NON-PROPRIETARY

Exhibit No.	
Witness:	Maurice Brubaker
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Sedalia Industrial Energy Users Group
Case No.	ER-2001-672
Subjects:	Energy Costs, Off-System Sales, Class Cost of Service, Revenue Allocation and Rate Design

FILED[2]

DEC 0 6 2001

Missouri Public Service Commission

Before the
Missouri Public Service Commission

In the Matter of the Tariff Filing of	)	
Missouri Public Service (MPS), a Division	)	
of UtiliCorp United, Inc., to Implement a	)	**Case No. ER-2001-672**
General Rate Increase for Retail Electric	)	
Service Provided to Customers in the	)	
Missouri Service Area of MPS.	)	

Direct Testimony of

Maurice Brubaker

On Behalf of

Sedalia Industrial Energy Users Association

December 6, 2001
Project 7661

BRUBAKER & ASSOCIATES, INC.
ST. LOUIS, MO 63141-2000

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**

STATE OF MISSOURI	)	
	)	**SS**
COUNTY OF ST. LOUIS	)	

Affidavit of Maurice Brubaker

Maurice Brubaker, being first duly sworn, on his oath states:

1. My name is Maurice Brubaker. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 1215 Fern Ridge Parkway, Suite 208, St. Louis, Missouri 63141-2000. We have been retained by the Sedalia Industrial Energy Users Association in this proceeding on its behalf.

2. Attached hereto and made a part hereof for all purposes are my direct testimony and schedules which were prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. ER-2001-672.

3. I hereby swear and affirm that the testimony and schedules are true and correct and that they show the matters and things they purport to show.

Maurice Brubaker

Subscribed and sworn to before this 5th day of December 2001.

CAROL SCHULZ
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Feb. 26, 2004

Carol Schulz
Notary Public

My Commission Expires February 26, 2004.

Before the
Missouri Public Service Commission

In the Matter of the Tariff Filing of	**)**	
Missouri Public Service (MPS), a Division	**)**	
of UtiliCorp United, Inc., to Implement a	**)**	**Case No. ER-2001-672**
General Rate Increase for Retail Electric	**)**	
Service Provided to Customers in the	**)**	
Missouri Service Area of MPS.	**)**	

Direct Testimony of Maurice Brubaker

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Maurice Brubaker. My business address is 1215 Fern Ridge Parkway, Suite 208, St. Louis, Missouri 63141-2000.

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and president of Brubaker & Associates, Inc. (BAI), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is included in Appendix A to my testimony.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A I am appearing on behalf of the Sedalia Industrial Energy Users Association (SIEUA). Members of SIEUA participating in this proceeding take service from the Missouri Public Service Company (MoPub) Division of UtiliCorp United, Inc. (UtiliCorp). Most of the electricity requirements of these companies are secured from UtiliCorp under Rates LPS and RTP.

Q ON WHAT SUBJECTS WILL YOU TESTIFY?

A I will address the fuel and purchased power forecast, the treatment of off-system sales, and the basis for determining class revenue requirements and rate design.

The fact that I have not addressed other elements of UtiliCorp's revenue requirement claim should not be construed as an endorsement of UtiliCorp's claims or positions. Moreover, the fact that I have not addressed a particular element or claim does not indicate that SIEUA has no interest in the issue. We expect that the Staff of the Missouri Public Service Commission and Public Counsel will address many of these issues. SIEUA reserves its rights to respond to testimony of other parties on all issues, and to actively participate in hearings and any potential settlement with respect to any and all issues in this proceeding.

Q PLEASE SUMMARIZE YOUR FINDINGS AND RECOMMENDATIONS.

A My findings and recommendations may be summarized as follows:

1. The commodity prices for natural gas that UtiliCorp proposes to use to set rates are excessive. They exceed the current level of futures prices for calendar year 2002 by approximately 50%.

2. Use of the extremely high gas prices proposed by UtiliCorp is unwarranted and would be highly disadvantageous to consumers.

3. The natural gas commodity prices which I recommend for use are based on the current level of NYMEX futures prices for calendar year 2002. The specific values are shown in Column 3 of Schedule 1 attached to my testimony.

