Exhibit No.:	
Issue:	*Discovery Issues*
Witness:	*Steve M. Traxler*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Verified Statement*
Case No.:	*ER-2001-672*
Date Testimony Prepared:	*October 26, 2001*

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

VERIFIED STATEMENT

OF

STEVE M. TRAXLER

UTILICORP UNITED INC.
d/b/a MISSOURI PUBLIC SERVICE

CASE NO. ER-2001-672

Jefferson City, Missouri
October 2001

APPENDIX B

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VERIFIED STATEMENT OF

STEVE M. TRAXLER

VERIFIED STATEMENT

OF

STEVE M. TRAXLER

UTILICORP UNITED INC.

D/B/A MISSOURI PUBLIC SERVICE

CASE NO. ER-2001-672

Q. Please state your name and business address.

A. Steve M. Traxler, Noland Plaza Office Building, 3675 Noland Road, Independence, Missouri 64055.

Q. By whom are you employed and in what capacity?

A. I am a Regulatory Auditor for the Missouri Public Service Commission (Commission).

Q. Please describe your educational background.

A. I graduated from Missouri Valley College at Marshall, Missouri, in 1974 with a Bachelor of Science degree in Business Administration with a major in Accounting.

Q. Please describe your employment history.

A. I was employed as an accountant with Rival Manufacturing Company in Kansas City from June 1974 to May 1977. I was employed as a Regulatory Auditor with the Missouri Public Service Commission from June 1977 to January 1983. I was employed by United Telephone Company as a Regulatory Accountant from February 1983 to May 1986. In June 1986, I began my employment with Dittmer, Brosch & Associates (DBA) in Lee's Summit, Missouri as a Regulatory Consultant. I left DBA in

April 1988. I was self-employed from May 1988 to December 1989. I came back to the Commission in December 1989. My current position is Auditor V with the Commission's Accounting Department.

Q. What is the nature of your duties while in the employ of this Commission?

A. I am responsible for assisting in the audits and examinations of the books and records of utility companies operating within the state of Missouri.

Q. Have you previously testified before this Commission?

A. Yes, I have. A list of cases in which I have filed testimony is shown on Schedule SMT-1 of this testimony.

Q. Have you filed testimony in rate proceedings involving a regulated utility company in any jurisdictions besides Missouri?

A. Yes, I have also filed testimony in Kansas, Minnesota, Arizona, Indiana, Iowa and Mississippi.

Q. What is the purpose of this verified statement?

A. The purpose of this verified statement is twofold:

1) Identify significant delays in getting timely and accurate data necessary for meeting the Staff's direct filing in this case, ER-2001-672; and

2) Provide recommended actions to the Commission necessary for the Staff to obtain the evidence necessary to file its direct filing in this case, Case No. ER-2001-672.

Q. Please identify the principle concerns to be addressed in your verified statement and that of Staff member, Cary G. Featherstone.

A. Mr. Featherstone and I will address the following issues in our verified statements:

1) Agreement on test year. (Featherstone)

2) Commitments made by UtiliCorp United, Inc. (UtiliCorp, UCU or Company) related to the agreed upon change in the test year. (Featherstone)

3) Notification given to UtiliCorp regarding the need to review cost of service for the St. Joseph Light & Power (SJLP) Division. (Traxler)

4) Failure to provide a general ledger for both the Missouri Public Service (MPS) and SJLP divisions. (Traxler)

5) Failure to respond to Staff discovery and/or provide responses on a timely basis. (Traxler)

6) Continuation of discovery problems in rate cases involving UCU. (Traxler)

7) Recommendations to the Commission for action considered necessary to provide the Staff sufficient time and evidence to complete its direct filing in this case, Case No. ER-2001-672. (Traxler)

STAFF AUDIT OF THE SJLP DIVISION

Q. Please explain the Staff's rationale for its decision to include the SJLP division in the scope of its audit for this case, ER-2001-672.

A. The rationale to include the SJLP division in the audit scope for this case is as follows:

1) UCU is already jointly dispatching the generating units of the MPS and SJLP divisions. In order to calculate an appropriate cost for fuel and purchase power for either division, it is imperative that we assume in our production cost model that the generating units of both divisions are being jointly dispatched, consistent with UCU's actual practice.

Annualizing fuel and purchase power costs for either division requires that a revenue annualization be determined for both divisions at the same point in time. The weather normalized net system loads for both divisions are necessary as an input in the fuel model to provide fuel and purchase power costs under a joint dispatch assumption.

In summary, in order to get accurate fuel and purchase power costs for either the MPS or SJLP divisions, the Kwh sales for both divisions must be adjusted for growth and weather at the same point in time for the purpose of annualizing fuel and purchase power costs under a joint dispatch assumption.

2) Based upon questions raised during the determination of the Office of the Public Counsel's (OPC) motion for dismissal of this case, the Staff has indicated that it will also review in some form the cost of service for UCU's SJLP division in this case, Case No. ER-2001-672.

Because the Staff has chosen to file a post-merger case for the MPS division (as opposed to the stand-alone MPS case filed by UCU) the Staff anticipates seeing rebuttal testimony from UCU related to the merger savings and acquisition cost recovery issues.

Any meaningful discussion of these issues requires a discussion of the merger impacts on both the MPS and SJLP divisions.

Q. What is the basis for the Staff's belief that UCU will file rebuttal testimony related to merger savings and acquisition cost recovery in this case?

A. Savings to the MPS division as a result of the UCU/SJLP merger were projected by UCU in the areas of joint dispatch and corporate overhead. allocations. When a new acquisition (SJLP) is added to the number of subsidiaries and/or divisions which receive an allocation of UCU's corporate overhead costs, the allocation percentage of the existing members of the allocation pool of which MPS is one, receive a lower allocated share of the total costs subject to allocation.

The Staff's case in Case No. ER-2001-672 will reflect allocation factors for UCU's corporate overhead costs which reflect SJLP in the allocation pool. The result will be that the Staff's case will reflect lower UCU corporate overhead costs in its case than UCU's because UCU filed its case for the MPS division on a pre-merger assumption that SJLP is not a member of the allocation pool.

UCU will likely argue that lowering MPS's allocated corporate overhead costs as a result of the SJLP merger requires some allocation and recovery of the merger acquisition premium and recognition of merger savings in this case, Case No. ER-2001-672.

Q. Has UCU filed, as evidence in its direct filing in this case, the projected UCU/SJLP merger savings analysis sponsored by UCU witness Vern J. Siemek in the UCU/SJLP merger case, Case No. EM-2000-292?

A. Yes. The introduction of Mr. Siemek's testimony from the UCU/SJLP merger case, Case No. EM-2000-292, is evidence supporting the Staff's expectation that the merger savings and acquisition adjustment recovery issues will be litigated again in this case, Case No. ER-2001-672. This necessitates a post-merger review of the cost of service for both the MPS and SJLP divisions.

Q. When did the Staff notify UCU regarding its intention to file a post-merger case for the MPS division which assumed the joint dispatch of the MPS and SJLP generating units?

A. Cary Featherstone and I notified UCU representative, Gary Clemens during our first week of the on-site audit in August 2001. This was also discussed with the Company prior to their direct filing date of June 8, 2001.

Q. Did you also inform Mr. Clemens regarding the Staff's intention to perform a review of the total cost of service for the SJLP division?

A. Yes we did.

Q. Did the Staff's audit plan for the SJLP division include the same scope as its audit plan for the MPS division?

A. No. In order to avoid any possible negative impact on the Staff's audit of the MPS division, the Staff has limited the scope of its audit of the SJLP division to the major cost of service income statement and cost of service components.

As an example, a review of SJLP's test year expenditures for advertising and dues and donations was not planned for the SJLP division.

FAILURE TO PROVIDE A GENERAL LEDGER FOR THE MPS AND SJLP DIVISIONS

Q. When did the Staff request general ledgers from UCU?

A. Data Request Nos. 70 and 80 were issued on June 15, 2001 requesting plant and income statement ledgers.

Q. What was UCU's initial response to Staff's request for monthly general ledgers?

A. UCU scheduled a presentation on August 27 and 28, 2001, to explain its new accounting system software, Peoplesoft. During the course of this presentation, the Staff auditors and Office of the Public Counsel auditor Ted Robertson, were discouraged from requesting a paper copy of UCU's general ledger. UCU representative Beverlee Agut stated that because it is so voluminous, for each month of operation, it would "fill up a room." In reliance on the accuracy of this statement, the Staff did not pursue a request for the monthly general ledger.

In lieu of getting a paper copy of the general ledger, the Staff auditors and Mr. Robertson were informed that UCU would make people available to "query" the system for desired information. Access to the general ledger in electronic form was denied on the grounds that it was not possible to keep outside parties (such as the Staff) from changing amounts in the system after access.

Q. After being informed that the general ledger was too voluminous to be of any use, how did the Staff auditors plan to proceed?

A. This was the first time in our careers that Cary Featherstone or I had to develop a plan to deal with the unavailability of a general ledger.

We were in agreement that we needed to see MPS's updated case based upon the test year ending December 31, 2000 test year as soon as possible.

Additionally, at this point, we had no choice but to have UCU query its system for information that would have normally been available in the general ledger such as plant in service, depreciation reserve, materials and supplies and prepayments, for example.

Q. By what date did UCU commit to provide its updated case to the Staff using the December 31, 2000 test year and June 30, 2001 update period which were ordered by the Commission for this case?

A. The first commitment we received was that UCU would provide its updated case to the Staff by the first week of September 2001. We received additional weekly commitments thereafter when UCU failed to provide its updated case by the first week of September. Most of the updated workpapers were provided on October 12, 2001, over one month beyond UCU's initial commitment to provide this information.

Q. You mentioned in a previous answer that the Staff had no choice but to have UCU "query" its system for information that would normally be provided in the general ledger. Is that correct?

A. Yes. Not having a general ledger left us dependent upon UCU to query its system for the necessary information. This information would include balances for plant in service, depreciation reserve, materials and supplies and prepayments, for example.

Q. Did UCU provide the requested monthly balances through June 30, 2001, for the data mentioned in your last answer, on a timely basis?

A. No. We did not receive MPS's June 30, 2001, plant and depreciation reserve balances until October 5, 2001. The Staff requested a general ledger for this information on June 15, 2001. UCU's "system query" required 112 days to provide the Staff with June 30, 2001 plant and depreciation reserve balances.

This 112-day delay in getting fundamental information, normally available in a general ledger, is a prime example as to why the Staff is recommending that the Commission grant the Staff the maximum extension it can given the existing procedural schedule hearing dates, the operation-of-law date and the Commission's calendar.

Q. When did the Staff receive monthly balances for prepayments, customer deposits, and materials and supplies?

A. The Staff has still not been provided balances for prepayments. MPS's monthly balances for customer deposits, and materials and supplies were provided on the following dates:

Prepayments	Not provided
Materials and Supplies	October 24, 2001
Customer Deposits	October 22, 2001

Q. Assuming the Staff had a general ledger available when it began its field audit work, what additional delay has occurred in getting balances for prepayments, materials and supplies and customer deposits as a result of having UCU query its system for this data?

A. The Staff began its field audit in mid-August 2001. Since the general ledger was requested on June 15, 2001, it would have been available by the mid-August start date for field work. The additional delay that has occurred as a result of depending upon UCU to query its system in getting this data is as follows:

	No. Days Delay
Prepayments (August 15 to date)	71
Materials and Supplies (August 15 to October 24)	70
Customer Deposits (August 15-October 22)	68

Q. Is there any reasonable basis why the Staff should be forced to manage significant delays in getting fundamental data for plant in service, depreciation reserve, prepayments, materials and supplies, and customer deposits?

A. No. In all previous audits involving MPS and other major utility companies in Missouri, a general ledger was made available by the time the Staff begins its field work or shortly thereafter. The delay experienced in getting basic fundamental data in this case is unprecedented in my experience.

Q. When did you contact UCU representatives regarding the likelihood of a Staff Motion For Extension Of Time respecting the Staff's direct testimony filing date and a Motion To Compel?

