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August 28, 2001

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

FILED²
AUG 2 8 2001

Service Commission

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 the Position Statement of UtiliCorp United Inc. and Joint Applicants Missouri Pipeline Company and Missouri Gas Company 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 <u>Position Statement of UtiliCorp United Inc.</u> and <u>Joint Applicants Missouri Pipeline Company and Missouri Gas Company</u> 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 Roudreau

PAB:aw Enclosures

cc: Office of the Public Counsel

Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Joint Application of (Gateway Pipeline Company, Inc. (Case No. GM-2001-585)

Missouri Gas Company and Missouri (Pipeline Company)

POSITION STATEMENT OF UTILICORP UNITED INC. AND JOINT APPLICANTS MISSOURI PIPELINE COMPANY AND MISSOURI GAS COMPANY

COME NOW UtiliCorp United Inc. ("UtiliCorp"), and Joint Applicants Missouri Pipeline Company ("MPC") and Missouri Gas Company ("MGC"), and offer their Statement of Position with respect to the issues in this case. UtiliCorp, MPC and MGC state as follows:

1. Should the request of the Joint Applicants that Gateway Pipeline Company acquire all of the stock of UtiliCorp Pipeline Systems be approved?

The Commission should approve the Joint Application and authorize Gateway Pipeline Company to acquire all of the stock of UtiliCorp Pipeline Systems.

A. Would the sale be detrimental to the public interest?

No, the stock sale would not be detrimental to the public interest. The proposed transaction will have no present and direct adverse impact on the rate schedules currently on file with and approved by the Commission with respect to MPC or MGC. Indeed, because the transaction is a stock (as opposed to an asset) sale, MPC and MGC will operate under all of the same regulatory conditions and requirements both before and after the transaction. Also, there is no competent or substantial evidence that approval of the stock sale would adversely impact the quality or reliability of service provided to shippers along the MPC/MGC pipeline system.

B. If so, are there conditions that the Commission could impose to reduce or eliminate any detriment?



As noted above, UtiliCorp, MPC and MGC do not believe that approval of the transaction would be detrimental to the public interest. Nevertheless, the Commission can protect shipper and end-use consumer interests by imposing its customary condition that its approval will not be binding on the Commission for ratemaking purposes. While UtiliCorp, MPC and MGC do not believe that there is a need for any other conditions, the Commission can impose such reasonable additional conditions as it deems necessary if it finds that an immediate and present detriment to the public interest would come about as a direct consequence of its approval of the Joint Application.

2. Will Condition No. 7 contained in the "Finding of Fact" of the Report and Order in Case No. GA-89-126 that the Commission placed on MPC's Certificate of Convenience and Necessity remain in effect should the Commission approve the proposed transaction?

In its Case No. GA-89-126, the Commission conditioned the grant of a line certificate to MPC's predecessor in interest by requiring that it maintain a physical separation of certain of its facilities crossing beneath the Mississippi River. UtiliCorp did not dispute that condition when it thereafter acquired those facilities in the Commission's Case No. GM-94-252. Condition No. 7 contained in the Findings of Fact section of the Report and Order in Case No. GA-89-126 will remain in effect in the event the Commission approves the proposed transaction unless it modifies, eliminates or waives that condition.

A. If so, should the Commission waive this provision?

If the Commission interprets Condition No. 7 not to prohibit MPC from connecting MPC assets with the under the river unregulated assets if the under the river assets are owned by an entity other than MPC, then the Commission should so find.

Respectfully submitted,

Paul A. Boudreau

#33155

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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 28th day of August, 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

Mr. Thomas M. Byrne Ameren Services Company 1901 Chouteau Avenue P.O. Box 66149 (MC 1310) St. Louis, MO 63166-6149

Mr. Jeffrey A. Keevil Stewart & Keevil, L.L.C. 1001 Cherry Street, Suite 302 Columbia, MO 65201 Ms. M. Ruth O'Neill Office of the Public Counsel Governor Office Building 200 Madison Street, Suite 650 P.O. Box 7800 Jefferson City, MO 65102

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