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August 22, 2000

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

FILED³

AUG 22 2000

Missouri Public
Service Commission

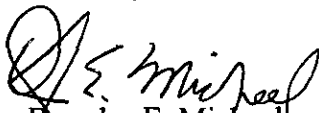
**RE: Missouri Public Service,
Case No. GT-2001-61**

Dear Mr. Roberts:

Enclosed for filing in the above referenced case, please find the original and 8 copies of the **Public Counsel's Reply to UtiliCorp's Response to OPC Motion to Suspend**. Please "file stamp" the extra enclosed copy and return it to this office. I have on this date mailed, faxed, or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Sincerely,


Douglas E. Micheel
Senior Public Counsel

DEM:kh

cc: Counsel of Record

Enclosure

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
AUG 22 2000

Missouri Public
Service Commission

In the matter of Missouri Public Service, a division)
of UtiliCorp United, Inc. to establish an experimental)
small volume aggregation program in Missouri.)

Case No. GT-2001-61

PUBLIC COUNSEL'S REPLY TO UTILICORP'S RESPONSE TO
OPC MOTION TO SUSPEND

COMES NOW, the Office of the Public Counsel ("Public Counsel" or "OPC") and in Reply to UtiliCorp United's Response to Public Counsel's Motion to Suspend states:

1. The gas aggregation program that Missouri Public Service (MPS) has proposed is the first of its type in the State of Missouri. Public Counsel's motion to suspend outlined the numerous concerns that OPC has regarding the experimental program contained in the proposed tariff sheets. These concerns arise generally in the following areas: (A) the proposal does not have adequate provisions to protect from harm residential customers who are not eligible for the program and other small customers who do not choose to take advantage of the aggregation option; (B) as proposed, the program does not create a level playing field among potential new gas suppliers, including the distribution Company's gas marketing affiliate; (C) the proposed tariff, and other documents that will be used to implement the program lack sufficient clarity and internal consistency to ensure that the program would operate in the manner intended; (D) the program does not have sufficient protections for small unsophisticated consumers that are choosing a competitive gas supplier for the first time; (E) Public Counsel believes that key documents that are referenced in proposed tariff which contain important terms and conditions for implementing the program should be included as a part of the tariff that implements the proposed program; (F) the proposed tariff

contains numerous new charges to aggregators and end users that need to be analyzed to determine MPS's cost basis for the proposed charges and to ensure that the Company is not attempting to put rates in place for new or modified services without the consideration of all relevant factors and; (G) the proposed tariff lacks crucial elements of reporting requirements and an evaluation plan that would be necessary to determine whether and how the program should be continued at the end of the experimental period.

2. On or about August 11, 2000, UtiliCorp United, Inc. (UtiliCorp or UCU or the Company) filed its Response to OPC Motion to Suspend (UCU's Response). In its Response, UCU purported to "expressly respond to the questions raised by OPC." The UCU response did not adequately respond to many of the questions raised in Public Counsel's Motion to Suspend and Request for Establishment of Procedural Schedule and Hearing. Furthermore, some of UCU's responses to the questions raised by OPC in its Motion to Suspend actually raised additional questions and concerns instead of answering OPC's questions and alleviating concerns. Based on the number of concerns initially raised by OPC and the concerns that still remain, the UCU filing to establish an experimental small volume customer aggregation program is a contested case which merits a hearing by this Commission where the Commission can determine how each contested issue should be resolved after receiving record evidence. While UCU's response attempted to address each of the broad areas of concern cited by OPC, the Company's response did not alleviate or diminish any of these areas of concern. In this reply to UCU's response, OPC will address many, but not all, of the unresolved issues that remain after the UCU response.

5. Prior to addressing the specifics of the UCU response, OPC believes it is important to bring to the Commission's attention, the two key differences between the proposed Missouri aggregation program and the aggregation program that UCU is already operating in Kansas. First,

the Kansas program is not available to all small non-residential customers. In UCU's Kansas program, the smallest non-residential customers, those whose usage is not anticipated to exceed 500 Mcf per year, are not eligible for gas aggregation services. Unlike the Kansas program, the proposed Missouri aggregation program would be available to even the smallest non-residential customers. The other key difference between the Kansas program and the proposed Missouri program, is that the Missouri program requires program participants to take daily balancing service from UCU.

