Exhibit No.: 009NP
Issue: Cost-of-Debt Synergies
Witness: Michael W. Cline
Type of Exhibit: Supplemental Direct Testimony
Sponsoring Party: Great Plains Energy Incorporated and Kansas City Power & Light Company
Case No.: EM-2007-0374
Date Testimony Prepared: August 8, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EM-2007-0374

SUPPLEMENTAL DIRECT TESTIMONY PURSUANT TO THE SCHEDULING ORDER

OF

MICHAEL W. CLINE

ON BEHALF OF

GREAT PLAINS ENERGY INCORPORATED

AND

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
August 2007

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"[redacted]**" Designates "Highly Confidential" Information Has Been Removed.**
Certain Schedules Attached To This Testimony Designated ("HC") Have Been Removed
Pursuant to 4 CSR 240-2.135

Company Exhibit No. 009NP
Case No(s). EM-2007-0374
Date 4.21.08 Rptr TF

SUPPLEMENTAL DIRECT TESTIMONY

PURSUANT TO THE SCHEDULING ORDER

OF

MICHAEL W. CLINE

CASE NO. EM-2007-0374

Q: Are you the same Michael W. Cline who submitted direct testimony in this proceeding?

A: Yes, I am.

Q: What is the purpose of your testimony?

A: My testimony is divided into four sections. In Section 1, I will articulate the overall objective of Great Plains Energy ("Great Plains Energy") with respect to managing the existing debt of Aquila ("Aquila") following Great Plains Energy's acquisition of Aquila. In Section 2, I will describe the debt portfolio that Great Plains Energy expects to inherit with the Aquila acquisition. In Section 3, I will discuss the strategy for managing that portfolio that best meets Great Plains Energy's overall objectives and the regulatory relief essential to the strategy's success. Finally, in Section 4, I will summarize the key elements from the preceding three sections.

SECTION 1 – GREAT PLAINS ENERGY'S OVERALL OBJECTIVES IN MANAGING AQUILA'S DEBT PORTFOLIO

Q: What are Great Plains Energy's overall objectives in planning for actions to be taken with respect to Aquila's existing debt following the closing of the transaction?

A: The direct testimonies provided by Terry Bassham, William H. Downey, and me in this proceeding articulated the importance and the benefits of achieving and maintaining an investment-grade rating for Aquila as a result of this transaction. Maintaining Great Plains Energy's current investment-grade status is essential as well. These are the key objectives upon which we are focused as we plan to manage Aquila's debt portfolio post-closing of the merger.

SECTION 2 – AQUILA'S DEBT PORTFOLIO INHERITED BY GREAT PLAINS ENERGY

Q: What is the "starting point," i.e., what debt is expected to be on Aquila's books at the time the transaction is closed?

A: Schedule MWC-6 (HC) lists the debt that Great Plains Energy expects to be on Aquila's balance sheet at the time of closing. This debt includes the following: (1) 15 issues of senior notes, medium term notes, first mortgage bonds, and tax-exempt pollution control bonds totaling **[redacted]**; and (2) Short-term debt outstanding on Aquila's Iatan revolving credit facility of approximately $102 million.

Q: Is this portfolio the same as what Great Plains Energy had initially assumed in quantifying the interest synergies disclosed when the transaction was announced?

A: No.

Q: What accounts for the difference?

A: As anticipated, in June Aquila utilized cash on hand and a portion of the proceeds from its sale of its Kansas Electric properties to retire a number of their debt issues. The actual debt retired, however, was different than originally assumed. In all, Aquila called four issues totaling $344.0 million, with a weighted average coupon rate of 7.90%,and plan to call approximately $2 million additional in August of 2007. The four issues retired are the last four listed in the table entitled "Bonds Previously Tendered, Matured, or Converting" in Schedule MWC-6 (HC). The two largest issues retired as part of this activity, $287.5 million of 7.875% Retail QUIBs due in March 2032 and $51.5 million of 8.00% Senior Notes due in March 2023, had been assumed to still be outstanding at closing when interest synergies were originally calculated.

Q: Why did Aquila retire different debt than what had been assumed?

A: The approach a firm takes in managing a portfolio of liabilities ("liability management") depends on its objectives. A firm may decide to retire different debt issues if its goal is to reduce interest expense on the income statement going forward than it might if the focus were on minimizing the near-term volatility in reported results. A firm could also choose to make maximum dollar reduction of debt the top priority for credit reasons, or focus only on those issues that could be refinanced at lower rates based on current borrowing cost or the opportunity cost of available cash.

In this situation, Aquila's liability management objectives in 2007 were originally projected to focus more upon retiring their higher-cost debt issues in order to reduce interest expense going forward. As the strategy actually developed, however, Aquila adopted an approach that used its available cash to target issues that were callable either at par (face value) or at a small premium. This enabled Aquila to maximize the amount of debt reduction on their balance sheet, achieve some degree of interest expense savings going forward, minimize the income statement "hit" that would result from retiring higher-premium issues, and obtain positive refinancing economics since the all-in cost, including call premiums, of the retired debt was higher than the rate Aquila could earn by investing the cash at money market rates.