A. Mr. Featherstone and I contacted Mr. Gary Clemens on October 12, 2001, regarding our concerns about meeting the November 15, 2001, filing date as a result of delays in getting necessary data. We also mentioned the difficulty in performing our audit responsibilities without the use of a copy of UCU's general ledger.

Mr. Clemens subsequently scheduled a meeting on October 16, 2001, to discuss the general ledger problem.

Q. What did you learn regarding the availability of a usable paper copy of the general ledger at the meeting held on October 16?

A. A sample copy of a monthly general ledger was provided. Although voluminous, it was considered useable by the Staff. It was clear that the previous description of the general ledger as a document that would "fill up a room" was a gross overstatement that we relied on by not persisting in our earlier inquiry about obtaining paper copies of the general ledger. A document that would "fill up a room" was not considered a useable document by the Staff.

Q. Immediately following the meeting held on October 16, 2001, did you request a paper copy of the general ledger for the MPS and SJLP divisions?

A. Yes. Attached as Schedule SMT-2 is a copy of the memorandum issued on October 17 requesting a copy of the MPS and SJLP general ledgers.

I made it very clear in my October 17, 2001 memorandum (Schedule SMT-2) that after seeing a sample copy of a paper general ledger, we considered UCU's description of "fill up a room" to be a grossly inaccurate statement that has contributed to the significant delay in the Staff's audit of the MPS and SJLP divisions.

Q. Are useable general ledgers required in order for the Staff to conduct a rate case audit of a utility company?

A. Yes. A change in rates becomes necessary when revenue growth is insufficient to cover major increases in cost of service. The Staff's audit responsibility is to verify legitimate increases in cost of service which justify the requested increase to existing rates. Significant changes in expense and plant balances are first identified by comparing test year balances to prior years. After significant changes in a plant or expense account amounts are identified, the Staff examines the general ledger for monthly activity for the accounts in question to identify when the increased activity occurred and what specific journal entries were used to record the increased activity. Data requests are then issued to get copies of invoices and other support for the journal entries in question.

Q. Has UtiliCorp's characterization of the monthly general ledgers for the MPS and SJLP divisions resulted in a significant delay in the Staff's ability to conduct sufficient audit work in this case?

A. Yes. The Staff was dissuaded from pursuing a request for the monthly general ledgers for MPS and SJLP. I have been involved in seven prior rate case audits involving UCU's Missouri Public Service division. This is the first time that a monthly general ledger has not been made available at the start of the Staff's field audit.

Q. When did the Staff finally obtain copies of UCU's general ledger for its MPS and SJLP divisions?

A. UCU provided the Staff monthly general ledgers for MPS and SJLP on Tuesday, October 23. This is 130 days after they were initially requested on June 15, 2001, in Staff Data Request Nos. 70 and 80. These ledgers are of limited use to the Staff at this late date given the November 15, 2001, filing date for the Staff's direct filing in this case.

<u>FAILURE TO RESPOND TO STAFF DISCOVERY</u>

Q. Provide a brief description of existing delays experienced by the Staff in getting timely and/or complete responses to Staff's DRs.

A. The existing problem regarding responses to Staff DRs can be described as one or both of the following:

1) A purported response was received on a timely basis but did not provide the requested information; and

2) A response has not been provided for Staff DRs which have been outstanding for periods that significantly exceed the Commission's discovery rule setting a 20-day response period.

Q. Are the delays experienced by the Staff in this case limited to the areas previously addressed in this verified statement?

A. No. We have also experienced significant delays in getting timely responses to fundamental Staff data requests.

Q. Please provide some examples of significant delays experienced to date in getting responses to Staff data requests.

A. Listed below are examples of significant delays in getting responses to data requests for information considered fundamental to completing the Staff's audit of MPS or any electric company in the state of Missouri: The DRs marked NP (not provided) have not, to date, been provided.

DATA REQUEST TABLE

Data Request	Description	Issue Date	Response Date	No. Days Outstanding
1	Workpapers supporting MPS filing (Income Tax)	6/12	NP	136
13	Customer Counts by rate code through 6/30/01	6/12	10/23	133
45	Historical purchase power energy and demand costs per Mwh	6/12	NP	133
48	UtiliCorp organizational chart	6/15	9/6	83
69	Workpapers in electronic format (disk)	6/15	8/30	76
70	Monthly general ledger	6/15	10/22	129
81	Copies of Advertisements	6/15	NP	133
88	Copies of Incentive Compensation Plans	6/15	10/18	125
95	List of outside services by vendor	6/15	9/27	104
112	Peoplesoft accounting system costs	8/3	10/22	80
113	Departments charging costs to international operations	8/3	10/22	80
114	Copies of response to OPC DRs 1001, 1009, 1010, 1012 and 1019	8/3	10/9	67
136	Change in power requirements for SJLP industrial customers	8/20	10/9	50
137	List of SJLP Industrial Customers Subject to Interruptible Service	8/20	NP	67
208	Copy of UtiliCorp's legal flowchart	8/29	10/9	41
215	Consolidated income and balance sheet, U.S. utilities, international and other	8/29	NP	58
229	Monthly fuel prices for SJLP units (Gas Costs)	8/30	NP	57
272	Copies of expense reports for officers and department heads	9/7	NP	49
289	Income tax workpapers and support	9/11	NP	45
291	Timing differences and basis reconciliation	9/11	NP	45
292	Explain budget variances in 2000 for specific UCU departments	9/11	NP	45
310	Difference in freight rates – DRs 29 & 63	9/19	NP	37

Q. Does the Staff expect every data request to be answered in the 20 days, the response time established under the Commission's rules?

A. No. The Staff recognizes that some responses may take more than 20 days; however, there is no legitimate reason why the turnaround time should exceed 30 days for numerous data requests.

Q. Do you have personal experience working for a regulated utility with responsibility for coordinating responses to data requests received from Commission Staff members in other jurisdictions?

A. Yes. I was employed by United Telephone Company of Kansas from 1983 to 1986. I was responsible for filing rate cases in the states of Kansas, Minnesota and Iowa. My responsibilities also included coordinating responses to Staff data requests in those jurisdictions.

Q. During your employment with United Telephone Company of Kansas, would the response times, reflected on page 14 of this verified statement, have been acceptable to your superiors or the Commission Staff in the regulatory jurisdictions under your responsibility?

A. Certainly not. The Kansas Corporation Commission of the state of Kansas is a good example. The response time for all data requests was 10 days or less. United Telephone Company personnel understood that the 10-day response time was to be met if not in an 8-hour day, then in a 12-hour day or on Saturday or Sunday if necessary. I do not recall a single response with a turnaround time of 30 days or more.

The policy was clear. United Telephone Company is a regulated company whose revenues are dependent upon adequate rate relief. Not responding on time to Staff discovery jeopardizes the Company's ability to obtain adequate rate relief. Untimely responses to Staff discovery was simply not tolerated.

Q. In your 17 years with the Missouri Public Service Commission, have you ever found it necessary to file a verified statement in support of a Motion To Compel against any other Company other than UCU?

A. No. This is only the second time I have had to devote considerable time to preparing a verified statement supporting a Staff Motion To Compel. The previous occurrence also involved UCU and was filed in Staff's earnings investigation of UCU's MPS division in 1996 and 1997, Case No. EO-97-144. Staff witness Cary G. Featherstone and James R. Dittmer also filed verified statements in that case.

Q. Have you prepared a list of outstanding DRs which are overdue at the time of the preparation of this verified statement?

A. Yes, attached as Schedule SMT-3 is a list of outstanding DRs that have been outstanding for a significant period of time. A brief description has been provided for each DR listed. I will provide comments about specific Staff DRs in the remaining pages of this verified statement. I have not, in this verified statement, addressed all of the outstanding DRs on Schedule SMT-3 or the ones listed as examples of untimely responses on page 14 of this verified statement.

INCENTIVE COMPENSATION

Q. Please provide a brief explanation for the Staff's audit responsibility involving incentive compensation.

A. Incentive compensation is additional compensation, above base wages and/or salary, which is paid to employees on the condition that specified goals are met. The Staff auditors' responsibility in this area is to determine whether or not meeting the goals under the plan result in benefits to the general body of ratepayers. The Staff has consistently recommended cost of service recovery for incentive compensation tied to goals related to improving safety and/or controlling costs. However, incentive compensation tied to goals related to improving the utilities' return on equity should be assigned to the beneficiaries of the improved rate of return, namely the shareholders.

Q. What information involving incentive compensation is routinely asked of every major utility in the state of Missouri during a rate case conducted by the Staff?

A. Incentive compensation plans are written documents which are provided to employers at the beginning of the plan year so that employees know what the goals are and the level of additional compensation they can earn if the goals are met. The Staff's audit of any incentive compensation plan starts with a review of the same written information that the Company provided to its employees.

Q. Is UCU, in this Case No. ER-2001-672, requesting cost of service recovery for a significant amount of incentive compensation paid to its employees in 2001?

A. Yes. UCU's updated payroll annualization includes approximately $2 million in incentive compensation payments.

Q. When did the Staff request a copy of UCU's incentive compensation plans?

A. The Staff issued Data Request No. 88 on June 15, 2001. Data Request No. 88 requested a copy of all plans and criteria for wages paid above base wages/salary.

Q. Did UCU's initial response to Data Request No. 88 provide a copy of the incentive compensation plans supporting UCU's $2 million cost of service recovery for incentive compensation?

A. No, it did not. UCU provided only a brief description that an incentive plan existed but did not identify any of the goals under the plan or provide a copy of the plan. Staff auditor Graham Vesely is assigned to the payroll and benefits areas in this case. After reviewing the response to Data Request No. 88, Mr. Vesely notified me regarding UCU's failure to provide the requested information. I instructed Mr. Vesely to issue a written memorandum to UCU's representative, Gary Clemens, notifying UCU of the failure to provide the requested information and again requested UCU to provide the information immediately.

Mr. Vesely's memorandum, dated September 7, 2001, is attached as Schedule SMT-4 to this verified statement.

Q. Did UCU provide a supplemental response to Staff Data Request No. 88?

A. Yes. UCU provided a supplemental response which contained a copy of the UCU incentive plan on October 18, 2001, 125 days following the June 15, 2001, issue date for Data Request No. 88.

Q. Did UCU explain why a copy of its incentive compensation plan was not provided to the Staff sooner?

A. No. The Staff believes that a written copy of the incentive plan was available when the Staff submitted Data Request No. 88 on June 15, 2001, and that providing a copy of the plan required only having someone at UCU make a copy of the plan document, provided previously to UCU's employees, and send it to the Staff.

Q. Does the review of an incentive compensation plan normally require follow-up DRs from the Staff in order to identify amounts related to specific goals identified in the plan?

A. Generally, yes. Staff auditor Graham Vesely issued Data Request No. 437 on October 18, 2001, immediately after he and I reviewed UCU's supplemental response to Data Request No. 88.

Q. Has UCU's failure to provide a timely response to Data Request No. 88 impaired Mr. Vesely's ability to audit UCU's $2 million request for incentive compensation?

A. Yes, it has. Assuming UCU responds in 20 days to Staff Data Request No. 437, the response will be received on November 7, 2001, just eight days prior to the Staff's November 15, 2001 filing date. This allows Mr. Vesely eight days to determine if he needs to recommend a disallowance of some amount of the incentive compensation, calculate the amount of the adjustment and prepare written testimony supporting his position.

Q. Has the Staff had similar problems, in prior cases involving UCU, regarding obtaining sufficient information required to audit UCU's incentive compensation plans?

A. Yes. Mr. James Dittmer, with the consulting firm UtiliTech, Inc., was retained by the Staff in UCU's last electric rate case, Case No. ER-97-394, to review UCU's incentive compensation plans and corporate overhead costs allocated to MPS from UCU.

Attached as Schedule SMT-5 to this verified statement are pages 117 through 121 from Mr. Dittmer's' direct testimony in Case No. ER-97-394. Mr. Dittmer's testimony on pages 117 through 121 expresses his inability to get sufficient information from UCU necessary for his audit of UCU's incentive compensation plan.