4. In response to SIEUA Data Request No. 85, UtiliCorp produced a Real Time model dispatch run incorporating my requested natural gas commodity prices. The results of this model run produced total fuel and purchased power costs of $83,935,000 per year, as contrasted to UtiliCorp's updated filing which incorporates a cost of $88,499,000.

5. UtiliCorp proposes to retain, for the benefit of stockholders, 50% of the margins expected to be earned from off-system sales.

6. UtiliCorp's proposal to keep 50% of the margin from off-system sales should not be accepted. These margins should be flowed through in their entirety to the retail customers who are supporting the cost of the resources that are used to earn these margins.

7. UtiliCorp has not submitted a class cost of service study in this proceeding. In the absence of a valid class cost of service study, I recommend that any allowed rate increase or decrease be allocated on an equal percentage basis, across-the-board to all rate schedules, and to all pricing elements within each rate schedule.

8. I recommend that the Commission open a cost of service/rate design docket in order to develop an appropriate class cost of service and rate design that can be used to move class revenues and rate structures closer to costs.

Fuel and Purchased Power Price Forecast

Q HAVE YOU REVIEWED THE FUEL AND PURCHASED POWER PRICE FORECAST WHICH UTILICORP PROPOSES TO USE TO ESTABLISH RATES IN THIS PROCEEDING?

A Yes, I have.

Q BEFORE PROCEEDING TO DISCUSS PARTICULAR ELEMENTS, DO YOU HAVE ANY GENERAL COMMENTS CONCERNING THE FORECAST?

A Yes. UtiliCorp's forecast, particularly in the area of natural gas prices, is high, based on the best information currently available. While the gas price assumptions in UtiliCorp's updated filing are not as high as the prices in the original filing, they are still excessive.

Q **WHAT WAS THE BASIS FOR THE FUEL PRICES CONTAINED IN UTILICORP'S ORIGINAL FORECAST?**

A In the original filing, UtiliCorp used NYMEX clearing prices for the months of January through March of 2001. In addition, for the months of April through December, UtiliCorp used the NYMEX futures prices increased by 30%.

Q **HAVE YOU SUMMARIZED THESE PRICE ASSUMPTIONS?**

A Yes. Please refer to Schedule 1 attached to my testimony.

Q **PLEASE EXPLAIN THIS SCHEDULE.**

A Column 1 of this schedule shows the commodity component of the natural gas prices utilized by UtiliCorp in its initial filing.

Q **WHAT IS THE COMMODITY COMPONENT, AND ARE THERE OTHER COMPONENTS TO THE NATURAL GAS PRICE?**

A The commodity portion is one part of the total delivered cost of natural gas. As used by UtiliCorp, it is represented by the New York Mercantile Exchange (NYMEX) prices. These prices are based on delivery at the Henry Hub in Louisiana.

Other components of the gas price include a basis differential to adjust the Henry Hub price to a price basis consistent with that experienced by UtiliCorp in purchasing gas at particular locations, a percentage for fuel consumption in transportation, a transportation charge from the pipeline/LDC where applicable, as well as certain minor other adders to the interstate pipeline tariffs. The principal component of the price, however, is the commodity price.

Q DO YOU BELIEVE THAT THESE PRICE LEVELS ARE APPROPRIATE FOR USE IN ESTABLISHING ELECTRIC RATES?

A No. The prices during the early part of calendar year 2001, especially the months of January and February, were at extreme levels. In addition, the futures prices for the balance of the year utilized by UtiliCorp in its initial filing are substantially higher than more recent futures prices.

Q WHAT PRICE ASSUMPTIONS DID UTILICORP USE IN ITS UPDATE FILING?

A In its update filing, UtiliCorp used actual NYMEX prices for the months of January through September of 2001, and for the months of October through December, UtiliCorp used the futures prices escalated by 30%. These values are shown in Column 2 on my Schedule 1.

Q DO YOU BELIEVE THESE PRICES ARE APPROPRIATE FOR USE IN ESTABLISHING UTILICORP'S ELECTRIC RATES?