The rating agencies have reinforced Aquila's approach through their rating changes on Aquila since the company's announcement of this strategy. Standard & Poor's ("S&P") upgraded Aquila's senior unsecured rating one notch, from B to B+, on May 15, 2007, while Moody's upgraded the senior unsecured rating two notches from B2 to Ba3 on June 22, 2007. Note that, despite these upgrades, Aquila's senior unsecured rating remains four notches below the lowest investment-grade level of BBB- at S&P and three notches below the Baa3 investment-grade threshold at Moody's.

Q: **[redacted]**

A: **[redacted]**

Q: Will any other debt mature or convert prior to closing?

A: Yes. As shown in the table entitled "Bonds Previously Tendered, Matured, or Converting" in MWC-6 (HC), the remaining $2.6 million of Aquila's Premium Income Equity Security (PIES) will convert to common stock in September 2007.

Q: Will the debt issues anticipated to remain on Aquila's balance sheet at the time of closing still be able to be retired?

A: Yes. Aquila has a number of issues representing over 90% of its outstanding debt that could be fully retired at a "make-whole" price. The method for determining the make-whole price, when applicable, is outlined in the prospectus for each security. The balance of Aquila's debt without a "make-whole" provision can be repurchased in the market through a tender offer. While there is no certainty as to the amount of any particular issue that existing holders would make available in response to a tender offer, it should be possible to structure the terms of the offer in a manner that would be sufficiently attractive to ensure a significant degree of investor participation.

Q: Do you expect there to be material changes in any terms of the existing Aquila debt following its acquisition by Great Plains Energy?

A: Yes. As described in my direct testimony in this proceeding, Great Plains Energy expects that Moody's and Standard & Poor's would upgrade Aquila's credit rating to Baa2 and BBB, respectively, within a relatively short period following closing. These actions would result in an immediate coupon rate reduction in two of Aquila's senior note issues: (1) For the $500 million issue with a maturity of July 2012, a reduction from 14.875% to 11.875%; and (2) For the ** [redacted] ** issue with a maturity of February 2011, a reduction from 9.95% to 7.95%. The prospectus supplements for these securities, which

include a description of the coupon reductions, are attached as Schedule MWC-7 and MWC-8 for the $500 million and ** [redacted] ** million issues, respectively.

SECTION 3 – POTENTIAL STRATEGIES FOR MANAGEMENT OF AQUILA'S DEBT PORTFOLIO

Q: What is the purpose of this section of your testimony?

A: I will discuss the strategy developed by Great Plains Energy to manage Aquila's debt portfolio in a manner that achieves the objectives outlined in Section 1 and the regulatory elements critical to the success of the approach.

Q: What alternative has Great Plains Energy identified with respect to managing the existing Aquila debt that achieves the objectives you outlined in Section 1?

A: Schedule MWC-9 (HC) reflects a *pro forma* 2008-12 model of this strategy prepared by Credit Suisse, Great Plains Energy's advisor on the merger transaction. This strategy involves the following key elements: (1) The issuance by Great Plains Energy of a ** [redacted] ** hybrid debt security with an assumed coupon rate of ** [redacted] **; (2) Contribution of the proceeds of the hybrid issuance from Great Plains Energy to Aquila as capital; and (3) ** [redacted]

[redacted]

[redacted]**

Q: What are the implications of this strategy for the credit profiles of Aquila and Great Plains Energy?

A: In order to address this question, it's important to first revisit how S&P is expected to view the business risk of Aquila and Great Plains Energy post-merger. As discussed in my direct testimony, in January 2007 Great Plains Energy engaged S&P to conduct an analysis of the proposed Aquila merger through S&P's Ratings Evaluation Service ("RES"). A copy of S&P's analysis is attached as Schedule MWC-4 (HC) (This schedule was attached to my initial direct testimony. I attach it again here for convenience.). In that analysis S&P stated (using "Asteroid" to refer to Aquila and "GXP" to refer to Great Plains Energy) that "Asteroid's business risk profile is currently satisfactory ('6') on Standard & Poor's 10-point scale," and "Post-merger, GXP's consolidated business profile would be revised to a '6' from a '7'." S&P assigns a business risk score to an entity on a scale of 1-10, with '1' representing the lowest risk and '10' the highest. Accordingly, S&P's view is that the acquisition of Aquila will lower Great Plains Energy's overall business risk.

The business risk profile is then used to establish the guidelines for the financial metrics that correspond generally to a given credit rating. S&P published its financial guidelines for utility and power company credit ratings in June 2004. Their report is attached as Schedule MWC-1 (This schedule was attached to my initial direct testimony. I attach it again here for convenience.).

Compared to S&P's financial guidelines contained in Schedule MWC-1, the *pro forma* FFO-to-Debt ratios reflected in Schedule MWC-9 (HC) are in the middle third of the range for the "BBB" rating category, for a company with a business risk of '6', throughout the three-year period of the analysis. The Debt-to-Capitalization and FFO Interest coverage ratios, the two other most important metrics from S&P's perspective, are both stronger than indicated by the range for the BBB rating category. These credit metrics appear sufficiently strong to maintain an investment-grade rating for Aquila and Great Plains Energy over the period.