3. OPC's original motion in this case questioned whether the proposal has adequate provisions to protect from harm residential customers who are not eligible for the program and other small customers who do not choose to take advantage of the aggregation option. In its response, UCU addressed two key issues in this area. In response to OPC's concern about a decrease in the ability of MPS to procure gas supplies economically for its remaining bundled service customers, due to declines in buying power and the diversity of customer loads, UCU cites the impact that the proposed program would have if ten percent of eligible customers take advantage of the proposed program. UCU asserts that if ten percent of eligible customers take advantage of the program, then "the associated volumes would represent only about two percent of MPS's total annual volumes."

4. OPC believes that UCU has vastly understated the impact that the proposed program will have on the buying power of bundled load customers by using a ten percent estimate of participation rates. UCU's choice of a ten percent participation rate to support its contention that this program will not harm remaining bundled load customers is especially curious because the Company has provided other documents to OPC indicating that it expects a 50% participation rate in the proposed program. In its response to OPC DR No. 521, UtiliCorp stated that "it is estimated

that 50% of the current non-residential sales customers will move to transportation service” and that “this estimate is based on UtiliCorp’s experience in Kansas.” (UCU’s response to OPC DR No. 521 is attached as Attachment 1) Based on UtiliCorp’s estimate in its DR responses that 50% of eligible customers will participate in the program, not 10% as stated in its response to OPC’s motion, the potential adverse impacts are much greater for the residential and other customers who continue to receive regulated bundled service from MPS.

5. If 50% of eligible customers participate in the proposed program, then this would represent approximately ten percent, rather than two percent, of MPS’s annual volumes. The impact of losing 10% of annual volumes will be enhanced by the fact that the customers who are lost make an inordinate contribution to the load diversity and load factor of MPS’s bundled service customers. OPC respectfully suggests that the suspension of the proposed tariff would allow the Commission to determine the significance that various participation rates (e.g. 10%, 25%, 50%, or 75%) would have on MPS’s gas procurement costs for those customers who continue to receive bundled service from MPS.

6. UtiliCorp’s response also addressed the second key issue that OPC’s had regarding the inadequate provisions in the proposed tariffs to protect from harm residential customers who are not eligible for the program and other small customers who do not choose to take advantage of the aggregation option. OPC’s second key issue in this area was that MPS has proposed that the revenues from only one of the services offered in the proposed program (mandatory daily balancing service) be returned to ratepayers to offset the costs associated with utilizing the gas supply portfolio of bundled service customers to provide these new services to aggregation customers. UtiliCorp’s response to OPC’s motion again mischaracterized the impact that this program will have in terms of its impact on (1) remaining bundled service customers and (2) the amount of new

revenue sources that this program will provide for MPS. In its response, UtiliCorp has attempted to minimize the amount of new revenues that the proposed program would provide by suggesting there will be only a ten percent participation rate, just as UtiliCorp attempted to minimize the impact that the proposed program will have on the buying power of MPS's bundled service customers by describing the smaller impacts associated with a ten percent participation rate. As stated previously in this response to UCU's response, UtiliCorp has stated in response to an OPC data request in this case that "based on UtiliCorp's experience in Kansas" it "estimated that 50% of the current non-residential sales customers will move to transportation service."

7. In its response, UtiliCorp stated that "if ten percent of the eligible customers opted to aggregate...the total annual revenue from the daily balancing service would be about \$75,000." However, if UtiliCorp's response had cited the same UCU participation rate estimates that it provided in its response to OPC DR No. 521, then its response would have revealed that if 50% of the eligible customers opted to aggregate, as UCU predicts, the total annual revenue from the daily balancing service would be about \$375,000. Perhaps UCU believes that \$375,000 in annual revenues is "relatively minor", but OPC would disagree with this characterization. Maybe UCU recognizes that \$375,000 is not "relatively minor" and for that reason referenced a number in its response to OPC's motion that is only one fifth of the amount of annual balancing service revenues that it actually expects to receive in the proposed program.