ADVERTISING EXPENSE

Q. Provide a brief explanation of the Staff's audit responsibility related to amounts spent on advertising.

A. The Staff has a long-standing policy on which advertising costs are to be included in cost of service for rate recovery. Advertising costs related to safety and basic public information should be recovered in rates. Advertising related to promoting electrical use over gas for example (promotional advertising) or intended to enhance UCU's corporate image (institutional advertising) are not necessary for providing service and, therefore, should not be included in cost of service for rate recovery.

The Staff's audit in this area requires a review of the specific advertisements in order to make a determination as to whether the advertisement is related to public information and/or safety, or related to promoting UCU's corporate name and/or the promotion of electric use by consumers.

Q. When did the Staff request copies of the advertisements related to the advertising costs UCU requested to recover in rates in this case?

A. Staff Data Request No. 81, issued on July 3, 2001, requested a copy of all advertisements supporting advertising costs charged to MPS's electric ratepayers.

Q. Did UCU's response to Data Request No. 81 provide a copy of the advertising advertisements as requested?

A. No. The response to Data Request No. 81, attached as Schedule SMT-6, provides an amount by vendor. No copies of the advertisements themselves were provided. The vendor name and amount does not identify the message in the advertisement which must be reviewed by the Staff in order to determine if it meets the Staff's criteria for cost of service recovery.

Q. Did the Staff notify UCU regarding its failure to provide copies of the individual advertisements requested in Staff Data Request No. 81?

A. Yes. Staff auditor Dana Eaves issued a written memorandum on September 20, 2001 informing Mr. Gary Clemens that UCU failed to provide the advertisement copies in response to Data Request No. 81. Mr. Eaves' memorandum is attached as Schedule SMT-7 to this verified statement.

Q. Has UCU provided any supplemental response to Data Request No. 81 that provides the copies of the advertisements?

A. No. UCU, to date, has failed to provide this requested information which makes it impossible for the Staff to determine the nature of the advertising costs requested for rate recovery in this case.

Staff's only option at this point is to recommend a 100% disallowance of all advertising costs due to UCU's failure to provide the data necessary to audit these costs.

CASH WORKING CAPITAL – FUEL INVOICES

Q. Please provide a brief description of the Staff's audit responsibility for the area of cash working capital (CWC).

A. Cash working capital is a rate base component that represents the cash required to pay the day-to-day operating costs of the utility.

A detailed analysis, commonly referred to as a lead/lag study, is required to analyze the cash flow timing of revenue collection and expense payments. The net result of this lead/lag analysis results in an addition to rate base (utility pays expenses sooner than it collects revenue) or a reduction to rate base if, in the aggregate, revenue is received sooner than expenses must be paid.

Q. In what area of the CWC analysis has the Staff been unable, to date, to get necessary data from UCU in this case?

A. The largest component of the CWC analysis relates to the length of time between the receipt of fuel (coal, gas, oil and purchase power) and the date that payment is made for fuel and purchase power costs. Fuel and purchase power invoices are audited to determine the receipt and payment dates required for the CWC analysis. The Staff has been unable to get the payment dates for fuel invoices requested for review in this case.

Q. How did UCU respond to a follow-up DR issued in a second attempt to get the payment dates for fuel invoices provided in prior Staff Data Request Nos. 58, 59 and 66?

A. Staff issued Data Request No. 306 was issued as a follow-up DR in an attempt to get the payments for the fuel invoices provided in response to Data Request Nos. 58, 59 and 66. UCU's response to Data Request No. 306 referred to the original responses to Data Request Nos. 58, 59 and 66 previously provided.

The responses to Data Request Nos. 58, 59 and 66 do not include the payment dates for the fuel invoices provided. Staff auditor Sheldon Wood issued a memorandum on October 18, 2001, informing Mr. Gary Clemens that the requested payment dates had still not been provided.

Staff Data Request Nos. 58, 59 and 66 were issued on June 15, 2001. To date, the Staff has still not been provided with the fuel invoice payment dates necessary to complete its CWC analysis.

Mr. Woods' October 18 memorandum is attached as Schedule SMT-8 to this verified statement.

CORPORATE OVERHEAD ALLOCATIONS

Q. Please provide a brief description of the Staff's audit responsibility in the area of Corporate Overhead Allocations.

A. UCU's general and administrative and upper-management functions are consolidated in Kansas City, Missouri and Omaha, Nebraska. UCU has both regulated and non-regulated operations in seven states, Canada, New Zealand, Australia and Great Britain. Corporate overhead costs for approximately 48 administrative and general and upper-management departments are subject to allocation to UCU's United States operations.

The majority of the costs are allocated based upon allocation factors considered most directly related to the cause of the cost. Very little direct assignment of labor costs occur for upper-management personnel.

In the test year 2000, there are approximately $223 million in corporate overhead costs subject to allocation. The Staff must audit the allocation factors used and the pool/costs subject to allocation.

Q. Please describe the nature of the discovery problems to date in the corporate overhead allocation area.

A. Attached as Schedule SMT-3 is a list of data requests which have been outstanding for an excessive period of time. There are four shown for the corporate overhead allocation area which have been outstanding 40 days or more.

Q. Referring again to Schedule SMT-3, why has Staff requested the expense reports (Data Request No. 272 on Schedule SMT-3) for UCU management personnel?

A. As previously stated, upper-level management charge very little of their time directly to any specific business unit. The Staff has concerns as to whether the use of a general allocator for their time is appropriate given UCU's significant increase in non-regulated and international operations in recent years.

An examination of the monthly expense reports for UCU's upper-management should provide some insight as to the activities on which they are spending time. The Staff issued Data Request No. 272 on September 7, 2001, and requested a copy of the expense reports for all of UCU's officers and department heads for the 18-month period through June 30, 2001, the update period established for this case.

Q. What is your view regarding the fact that to date, UCU has failed to provide the expense reports requested in response to Data Request No. 272?

A. Data Request No. 272 has been outstanding 50 days as of the date of this filing date for this verified statement. The Staff is not aware of any excuse for not providing the requested expense report copies in 20 days or less. Responding to this request would seem to nothing more than an UCU employee to copy a maximum of 18 copies of expense reports for upper level management and department heads.

INCOME TAX

Q. What is the primary potential issue in the income tax area in this case?

A. "Straight line tax depreciation" represents the depreciation deduction for calculating income tax for a regulated utility. The method used by UCU in its last electric rate case, Case No. ER-97-394, understated the straight line tax depreciation deduction by an amount which increased UCU's rate increase request by approximately $3.5 million.

Q. Has the Staff been provided UCU workpapers in the income tax area which reflect UCU's calculation of straight line tax depreciation in this case, Case No. ER-2001-672?

A. No. UCU is expected to provide a copy of all workpapers to the Staff on or shortly after the day it files its case. To date, I have still not been provided with the UCU workpapers supporting its income tax calculation for this case.

Q. In addition to not having been provided UCU's workpapers in the income tax area, has the Staff been given conflicting information regarding UCU's position on calculating the straight line tax depreciation deduction in their case?

A. Yes.

Q. Has the Staff received any information from UCU which indicates that the Staff may have a significant issue with UCU on the calculation of straight line tax depreciation?

A. Yes. Since Staff have not been provided with UCU's income tax workpapers in this case, we issued Staff Data Request No. 290 in order to determine UCU's position on the method used to calculate straight line tax depreciation.

The response to Staff Data Request No. 290 indicates that the method used by UCU is not consistent with the Staff's method and, if used in its rate case, creates the same issue with the Staff that occurred in their last electric rate case, Case No. ER-97-394.

Q. Does the likelihood of a significant issue on UCU's position on the calculation of straight line tax depreciation make it even more imperative for UCU to provide the Staff with the income tax workpapers supporting its updated filing in this case, Case No. ER-2001-672?

A. Yes. This issue was worth more than $3 million in UCU's prior case, Case No. ER-97-394. The Staff needs to be prepared for a significant amount of testimony if the same issue exists in this case, Case No. ER-2001-672.

FUEL COST ANNUALIZATION

Q. Provide a brief explanation of the adjustment made in all electric rate cases to annualize fuel and purchase power costs?

A. The test year in any rate case includes unadjusted actual amounts for revenue and fuel and purchase power costs. The test year revenue amount is adjusted to reflect both customer growth through the known and measurable date, June 30, 2001, in this case, and also to remove the impact of abnormal weather in the unadjusted results in the test year, which is year ending December 31, 2000.

A corresponding adjustment is required to restate the unadjusted test year levels of fuel and purchase power costs in order to reflect the impact of the weather and growth adjustments discussed above, and also to reflect changes in the cost of fuel (coal, gas and oil) which are not fully reflected in the unadjusted test year results.

Q. Has the Staff been able to get all of the data necessary to annualize fuel costs for this case, Case No. ER-2001-672?

A. No. The Staff must determine the current cost per MCF for gas used in generation by the MPS and SJLP divisions for purposes of annualizing fuel costs in this case, Case No. ER-2001-672. The Staff issued Staff Data Request No. 229 on August 30, 2001, requesting historical fuel cost data for the SJLP division. To date, the historical data for gas costs used by SJLP's generating units has not been provided. This information has been outstanding 56 days to date.

Q. Have you notified UCU of its failure to provide this information?

A. Yes. Attached as Schedule SMT-9 is a memorandum from Staff auditor V. William Harris to UCU representative Gary Clemens discussing the need for data and notifying UCU again that the data has not been provided.

CHANGES IN UCU'S UPDATED FILING

Q. Are there some significant changes in UCU's updated revenue requirement calculation?

A. Yes. The majority of the workpapers supporting UCU's updated case were provided to the Staff on October 12, 2001. A review of the updated workpapers, to date, reflect significant changes in the calculation used in the corporate overhead cost and interchange sales adjustments.

Q. Please explain the change in the calculation of the interchange sales level included in its updated revenue requirement calculation.

A. In its direct filing in this case, Case No. ER-2001-672, UCU included 50% of the total test year interchange sales and related fuel costs in its cost of service. However, in its workpapers supporting its updated revenue requirement calculation, it is Staff's understanding that approximately $5 million in the interchange sales revenue and related fuel costs have been excluded from cost of service prior to including 50% in cost of service.

Q. What explanation has been provided to date by UCU regarding this change in determining the level of interchange sales revenue and related fuel cost to be included in cost of service in its updated revenue requirement calculation?

A. UCU representative Gary Clemens indicated that the $5 million reduction in interchange sales revenue and fuel cost adjustment represents sales by MPS to its Kansas affiliate, West Plains Energy Kansas. According to Mr. Clemens, MPS receives no "net margin" (i.e., profit) on these sales and, therefore, revenues and fuel costs related to the sale to West Plains Energy Kansas should be eliminated.

Q. If, in fact, there is no net margin on interchange sales to West Plains Energy Kansas, would the elimination of these sales and related fuel costs have any revenue requirement impact on MPS's updated revenue requirement calculation?

A. No. Net margin represents the excess of revenue over fuel costs related to the interchange sales in question. Assuming Mr. Clemens' explanation was correct, $5 million would be removed from the interchange sales level. A corresponding $5 million reduction would also be made to the fuel cost related to these sales as follows:

	000's
Adjustment to Eliminate Interchange Sales Revenue for Sale to West Plains	<$5,000>
Adjustment to Eliminate Fuel Costs related to Interchange Sales to West Plains	<$5,000>
Revenue Requirement Impact	$ 0

Q. Has the Staff been provided information regarding a purchase power contract between MPS and West Plains Energy Kansas which raises concerns related to UCU's explanation that MPS receives no net margin on sales made to its affiliate, West Plains Energy Kansas?

A. Yes. MPS has entered into a purchase power capacity contract with West Plains Energy Kansas, effective June 1, 2001. Under the contract, MPS will pay an energy charge equal to 110% of the sum of the actual energy cost and operations and maintenance (O&M) cost. The net margin for West Plains Energy Kansas is equal to the additional 10% in revenue received from MPS above its fuel and O&M cost to provide the power to MPS.

The concern that Staff has on interchange sales and purchases between these two affiliates, MPS and West Plains Energy Kansas, is as follows: Why does MPS sell power to West Plains Power Kansas at cost but at the same time have to pay West Plains cost plus a 10% profit for power purchased?

