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January 18, 2002

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Secretary/Chief Regulatory Law Judge
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FILED³

JAN 18 2002

**Missouri Public
Service Commission**

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

RE: Case No. ER-2001-672 – In the matter of the Tariff Filing of Missouri Public Service (MPS), 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 MPS.

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of
STAFF'S MOTION FOR LEAVE TO LATE FILE PROPOSED LIST OF ISSUES, LIST OF WITNESSES AND ORDER OF CROSS-EXAMINATION and

**PROPOSED LIST OF ISSUES, LIST OF WITNESSES
AND ORDER OF CROSS-EXAMINATION.**

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

Thank you for your attention to this matter.

Sincerely yours,

Nathan Williams
Associate General Counsel
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Enclosure

cc: Counsel of Record
Informed Consumers, Quality Utility Services, and a Dedicated Organization for Missourians in the 21st Century

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

In the matter of the Tariff Filing of)
Missouri Public Service (MPS), 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 MPS.)

Case No. ER-2001-672

**PROPOSED LIST OF ISSUES, LIST OF WITNESSES
AND ORDER OF CROSS-EXAMINATION**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and respectfully states as follows:

1. On June 8, 2001, UtiliCorp United, Inc. ("Company") filed with the Missouri Public Service Commission ("Commission") tariff sheets designed to increase rates for electric service provided by the Company's Missouri Public Service division to customers in the Missouri service area of that division.

2. On August 14, 2001 the Commission issued its *Order Concerning Test Year and True-up, Resetting Evidentiary and True-Up Hearings, Adopting Procedural Schedule, and Concerning Local Public Hearings* wherein the Commission required the parties to develop and agree on a list of issues to be determined by the Commission in this case. The list of issues was to be filed by 4:00 p.m. on January 11, 2002. On November 7, 2001 the Commission issued its *Order Regarding Motion to Compel Discovery and Revising Procedural Schedule* in which it modified the previously ordered procedural schedule. One such modification was to change the filing deadline for the list of issues from 4:00 p.m. January 11, 2002 to 4:00 p.m. January 17, 2002.

3. Pursuant to the ordered procedural schedule, the Staff, with input from the other parties, has assembled the following list of issues, list of witnesses, and order of cross-examination. The listing of issues below is not to be considered as an agreement by any party that any particular listed issue is, in fact, a valid or relevant issue. Indeed, in the subsequent filing of position statements, some parties may state that they consider a particular listed issue to not be, or no longer be, a valid issue. This “non-binding” listing of issues is not to be construed as impairing any party’s ability to argue about any of these issues or related matters, or to restrict the scope of its response to arguments made by other parties.

LIST OF ISSUES

The following is a list of contested issues to which the Staff; UtiliCorp United, Inc.; Office of the Public Counsel; Sedalia Industrial Energy Users’ Association (“SIEU”); United States Executive Agencies (“USEA”); County of Jackson, Missouri; City of Kansas City, Missouri; and Missouri Joint Municipal Electric Utility Commission have agreed:

1. Revenue requirement: What is the proper scope of the revenue requirement to be determined in this case?
2. Are the Missouri operations of UtiliCorp’s Missouri Public Service and St. Joseph Light & Power Divisions so integrated that a separate rate proceeding, tariff filing and/or complaint proceeding for the Missouri Public Service Division cannot be maintained?
3. Cost of Service – Aries Purchase Power Contract:
 - A. Do any criteria still need to be met before the Aries Purchase Power Contract costs are included in cost of service, i.e., before they should be recoverable in rates?
 - B. If the Aries Purchase Power Contract is to be included in the cost of service, should any adjustment be made to that cost?
4. Cost of Service – Depreciation:
 - A. Should the test year depreciation expense be adjusted?

- (1) Should the future cost of removing retired plant be included in depreciation rates or treated as a current expense?
 - (2) What is the cost of removal that is included in current depreciation rates?
5. Cost of Service - Income tax expense:
 - A. What is the proper depreciation level to be used in calculating current and deferred income tax expense?
6. Capital Structure/Rate of Return:
 - A. What is the appropriate capital structure for UtiliCorp's Missouri Public Service Division?
 - B. What is the appropriate return on common equity for UtiliCorp's Missouri Public Service Division?
7. Cost-of-Service - Off-system Sales:
 - A. Should any part of interchange sales margins be excluded from cost-of-service?
8. Cost-of-Service – Jeffrey Shares:
 - A. Do Jeffrey Shares (energy sales and purchases between UtiliCorp's Missouri Public Service Division and WestPlains Energy—Kansas) yield interchange sales margins?
9. Cost of Service - Energy costs:
 - A. What are the appropriate costs of fuel (natural gas prices)?
10. Cost of Service - Allocation of corporate overhead costs:
 - A. What impact, if any, should UtiliCorp's international operations have on corporate overhead allocated to the Missouri Public Service Division?
 - B. What impact, if any, should Aquila, Inc. have on corporate overhead allocated to the Missouri Public Service Division?
 - C. Should UtiliCorp's St. Joseph Light & Power Division be included when determining Missouri Public Service Division's share of corporate allocated costs?
 - D. TransUCU

- (1) What level of TransUCU expenses should be included in the cost of service?