A No. First, note that the prices for the months of January and February are at extremely high levels, and are the same as the values contained in UtiliCorp's original filing. Second, the actual prices experienced during subsequent months (through at least May) are much higher than the conditions experienced currently in the market, and indicated by the futures market. Third, UtiliCorp continues to inflate NYMEX futures prices by an arbitrary factor of 30% in order to account for what it described as "volatility."

Q WHAT IS YOUR DISAGREEMENT WITH THE 30% ADJUSTMENT FACTOR?

A First, I readily acknowledge that volatility is a characteristic of natural gas markets. However, volatility means that prices are sometimes lower than forecasted as well as sometimes higher than forecasted. UtiliCorp has taken a one-way approach to this concern and recognized potential upward movement in prices, while totally disregarding the potential for prices to move down and be below forecasted levels. This is totally one-sided and highly disadvantageous to customers. This type of adjustment should not be permitted. Furthermore, even if the Commission were inclined to adopt some form of adjustment factor it must be pointed out that the 30% adjustment proposed by UtiliCorp is completely arbitrary and totally unexplained.

Q WHAT IS SHOWN IN COLUMN 3 OF YOUR SCHEDULE 1?

A Column 3 shows the commodity prices included in the fuel and purchased power run that UtiliCorp provided in response to SIEUA Data Request No. 85. These prices represent the NYMEX futures prices for each month of calendar year 2002, as of October 3, 2001, the approximate data of submission of the data request.

Q WHAT IS THE BASIS FOR THESE PRICES?

A Historic prices for calendar year 2001, particularly during the first two quarters were aberrationally high. Thus, this actual historical data is not suitable for setting rates for the future. In my view, the futures prices for calendar year 2002 are much more representative of the gas price levels that will be experienced in the future than are the historic calendar year 2001 prices.

Q WHAT IS SHOWN IN COLUMN 4 OF SCHEDULE 1?

A Column 4 of Schedule 1 shows updated futures prices, based on the NYMEX futures prices for each month of calendar year 2002, as of November 30, 2001. While there are some differences between Columns 3 and 4, the data in Column 4 validates the continued applicability of the prices contained in Column 3, and which formed the basis for the fuel and purchased power dispatch run prepared by UtiliCorp in response to SIEUA Data Request No. 85.

Q HOW DO THESE NUMBERS COMPARE TO HISTORIC GAS PRICES?

A The history of the monthly contract index prices for the Henry Hub is shown on Schedule 2 attached to my testimony. These prices are the actual prices experienced for monthly volumes based on transactions conducted during the last five working days prior to pipeline nomination deadlines. A review of this information clearly shows the unusual nature of the prices experienced during the last two quarters of calendar year 2000 and the first two quarters of calendar year 2001. This information, coupled with the current level of futures prices for calendar year 2002 confirm that UtiliCorp's proposed gas prices are not reasonable for use in establishing retail rates in this proceeding.

Q YOU HAVE MENTIONED SIEUA DATA REQUEST NO. 85 ON A COUPLE OF OCCASIONS. WHAT IS THE BASIS FOR THIS DATA REQUEST?

A SIEUA Data Request No. 85 requested UtiliCorp to run the Real Time pricing model, which it used as the basis for its fuel and purchased power dispatch, but incorporating the level of natural gas commodity prices shown in Column 3 of Schedule 1 attached to my testimony. All other elements of the model run were to be kept the same as contained in UtiliCorp's updated filing. For example, coal prices are unchanged, assumptions about basis differential, pipeline rates, etc., were also maintained the same as in UtiliCorp's update filing. The price for "green" resources was maintained the same as in the update filing, and the price of market purchases of electricity (from other suppliers) was kept the same as in the update filing.

Q WHAT ARE THE RESULTS OF THIS REAL TIME MODEL RUN?

A On Schedule 3 of my exhibit, Column 3, is a summary the results of that model run. As compared to the fuel and purchased power cost included in UtiliCorp's updated filing of $88,499,000, the run with the alternate fuel prices produces total fuel and purchased power cost of $83,935,000. (UtiliCorp regards the model run output as confidential. A copy of the response to SIEUA Data Request No. 85 is attached as Schedule 4.)