Q. Does UCU's change in methodology for calculating the level of interchange sales and fuel cost in its updated cost of service for this case, result in an increase in the audit time by the Staff necessary to review this area?

A. Yes, it does.

Q. Are there any other significant changes in the method of calculation used in UCU's updated revenue requirement calculation?

A. Yes. In its allocation of corporate overhead costs, UCU made two adjustments in its direct filing: one for corporate administrative and general payroll and incentive compensation, and one adjustment for all other corporate overhead costs. In its updated revenue requirement calculation UCU is making separate adjustments for payroll/incentive compensation, payroll taxes, employee benefits, injuries and damages, dues and donations, advertising and property taxes. This change in method for allocating UCU's corporate overhead costs also results in an increase in the time necessary for auditing these costs so as to gain an understanding of the change in the calculation methodology.

CONTINUATION OF DISCOVERY PROBLEMS

Q. Please summarize the discovery problems identified in your verified statement and that of Staff member Cary G. Featherstone.

A. The discovery issues addressed by Mr. Featherstone and myself include the following:

1) Failure of UCU to update its case, on a timely basis, based upon the year ending December 31, 2000 test year;

2) Failure of UCU to provide monthly general ledgers for the MPS and SJLP divisions;

3) Failure of UCU to provide timely responses to Staff DRs;

4) Failure to provide answers to specific Staff DRs; and

5) Failure of UCU to provide the Staff with a complete set of workpapers supporting its case.

Q. Have the discovery issues summarized in your last answer had a significant impact on the Staff's ability to complete a full audit of UCU's MPS and SJLP divisions?

A. Yes. Mr. Featherstone and I have worked numerous cases together over the past 15 years. We are both in agreement that we have never been this far behind in a rate case audit with only three weeks left to file our direct case.

Some of the discovery problems encountered in this case are unique in my experience. During meetings held with UCU representatives on August 27 and 28, 2001, we were told that general ledgers for the new Peoplesoft accounting system would "fill up a room." The Staff and Office of the Public Counsel auditors took this statement literally and attempted to get all necessary information through data requests. When it became apparent that we were unlikely to meet our November 15 filing date, we scheduled another meeting on October 16, 2001, to discuss UCU not having provided monthly general ledgers originally requested by the Staff in June 2001 in Data Request Nos. 70 and 80.

During the October 16 meeting, we became aware that a usable copy of the monthly general ledger did not "fill up a room" and could be made available in five working days for both the MPS and SJLP divisions.

UCU's characterization of a paper copy of their general ledger as one which would "fill up a room" represents a gross overstatement which has had a significant negative impact on the Staff's ability to conduct a full audit of UCU's books and records in this case.

Additionally, information routinely asked of, and provided by, all major utility companies in the state of Missouri has either not been provided at all or been provided so late that we are unlikely to complete the audit and reach a conclusion in key areas of this rate case.

Q. Can the discovery issues in this case be fairly characterized as a continuation of discovery problems in UCU's previous electric rate case, Case No. ER-97-394?

A. Yes. I was the lead auditor in UCU's most recent rate case, Case No. ER-97-394. During the course of the audit in that case and the Staff's complaint case,

Case No. EO-97-144, which immediately preceded UCU's filing in Case No. ER-97-394, the Staff filed two Motions To Compel. Additionally, verified statements supporting those motions were filed by Staff Witnesses Cary G. Featherstone, James R. Dittmer and myself.

Q. In its Report And Order in Case No. ER-97-394, did the Commission reference the discovery issues voiced by the Staff and other parties?

A. Yes. UCU had requested an Incentive Regulation Plan in its filing in Case No. ER-97-394. One of the objections to the plan expressed by the Staff and OPC was the ongoing discovery problems encountered in that case.

In its rejection of UCU's proposed Incentive Regulation Plan on page 23 of its Report And Order, the Commission stated the following:

> Second, the Commission notes the concerns of both the Staff and OPC in regard to the long-term problems encountered in the litigation in regard to discovery and cooperation between the parties. The Commission will not assign fault in this matter but states that a successful incentive regulation plan requires proper and accurate accounting and other record keeping, and substantial cooperation between the parties.

Q. Is Staff aware of discovery concerns expressed by a state regulatory Commission in another jurisdiction in which UCU has regulated operations?

A. Yes. In its Report And Order in Docket No. 01-WPEE-473-RTS involving UCU's Kansas division, West Plains Energy Kansas, the Kansas Commission referenced the need to address concerns raised by its Staff related to UCU's accounting procedures, recordkeeping and information retrieval. The Commission's stated concerns appear on page 49 of its Report And Order as follows:

VI. Other Matters

> 49. Staff has expressed substantial concerns about WestPlains' inability to reconcile total sales with its billing system. [McClanahan, Direct at 19-21]. Staff has also expressed concerns about WestPlains' accounting procedures, recordkeeping and information retrieval. The Commission shares these concerns and notes that resolution of the issues in this rate filing become more problematic without accurate verifiable information. The Commission directs WestPlains to meet informally with the KCC Utilities Division and its Director within the next 60 days and discuss measures to improve the accounting procedures, recordkeeping and information retrieval, and to report to the Commission as to any agreed or recommendations for improvements.

This verified statement also addresses the Missouri Staff's concerns regarding recordkeeping and information retrieval.

STAFF RECOMMENDATIONS

Q. What specific action is the Staff recommending the Commission take to ensure that Staff has sufficient time and information necessary for completion of its audit responsibilities in this case, Case No. ER-2001-672?

A. It is the Staff's understanding that the hearing dates previously established for this case cannot be moved because the Commission's schedule has no room for movement. Therefore, an extension for the Staff's direct filing can only be accomplished by shortening the time allotted for rebuttal and surrebuttal testimony.

With these scheduling problems in mind, the maximum extension possible for Staff's direct filing would be to extend it from November 15, 2001, to December 6, 2001. The verified statement of Staff member Cary G. Featherstone provides all of the requested schedule changes.

Finally, the Staff requests that the Commission grant its Motion To Compel UCU to answer by Monday, November 4, 2001, all data requests which have been outstanding more than 20 days. The Staff's Motion To Compel also sets out other procedures and timeframes that the Staff is requesting that the Commission adopt.

Q. Does this conclude your verified statement?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Tariff filing of Missouri Public Service a Division of UtiliCorp United Inc., to implement a general rate increase for retail electric service provided to customers in the Missouri service area of Missouri Public Service.	))))))	Case No. ER-2001-672

AFFIDAVIT OF STEVE M. TRAXLER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Steve M. Traxler, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Verified Statement in question and answer form, consisting of 34 pages to be presented in the above case; that the answers in the foregoing Verified Statement were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

Steve M. Traxler

Subscribed and sworn to before me this 29th day of October 2001.

TONI M. CHARLTON
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF COLE
My Commission Expires December 28, 2004

Steve M. Traxler

SUMMARY OF RATE CASE INVOLVEMENT

Year	Case No.	Utility	Type of Testimony	
1978	Case No. ER-78-29	Missouri Public Service Company (electric)	Direct Rebuttal	Contested
1979	Case No. ER-79-60	Missouri Public Service Company (electric)	Direct Rebuttal	Contested
1979		Elimination of Fuel Adjustment Clause Audits (all electric utilities)		
1980	Case No. ER-80-118	Missouri Public Service Company (electric)	Direct Rebuttal	Contested
1980	Case No. ER-80-53	St. Joseph Light & Power Company (electric)	Direct	Stipulated
1980	Case No. OR-80-54	St. Joseph Light & Power Company (transit)	Direct	Stipulated
1980	Case No. HR-80-55	St. Joseph & Power Company (industrial steam)	Direct	Stipulated
1980	Case No. TR-80-235	United Telephone Company of Missouri (telephone)	Direct Rebuttal	Contested
1981	Case No. TR-81-208	Southwestern Bell Telephone Company (telephone)	Direct Rebuttal Surrebuttal	Contested
1981	Case No. TR-81-302	United Telephone Company of Missouri (telephone)	Direct Rebuttal	Stipulated
1982	Case No. ER-82-66	Kansas City Power & Light Company	Rebuttal	Contested
1982	Case No. TR-82-199	Southwestern Bell Telephone Company (telephone)	Direct Rebuttal	Contested
1982	Case No. ER-82-39	Missouri Public Service	Direct Rebuttal Surrebuttal	Contested
1990	Case No. GR-90-50	Kansas Power & Light - Gas Service Division (natural gas)	Direct	Stipulated

Year	Case No.	Utility	Type of Testimony	
1990	Case No. ER-90-101	UtiliCorp United Inc., Missouri Public Service Division (electric)	Direct Surrebuttal	Contested
1991	Case No. EM-91-213	Kansas Power & Light - Gas Service Division (natural gas)	Rebuttal	Contested
1993	Case Nos. ER-93-37	UtiliCorp United Inc. Missouri Public Service Division (electric)	Direct Rebuttal Surrebuttal	Stipulated
1993	Case No. ER-93-41	St. Joseph Light & Power Co.	Direct Rebuttal	Contested
1993	Case Nos. TC-93-224 and TO-93-192	Southwestern Bell Telephone Company (telephone)	Direct Rebuttal Surrebuttal	Contested
1993	Case No. TR-93-181	United Telephone Company of Missouri	Direct Surrebuttal	Contested
1993	Case No. GM-94-40	Western Resources, Inc. and Southern Union Company	Rebuttal	Stipulated
1994	Case Nos. ER-94-163 and HR-94-177	St. Joseph Light & Power Co.	Direct	Stipulated
1995	Case No. GR-95-160	United Cities Gas Co.	Direct	Contested
1995	Case No. ER-95-279	Empire Electric Co.	Direct	Stipulated
1996	Case No. GR-96-193	Laclede Gas Co.	Direct	Stipulated
1996	Case No. WR-96-263	St. Louis County Water	Direct Surrebuttal	Contested
1996	Case No. GR-96-285	Missouri Gas Energy	Direct Surrebuttal	Contested
1997	Case No. ER-97-394	UtiliCorp United Inc. Missouri Public Service (electric)	Direct Rebuttal Surrebuttal	Contested
1998	Case No. GR-98-374	Laclede Gas Company	Direct	Settled
1999	Case No. ER-99-247 Case No. EC-98-573	St. Joseph Light & Power Co.	Direct Rebuttal Serrebuttal	Settled
2000	Case No. EM-2000-292	UtiliCorp United Inc. and St. Joseph Light & Power Merger	Rebuttal	Contested
2000	Case No. EM-2000-369	UtiliCorp United Inc. and Empire Electric Merger	Rebuttal	Contested

Date: October 17, 2001

From: Steve Traxler

To: Gary Clemens and Bev Augut

Subject: General Ledger – paper copy

After the meeting yesterday regarding the availability of General Ledger by FERC account, we would like a monthly ledger by account, by resource code and combined to reflect total MPS costs – both MPG and MPD. This format will allow us to determine the materiality of functional costs by account which is our premise for further audit work. Provide all months starting with January 2000 for MPS and SJLP.

I want to make it clear that we would have asked for a paper copy of the general ledger in this format in August had we known it could be provided under your Peoplesoft system. I am not suggesting that we were told that a paper copy of the General Ledger was not available. I am saying that we were told on more than one occasion that a paper copy would "fill up a room". We took this literally. Such a document would provide little use. After seeing the sample copy yesterday, we became aware for the first time that although a monthly general ledger is voluminous, it is certainly not too voluminous to provide significant value to our audit and ability to do an audit on time. I would strongly suggest that you don't use a term like "fill up a room" unless it is literally correct. I will add that OPC has had a similar perception of this term when conveyed to them regarding the availability of a copy of the General Ledger.

We would also like to get a 1998 and 1999 copy of the annual General Ledger costs by account and resource code provided in response to DR 417 as soon as possible.