Also supporting this assessment is the fact that this **[redacted]** is consistent with the approach that Great Plains Energy discussed with both S&P and Moody's prior to announcement of the merger. A copy of Great Plains Energy's January 2007 presentation to Moody's and S&P to facilitate both Moody's Ratings Assessment Service ("RAS") analysis and S&P's RES analysis is attached as Schedule MWC-11 (HC). The February 2007 update given by Great Plains Energy to the agencies just prior to announcement of the merger is attached as Schedule MWC-12 (HC). As referenced earlier, the S&P RES report is attached as Schedule MWC-4 (HC). The Moody's RAS report is attached as Schedule MWC-5 (HC) (This schedule was attached to my initial direct testimony. I attach it again here for convenience.).

Q: Briefly describe hybrid debt and its significance in this strategy.

A: Hybrid debt is a financing instrument that is treated like debt for accounting and tax purposes but contains certain equity-like features that result in the attribution of "equity credit" from the rating agencies in the calculation of credit metrics. The degree of equity

credit granted by the agencies depends on the terms and structure of the each particular issue. Moody's assigns a given hybrid debt instrument to one of five "baskets," each with a different level of equity credit (from Basket A, treated as 0% equity / 100% debt, to Basket E, treated as 100% equity / 0% debt, adjusting in 25% increments). S&P, on the other hand, attributes equity credit based on assigning the security to one of three categories: (1) "Low" (0% equity / 100% debt); (2) "Intermediate" (50% equity / 50% debt); or (3) "High" (100% equity / 0% debt). With the issuance of a heavy volume of hybrid securities over the past two years, the structuring attributes required to attain a given level of equity credit have become well-understood by issuers.

Great Plains Energy plans to issue a security that will receive 50% equity credit from both agencies, i.e., "Basket C" at Moody's and "Intermediate" at S&P. The significance of this in terms of the strategy is that, although Great Plains Energy's balance sheet following issuance will reflect **[redacted]** of debt, for purposes of calculating credit ratios at the Great Plains Energy level, the rating agencies will assume debt of **[redacted]** and equity of **[redacted]**. From a rating agency standpoint, Aquila's total debt will decline by nearly **[redacted]** and, at the consolidated Great Plains Energy level, net total debt will decline by nearly **[redacted]** (**[redacted]** reduction at Aquila, less **[redacted]** of new Great Plains Energy debt attributed to the hybrid).

Q: Why is Great Plains Energy leaving Aquila's $500 million Senior Notes issue outstanding?

A: This issue, shown on Schedules MWC-6 (HC) and MWC-10 (HC), matures in July 2012 and has a current coupon of 14.875%. As discussed earlier, Great Plains Energy expects

this coupon to decline to 11.875% upon the closing of Great Plains Energy's acquisition of Aquila, based upon S&P's and Moody's actions to upgrade Aquila to investment-grade.

In order to retire this security, Aquila would be required to utilize the "make-whole call." This provision is described in the "Redemption" section of Schedule MWC-7 and establishes the basis for calculating the price which Aquila would need to pay to retire the security. As shown on Schedule MWC-10 (HC), the estimated "make-whole" price, expressed as a percentage of the par amount, is 124.14. Stated another way, Aquila would have to pay $1,241.40 for every $1,000 of outstanding debt, which would result in a total redemption cost of $620.7 million. As a result, redemption of this one issue would utilize essentially all of the cash Aquila expects to have available to complete this refinancing. At the Great Plains Energy consolidated level, this would result in a net debt reduction from a rating agency perspective of only **[redacted]** ($500 million retired at Aquila, less **[redacted]** of Great Plains Energy debt attributed to the hybrid), compared to **[redacted]** as previously discussed for the target strategy.

Q: Could Great Plains Energy just issue a larger hybrid to fund the take-out of the $500 million Senior Notes?

A: No. S&P's current guidelines call for hybrid securities to comprise no more than 15% of a firm's total capitalization. The *pro forma* capitalization of Great Plains Energy following the acquisition of Aquila is estimated at approximately **[redacted]**, as shown in Schedule MWC-9 (HC). The absolute limit on hybrids for Great Plains Energy would therefore be **[redacted]**. As Great Plains Energy expects to execute a hybrid issue of **[redacted]** in 2007, the **[redacted]** expected to be

completed as part of this debt reduction strategy for Aquila will lead to total hybrids outstanding of about **[redacted]** at Great Plains Energy, or about **[redacted]** of *pro forma* total capitalization. Great Plains Energy views this as sufficiently close to S&P's stated threshold to preclude additional hybrid issuance beyond this level.

Q: What are the key regulatory elements to this debt reduction strategy?

A: There are three items Great Plains Energy views as key regulatory elements of our debt reduction strategy in order to achieve our credit objectives: (1) Recovery in rates of actual interest costs on any Aquila debt remaining after execution of the strategy; (2) Recovery in rates of amortized debt retirement costs reflected in interest expense going forward; and (3) The availability of an Additional Amortizations mechanism for Aquila, as outlined in my direct testimony.