Q IN PERFORMING THIS FUEL AND PURCHASED POWER DISPATCH, UTILICORP APPARENTLY DISAGREES WITH YOUR INSTRUCTIONS TO LEAVE THE PRICE OF THE MARKET PURCHASES (ELECTRICITY PURCHASED FROM OTHER SUPPLIERS) AT THE SAME LEVEL AS CONTAINED IN UTILICORP'S UPDATED FILING. DO YOU SHARE THIS CONCERN?

A No. UtiliCorp states that there is a relationship between natural gas prices and the prices of interchange power. I agree. Lower gas prices typically produce lower purchased power prices. Therefore, had an adjustment been made to further reduce purchased power prices (from the level contained in UtiliCorp's updated forecast), the result should have been a lower fuel and purchased power price total than what is shown in UtiliCorp's response to SIEUA Data Request No. 85. Thus, my decision not to change the cost of market purchases is not disadvantageous to UtiliCorp.

Q WHAT IS YOUR RECOMMENDATION WITH RESPECT TO ESTABLISHING THE FUEL AND PURCHASED POWER COMPONENT OF UTILICORP'S RETAIL RATES IN THIS PROCEEDING?

A I recommend that the NYMEX futures prices continue to be monitored through the update phase of this proceeding. I would continue to recommend using the gas price numbers from SIEUA Data Request No. 85 unless the actual experience available at the time of the update hearing or the more current futures prices for calendar year 2002 deviate significantly from these values. However, any changes which appear to be aberrational in nature, such as the January 2001 price spike, should not be incorporated into rates.

<u>Profit on Off-System Sales</u>

Q DOES UTILICORP PROPOSE TO CREDIT CONSUMERS WITH THE BENEFIT OF MARGINS EARNED FROM OFF-SYSTEM SALES?

A Only partially. UtiliCorp proposes to retain 50% of such net margins for the benefit of its stockholders – crediting customers with only 50% of the margins.

Q DO YOU BELIEVE IT IS APPROPRIATE FOR RETAIL CUSTOMERS TO RECEIVE ONLY 50% OF THESE BENEFITS?

A No, I do not. Retail customers are responsible for 100% of the fixed costs associated with the owned generation resources, the leased resources, and the capacity charges on power purchases. Since they are responsible for the costs of the resources that enable off-system sales to be made, they should receive the full benefit of the profits from off-system sales.

Q UTILICORP ARGUES THAT THERE IS RISK TO UTILICORP IN MAKING OFF-SYSTEM SALES. DO YOU AGREE?

A I agree that there are risks, but none that justify taking 50% of the profits for the benefit of stockholders. The only risk mentioned by UtiliCorp is the possibility that after a fixed price sale has been made, UtiliCorp loses the availability of the supply resource and has to replace it with a higher-priced resource. UtiliCorp can manage this risk by adjusting the minimum margin that it is willing to accept on a transaction, varying the length of the transaction and the size of the transaction. In addition, loss of the availability of a particular resource does not necessarily translate into higher costs – depending upon what other resources are available in the market.

Furthermore, between rate adjustments, UtiliCorp retains 100% of any margins in excess of the amounts incorporated into the rates that are set in a rate proceeding – and continues to do so until the next rate case. These benefits accrue exclusively to UtiliCorp stockholders, and not at all to UtiliCorp's customers.

Q WHAT IS YOUR CONCLUSION WITH RESPECT TO THE TREATMENT OF PROFITS ON OFF-SYSTEM SALES?

A It is my recommendation that 100% of the expected profits from off-system sales accrue to retail customers, and be reflected as a credit in establishing rates in this proceeding.

Class Cost of Service and Rate Design

Q HAS UTILICORP SUBMITTED A CLASS COST OF SERVICE STUDY IN THIS PROCEEDING?

A No, it has not. No such study was provided by UtiliCorp. In response to SIEUA Data Request No. 82, UtiliCorp furnished a copy of a study which it had produced at the time of the last rate proceeding, Case No. ER97-394. However, that cost of service study was not received into evidence in that case. Apparently UtiliCorp has not prepared any more recent class cost of service study.

Q WHEN WAS THE LAST TIME THAT A COST OF SERVICE STUDY WAS PRESENTED IN A UTILICORP MATTER?