Utilicorp United Inc. - Missouri Divisions
Staff Data Requests Outstanding more than 20 Days

Corporate Overhead Allocations		Issue Date	Days Outstanding
DR 111	MPS workpapers - provide Total & Allocated cost by department to MPS in 2000	8/3/2001	84
DR 215	Consolidated Income Statement for 2000 consistent with SEC form 10K	8/29/2001	58
DR 272	Expense report copies for UCU officers and department heads	9/7/2001	49
DR 292	Explanation for budget variances in corporate overhead costs for year 2000	9/11/2001	45
DR 393	Peoplesoft modifications	10/5/2001	21
DR 394	Time keeping - prior Commission orders	10/5/2001	21
DR 396	Direct reports to UCU Executives	10/5/2001	21
DR 349	Explain supplemental executive payments referred to as Perg.s	9/28/2001	28
DR 397	ESF department salaries and benefits	10/5/2001	21
Electric Revenue			
DR 137	List Industrial customers for SJLP and those subject to interruptible tariff	8/20/2001	67
DR 139	Provide SJLP historical curtailment for interruptible service through June 30, 2001	8/20/2001	67
DR 325	Update the response to DR 3501 for months in 2001	9/24/2001	32
DR 330	Clarify response to DR 16	9/24/2001	32
Advertising Expense			
DR 81	Copies of advertising adds for test year 2000 costs	6/15/2001	133
Payroll and Benefits			
DR 279	Provide documentation supporting supplemental pay plans/awards identified in DR 88	9/7/2001	49
DR 352	Support for SJLP supplemental retirement plan costs of 1.5 million	9/28/2001	28
DR 332	Provide the cost of the UCU Supplemental Retirement Plan & Capital Accumulation Plan	9/24/2001	32
DR 378	Incentive compensation follow up	10/3/2001	23

Schedule 3-1

Utilicorp United Inc. - Missouri Divisions
Staff Data Requests Outstanding more than 20 Days

Merger Costs		Issue Date	Days Outstanding
DR 380	Closing documents for UCU/SJLP merger	10/4/2001	22
DR 331	Copies of minutes of the SJLP advisory board and monthly fee calculation	9/24/2001	32
DR 333	Provide quantification of savings resulting from the UCU/SJLP merger & supporting analysis	9/24/2001	32
DR 383	Costs with merger premium charged to MPS	10/4/2001	22
DR 384	Merger impacts on SJLP	10/4/2001	22
DR 385	Merger premiums & costs charged to SJLP	10/4/2001	22
DR 388	Timing for expected merger savings	10/4/2001	22
DR 398	Meyers merger testimony - tracking merger savings/costs	10/5/2001	21
DR 399	Meyers activity numbers/costs for SJLP	10/5/2001	21
DR 400	Meyers incremental non-payroll costs for SJLP	10/5/2001	21
DR 401	Transition team reports, timelines	10/5/2001	21
Income Tax			
DR 289	Provide income tax workpapers not provided with UCU's direct filing	9/11/2001	45
DR 291	Identify tax timing differences for MPS & SJLP and reconcile Book/Tax basis	9/11/2001	45
Aires Combined Cycle Unit			
DR 312	Provide studies supporting decision to purchase power from an affiliated company	9/20/2001	36
DR 313	Provide studies supporting decision for purchase power contract with Aires plant vs build new	9/20/2001	36
DR 387	FERC orders on merchant plant treated as EWG	10/4/2001	22
DR 368	Test power support for Aires plant	10/2/2001	24

Schedule 3-2

Utilicorp United Inc. - Missouri Divisions
Staff Data Requests Outstanding more than 20 Days

Fuel & Purchase Power Costs

DR 310	Explain contradictory freight charge costs provided in response to DR's 29 and DR 63	9/19/2001	37
DR 229	Monthly fuel prices for SJLP units - (Gas costs)	9/28/2001	57
DR 45	Historical energy & demand costs per MWH, purchase power and interchange sales	6/12/2001	136

Maintenance Expense

DR 341	Actual turbine maintenance costs - 1997- 2001	9/28/2001	28

Property Tax

DR 335	Provide plant,CWIP, materials & supplies & inventory amounts supporting assessed values	9/25/2001	31

Rate Base

DR 340	Provide the monthly amounts for Account 165999 - Prepayments Other	9/26/2001	30
DR 360	Prepayments data	10/1/2001	25
DR 389	Allowance for Funds during Construction - AFUDC rate	10/4/2001	22
DR 390	Accounting authority orders	10/4/2001	22

General Information

DR 364	Position papers on restructuring	10/2/2001	24
DR 379	Questions on Gary Clemens testimony	10/3/2001	23

Capital Leases

DR 367	RFP's issue for Greenwood lease	10/2/2001	24
DR 377	Greenwood plant lease expense	10/3/2001	23

Cash Woking Capital

DR 376	Accounts Receivable sales - banking fees	10/3/2001	23
DR 392	Payment dates for Purchase Power invoices	10/4/2001	22

Schedule 3-3

Date: September 7, 2001

From: Graham Vesely

To: Gary Clemens

Subject: Insufficient Response to Staff Data Request 88

This data request asked for all plans and criteria for any form of compensation above base wages/salary. For plans limited to specific employees, the request asked for identification by name, department, and position. The response to DR 88 provides only a brief description of the Annual Incentive Plans and the Long Term Incentive Plans. The response to this DR should have provided the following additional information:

(1) A copy of all Incentive Plans included in MPS initial direct filing and those which will impact cost of service in it's updated filing. This information should identify the criteria / platforms required for each group of employees or specific employees if those employees have specific criteria which differs from the rest of defined group under the plan. For employee specific criteria we asked for names and position.

(2) Dollar amounts accrued and or paid were requested by specific benefit plan. The response to DR 88 provides an amount for "Incentive Loading" as opposed to the costs for the Annual Incentive Plan and Long Term Plan, Union and Non-Union if the plans are different in structure and criteria.

(3) No specific information was provided for Discretionary Awards. The data request asked for specific information for any compensation to a specific employee. This information should have been provided for the company's filed case and for it's updated case.

(4) A brief mention was made of a Supplemental Executive Retirement Plan for employees making over $ 170,000. Again the data request asked for all documentation supporting the plan which would include the plan description, employee participants and amount of additional retirement benefits under the plan. This information should have been provided in support of the MPS direct filing and the updated filing using the Dec 2000 test year through June 30 update period.

(5) The CAP plan applies to specific employees. This information by employee should have been provided in response to DR 88.

The Staff will not issue additional Data Requests for information that should have been provided in response to an existing Data Request. Please provide the additional information immediately as it was due July 5.

of employees *actually using or being housed in such facilities.* For instance, in the absence of square footage data, one may have reasonably allocated the cost of the MPS Raytown building to the MPS division based upon the number of MPS-dedicated employees working in that building in relationship to total employees working in the building (including ESF). However, that was not the calculation performed by the Company. Rather, the Company allocated the cost of all the "common" buildings based upon total number of employees in each business unit and division -- regardless of where employees actually worked or reported

I do not know if MPS was overcharged or under charged for net building services received in 1996. Furthermore, I do not know if any over charge or under charge was significant. However, until more information is provided, I do not believe it is reasonable to include the cost of additional "common" office facilities in the form of the newly renovated 20 West 9th building in the Missouri jurisdictional rate base.

Incentive Compensation

Q. Have you made any adjustment to the Company's recorded level of incentive compensation included within test year operating expense?

A. No.

Q. Does the absence of any proposed incentive compensation adjustment necessarily mean that you are in complete agreement with the Company's goals as embodied within the Company's incentive compensation plan or that you have no concerns regarding the overall level of compensation -- which includes pay received through the Company's incentive compensation plan?

A. No. To the contrary, questions remain regarding whether any part of incentive compensation goals are in the ratepayers' best interest. Furthermore, I have not yet reviewed evidence which addresses the overall reasonableness of UCU's total compensation. Nonetheless, a Staff decision has been made to not pursue an adjustment to test year recorded incentive compensation expense.

Q. Why do you state that questions remain regarding the issue of ratepayer benefits to be derived as a result of goals embodied within UCU's incentive compensation plan?

A. I have asked to review incentive compensation goals in place for various UCU and MPS employees during 1996. When I first asked to review *all* incentive compensation goals, the Company indicated that the goals for all individuals would number in the thousands and would be dispersed in locations across the Company. I then limited the request to certain ESF, business unit and MPS Responsibility Center heads. I did get to observe the incentive goals for a few ESF and business unit heads. However, the Company did not provide the incentive goals and incentive calculations for MPS Responsibility Center heads. Finally, the Company has indicated that probably all individual incentive compensation goals and incentive compensation calculations for 1996 would have been destroyed by this point in time (i.e., late summer 1997). Thus, in total, I observed very few 1996 incentive goals for 1996.

Q. Should the overall level of compensation be of concern to regulators?

A. Yes. If the combination of base pay and incentive pay exceeds industry standards, the Commission may desire to limit the cost of service recovery of at least a portion of such compensation.

Q. In your opinion, are the goals embodied within an incentive compensation plan an important element to the determination of whether, and the extent to which, the cost of the incentive compensation plan should be recovered from ratepayers?

A. Certainly. If, for instance, a major goal for certain employee groups would be to avoid a much needed rate reduction, I do not believe the regulators would desire to include the totality of such incentive compensation costs in cost of service revenue requirement determination. Additionally, the Commission may desire to eliminate at least a portion of the cost of an incentive compensation plan that places undue emphasis on achieving short term financial goals.

Q. Given the above-stated unresolved concerns, why has a decision been made to not further pursue incentive compensation issues in this case?

A. As of the time this testimony was being finalized it was obvious that Staff would be recommending a significant rate reduction. The recommendation for a significant rate reduction is being made at the same time that the Company is recommending a significant rate increase. Furthermore, the issue of ratepayer recovery of incentive compensation costs requires professional, albeit sometimes somewhat subjective, judgment. In the interest of conservatism, in this case in which the revenue requirement positions of the parties appear to be extremely polarized, a decision was made to not further pursue the somewhat subjective issue area dealing with incentive compensation.

Q. Do you have any recommendations regarding the treatment to be afforded incentive compensation in future MPS rate proceedings?

A. I have no intention to prejudge the issue for future MPS rate cases. However, I have been extremely frustrated by the lack of documentation surrounding the Company's incentive compensation program. Furthermore, indications are that the Company intends to continue to significantly utilize and employ this method of compensation. In light of documentation problems encountered in this case, and the apparent desire of the Company to continue to offer the incentive compensation plan, I would recommend that certain documentation requirements be imposed.

Specifically, I would recommend that the Company be ordered to retain incentive compensation goals and incentive compensation payment calculations for all ESF, business unit and MPS Responsibility Center department heads for at least a three year period. Furthermore, any over riding goals of the entire UCU organization or business units or divisions that affect employees for whom incentive payments are being assigned or allocated to MPS jurisdictional operations should, similarly, be retained for a three year period. Finally, the Company should be required to study, at least at three year intervals, how its overall compensation package and incentive compensation package compares to the utility industry group. The Company would, of course, be free to compare its compensation package to other industries if it believes other industries' compensation levels are relevant. However, it should at a minimum, be required to continue to compare its overall and incentive compensation to the regulated utility industry.

Finally, I would recommend that failure to abide by ordered reporting/record retention requirements result in an automatic presumptive disallowance of at least 50% of total incentive compensation payments being charged to MPS regulated utility customers.

Q. Does this conclude your testimony?
A. Yes, it does.

No. 81

DATA INFORMATION REQUEST

UtiliCorp United, Inc./Mo Public Service

CASE NO. ER-01-672

Requested From: Gary Clemens

Date Requested: 06/15/01

Information Requested:

1) Please provide a copy of all advertising that is charged (or allocated) to the Missouri electric ratepayers, including a copy of all radio and TV scripts. For each ad, indicate which type of media was used, the cost of the advertisement, and the account to which costs were charged. Please reconcile these data with the actual ledger entries during the 12-months ended June 30, 2001.

2) Please indicate whether each ad is institutional, promotional, political, general, informational or safety.

3) For each ad please provide the purpose/function and any expected benefit to the ratepayer by using the ad.

4) Please provide all studies and support the Company has regarding the marginal revenue generated by the advertisement.