Q: For regulatory purposes, Aquila currently recovers interest costs of approximately 7%. Why does Great Plains Energy believe that full cost recovery is warranted?

A: Great Plains Energy is acquiring all of Aquila's debt through the merger. Recovery of actual interest costs going forward is key for Great Plains Energy to facilitate the short and long-term term benefits of the transaction.

The $500 million senior note matures in July 2012. As discussed in Section 2, Great Plains Energy's financial strength is expected to result in an immediate lessening of Aquila's interest burden on this issue in the form of a 300 basis point coupon reduction, which represents $15 million in reduced pre-tax interest expense annually over the life of the issue. Even with this reduction triggered by Great Plains Energy, however, the actual annual pre-tax interest cost will be $24.4 million per year higher than the 7% currently allowed in rates. Going forward, Aquila customers will derive considerable long-term

benefits from Aquila achieving and maintaining investment-grade status as a result of this transaction. Interest costs will be significantly lower as a direct result of Great Plains Energy's actions and will ultimately reflect Aquila's true financing costs to the entity following continued de-leveraging to improve Aquila's financial prospects. Therefore, Great Plains Energy believes that actual interest cost is an appropriate cost for Aquila's customers to bear in the short-run in order to achieve the long-term objective of financial stability and rates that reflect actual cost of service.

The recovery of actual interest costs is necessary to achieving Great Plains Energy's credit objectives in the merger transaction. Both the S&P RES analysis (Schedule MWC-4 (HC)) and Moody's RAS analysis (Schedule MWC-5 (HC)) emphasized the importance of Great Plains Energy's ability to recover actual interest costs as a key consideration in the investment-grade outcomes indicated by both agencies.

Q: What are the debt retirement costs to which you refer and how would such costs be accounted for?

A: Excluding the $500 million Senior Notes, Aquila will be able to retire between **[redacted]** of the target portfolio under the "make-whole" provisions in the respective individual securities, as discussed in Section 2. The remaining securities do not have make-whole provisions and, as such, Aquila intends to retire those bonds through a tender offer whereby Aquila will endeavor to establish a sufficiently attractive price to induce current holders to sell all, or a significant portion, of their bonds back to the company. Regardless of whether the debt is retired using a make-whole provision or a tender offer, Aquila will pay a premium above the par value of the bonds in order to do

so. Schedule MWC-10 (HC) reflects Credit Suisse's estimate of the prices Aquila will pay to retire the debt and the resulting repurchase premium, which totals **[redacted]**. These amounts will be deferred and amortized as a component of interest expense.

Q: Why does Great Plains Energy believe that rate relief for these costs is warranted?

A: These costs are necessary to complete the debt reduction needed to achieve an investment-grade rating for Aquila. Because **[redacted]** of the target portfolio matures before **[redacted]**, this represents a largely short-term cost borne by customers in exchange for the long-term benefits concomitant with investment-grade status, as discussed previously.

Q: Under the assumption of full cost recovery of interest, both on remaining debt and based on the amortization of debt refinancing costs, what is the projected impact of this strategy on customer rates?

A: Schedule MWC-9 (HC) reflects the impact of this strategy on projected Aquila customer rates. While the Additional Amortizations mechanism is assumed to be available to Aquila if needed to support credit metrics, Great Plains Energy's proposed debt reduction strategy results in sufficient cash flow so that the mechanism is not assumed to be invoked during the analysis period.

Q: Since the strategy you have outlined appears to support an investment-grade rating without an assumed Additional Amortizations mechanism being triggered, is such a mechanism still needed?

A: Yes. The reasons for such a mechanism, as stated in my direct testimony, are unaffected by the results of this or any single strategy. The rating agencies consider the availability

of the Additional Amortizations mechanism to be an important sign of regulatory support for credit quality and a vital means of risk mitigation for bondholders.

Q: Please summarize the regulatory relief related to this strategy that is either requested now or will be requested by Aquila in future rate cases.

A: Great Plains Energy reiterates the request outlined in the direct testimony of Terry Bassham in this proceeding, that once Aquila achieves the financial metrics necessary to support an investment-grade rating, the Commission authorize Aquila to use the Additional Amortizations mechanism in the same manner and on the same terms and conditions as implemented by the Commission with respect to KCPL in Case No. ER-2006-0314.

Aquila will ask, in future rate cases, that all actual interest costs be recovered in rates. This will include both the actual coupon rate on all outstanding debt, including that remaining subsequent to the execution of this de-leveraging strategy, as well as the effect on interest costs from the amortization of debt retirement costs resulting from this strategy.

SECTION 4 – SUMMARY

Q: Please summarize your testimony.