A To the best of my knowledge, the last time that a current class cost of service study was available in the record of a UtiliCorp case was during Case No. ER93-37.

Q IN YOUR VIEW, IS THIS AN INORDINATELY LONG TIME TO NOT DO A COST OF SERVICE STUDY?

A Yes. It is unusual to go this long without preparing and filing a class cost of service study that can be used in revenue allocation and rate design.

Q WHAT IS YOUR RECOMMENDATION FOR DETERMINING CLASS REVENUE RESPONSIBILITY AND RATE DESIGN IN THIS PROCEEDING?

A In the absence of a reasonable cost of service study to use as a basis, I recommend that any allowed increase or decrease be allocated on an equal percentage basis across-the-board to all rate schedules, and to all pricing elements within rate schedules.

Q IS THIS THE PREFERRED APPROACH?

A No. The preferred approach is to utilize the results of a properly prepared class cost of service study and move rates closer to cost of service. However, no such study is available for use in this proceeding. Under those circumstances, the best alternative is to maintain existing rate relationships by applying any awarded increase or decrease as an across-the-board, equal percentage adjustment.

Q DO YOU HAVE ANY OTHER RECOMMENDATIONS WITH RESPECT TO THIS ISSUE?

A Yes. In order to provide a cost of service basis for future adjustments, I also urge the Commission to open a cost of service/rate design docket, which would follow this proceeding. In that docket, a class cost of service study and rate design could be processed and made available for use in adjusting class revenues and rate designs to more closely align them with cost of service.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes, it does.

Qualifications of Maurice Brubaker

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Maurice Brubaker. My business mailing address is P. O. Box 412000, 1215 Fern Ridge Parkway, Suite 208, St. Louis, Missouri 63141-2000.

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and President of the firm of Brubaker & Associates, Inc., energy, economic and regulatory consultants.

Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A I was graduated from the University of Missouri in 1965, with a Bachelor's Degree in Electrical Engineering. Subsequent to graduation I was employed by the Utilities Section of the Engineering and Technology Division of Esso Research and Engineering Corporation of Morristown, New Jersey, a subsidiary of Standard Oil of New Jersey.

In the Fall of 1965, I enrolled in the Graduate School of Business at Washington University in St. Louis, Missouri. I was graduated in June of 1967 with the Degree of Master of Business Administration. My major field was finance.

From March of 1966 until March of 1970, I was employed by Emerson Electric Company in St. Louis. During this time I pursued the Degree of Master of Science in Engineering at Washington University, which I received in June, 1970.

In March of 1970, I joined the firm of Drazen Associates, Inc., of St. Louis, Missouri. Since that time I have been engaged in the preparation of numerous studies relating to electric, gas, telephone and water utilities. These studies have included analyses of the cost to serve various types of customers, the design of rates for utility services, cost forecasts, cogeneration rates and determinations of rate base and operating income.

I have testified before the Federal Energy Regulatory Commission (FERC), various courts and legislatures, and the state regulatory commissions of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Guam, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, West Virginia, Wisconsin and Wyoming.

The firm of Drazen-Brubaker & Associates, Inc. was incorporated in 1972 and assumed the utility rate and economic consulting activities of Drazen Associates, Inc., founded in 1937. In April, 1995 the firm of Brubaker & Associates, Inc. was formed. It includes most of the former DBA principals and staff. Our staff includes consultants with backgrounds in accounting, engineering, economics, mathematics, computer science and business.

We have prepared many studies relating to electric, steam, gas and water properties, including cost of service studies in connection with rate cases and negotiation of contracts for substantial quantities of gas and electricity for industrial use. In these cases, it was necessary to analyze property records, depreciation accrual rates and reserves, rate base determinations, operating revenues, operating expenses, cost of capital and all other elements relating to cost of service.

During the past five years, Brubaker & Associates, Inc. and its predecessor firm has participated in over 500 major utility rate cases and statewide generic investigations before utility regulatory commissions in 40 states, involving electric, gas, water, and steam rates. Rate cases in which the firm has been involved have included more than 80 of the 100 largest electric utilities and over 30 gas distribution companies and pipelines.