Requested By: Phillip K. Williams

Information Provided:

SEE ATTACHED

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. ER-01-672 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the UtiliCorp United, Inc./Mo Public Service office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies of data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control within your knowledge. The pronoun "you" or "your" refers to UtiliCorp United, Inc./Mo Public Service and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: Gary L Clemens

Date Response Received: 7-02-01 PW

Prepared By: LISA STARKEBAUM

UTILICORP UNITED
CASE NO. ER-01-672
DATA REQUEST NO. MPSC-81

DATE OF REQUEST: June 15, 2001

DATE RECEIVED: June 15, 2001

DATE DUE: July 5, 2001

REQUESTOR: Phillip K. Williams

QUESTION:

1) Please provide a copy of all advertising that is charged (or allocated) to the Missouri electric ratepayers, including a copy of all radio and TV scripts. For each ad, indicate which type of media was used, the cost of the advertisement, and the account to which costs were charged. Please reconcile these data with the actual ledger entries during the 12-months ended June 30, 2001.

2) Please indicate whether each ad is institutional, promotional, political, general, informational or safety.

3) For each ad please provide the purpose/function and any expected benefit to the ratepayer by using the ad.

4) Please provide all studies and support the Company has regarding the marginal revenue generated by the advertisement.

RESPONSE:

1) Please find attached a listing of the advertising expenses directly charged to Missouri Public Service (MPS) for the 11 months ending May 31, 2001. Data for June 2001 is not yet available; however, this response will be updated by July 25, 2001. Also included in this response is a separate pivot table that consists of allocable advertising expenses. MPS will receive an allocable share of these expenses.

2-4) See DR MPSC-1 (rate case work papers) CS-54 (Advertising) which eliminates 100% of advertising expenses except for informational and safety advertisements.

ATTACHMENTS:

1) Advertising Expenses – Direct Charges to MPS Electric Operations – 5 pages.
Advertising Expenses – Allocable Charges to MPS Electric Operations – 8 pages.

ANSWERED BY: Lisa Starkebaum

Missouri Public Service
Docket No. ER-01-672, Data Request MPSC-81
Advertising Expenses - Direct Charges to MPS Electric Operations
11 months ending May 31, 2001

06/29/2001
9:59 AM

Co	MPS
11 moe	05-31-01
Utility	Electric
Allocable or Direct	Direct

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct				
Resource	Resource Descr	Line Descr Abbrev	426100	592000	593000	913000	Grand Total
1900	Magaz/Newspaper/Yellow Pg Ads	ABC IS 140 No Cust Type				18,428	18,428
		ABC IS 960 No Cust Type	106			1,591	1,697
		AMBER LAKES ADVERTISIN				607	607
		AMBER MEADOWS HOMEOWNE				200	200
		AMBER MEADOWS INC				554	554
		BALDWIN PROPERTIES INC				1,418	1,418
		BLUE SPRINGS CHAMBER O				515	515
		BOARMAN'S HEATING & CO				300	300
		BROOKWOOD LAND DEVELOP				1,094	1,094
		CLINTON MO PETTY CASH				330	330
		COLOR CONCEPTS INC				33	33
		COMFORT ENGINEERING CO				195	195
		CORONA LITHO CO				683	683
		CORPORATE EXPRESS				157	157
		CRAIG A PORTER				4,425	4,425
		D & L MAP SERVICE INC				180	180
		DODSON CONSTRUCTION				175	175
		DODSON'S INC				718	718
		DOWNTOWN MERCHANTS ASS				500	500
		DW DESIGN INC				661	661
		ERA THRESHOLD REALTY I				1,313	1,313
		ESCHER - FITZGERALD &				2,828	2,828
		EXPRESS SIGNS INC				701	701
		FERC Derivation				359	359
		GRAIN VALLEY CHAMBER O				250	250
		GREENWOOD DEVELOPMENT				926	926
		HEARTHSIDE HOMES OF KA				5,006	5,006
		HILLS OF SHANNON				4,475	4,475
		HOME BUILDER ASSOCIATI				5,000	5,000
		HUNT MIDWEST REAL ESTA				8,793	8,793
		J D REECE REALTORS				5,250	5,250

Schedule 6-3

Co	MPS
11 moe	05-31-01
Utility	Electric
Allocable or Direct	Direct

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct				
Resource	Resource Descr	Line Descr Abbrev	426100	592000	593000	913000	Grand Total
1900	Magaz/Newspaper/Yellow Pg Ads	J SCHLEGEL MARKETING I				1,500	1,500
		JOAN PARRISH				244	244
		JULIAN-MODRCIN DEVELOP				3,600	3,600
		LAWTON PUBLICATIONS IN				615	615
		LEE'S SUMMIT JOURNAL				718	718
		MARKIRK CONSTRUCTION I				285	285
		MARY GIANGALANTI				3,014	3,014
		MICHAEL LEONARD				150	150
		MID-PLAINS MARKETING I				225	225
		MOCK & SUTHERLAND				738	738
		NODAWAY NEWS LEADER				75	75
		NORTHEAST VERNON COUNT				40	40
		PHIL MOHLER OAKS RIDGE				8,342	8,342
		R P M DEVELOPMENT L L				968	968
		RAYTOWN POST				792	792
		REALTY EXECUTIVES				3,350	3,350
		REALTY EXECUTIVES OF L				8,220	8,220
		REALTY EXECUTIVES STAT				2,000	2,000
		RE-MAX OF KANSAS CITY				341	341
		SHERWOOD CASS COUNTY R				35	35
		SMOKE BOX BBQ CAFE				2,509	2,509
		SPURCK CONSTRUCTION IN				829	829
		ST JOSEPH NEWS-PRESS				774	774
		STONEHOUSE STUDIO				383	383
		SUZI SCHULZ				1,067	1,067
		TARGET DIRECT MARKETIN				2,269	2,269
		THE ADRIAN JOURNAL INC				30	30
		THE DAILY STAR-JOURNAL				126	126
		THE EXAMINER CORPORATI				515	515
		THE KANSAS CITY STAR				17,794	17,794
		THE ODESSAN				55	55
		THE STAR - HERALD AND				422	422
		TOWNSEND COMMUNICATION				2,417	2,417
		TRADEMARKS SIGNAGE & G				250	250
		VINTAGE CORPORATION				1,374	1,374
		WARRENSBURG HIGH SCHOO				30	30

Schedule 6-4

Co	MPS
11 moe	05-31-01
Utility	Electric
Allocable or Direct	Direct

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct				
Resource	Resource Descr	Line Descr Abbrev	426100	592000	593000	913000	Grand Total
1900	Magaz/Newspaper/Yellow Pg Ads	WINTERSET PARK REALTY				8,955	8,955
1900 Total			106			142,714	142,820
1901	Radio Ads	ABC IS 960 No Cust Type				168	168
		B M W REALTY INC				1,134	1,134
		DODSON CONSTRUCTION				175	175
		DONNA R WATT				900	900
		FERC Derivation				118	118
		JOAN PARRISH				90	90
		MARY GIANGALANTI				1,136	1,136
		REALTY EXECUTIVES OF L				1,494	1,494
		REVEDA OF LEES SUMMIT				1,339	1,339
		SAVANNAH DEVELOPMENT L				2,000	2,000
1901 Total						8,554	8,554
1903	Handouts/Brochures/Collateral	ACR				58	58
		ACTION MAILING CORP				1,116	1,116
		AMERICAN SLIDE - CHART				849	849
		BANNERS & SIGNS TO GO				343	343
		BOLING HEATING COOLING				2,062	2,062
		BURNS PRINTING				3,200	3,200
		CASTROP DESIGN GROUP L				525	525
		CHAMPION DIAMONDS				600	600
		CLIMATE CONTROL HEATIN				1,115	1,115
		COLOR CONCEPTS INC				92	92
		COMFORT ENGINEERING CO				901	901
		DDB NEEDHAM				6,869	6,869
		HOME BUILDER ASSOCIATI				5,320	5,320
		J SCHLEGEL MARKETING I				2,163	2,163
		LANDAJOB INC				1,246	1,246
		MAYWOOD WILLIS PRINTIN				2,858	2,858
		MICHAEL LEONARD				300	300
		NATIONWIDE PAPER				1,464	1,464
		PRINT TIME				336	336
		SIEGRIST ENGRAVING COM				1,596	1,596
		SOUTH SIDE PRESS OF TH				35,994	35,994
		SPECTRUM GRAPHICS INC				1,747	1,747
		TRADEMARKS SIGNAGE & G				937	937

Schedule 6-5

Co	MPS
11 moe	05-31-01
Utility	Electric
Allocable or Direct	Direct

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct				
Resource	Resource Descr	Line Descr Abbrev	426100	592000	593000	913000	Grand Total
1903 Total						71,689	71,689
1904	Business Gifts	ADVERTISING INCENTIVES				314	314
		BANK ONE				(399)	(399)
		BONNIE ISABELL				250	250
		CADDY SHAK				620	620
		CLIMATE CONTROL HEATIN				1,338	1,338
		RAYTOWN AREA CHAMBER O				300	300
		SIGNATURE SPECIALTIES				4,185	[illegible]185
		TIME & ATTEND				2,204	[illegible],204
1904 Total						8,811	8,811
1905	Business Promotion	ABC IS 140 No Cust Type				16,087	16,087
		BANK ONE				581	581
		BLUE SPRINGS CHAMBER O				500	500
		EASTERN JACKSON COUNTY				70	70
		ELECTRIC LEAGUE OF MIS				640	640
		HILLCREST TRANSITIONAL				240	240
		HOME BUILDER ASSOCIATI				6,500	6,500
		I-70 SPEEDWAY	3,826				3,826
		METROMEDIA SUN PUBLICA				1,050	1,050
		PLATTE COUNTY ECONOMIC	240				240
		PLEASANT HILL BOOSTER				65	65
		STILL CURRENT DESIGN I	750				750
		SUNSET TOURS				590	590
		TIME & ATTEND	50			250	[illegible]300
		TROPHY COUNTRY				4,000	[illegible]4,000
1905 Total			4,866			30,573	35,439
1906	Promotional Entertainment	ABC IS 140 No Cust Type				8,805	8,805
		ABC IS 960 No Cust Type	581			996	1,577
		BURNS PRINTING				239	239
		CITY OF BLUE SPRINGS				3,351	3,351
		CITY OF ST JOSEPH				160	160
		CSJ ANGEL DELIVERY INC				100	100
		DAWN J KEENE				100	100
		FERC Derivation		(240)		2,516	2,276
		GEHA GOLF TOURNAMENT				250	250
		GREATER KANSAS CITY CH				154	154

Schedule 6-6

Co	MPS
11 moe	05-31-01
Utility	Electric
Allocable or Direct	Direct

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct				
Resource	Resource Descr	Line Descr Abbrev	426100	592000	593000	913000	Grand Total
1906	Promotional Entertainment	GREATER MISSOURI LEADE	540				540
		HOME BUILDER ASSOCIATI				1,000	1,000
		I-70 SPEEDWAY				1,600	1,600
		KANSAS CITY ROYALS BAS				1,095	1,095
		KC Chiefs				360	360
		KC Royals				1,720	1,720
		KC Royals:CorrJE06-0418101				0	0
		MYRON GREEN				138	138
		SHOW ME AUDIO VISUAL I				27	27
		SIGNATURE SPECIALTIES				217	217
		Starlight				230	230
		TIME & ATTEND				438	438
		TROPHY COUNTRY				4,715	4,715
1906 Total			1,121	(240)		28,209	29,090
1908	Trade Show/Customer Event Fees	GRANDVIEW AREA CHAMBER				150	150
1908 Total						150	150
1999	Other Advertising & Promo	ABC IS 140 No Cust Type				570	570
		FERC Derivation			1,182	41	1,223
		MID-PLAINS MARKETING I				430	430
		RJ PROMOTIONS INC				0	0
1999 Total					1,182	1,041	2,223
Grand Total			6,093	(240)	1,182	291,740	298,775

Schedule 6-7

Missouri Public Service
Docket No. ER-01-672, Data Request MPSC-81
Advertising Expenses - Allocable Charges to MPS Electric Operations
11 months ending May 31, 2001