A: Achieving and maintaining an investment-grade rating for Aquila while maintaining Great Plains Energy's current investment-grade rating is a key objective. Great Plains Energy's post-closing execution strategy related to existing debt at Aquila is, in turn, a key element to the attainment of that objective. Great Plains Energy has outlined a

strategy of refinancing nearly all of Aquila's outstanding individual debt securities using a combination of holding company hybrid debt and cash. The debt reduction at Aquila that will result from this plan is designed to accomplish the aforementioned credit objectives and foster long-term financial stability at a company that has not enjoyed investment-grade status since 2002.

The strategy proposed by Great Plains Energy is reasonable, responsible, and sound. While there are short-term costs involved with the strategy, the overall restructuring plan, in light of other synergies that will be realized and the benefits of investment-grade status to customers, demonstrate that the merger's benefits outweigh the costs, that the merger is not detrimental to the public interest, and that the plan to execute the merger should be approved by the Commission.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Great Plains Energy Incorporated, Kansas City Power & Light Company, and Aquila, Inc. for Approval of the Merger of Aquila, Inc. with a Subsidiary of Great Plains Energy Incorporated and for Other Requester Relief	))))))	**Case No. EM-2007-0374**

AFFIDAVIT OF MICHAEL W. CLINE

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Michael W. Cline, being first duly sworn on his oath, states:

1. My name is Michael W. Cline. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Treasurer and Chief Risk Officer.

2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Great Plains Energy Incorporated and Kansas City Power & Light Company consisting of Fifteen (15) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Michael W Cline
Michael W. Cline

Subscribed and sworn before me this 8th day of August 2007.

Nicole A. Wehry
Notary Public

My commission expires: Feb 4 2011

"NOTARY SEAL"
Nicole A. Wehry, Notary Public
Jackson County, State of Missouri
My Commission Expires 2/4/2011
Commission Number 07391200

Publication date: 02-Jun-2004
Reprinted from RatingsDirect

New Business Profile Scores Assigned for U.S. Utility and Power Companies; Financial Guidelines Revised

Credit Analysts: Ronald M Barone, New York (1) 212-438-7662; Richard W Cortright, Jr. , New York (1) 212-438-7665; Suzanne G Smith, New York (1) 212-438-2106; John W Whitlock, New York (1) 212-438-7678; Andrew Watt, New York (1) 212-438-7868; Arthur F Simonson, New York (1) 212-438-2094

Standard & Poor's Ratings Services has assigned new business profile scores to U.S. utility and power companies to better reflect the relative business risk among companies in the sector. Standard & Poor's also has revised its published risk-adjusted financial guidelines. The new business scores and financial guidelines do not represent a change to Standard & Poor's ratings criteria or methodology, and no ratings changes are anticipated from the new business profile scores or revised financial guidelines.

New Business Profile Scores and Revised Financial Guidelines

Standard & Poor's has always monitored changes in the industry and altered its business risk assessments accordingly. This is the first time since the 10-point business profile scale for U.S. investor-owned utilities was implemented that a comprehensive assessment of the benefits and the application of the methodology has been made. The principal purpose was to determine if the methodology continues to provide meaningful differentiation of business risk. The review indicated that while business profile scoring continues to provide analytical benefits, the complete range of the 10-point scale was not being utilized to the fullest extent.

Standard & Poor's has also revised the key financial guidelines that it uses as an integral part of evaluating the credit quality of U.S. utility and power companies. These guidelines were last updated in June 1999. The financial guidelines for three principal ratios (funds from operations (FFO) interest coverage, FFO to total debt, and total debt to total capital) have been broadened so as to be more flexible. Pretax interest coverage as a key credit ratio was eliminated.

Finally, Standard & Poor's has segmented the utility and power industry into sub-sectors based on the dominant corporate strategy that a company is pursuing. Standard & Poor's has published a new U.S. utility and power company ranking list that reflects these sub-sectors.

There are numerous benefits to the reassessment. Fuller utilization of the entire 10-point scale provides a superior relative ranking of qualitative business risk. A simultaneous revision of the financial guidelines supports the goal of not causing rating changes from the recalibration of the business profiles. Classification of companies by sub-sectors will ensure greater comparability and consistency in ratings. The use of industry segmentation will also allow more in-depth statistical analysis of ratings distributions and rating changes.

The reassessment does not represent a change to Standard & Poor's criteria or methodology for determining ratings for utility and power companies. Each business profile score should be considered as the assignment of a new score; these scores do not represent improvement or deterioration in our assessment of an individual company's business risk relative to the previously assigned score. The financial guidelines continue to be risk-adjusted based on historical utility and industrial medians. Segmentation into industry sub-sectors does not imply that specific company characteristics will not weigh heavily into the assignment of a company's business profile score.

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Results

Previously, 83% of U.S. utility and power business profile scores fell between '3' and '6', which clearly does not reflect the risk differentiation that exists in the utility and power industry today. Since the 10-point scale was introduced, the industry has transformed into a much less homogenous industry, where the divergence of business risk--particularly regarding management, strategy, and degree of competitive market exposure--has created a much wider spectrum of risk profiles. Yet over the same period, business profile scores actually converged more tightly around a median score of '4'. The new business profile scores, as of the date of this publication, are shown in Chart 1. The overall median business profile score is now '5'.

