouri Pipeline
Company and Missouri Gas Company

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered on this 26th day of July, 2001, to the following:

Ms. Lera L. Shemwell
Missouri Public Service Commission
Governor Office Building
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102

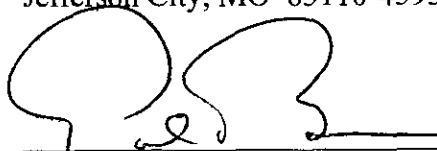
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A handwritten signature in black ink, appearing to read 'Paul A. Boudreau', written over a horizontal line.

Paul A. Boudreau