11 moe	05-31-01	(June 2001 data not yet available)
Allocable or Direct	Allocable	

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1900	Magaz/Newspaper/Yellow Pg Ads	Advertising-unused										(82)			(82)
		ATCHISON COUNTY MAIL									120				120
		B G MARKETING			149	149									297
		BANK ONE										3,151			3,151
		BARBER COUNTY INDEX										10			10
		BAYSIDE SHOPPER & PRIN			221										221
		BERNSTEIN-REIN YELLOW			19,994	28,757									48,750
		BLADE EMPIRE PUBLISHIN										140			140
		CABLE REP ADVERTISING				1,500									1,500
		CANON CITY DAILY RECOR			326							207			[illegible]
		CCI PUBLISHING INC										13,216			[illegible]
		CLOQUET JOURNAL INC			2,340										2,340
		CLOQUET PINE KNOT			561										561
		COLOR CONCEPTS INC				103						28			131
		COLORADO COMMUNITY NEW										320			320
		COUNTRY HEATING & AIR			1,249										1,249
		CREATIVE EXPRESSIONS				180									180
		CREATIVE MARKETING OF				1,070									1,070
		DDB NEEDHAM			4,292	2,393						12,551			19,237
		DEEP ROCK FONTENELLE				19									19
		DETROIT LAKES NEWSPAPE			122										122
		E Z MONEY INC				544									544
		EASTERN COLORADO PLAIN										1,251			1,251
		EASTERN ITASCAN			104										104
		ECM PUBLISHERS INC			115										115
		ELKHART TELEPHONE CO I										40			40
		ELLSWORTH COUNTY INDEP										124			124
		ESCHER - FITZGERALD &				1,724						8,889			10,612
		EVELETH SCENE			200										200
		FAIRMONT SENTINEL				209									209
		FERC Derivation					40					1,565			1,605
		FORTUNE										40,406			[illegible]
		FRANK'S APPLIANCE SER			675										[illegible]
		GAZETTE-ADVERTISING BI										210			[illegible]
		GRAY COUNTY FAIR BOARD										35			35
		GREAT BEND TRIBUNE										126			126
		GREATER KANSAS CITY CH										2,829			2,829
		GROUP C COMMUNICATION										2,600			2,600
		HALCYON BUSINESS PUBLI										4,840			4,840
		HARPER LIONS CLUB										25			25
		HASKELL COUNTY MONITOR										130			130
		HIGH PLAINS PUBLISHERS										70			70
		INGRAM'S										3,515			3,515
		J SCHLEGEL MARKETING I			8,924										8,924
		JOURNAL COMMUNICATIONS										1,595			1,595
		KANSAS CITY BUSINESS J										7,453			7,453
		KBEK 95.5 FM			89										89
		LANDAJOB INC				7									7
		LAWRENCE CHAMBER OF CO				75									75
		LAWRENCE HIGH SCHOOL F				185									185
		LEAGUE OF NEBRASKA MUN										50			50

Schedule 6-8

11 moe	05-31-01	(June 2001 data not yet available)
Allocable or Direct	Allocable	

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1900	Magaz/Newspaper/Yellow Pg Ads	LIBERTY PUBLISHING GRO									727				727
		LINCOLN JOURNAL-STAR										1,698			1,698
		MEADE COUNTY NEWS										142			142
		METROMEDIA SUN PUBLICA										5,035			5,035
		MILE SAVER SHOPPER										755			755
		MINNESOTA NEWSPAPER AS			3,355	14,803									18,158
		NAYLOR PUBLICATIONS IN										460			460
		NEBRASKA REALTORS ASSO				525									525
		NESS COUNTY NEWS COMPA										76			76
		NORTH STAR PUBLISHING			241										241
		NP DODGE COMPANY				2,900									2,900
		OMAHA AREA BOARD OF RE				20									20
		OMAHA WORLD HERALD				2,360									2,360
		PARK RAPIDS ENTERPRISE			82										82
		PENNYPOWER			639										[illegible]
		PERFECT OUTPUT OF KANS				91									[illegible]
		PHILLIPS COUNTY REVIEW										126			126
		PINE CITY HIGH SCHOOL			100	50									150
		PINE CITY LIONS			60										60
		PINE CITY PIONEER			3,756	1,043									4,800
		PLAINVILLE TIMES										110			110
		PRINT BUYERS RESOURCE				2,400									2,400
		PROMO	102									(102)			0
		ROCKY FORD DAILY GAZET										1,455			1,455
		ROSEMOUNT HIGH SCHOOL				150									150
		SAM'S EAST INC			86										86
		SAVANNAH REPORTER									351				351
		SHARON LIESE										2,325			2,325
		SMITH COUNTY PIONEER										209			209
		SOUTH SIDE PRESS OF TH				24,182									24,182
		SOUTHWEST IOWA ASSOCIA				100									100
		ST JOSEPH NEWS-PRESS									1,649				1,649
		STANDARD & POOR'S RATI												2,040	2,040
		STOCKTON SENTINEL										327			327
		SUPERIOR PUBLISHING CO			200										200
		THE BULLETIN										121			121
		THE BURLINGTON RECORD										187			[illegible]
		THE DENVER POST										354			[illegible]
		THE ELKHART TRI-STATE										491			491
		THE GYP HILL PREMIERE										61			61
		THE HARPER ADVOCATE										360			360
		THE HUGOTON HERMES										150			150
		THE INVESTOR INTELLIGE										250			250
		THE JACKSONIAN										102			102
		THE KANSAS CITY STAR										3,294			3,294
		THE LAWRENCE DAILY JOU				787						722			1,509
		THE LIBERAL LIGHT										150			150
		THE NATOMA PUBLISHING										323			323
		THE PEMBROKE HILL SCHO										200			200
		THE PIONEER / ADVERTIS				94									94
		THE PRATT TRIBUNE										48			48
		THE PUEBLO CHIEFTAIN			1,895							1,212			3,107
		THE RANGER LEDGER										63			63
		THE REGIONAL STOCK MON										935			935
		THE SUNSHINE PAGES INC				2,798									2,798
		THE WESTERN STAR INC										300			300

Schedule 6-9

11 moe	05-31-01
Allocable or Direct	Allocable

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1900	Magaz/Newspaper/Yellow Pg Ads	TOWERY PUBLISHING INC										14,499			14,499
		TRI - COUNTY NEWS									110				110
		UNIFIED SCHOOL DISTRIC										200			200
		UTE PASS COURIER			546	423						298			1,267
		WALKER'S RESEARCH LLC										190			190
		WALTER PUBLISHING CO I			1,287										1,287
		WHITE & ASSOCIATES PHO										3,500			3,500
		WOMEN'S COUNCIL OF REA				500									500
		WOMEN'S EDITION MAGAZI				1,039									1,039
1900 Total			102		51,608	91,178	40				2,957	145,919		2,040	293,844
1901	Radio Ads	CITY OF EAGAN				350									350
		COX COMMUNICATIONS				252									252
		DDB NEEDHAM			92,201	128,301									220,502
		KBEK 95.5 FM				141									141
		KBUF PARTNERSHIP				1,350									[illegible]
		KCSJ RADIO										250			[illegible]
		KFEQ RADIO									660				660
		KMAQ-FM				463									463
		KNEM/KNMO RADIO				154									154
		KNIM RADIO									499				499
		KOZY - AM			1,584										1,584
		KRLN NEWSRADIO 1400										1,727			1,727
		KRWB AM 1410			165										165
		MIDWEST COMMUNICATIONS			2,492										2,492
		PAUL BUNYAN BROADCASTI			305	500									805
		PINE CITY BROADCASTING			937	285									1,222
		Q B BROADCASTING INC			145										145
		Q-1 VIDEO NETWORK INC			392										392
		REVEDA OF LEES SUMMIT										1,661			1,661
		TIME & ATTEND			14										14
		TURNER HEATING & AIR C										1,109			1,109
		WESTERN KANSAS BROADCA				1,150									1,150
		WGLR - WPVL SUPER AM'S				0									0
1901 Total					98,235	132,946					1,159	4,748			237,088
1902	Television Ads	CLASSIC CABLE										20			20
		COX COMMUNICATIONS				3,087									3,087
		DDB NEEDHAM			49,980										[illegible]
		KAKE TV			7,500	12,500									[illegible]
		KMAQ-FM				302									[illegible]
		KTTC TELEVISION INC				4,165									4,165
1902 Total					57,480	20,054						20			77,554
1903	Handouts/Brochures/Collateral	ACTION MAILING CORP				11,234									11,234
		ALL PACKAGING CO INC										66			66
		AMERICAN MANAGEMENT AS									104				104
		BURNS PRINTING				7,217					12,700	8,677			28,595
		BUSINESS & LEGAL REPOR										30			30
		BUSINESS SYSTEMS INC			10,197	4,173									14,371
		CADDY SHAK										372			372
		CD FACTORY									24	454			478
		COLOR CONCEPTS INC			462	3,621									4,084
		COLORMARK INC			7,170										7,170
		COLORWORKS									202,022				202,022
		COMPUTER MAILING INC									1,575				1,575
		CORONA LITHO CO				1,071									1,071
		CORPORATE GRAPHICS INT				416									416
		CPC ASSOCIATES			1,911										1,911

Schedule 6-10

11 moe	05-31-01
Allocable or Direct	Allocable

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1903	Handouts/Brochures/Collateral	CULVER COMPANY INC										739			739
		DDB NEEDHAM									7,619				7,619
		DONNELLEY MARKETING										2,980			2,980
		EXHIBIT ASSOCIATES INC										450			450
		FORMS ASSOCIATES INC				18,116						19,952			38,067
		HI - Q PHOTOLITH				143									143
		HOFFMAN-WOLFF PRODUCTI									56				56
		INDUSTRIAL LABEL CORPO				297									297
		IT'S IN THE MAIL				8,516									8,516
		J MICHAEL MURPHY & ASS										270			270
		J SCHLEGEL MARKETING I				90,836						31,886			122,722
		KANSAS CITY POWER & LI									235				235
		KANSAS CITY ROYALS BAS										350			350
		KC ENVELOPE COMPANY IN									29,270				29,270
		KENNEDY PROMOTIONAL PR									789				[illegible]
		KING FEATURES				116,236									[illegible]
		LANDAJOB INC			46	116					1,627	360			2,148
		MAIL & MORE				146									146
		MARKETING TECHNOLOGIES										6,929			6,929
		MAYWOOD WILLIS PRINTIN				3,689					2,899	722			7,310
		MICHAEL LEONARD										1,200			1,200
		MOORE			518	13,220					1,431	500			15,668
		MOORE DOCUMENT AUTOMAT				1,253					1,236	909			3,399
		MPI LABEL SYSTEMS			2,827	2,696									5,523
		NATIONWIDE PAPER				6,618					339	2,029			8,985
		OMAHA MAGAZINE LLC				1,200									1,200
		ON THE DRAW GRAPHICS									210				210
		PERFECT OUTPUT OF KANS				1,210					5,936	6			7,152
		PRESTIGE LITHO INC				30,315					9,321	5,979			45,615
		PRINT TIME									176				176
		PROGRAM PROMOTIONAL MA			108,102										108,102
		PROPRINT				1,070					1,042				2,112
		PUBLIC RELATIONS SOCIE									0				0
		RICHARDSON PRINTING IN									29,638				29,638
		ROCKHURST COLLEGE									89				89
		RUSH DELIVERY SERVICE										152			152
		Sept/Nov 2000 inserts									(1,504)				[illegible]
		SERVICE REPROGRAPHICS				58					447				[illegible]
		SIEGRIST ENGRAVING COM										2,560			[illegible]
		SIGNATURE SPECIALTIES			5,842	2,635									8,477
		SOUTH SIDE PRESS OF TH			124,073	72,499					78,826	9,557			284,955
		SPANGLER PRINTERS									16,169				16,169
		SPECTRAGRAPHICS			4,282						14,749				19,030
		TARGET MAILING SERVICE				6,799									6,799
		THE COLOR SOURCE									404				404
		TILFORD PRINTING INC				1,755									1,755
		UNITED STATES POSTAL S										3,712			3,712
		WARK PHOTOGRAPHY INC									259				259
		WINSTON PRINTING				1,769									1,769
1903 Total					265,430	408,925					417,688	100,839			1,192,882
1904	Business Gifts	ACTIVITY RECLASSIFICATION		(106)								106			0
		ADVERTISING INCENTIVES										972			972
		AMERICA'S RIVER					5,000								5,000
		BANK ONE										2,292	441		2,733
		CANTH AWARDS										320			320
		EXECUTIVE GREETING										239			239