8. As part of its response to OPC's second key issue regarding the inadequate provisions in the proposed tariffs to protect from harm residential customers who are not eligible for the program and other small customers who do not choose to take advantage of the aggregation option, UCU provided a list (see UCU response, pages 3 and 4) showing how each type of revenue described in the tariff will be treated. The statements that UCU made regarding items 4 through 8

of this list have raised substantial new concerns. OPC's motion had pointed out how the proposed UCU tariffs allowed UCU to retain the revenues associated with the daily out of balance charge, monthly cash-out charge, unauthorized delivery charge, and monthly balancing services charge instead of crediting these revenues to a system ACA account. As OPC pointed out in its motion to suspend, "OPC believes the revenues from all of the other gas supply-related services (e.g. the daily out of balance charge, monthly cash-out charge, monthly balancing service, aggregation pooling service, and operational balancing agreement revenue) that will be offered on a mandatory or voluntary basis to aggregators should also be passed back to ratepayers through the PGA/ACA mechanism to ensure that ratepayers, as well as shareholders, are held harmless from incurring additional gas supply expenses that would be reflected in the costs that are recovered through the PGA/ACA mechanism."

9. UCU's response to OPC's motions states that for the daily out of balance charge, monthly cash-out charge, unauthorized delivery charge, and monthly balancing services charge, the new revenues would be "credited to a system ACA account." OPC is at the same time encouraged and discouraged by UCU's recognition that the revenues from these services should be "credited to a system ACA account." We are encouraged to see that UCU now recognizes that these revenues should be credited back to ratepayers so they can offset the additional PGA/ACA costs that will be incurred to provide these new services to customers that choose to participate in the proposed aggregation program. These new services would be made possible by the gas supply resources which are directly recovered on a dollar per dollar basis from MPS's captive bundled service customers. While it is encouraging to see that, at least at this point in time, MPS recognizes that it is appropriate to return these revenues to customers through the ACA process, it is discouraging

and disconcerting to see that MPS has not modified its tariffs to effectuate the return of these dollars.

10. The proposed MPS tariffs contain provisions for the revenues from one service (the daily balancing charge) and only one service to be credited to a system ACA account. Public Counsel believes that the Commission should consider the recent controversy in Case No. GR-96-181 (the Laclede PGA/ACA proceeding where the treatment of off system sales revenue was disputed by OPC, Laclede, and the Commission Staff) when it decides whether the proposed tariffs should be suspended so they can be modified to include specific provisions to credit the revenues from the daily out of balance charge, monthly cash-out charge, unauthorized delivery charge, and monthly balancing services charge to a system ACA account. Without this language, OPC fears that an extensive use of resources may be required to determine whether and how the revenues from these new services will be used to offset the corresponding expenses that are allocated to residential and other customers in the PGA/ACA process.

11. Furthermore, in Case No. GR-96-181, the Commission seemed to indicate that regardless of the policy arguments that it heard, it could not allow for offsetting revenues to be credited to an ACA account because "nowhere in Laclede's tariffs was the revenue from off-system sales expressly mentioned." (Report and Order, GR-96-181, p.4) If the proposed tariffs are approved, then the same situation will exist with regard to all of the new revenues associated with MPS's gas supply portfolio except for the daily balancing charge, which is expressly mentioned in the proposed tariffs in paragraph E.2 on Sheet No. 32.11 and paragraph E. on Sheet No. 36. If the proposed tariffs are not changed to include similar language that expressly mentions how revenues from the daily out of balance charge, monthly cash-out charge, unauthorized delivery charge, and monthly balancing services charge will be credited to a system ACA account, then (1) residential

and other customers who continue to take bundled service from MPS will be forced to subsidize the proposed aggregation program and (2) the Commission will be approving rates that allow MPS to retain revenues from new services without examining all relevant factors.