Chart 1

Distribution of Business Profile Scores

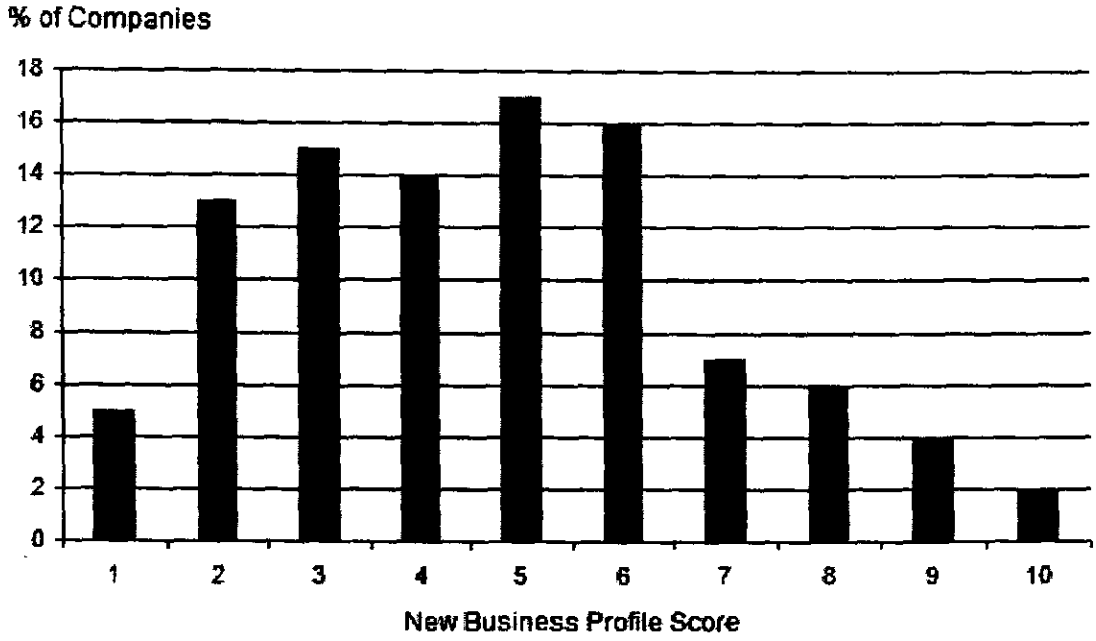


Table 1 contains the revised financial guidelines. It is important to emphasize that these metrics are only guidelines associated with expectations for various rating levels. Although credit ratio analysis is an important part of the ratings process, these three statistics are by no means the only critical financial measures that Standard & Poor's uses in its analytical process. We also analyze a wide array of financial ratios that do not have published guidelines for each rating category.

Table 1 Revised Financial Guidelines

Funds from operations/interest coverage (x)

Business Profile	AA		A		BBB		BB	
1	3	2.5	2.5	1.5	1.5	1		
2	4	3	3	2	2	1		
3	4.5	3.5	3.5	2.5	2.5	1.5	1.5	1
4	5	4.2	4.2	3.5	3.5	2.5	2.5	1.5
5	5.5	4.5	4.5	3.8	3.8	2.8	2.8	1.8
6	6	5.2	5.2	4.2	4.2	3	3	2
7	8	6.5	6.5	4.5	4.5	3.2	3.2	2.2
8	10	7.5	7.5	5.5	5.5	3.5	3.5	2.5
9			10	7	7	4	4	2.8
10			11	8	8	5	5	3

Funds from operation/total debt (%)

Business Profile	AA		A		BBB		BB	
1	20	15	15	10	10	5		
2	25	20	20	12	12	8		
3	30	25	25	15	15	10	10	5
4	35	28	28	20	20	12	12	8
5	40	30	30	22	22	15	15	10
6	45	35	35	28	28	18	18	12
7	55	45	45	30	30	20	20	15
8	70	55	55	40	40	25	25	15
9			65	45	45	30	30	20
10			70	55	55	40	40	25

Total debt/total capital (%)

Business Profile	AA		A		BBB		BB	
1	48	55	55	60	60	70		
2	45	52	52	58	58	68		
3	42	50	50	55	55	65	65	70
4	38	45	45	52	52	62	62	68
5	35	42	42	50	50	60	60	65

6	32	40	40	48	48	58	58	62
7	30	38	38	45	45	55	55	60
8	25	35	35	42	42	52	52	58
9			32	40	40	50	50	55
10			25	35	35	48	48	52

Again, ratings analysis is not driven solely by these financial ratios, nor has it ever been. In fact, the new financial guidelines that Standard & Poor's is incorporating for the specified rating categories reinforce the analytical framework whereby other factors can outweigh the achievement of otherwise acceptable financial ratios. These factors include:

- Effectiveness of liability and liquidity management;
- Analysis of internal funding sources;
- Return on invested capital;
- The record of execution of stated business strategies;
- Accuracy of projected performance versus actual results, as well as the trend;
- Assessment of management's financial policies and attitude toward credit; and
- Corporate governance practices.