Schedule 6-11

11 moe	05-31-01
Allocable or Direct	Allocable

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1904	Business Gifts	FERC Derivation								6,489		1,809			8,299
		GREAT BEND FLORAL COMP										27			27
		GREAT PLAINS DEVELOPME										150			150
		IMAGE MARKETING										4,450			4,450
		LAKESHORE COUNTRY CLUB										890			890
		MOORE										50			50
		OWENS FLOWER SHOP INC										960			960
		PROMOTIONAL RESOURCES										2,303			2,303
		SEABEL'S FINE COOKWARE										1,601			1,601
		SIGNATURE SPECIALTIES				926						12,061			12,987
		TANNENBAUM CHRISTMAS S										1,292			1,292
		THE BEST OF KANSAS CIT										1,583			1,583
		TIME & ATTEND						30				7,844			7,874
		TIME OUT GRAPHICS INC										3,017			3,017
		US LOGO APPAREL										2,071			[illegible]
		WESTON CAPITAL CORP IN										1,104			[illegible]
		WITHIN REASON										1,348			1,348
1904 Total				(106)		926	5,000	30		6,489		46,489	441		59,269
1905	Business Promotion	ADULT DAY SERVICES										900			900
		ARBOR DAY FARM-LIED CO										33,870			33,870
		BANK ONE										10,444			10,444
		BAUERLY BROS INC										5,817			5,817
		BC SPECIALTY										1,022			1,022
		BEAUCOUP BALLOONS										1,066			1,066
		COLOR CONCEPTS INC			38										38
		CPC ASSOCIATES			3,918										3,918
		DDB NEEDHAM			55,439	2,749									58,188
		DIRECTORY DIVIDENDS IN			5,235										5,235
		DODGE CITY MAYB										125			125
		FERC Derivation							172			739			911
		GREATER OMAHA CHAMBER										450			450
		GUILD BY ASSOCIATION L										320			320
		INDEPENDENT SCHOOL DIS										2,250			2,250
		IT'S IN THE MAIL				3,322									3,322
		J SCHLEGEL MARKETING I			52,478	9,089									61,567
		KCHACE										2,500			2,500
		LEGENDS PRINTING										368			[illegible]
		MAIL & MORE			1,332										[illegible]
		MECA LLC										1,410			[illegible]
		MIDAMERICAN ENERGY										300			300
		MYRON GREEN										1,415			1,415
		NATIONAL ASSOCIATION O												200	200
		NATIONAL FLAG & DISPLA										2,609			2,609
		PERFECT OUTPUT OF KANS										581			581
		PETER IMLAY ASSOCIATES										28,760			28,760
		PRESTIGE LITHO INC			24,454										24,454
		PROMOTIONAL RESOURCES										10,219			10,219
		PROPRINT			176										176
		SOUNDS UNLIMITED										550			550
		SOUTH SIDE PRESS OF TH			11,785	29,031									40,816
		TANNENBAUM CHRISTMAS S										9,480			9,480
		THE RICHARDSON COMPANY										268			268
		THE WALL STREET ANALYS										3,900			3,900
		TIME & ATTEND			164							20,367			20,531
		TRISHNA HORKAN ENTERPR										531			531
		WESTERN RESOURCES INC										375			375

Schedule 6-12

11 moe	05-31-01	(June 2001 data not yet available)
Allocable or Direct	Allocable	

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1905 Total					155,018	44,191			172			140,633		200	340,214
1906	Promotional Entertainment	Administrative and General										4,800			4,800
		AMERICAN ASSOCIATION O										400			400
		AMERICAN GOLF CORPORAT										218			218
		American Royal										1,659			1,659
		AMERICAN ROYAL ASSOCIA										144			144
		AVCORP INC										66			66
		AWARDS UNLIMITED INC										36			36
		BANK ONE										4,666			4,666
		BUDGET ICE MACHINES IN										255			255
		CATERS UNLIMITED										204			204
		CLARKS APPLIANCE INC										55			55
		DEER CREEK GOLF CLUB										4,797			4,797
		Ent Tickets:CorrJE06-0418101										0			0
		Entertainment Tickets										(145,930)			[illegible]
		Entertainment Tickets 4th Qtr										(98,132)			[illegible]
		FERC Derivation										5,100			5,100
		GARDEN CITY AREA CHAMB										398			398
		GOODLAND AREA CHAMBER										144			144
		GREAT BEND CHAMBER OF										224			224
		GREAT WESTERN DINING S										498			498
		GREATER KANSAS CITY CH										66			66
		JR'S FOOD SERVICE										814			814
		KANSAS CAVALRY INC										160			160
		KANSAS CITY CHIEFS										118,192			118,192
		KANSAS CITY ROYALS BAS				1,155	489					157,511			159,155
		KANSAS SPEEDWAY CORPOR										75,600			75,600
		KC Chiefs					2,600					30,670			33,270
		KC Royal										6,760			6,760
		KC Royals				3,440						29,360			32,800
		KC Royals:CorrJE06-0418101				0	0				0	0			0
		KIDA										450			450
		LIBERAL AREA CHAMBER O										40			40
		MIDWEST SINGLE SOURCE										441			441
		MINNESOTA WILD - NHL H										1,062			1,062
		MOORE DOCUMENT AUTOMAT				13									13
		MYRON GREEN										1,164			[illegible]
		PETER IMLAY ASSOCIATES										5,000			[illegible]
		PUEBLO AFRICAN AMERICA										140			[illegible]
		QUAIL VALLEY SPORTING										2,786			2,786
		RAYTOWN AREA CHAMBER O										550			550
		SEWARD COUNTY BROADCAS				617									617
		ST LOUIS RAMS FOOTBALL										2,327			2,327
		Starlight										1,380			1,380
		STARLIGHT THEATER										2,040			2,040
		Starlight:CorrJE06-0418101										0			0
		THE GREATER KANSAS CIT										480			480
		THE LEVY RESTAURANT										28,598			28,598
		THE WILDS										1,315			1,315
		TIME & ATTEND			1,681							18,701			20,383
		UNIVERSITY OF KANSAS										3,903			3,903
		UNIVERSITY OF MISSOURI										677			677
		WAL-MART STORES INC										167			167
		WICHITA CHAMBER OF COM										1,020			1,020
		WINSHIP TRAVEL										1,070			1,070
1906 Total					1,681	5,225	3,089				0	272,043			282,039

Schedule 6-13

11 moe	05-31-01	June 2001 data not yet available)
Allocable or Direct	Allocable	

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1908	Trade Show/Customer Event Fees	CAREER FAIR COORDINATO										1,675			1,675
		Hoisington Golf trip refund										(234)			(234)
		KANSAS CITY ROYALS BAS										587			587
		THE GODBOLD GROUP INC										9,658			9,658
1908 Total												11,686			11,686
1999	Other Advertising & Promo	Administrative and General										10,500			10,500
		ADVERTISING INCENTIVES				346						1,027			1,373
		ALENCO INC										(500)			(500)
		Allegis Group										(500)			(500)
		AMERI - SOURCE PUBLICA				60									60
		BANK ONE										4,243			4,243
		BROADWAY THEATRE LEAGU										250			250
		CHARLESTON INC				893									893
		CITY OF DODGE CITY			2,200										2,200
		Computer Source Inc										(2,000)			[illegible]
		COOP Marketing										(1,915)			[illegible]
		CRITERION INC										36,250			36,250
		DAILY GLOBE			1,310										1,310
		DDB NEEDHAM											125,000		125,000
		EMC Corp										(2,000)			(2,000)
		Express Computer Systems										(100)			(100)
		Fall Symposium										(1,000)			(1,000)
		FERC Derivation										(572)			(572)
		FORMS ASSOCIATES INC				469									469
		GROWTH MARKET RESEARCH										209			209
		HOFFMAN-WOLFF PRODUCTI										8,461			8,461
		INACOM CORP										(10,500)			(10,500)
		Info Tech Symposium										(5,000)			(5,000)
		LATINO CHAMBER OF COMM										360			360
		LIBERAL REDSKIN BOOSTE				(150)									(150)
		LIBERAL SCHOOLS USD -				150									150
		MAYWOOD WILLIS PRINTIN				1,599						1,714			3,313
		MID AMERICA EXPOSITION				375									375
		MIDWEST PLASTICS INC			595										595
		Misc deposit										(12,000)			(12,000)
		MOORE									360				360
		NATIONAL DRUG SAFETY L										130			[illegible]
		NP DODGE COMPANY				400									[illegible]
		OMAHA MAGAZINE LLC				850									850
		PIKES PEAK JAZZ FESTIV										500			500
		Planet Consulting Inc										(500)			(500)
		PUEBLO CHAMBER OF COMM										672			672
		refund										(1,200)			(1,200)
		Robert Half Intern										(1,000)			(1,000)
		SANGRE DE CRISTO ARTS										375			375
		SBC										(1,500)			(1,500)
		Selling Expense										(561,000)			(561,000)
		SEWARD COUNTY BROADCAS				1,150									1,150
		SIGNATURE SPECIALTIES										3,491			3,491
		Symposium Sponsorship										(1,000)			(1,000)
		THE CASTLE ROCK CHRONI										250			250
		TILFORD PRINTING INC				1,678									1,678
		TIME & ATTEND										6,627			6,627
		TRI - LAKES CHAMBER										150			150
		VICTOR CHAMBER OF COMM										125			125
		WHITE & ASSOCIATES PHO										2,412			2,412

Schedule 6-14

11 moe	05-31-01
Allocable or Direct	Allocable

(June 2001 data not yet available)

Sum of Sum Amount			Ferc Acct												
Resource	Resource Descr	Line Descr Abbrev	184000	186000	416000	417100	426100	426400	500000	556000	909000	913000	930100	930200	Grand Total
1999	Other Advertising & Promo	Williams Gas Pipeline										(1,392)			(1,392)
		WIRE FROM IBM										(1,000)			(1,000)
1999 Total					4,105	7,819					360	(526,934)	125,000		(389,649)
Grand Total			102	(106)	633,557	711,264	8,129	30	172	6,489	422,164	195,444	125,441	2,240	2,104,926

Schedule 6-15

Missouri Public Service Commission

Memo

To: Gary Clemens

From: Dana Eaves

CC: Carrie Featherstone

Date: ~~10/4/2001~~ 9/20/01

Re: Incomplete DR# 81

The response from DR #81 is incomplete. Copies of advertisement were not included with response. Please provide copies of all advertisements as originally requested in DR#81.

Please provide data for June 2001 as requested in DR #81. Please explain the following Line Description Abbreviations:
ABC IS 140 No Customer Type
ABC IS 960 No Customer Type
ACR
Time & Attend
FERC Derivation
SBC
Refund
Wire From IBM
Misc Deposits

Please provide a copy of invoices or vouchers for all Business Promotion items charged or allocated to Missouri electric ratepayers.

Schedule 7

Missouri Public
Service Commission

Memo

To: Gary Clemens

From: Sheldon Wood

Date: 10/18/2001

Re: Fiscal year 2000 fuel invoices with date paid

Please provide fiscal year 2000 fuel invoices with dates paid on each invoice. We were previously provided with some fuel purchase data (see data requests 58, 59, and 66) although the company's responses did not include the dates.

Schedule 8

Missouri Public Service Commission

Memo

To: Gary Clemens

From: Bill Harris

Date: 10/24/2001

Re: Insufficient response to Staff Data Request

Staff Data Request No. 229 (copy attached) dated August 30, asked for monthly fuel prices , by generating unit, for the SJLP Division. The request was answered by Steve Ferry. His response included the requested data for the calendar year 2001 only. The requested information for the calendar years 1997 through 2000 was not provided. Since Mr. Ferry had previously provided the same information for the MPS Division in his response to Staff Data Request No. 96, it is unclear why he only provided the year 2001 data for SJLP. Fuel prices are an integral part of this rate case and it is imperative that the Staff receive this information. As of this writing, the Company is deficient in providing this needed information

Schedule 9