12. On page six of its response, UtiliCorp addressed Public Counsel's concern that aggregation program participants will no longer need to pay any charges associated with ACA, Refund, TOP, and TC factors after the effective date of the Company's scheduled winter 2001 filing. UCU acknowledged that under this provision, "in the event some amounts are not recovered, the general system would be asked to pay those amounts in later ACA filings." Public Counsel believes such a cross-subsidy between "general system" bundled service customers and aggregation service customers is grossly unfair and will result in rates that are unreasonable and discriminatory for "general system" customers. UtiliCorp's response seeks to minimize this concern and the magnitude of the cross-subsidy that will occur by stating that "it should be noted that the general system will also receive a subsidy when a customer elects to leave this program and return to general service." UCU did not, however, cite any statistics to support its contention that customers are likely to return to "general system" service once they have tried aggregation service.

13. On page 13 of its response UtiliCorp appears to try to minimize OPC's concern that Section G. 13 on Sheet No. 32.18 incorrectly refers to a "service agreement." As OPC stated in its motion to suspend, UCU acknowledged this error in its response to OPC DR No. 503. (A copy of UCU's response to OPC DR No. 503 is attached as Attachment 2) OPC wonders how MPS will be able to offer the services in its proposed tariffs in accordance with the rates, terms, and conditions in those tariffs when it admits that these same tariffs contain errors such as references to service

agreements when MPS admits that “this reference [to a service agreement] relates to a contract drafted for use in another state.”

14. On page 14 of its reply, MPS attempts to defend the provision in its proposed tariff that allows it to shut-off service to end users if the end-user’s aggregator fails to pay MPS for the services (e.g. daily balancing service) that MPS provides to the aggregator. Public Counsel is not aware of any other gas or electric direct access programs that would allow a distribution utility to deny and shut-off service to one of its **small commercial** distribution customers due to the failure of the distribution customer’s energy provider to pay charges that the energy provider has incurred with the distribution utility.

15. On page 15 of its response, UtiliCorp responds to OPC’s concern regarding the ability of small unsophisticated customers to unconditionally return to bundled service by stating that “this is not within MPS’s control.” OPC believes that if it “is not within MPS’s control” to ensure that small unsophisticated customers can unconditionally return to bundled service, then these customers should not be allowed to participate in the proposed program. Public Counsel is not blindly opposed to all proposals to allow smaller customers to receive unbundled gas service. Public Counsel is, however, adamantly opposed to allowing the smallest commercial customers (e.g. barber shops, laundromats, and automobile repair shops) to move to unbundled service without a safety net to insure that they are not permanently punished for making a poor choice. UtiliCorp’s only response to this concern is that “end users need to understand that this is one of, if not the single greatest risk of this program, and it should be clearly communicated to each end-user as part of the education process.” OPC agrees that an educational program is needed and could help mitigate some of the risk inherent in UtiliCorp’s “buyer beware” proposal, but no such program has been proposed by UtiliCorp.

16. OPC's motion to suspend suggested that all of the contracts and agreements associated with the program should be included in the proposed tariffs. UtiliCorp addressed this concern on page 16 of its response. OPC does not agree with UtiliCorp's assertion that these documents should not be included in the tariffs. In addition, Public Counsel would note that UtiliCorp's response incorrectly states that "the forms that OPC suggests should be included in this tariff all relate to services or processes involving gas marketers." It should be obvious that at least one of the forms referenced by OPC, the End-User Verification Form, relates directly and solely to MPS gas distribution customers.