E. Legislative-related activities

- (1) What level of expenses for legislative-related activities should be included in the cost of service?

11. Cost of Service – Payroll:

A. Incentive Compensation

- (1) Shall discretionary, performance-based, incentive pay for employees be allowed?
- (2) Shall long-term performance-based incentive pay for employees be allowed?

12. Cost of Service – Lease of Greenwood Units 1&2:

- A. Should any adjustment be made to the cost of this lease?

13. Cost of Service - Bad Debt:

- A. Should Missouri Public Service Division's bad debt expense be based on the three-year average that it proposes or the five-year average that the Staff proposes?

14. St. Joseph Light & Power Company – UtiliCorp Merger Savings and Costs:

- A. Should Missouri Public Service Division's fuel expense reflect the joint dispatch of Missouri Public Service Division and St. Joseph Light & Power Division generating resources?
- B. If Missouri Public Service Division's fuel expense reflects joint dispatch of Missouri Public Service Division and St. Joseph Light & Power Division generating resources, and/or the St. Joseph Light & Power Division is included when determining Missouri Public Service Division's share of corporate allocated costs, should the Missouri Public Service Division be allowed to recover in rates all or a portion of the merger premium and transaction costs (acquisition adjustment) related to UtiliCorp's acquisition of St. Joseph Light & Power Company?
- C. If Missouri Public Service Division's fuel expense reflects joint dispatch of Missouri Public Service Division and St. Joseph Light & Power Division

generating resources, and/or the St. Joseph Light & Power Division is included when determining Missouri Public Service Division's share of corporate allocated costs, should the Missouri Public Service Division be allowed to recover in rates the transition costs ("cost to achieve") that UtiliCorp has incurred, and will incur, in acquiring St. Joseph Light & Power Company?

15. Customer Annualization:

- A. Should the customer growth adjustments made for rate classes 710 and 711 be further adjusted to reflect reclassification of customers between these rate classes made in the year 2001?

16. Maintenance Expense:

- A. Should the Missouri Public Service Division's non-labor maintenance expense be based on the three-year¹ average that the Staff proposes or the actual level of maintenance expense that the Missouri Public Service Division incurred during the test year—calendar year 2000—as it proposes?

17. Remaining Accounting Authority Order Deferred Balances:

- A. Should the Missouri Public Service Division be allowed to recover as a rate base item the unamortized balances of existing accounting authority orders?

18. Recordkeeping:

- A. In the future, should detailed reports be available to the Staff and the Office of the Public Counsel at the beginning of the Staff's field audit?
- B. On an ongoing basis, should the Staff and the Office of the Public Counsel be permitted access to certain accounting, financial and operational records that permit independent auditing?

19. Miscellaneous Tariff Issues:

- A. Should the Missouri Public Service Division be required to file a description of its service territory in the congressional township format?
- B. What is the appropriate level of reconnection charges?
- C. What is the appropriate level of charges for meter reading by special appointment?

¹ Staff will file surrebuttal testimony revising its three-year average in direct to a four-year average.

D. What is the appropriate level of charge for a temporary, self-contained meter set used in residential construction?

E. What is the appropriate level of charge per foot for excess service line length?

20. Revenues---Annualization of Economic Development Rider Credits:

A. Is it appropriate to adjust the level of Economic Development Rider Credits to account for the annually declining percentage discount?

B. Is it appropriate to adjust the level of Economic Development Rider Credits to account for anticipated future participation by new customers?

21. Class Cost of Service/Rate Design:

A. What is the appropriate allocation of any increase in revenues to customer classes?

B. What is the appropriate allocation of any decrease in revenues to customer classes?

C. What are the appropriate adjustments to rates for the various customer classes in the event of (1) a rate increase or (2) a rate decrease?

