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July 25, 2001

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

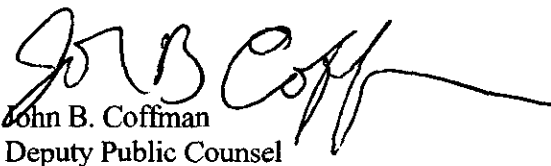
RE: UtiliCorp United Inc.
Case No. ER-2001-672

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies **PUBLIC COUNSEL'S TRUE-UP RECOMMENDATION**. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Deputy Public Counsel

JBC:jb

cc: Counsel of Record

FILED²
JUL 25 2001
Missouri Public
Service Commission

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

FILED²

JUL 25 2001

Missouri Public
Service Commission

In the Matter of the tariff filing of Missouri)
Public Service ("MPS") a division of)
UtiliCorp United Inc., ("UtiliCorp") to)
implement a general rate increase for)
retail electric service provided to customers)
in the Missouri service area of MPS)

Case No. ER-2001-672

PUBLIC COUNSEL'S TRUE-UP RECOMMENDATION

COMES NOW the Office of the Public Counsel (Public Counsel), and for its True-Up Recommendation states as follows:

1. On June 10, 2001, UtiliCorp United, Inc. (Company) requested that the Commission perform a true-up audit and establish a true-up hearing for March 26 and 27, 2002 for the purpose of examining selected ratemaking items. Request For True-Up and Motion To Reschedule True-Up Hearing, pps. 1-2.

2. Public Counsel does not object to a true-up audit and hearing being scheduled in this matter and Public Counsel does not currently have a preference regarding the appropriate date to hold a true-up hearing. It may be appropriate for the parties to discuss this date in conjunction with other procedural dates during the August 1, 2001 early prehearing conference.

3. In order to ensure that any true-up conducted in this case avoids a serious mismatch of expense, revenues, and rate base, Public Counsel strongly urges that the Commission order any true-up to recognize the list of ratemaking items attached to this

pleading as Attachment 1. Public Counsel is in general agreement with the items recommended by Company, but with a few additions and one notable exception.

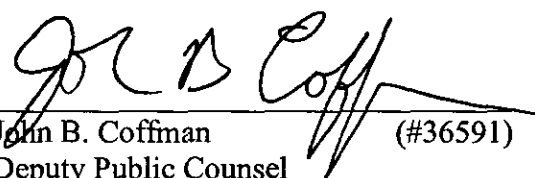
The one exception is return on equity (ROE). ROE is a significant ratemaking component but one that has traditionally been excluded from any Commission-ordered true-up. While capital structure and other costs of capital components should be trueed-up, a true-up of the return on equity component would be impractical. It would result in a completely new analysis, involving more than a confirmation of data or the occurrence of an event as is the case with items normally included in a true-up proceeding. Inclusion of ROE in a true-up would invariably result in a re-litigation of the issue.

WHEREFORE, Public Counsel respectfully requests that, to the extent that the Commission requires a true-up to occur in this case, such true-up include the ratemaking items contained in Attachment 1 to this pleading.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By:

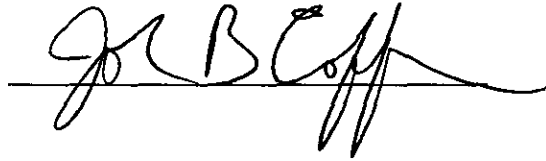

John B. Coffman (#36591)
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 25th day of July 2001:

General Counsel
Missouri Public Service Commission
P O Box 360
Jefferson City, MO 65102

James C. Swearengen
Brydon, Swearengen & England P.C.
P O Box 456
Jefferson City, MO 65102

A handwritten signature in black ink, appearing to read "JCS", is written over a horizontal line.

Attachment 1

PUBLIC COUNSEL'S LIST OF RECOMMENDED TRUE-UP ITEMS

Return:

Cost of Capital Components, *excluding Return on Equity*

Rate Base:

Plant-In-Service
Accumulated Depreciation Reserve
Cash Working Capital
Prices for fuel storage inventories
Materials and Supplies
Prepayments
Advances and Contributions
Customer deposits
Income Tax Offsets
Interest Expense Offset
Deferred Income Taxes

Revenues:

Customer Growth

Expenses:

Payroll Wage Rates, Employee Levels and Related Payroll Taxes
Employee Benefits, including FAS 87 and FAS 106
Fuel and Purchased Power Expense
Depreciation and Amortization Expense
Rate Case Expense
Lease Costs
PSC Assessment
Uncollectibles Expense
Property Taxes
Income Taxes