17. Public Counsel's motion to suspend pointed out that "many of the contract and agreement documents for this program prominently display the name and logo of UtiliCorp's unregulated affiliate, Energy One. Instead of attempting to defend the inclusion of the name and logo of its unregulated affiliate, Energy One, on many of the program documents that MPS will use to implement the program, UtiliCorp flatly denies that it currently uses the Energy One name or logo to market its unregulated services. At the top of page 17 of its response, UtiliCorp alleges that "Energy One is not the name or logo of an unregulated UtiliCorp affiliate" and that "the Energy One brand is owned by UtiliCorp's regulated businesses and does not refer to any of UtiliCorp's unregulated businesses." This statement is not consistent with information that UtiliCorp provided in its responses to OPC Data Requests. UCU's response to OPC DR No. 525 stated in part that "the relatively small remaining gas marketing activities are handled by Energy One Ventures (EOV), which has been separated from the regulated utility operations." UtiliCorp's statements in its response regarding Energy One appear to be incorrect unless UtiliCorp has provided erroneous information in its response to OPC DR No. 525. (A copy of UCU's response to OPC DR No. 525 is attached as Attachment 3)

18. UtiliCorp's response appears to indicate that the Company agrees with some of the reporting requirements proposed by OPC but the Company has not altered its proposed tariffs to reflect this agreement. While Public Counsel believes that our recommended reporting requirements should be incorporated in the proposed tariffs, we strongly recommend the Commission to at least order UtiliCorp to provide the information in OPC's proposed reporting requirements in its order approving the proposed tariffs.

19. Public Counsel's motion to suspend noted that the proposed tariff contains daily out-of-balance charges for non-critical days despite the statement in Section E.2. on Sheet No. 32.11 of the proposed tariff that "aggregators shall be exempted from daily out-of-balance charges, except during a critical day or when an operational flow order is imposed." On page 20 of its response, UtiliCorp attempts to justify the inclusion of charges for non-critical day balancing in its tariff even though it acknowledges that it has no intention of charging the rates for non-critical day balancing that are contained in its tariff. OPC would respectfully remind both the Commission and the Company that UtiliCorp has no discretion in charging the rates set forth in its tariffs once the tariffs have gone into effect. Tariffs approved by this Commission have the same force and effect as a statute prescribed from the legislature and the Company has no discretion to decide whether or not it will provide service under the terms and conditions set forth in the tariff. Allstates Transworld Vanlines, Inc. v. Southwestern Bell Telephone Company., 937 S.W.2d 314 (Mo.App. E.D. 1996).

20. Approving these tariffs as proposed by UtiliCorp will place the Company in a Catch 22 situation. If UCU provides aggregation under the rates, terms, and conditions as they exist in the proposed tariff, the Company will be charging (and the Commission will have approved) rates that are, prima facia, not just and reasonable since consumers will be forced to pay twice for the same

balancing service. Conversely, if the Company does not provide service in accordance with all of the rates, terms, and conditions of the proposed tariff (including **both** the daily balancing service charge and the daily out-of-balance charges for non-critical days), then the service it provides will be unlawful.

WHEREFORE, Public Counsel renews its request that the Commission suspend tariff sheets 32.1-32.20, 36, 43, 44 and 44.1 filed by Missouri Public Service, a division of UtiliCorp United Inc., establish a procedural schedule and set this matter for hearing.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

BY:



Douglas E. Micheel, Esq. (Bar No. 38371)
Senior Public Counsel
P. O. Box 7800, Suite 250
Jefferson City, MO 65102
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**UTILICORP UNITED
DOCKET NO. GT-2001-2
DATA REQUEST NO. OPC-521**

DATE OF REQUEST: July 6, 2000

DATE RECEIVED: July 6, 2000

DATE DUE: July 26, 2000

REQUESTOR: Ryan Kind

QUESTION:

Regarding the similar small and medium customer aggregation transportation service that UtiliCorp offers in Kansas, please provide a copy of all documents created by or for UtiliCorp or its affiliates that contain descriptions or analysis of, or references to any additional "back office" expenses that UtiliCorp incurred in association with the Kansas program. If no documents within the scope of those requested in this DR exist, please provide a statement to that effect.

RESPONSE: Enclosed is a spreadsheet showing the analysis of the costs to provide aggregation service in Missouri and Kansas.

ATTACHMENTS: Two spreadsheets.