D. Should the Commission establish a new case to fully examine class cost of service and rate design?

22. What is the appropriate scope of the true-up proceeding in this case?

23. True-Up Issues: The list above represents the issues that the parties believe are appropriate to present to the Commission during the hearings scheduled in January and February, 2002, and thus represent issues where there is a present controversy. The parties have not included in that list (and have not scheduled for hearing at this time) issues that the parties believe are more appropriate to address in the true-up portion of this case, thus, the list presented above is not intended to be a complete list of all possible issues which may arise during the course of this proceeding. Note that, as directed by the Commission in its order of August 14, 2001, the parties in this case jointly filed a list of accounts to be trued-up on August 31, 2001. These items will be trued-up through January 31, 2002. That list included the following items: a) Rate Base---plant in service, depreciation reserve, deferred taxes, fuel inventories for oil and coal – prices, related cash working capital; b) Capital Structure---rate of return (embedded cost of long-term debt, short-term debt and preferred stock) and capital structure; c) Income Statement---revenues and customer sales to account for growth, payroll (employee levels, current wage rates, payroll-related benefits, and payroll taxes), fuel prices for gas, oil and freight, purchased power prices, margin from off-system sales, system loads, fuel and purchased power expense, rate case expense, lease cost, property insurance, depreciation expense,

property taxes, and income tax effects; and d) allocation factors. Also note that in response to that filing, UtiliCorp objected to treatment of the Aries Plant as being owned by it and application of in-service criteria and rate base treatment of the plant.

CALENDAR OF ISSUES; ORDER OF WITNESSES

The Staff, with the input of the other parties, has also assembled the following schedule of events to which the following parties have agreed: Staff; UtiliCorp United, Inc.; Office of the Public Counsel; SIEU; USEA; County of Jackson, Missouri; City of Kansas City, Missouri; and Missouri Joint Municipal Electric Utility Commission. In the event too much time has been allotted for an issue, the Staff anticipates that subsequent issues would be taken up earlier than scheduled, with the exception of the issues of off-system sales and class cost of service/rate design which, to accommodate certain parties, are scheduled during the last week of the scheduled hearings. In particular as to these issues, but also as to other issues, including those that may arise in surrebuttal, the parties may request slight changes as to the times at which issues are taken up in order to accommodate the availability of their witnesses.

Friday, January 25, 2002

9:00 a.m. Entries of Appearance and Marking of Exhibits
10:00 a.m. Opening Statements

Monday, January 28, 2002

9:00 a.m. Capital Structure/Rate of Return (Issue 6.)
Witnesses: UtiliCorp: John C. Dunn
Staff: David Murray
OPC: Mark Burdette
Customer Annualization (Issue 15.)
Witnesses: UtiliCorp: Gary L. Clemens
Staff: Janis E. Fischer

Tuesday, January 29, 2002

9:00 a.m. Annualization of Economic Development Rider Credits (Issue 20.)
Witnesses: UtiliCorp: J. Matt Tracy
Staff: Janice Pyatte
Maintenance Expense (Issue 16.)
Witnesses: UtiliCorp: Allison K. Moten
Staff: Amanda C. McMellen

Wednesday, January 30, 2002

9:00 a.m. Remaining Accounting Authority Order Deferred Balances (Issue 17)
Witnesses: UtiliCorp: Allison K. Moten
Staff: Phil Williams
OPC: Ted Robertson
Miscellaneous Tariff Issues (Issue 19.)
Witnesses: UtiliCorp: J. Matt Tracy
Staff: William L. McDuffey

OPC: Hong Hu

Thursday, January 31, 2002

9:00 a.m. Incentive Compensation (Issue 11.)

Witnesses: UtiliCorp: John W. McKinney

Staff: Graham A. Vesely

Joint Dispatch of MPS & SJLP generating resources (Issue 14.A.)

Witnesses: UtiliCorp: Steve Ferry

Staff: Michael S. Proctor

David W. Elliott

Mark L. Oligschlaeger

Steve M. Traxler

OPC: Ryan Kind

Friday, February 1, 2002

9:00 a.m. Income tax expense (Issue 5.)

Witnesses: UtiliCorp: John W. McKinney

Staff: Steve M. Traxler

Bad Debt (Issue 13.)

Witnesses: UtiliCorp: Angela D. Hattley

Staff: Janis E. Fischer

Monday, February 4, 2002

9:00 a.m. Energy Costs (Issue 9.)

Witnesses: UtiliCorp: John W. McKinney

SIEU/USEA: Maurice Brubaker

Staff: V. William Harris

OPC: James A. Busch

Off-system Sales (Issue 7.)