In addition to our main office in St. Louis, the firm also has branch offices in Kerrville, Texas; Plano, Texas; Denver, Colorado; Asheville, NC; and Chicago, Illinois.

UTILICORP (MO PUB)

Commodity Component of Natural Gas Price Used in Real Time Dispatch Model

Line	Description	Mo. Pub. Initial Filing [1] (1)	Mo. Pub. Update Filing [2] (2)	SIEUA Data Request No. 85 [3] (3)	Updated Futures Prices [4] (4)
1	Jan	$ 9.980	$ 9.978	$ 2.900	$ 2.701
2	Feb	6.293	6.293	2.900	2.786
3	Mar	6.136	4.998	2.850	2.799
4	Apr	7.215	5.384	2.750	2.759
5	May	6.962	4.891	2.800	2.799
6	Jun	6.946	3.738	2.800	2.849
7	Jul	6.988	3.182	2.900	2.884
8	Aug	7.007	3.167	2.900	2.921
9	Sep	6.962	2.295	2.900	2.921
10	Oct	6.968	3.111	2.900	2.946
11	Nov	7.072	3.488	3.100	3.141
12	Dec	7.228	3.882	3.250	3.331
13	12 Month Average	$ 7.146	$ 4.534	$ 2.913	$ 2.903

[1] Actual NYMEX Prices for the months of January - March 2001, and for April - December the NYMEX Futures prices plus 30%.

[2] Actual NYMEX Prices for the months of January - September 2001, and for October - December the NYMEX Futures prices plus 30%.

[3] NYMEX Futures prices for calendar year 2002, as of October 3, 2001.

[4] NYMEX Futures prices for calendar year 2002, as of November 30, 2001.

UTILICORP (MO PUB)

Monthly Contract Index Prices for Louisiana Onshore South -- Henry Hub ($/MMBtu dry basis)

Line	Month	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1	Jan	1.70	1.97	2.08	1.58	3.30	4.07	2.26	1.80	2.36	9.98
2	Feb	1.06	1.66	2.39	1.43	2.48	2.96	2.04	1.81	2.62	6.21
3	Mar	1.23	1.91	2.40	1.49	2.90	1.80	2.26	1.63	2.61	5.05
4	Apr	1.36	2.22	2.02	1.57	2.68	1.83	2.33	1.88	2.88	5.34
5	May	1.56	2.72	2.07	1.67	2.22	2.13	2.26	2.36	3.08	4.87
6	Jun	1.71	2.11	1.84	1.74	2.38	2.28	2.03	2.23	4.38	3.73
7	Jul	1.53	1.97	1.97	1.50	2.66	2.17	2.37	2.27	4.36	3.11
8	Aug	1.89	2.10	1.83	1.38	2.30	2.19	1.93	2.62	3.84	3.19
9	Sep	1.98	2.42	1.47	1.58	1.86	2.57	1.63	2.90	4.62	2.34
10	Oct	2.70	2.07	1.40	1.64	1.87	3.14	2.07	2.55	5.28	1.86
11	Nov	2.39	2.14	1.71	1.79	2.74	3.32	2.01	3.05	4.50	3.15
12	Dec	2.33	2.41	1.68	2.26	3.89	2.54	2.12	2.14	6.03	2.31
13	Average	1.79	2.14	1.91	1.64	2.61	2.58	2.11	2.27	3.88	4.26

Source: Gas Daily's "Monthly Contract Index" 1992 through 2001. Index prices are weighted average costs of gas based on volumes and prices for spot deals deals done within five working days prior to pipeline nomination deadlines.

UTILICORP (MO PUB)

Annual Fuel and Variable Purchased Power Cost
(Dollars in Thousands)

Line	Description	Mo. Pub. Initial Filing (1)	Mo. Pub. Update Filing (2)	SIEUA Data Request No. 85 (3)
1	Fuel Cost	$ 90,465	$ 72,779	$ 71,231
2	Purchased Power	18,612	15,720	12,704
3	Total	$ 109,077	$ 88,499	$ 83,935 *

* See Highly Confidential Schedule 4 for detail.

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UtiliCorp considers this information
to be Highly Confidential