ANSWERED BY:

Robert J. Amdor
UtiliCorp Regulatory Services
402-221-2227
402-829-2227 (Fax)

JUL 26 2000

Attachment 1

MISSOURI POOLING COST ANALYSIS

Costs to Provide Services (A)	Required Aggregation
Transportation Analyst	\$8,302
Transportation Administrator	\$750
Billing	\$2,175
Customer Service/Sales	\$3,500
Accounting	\$2,900
Director, CE Product Development	\$4,000
Allocated EBB Development/Enhancement	\$11,895
Allocated EBB O&M	\$2,823
Total Costs	<u>\$36,344</u>

Annual GS Non-residential Sales Volume (MMBtu)	
Northern System	
Southern System	
Eastern System	
Total	

Est % Transport Customers (C)	50%
Est Commercial Trans Volume	827,655

Service Acceptance Percentage (D)	100%
Service Volume (Aggregation)	827,655

Aggregation/Optional Pooling Cost/Mcf (E)	\$0.0439
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MISSOURI POOLING COST ANALYSIS

Notes:

A - Cost Assumptions	% of Salary <u>Allocated</u>
Aggregation/Pooling Administration	0.15
Transportation Administrator (Supervision)	0.01
Billing	0.05
Customer Service/Sales	0.05
Accounting	0.05
Director, Competitive Energy Product Development	0.05
Allocated EBB Development/Enhancement	MO pro-rata share
Allocated EBB O&M	MO pro-rata share

Note:

UtiliCorp has chosen not to recover the full cost of these salaries in the proposed fee for the aggregation service as these positions will not be exclusively utilized to support the MO aggregation service. Only the MO portion of their salaries have been included in the cost analysis.

B - Actuals from the period of Mar 99 - Feb 00

C - It is estimated that 50% of the current non-residential sales customers will move to transportation service. This estimate is based on UtiliCorp's experience in Kansas.

D - The aggregation service is required; therefore, 100% of the small volume transportation accounts take this service.

E - The fee for aggregation is a function of UtiliCorp's anticipated (estimated) costs divided by UtiliCorp's anticipated small volume transportation (aggregated pool) volume.

The fee for aggregation has been rounded down.

**UTILICORP UNITED
DOCKET NO. GT-2001-2
DATA REQUEST NO. OPC-503**

DATE OF REQUEST: July 6, 2000
DATE RECEIVED: July 6, 2000
DATE DUE: July 26, 2000
REQUESTOR: Ryan Kind

QUESTION:

UtiliCorp's proposed tariff for Experimental Aggregated Transportation Service references a "Service Agreement" in Section G.13. on Sheet No. 32.18. Please provide a copy of the final draft of the "Service Agreement" that UtiliCorp will be using to implement the proposed Experimental Aggregated Transportation Service. If the final draft of this agreement has not yet been created or approved internally by UtiliCorp, please (1) provide a statement to that effect and (2) provide a copy of the most recent draft available of this agreement.

RESPONSE: The final draft of the aggregation tariff should not refer to this agreement; this reference relates to a contract drafted for use in another state. In the final draft, this reference will be changed to the End-User Verification Form. This form is to be signed by the End-User to verify which marketer has been selected (to prevent conversions to transportation without customer knowledge) and to verify that the end-user is aware of the provisions of the tariff.

ATTACHMENTS: End-User Verification form.

ANSWERED BY:

Robert J. Amdor
UtiliCorp Regulatory Services
402-221-2227
402-829-2227 (Fax)

JUL 26 2000

EXHIBIT "B"

UTILICORP UNITED

ENERGYONESM

END USER VERIFICATION FORM

Missouri Public Service - Experimental Aggregated Transportation Service

UtiliCorp United Inc.
Energy Supply Services
Attn: Transportation Administration
2533 North 117 Avenue, Suite 300
Omaha, NE 68164

Phone: (402) 492-3664
Fax: (402) 492-7898

RE: Verification of Transportation Charges

Dear Transportation Administration:

This letter will verify and confirm that the undersigned, _____ ("End User"), has selected _____ as its marketer for the purpose of aggregating End User's gas supply with the gas supplies of other end users on the local gas distribution system of Missouri Public Service as provided under Rate Schedule SVTS-A of Company's Tariff on file with the Missouri Public Service Commission.