Witnesses: UtiliCorp: Stephen L. Ferry

SIEU/USEA: Maurice Brubaker

Staff: Steve M. Traxler

Cary G. Featherstone

Jeffrey Shares (Issue 8.)

Witnesses: UtiliCorp: Stephen L. Ferry

SIEU/USEA: Maurice Brubaker

Staff: Steve M. Traxler

Tuesday, February 5, 2002

9:00 a.m. Class Cost of Service/Rate Design (Issue 21.)

Witnesses: UtiliCorp: J. Matt Tracy

SIEU/USEA: Maurice Brubaker

Staff: Michael S. Proctor

OPC: Hong Hu

Depreciation (Issue 4.)

Witnesses: UtiliCorp: John W. McKinney

Staff: Jolie L. Mathis

Cary G. Featherstone

Wednesday, February 6, 2002

9:00 a.m. SJLP-related merger premium and transaction costs (Issue 14.B.)

Witnesses:	UtiliCorp:	Jon R. Empson Gary L. Clemens Vern J. Siemek
	Staff:	Michael S. Proctor Mark L. Oligschlaeger Steve M. Traxler Charles R. Hyneman Janis E. Fischer Cary G. Featherstone
	OPC:	Ted Robertson Ryan Kind

SJLP-related transition costs (Issue 14.C.)

Witnesses:	UtiliCorp:	Vern J. Siemek
	Staff:	Janis E. Fischer Mark L. Oligschlaeger
	OPC:	Ted Robertson

Integration of MPS and SJLP operations and
Scope of revenue requirement (Issues 1. & 2.)

Witnesses:	UtiliCorp:	Vern J. Siemek Beverlee R. Agut Carl A. Huslig
	OPC:	Russell W. Trippensee Ryan Kind
	City of Kansas City:	Russell Widmar

Thursday, February 7, 2002

9:00 a.m. Allocation of corporate overhead costs (Issue 10.)

Witnesses:	UtiliCorp:	James Brook Beverlee R. Agut
	Staff:	Charles R. Hyneman Mark L. Oligschlaeger Steve M. Traxler
	OPC:	James Dittmer Ted Robertson

Recordkeeping (Issue 18.)

Witnesses:	UtiliCorp:	Gary L. Clemens Beverlee R. Agut
	Staff:	Steve M. Traxler
	OPC:	Ted Robertson

Scope of True-up (Issue 22.)

Witnesses:	UtiliCorp:	Gary L. Clemens
	Staff:	Steve M. Traxler

OPC: Cary G. Featherstone
Russ Trippensee

Friday, February 8, 2002

9:00 a.m. Greenwood lease (Issue 12.)

Witnesses: UtiliCorp: Stephen L. Ferry
Glenn P. Keefe
Staff: Cary G. Featherstone

Aries Purchase Power Contract (Issue 3.)

Witnesses: UtiliCorp: Stephen L. Ferry
Jon R. Empson
John W. McKinney
Staff: Mark L. Oligschlaeger
Cary G. Featherstone
OPC: Ryan Kind

Uncontested Issues, if needed.

Order of Cross-Examination:

For UtiliCorp witnesses, cross will be by Missouri Joint Municipal Utility Commission; City of Kansas City, Missouri; County of Jackson, Missouri; SIEU; USEA; Public Counsel; then Staff.

For Staff witnesses, cross will be by Missouri Joint Municipal Utility Commission; City of Kansas City, Missouri; County of Jackson, Missouri; SIEU; USEA; Public Counsel; then UtiliCorp.

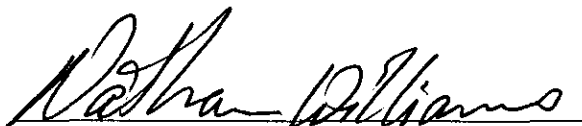
For Public Counsel witnesses, cross will be by Missouri Joint Municipal Utility Commission; City of Kansas City, Missouri; County of Jackson, Missouri; SIEU; USEA; Staff; then UtiliCorp.

For SIEU witnesses, cross will be by USEA; Missouri Joint Municipal Utility Commission; City of Kansas City, Missouri; County of Jackson, Missouri; Staff; UtiliCorp; then Public Counsel.

For USEA witnesses, cross will be by SIEU; Missouri Joint Municipal Utility Commission; City of Kansas City, Missouri; County of Jackson, Missouri; Staff; UtiliCorp; then Public Counsel.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Nathan Williams
Associate General Counsel
Missouri Bar No. 35512

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 18th day of January 2002.



**Service List for
Case No. ER-2001-672
Verified: January 18, 2002, (cgo)**

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