1. End User agrees to pay, directly to Company upon invoice, the following tariff charges applicable to the transportation service to be provided by Company with respect to End User's gas:

Customer Charge : \$15.00 per Delivery Point per Month

Delivery Charge:

1 st 600 Ccf	\$0.23908
Next 800 Ccf	\$0.22108
Next 1,000 Ccf	\$0.20305
Excess Ccf	\$0.07546

L&U Factor: The Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA will be applied on a volumetric basis to the quantity of gas delivered to the End-User.

Interim PGA Charges: End Users shall be charged the appropriate systems' ACA, Refund, TOP and TC factors as listed for GNG Rate Schedule sales customers on sheet numbers 43, 44 or 44.1. These charges shall terminate with the scheduled Winter 2001 PGA filing.

Company will invoice End User for the above charges beginning with the month following the commencement of service to End User.

2. General Rules, Regulations, Terms and Conditions: End User acknowledges that transportation service is subject to Company's General Rules and Regulations and Company's Transportation Services Terms and Conditions on file with the Missouri Public Service Commission, as the same may be revised or amended from time to time.

_____ ("End User")	Phone #: _____
By: _____ (Signature & Printed Name)	Fax#: _____
Title: _____	Account Numbers(s): _____
Date: _____	_____
Service Name: _____ Pipeline: _____	_____
Service Address: _____	_____

UTILICORP UNITED
DOCKET NO. GT-2001-2
DATA REQUEST NO. OPC-525

DATE OF REQUEST: July 6, 2000

DATE RECEIVED: July 6, 2000

DATE DUE: July 26, 2000

REQUESTOR: Ryan Kind

QUESTION:

Regarding Missouri's Marketing Affiliate Transactions Rule, is UtiliCorp in compliance with the requirement that "a regulated gas corporation shall maintain its books of account and records completely separate and apart from those of the marketing affiliate?" If UtiliCorp is not in compliance with the requirement that "a regulated gas corporation shall maintain its books of account and records completely separate and apart from those of the marketing affiliate" please specify all actions that UtiliCorp has taken or intends to take to achieve compliance with this requirement.

RESPONSE: We are not aware of any circumstances in which UtiliCorp's regulated utility books of account and records are not separate from those of a marketing affiliate. In December, 1999, UtiliCorp's Aquila Energy Corporation subsidiary sold UtiliCorp Energy Solutions (UES), which was UtiliCorp's primary marketing retail and small commercial marketing affiliate. The relatively small remaining gas marketing activities are handled by Energy One Ventures (EOV), which has been separated from the regulated utility operations.

ATTACHMENTS: None.

ANSWERED BY:

Robert J. Amdor
UtiliCorp Regulatory Services
402-221-2227
402-829-2227 (Fax)

JUL 26 2000

CERTIFICATE OF SERVICE

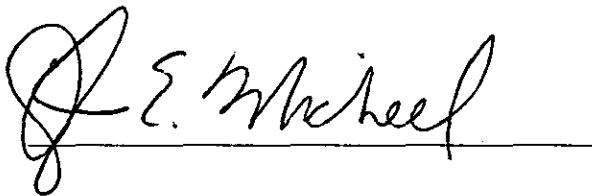
I hereby certify that a copy of the foregoing has been faxed, mailed or hand-delivered to the following counsel of record on this 22nd day of August, 2000:

Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

Dean Cooper
Brydon, Swearengen & England P.C.
P. O. Box 456
Jefferson City, MO 65102-0456

Melissa K. Randol
Missouri Purchasing Resource Center
- Energy Consortium
2100 I-70 Drive Southwest
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William F. Watkins
Polsinelli, White, Wardeman & Shalton
6201 College Boulevard, Suite 500
Overland Park, KS 66211-2423



A handwritten signature in cursive script, appearing to read "J. E. Michael", is written over a horizontal line.