Charts 2 through 6 show business profile scores broken out by industry sub-sector. The five industry sub-sectors are:

- Transmission and distribution--Water, gas, and electric;
- Transmission only--Electric, gas, and other;
- Integrated electric, gas, and combination utilities;
- Diversified energy and diversified nonenergy; and
- Energy merchant/power developer/trading and marketing companies.

Chart 2

Transmission and Distribution--Water, Gas, and Electric

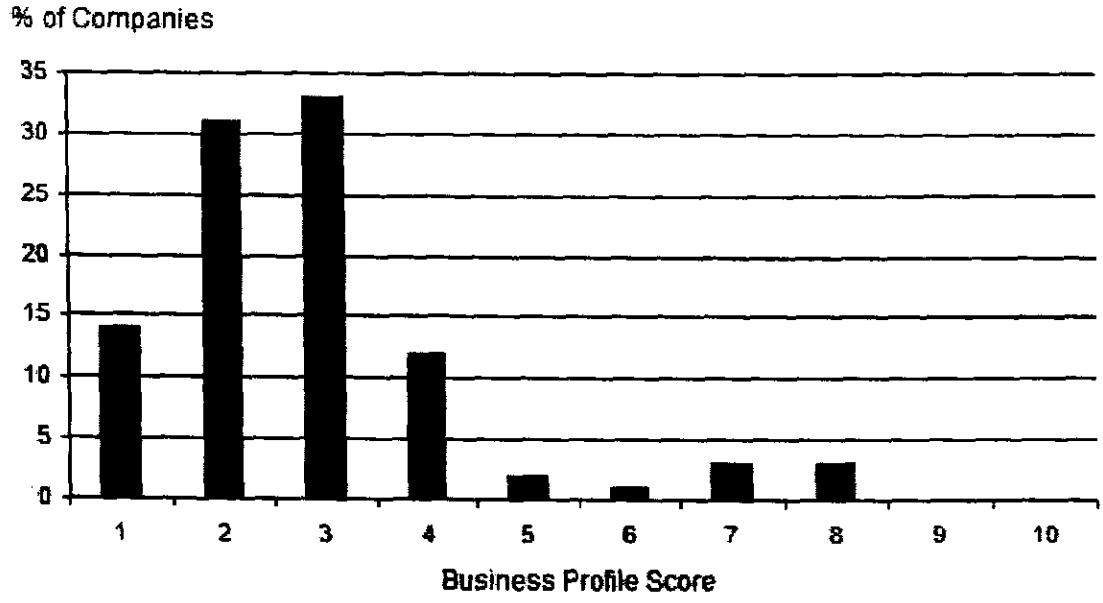


Chart 3

Transmission Only--Electric, Gas, and Other

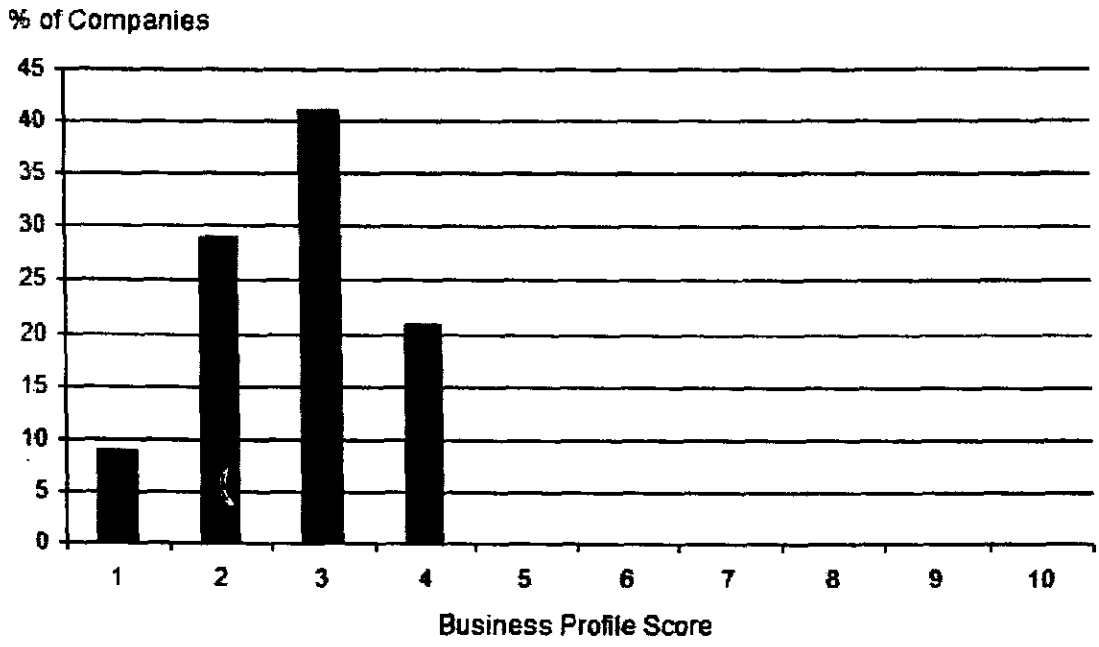


Chart 4

Integrated Electric, Gas, and Combination Utilities

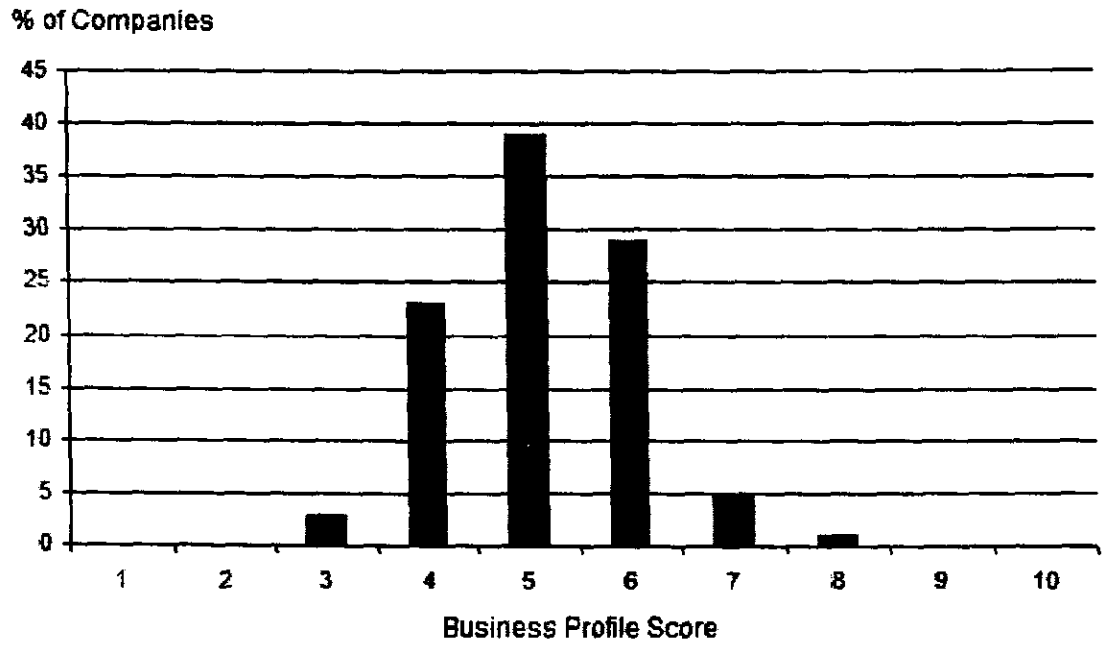


Chart 5

Diversified Energy and Diversified Non-Energy

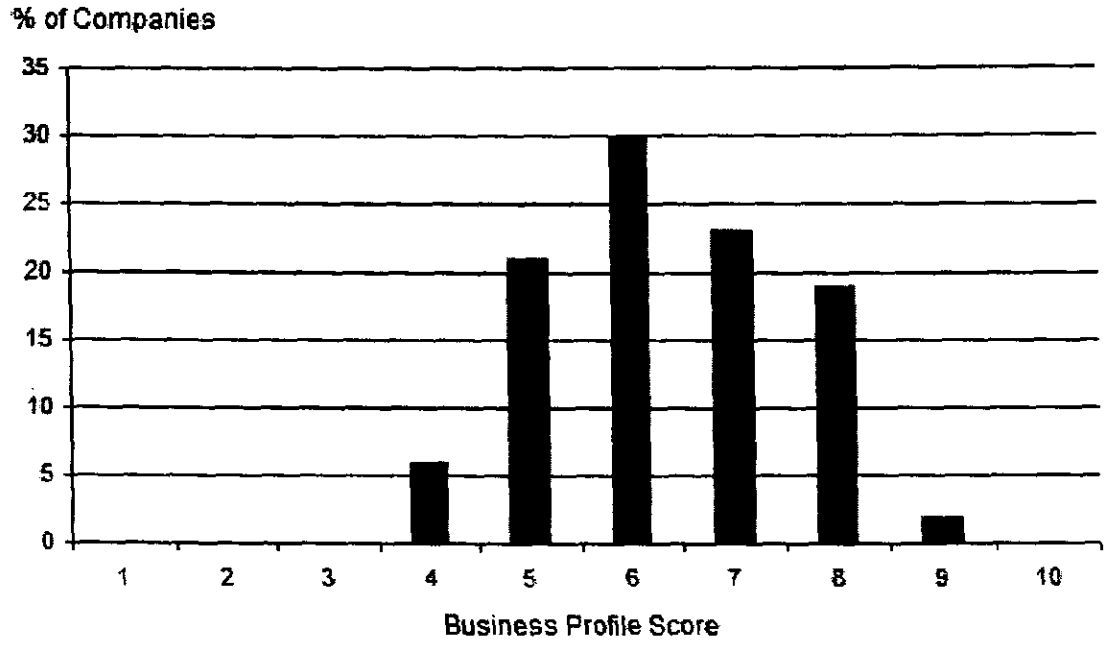
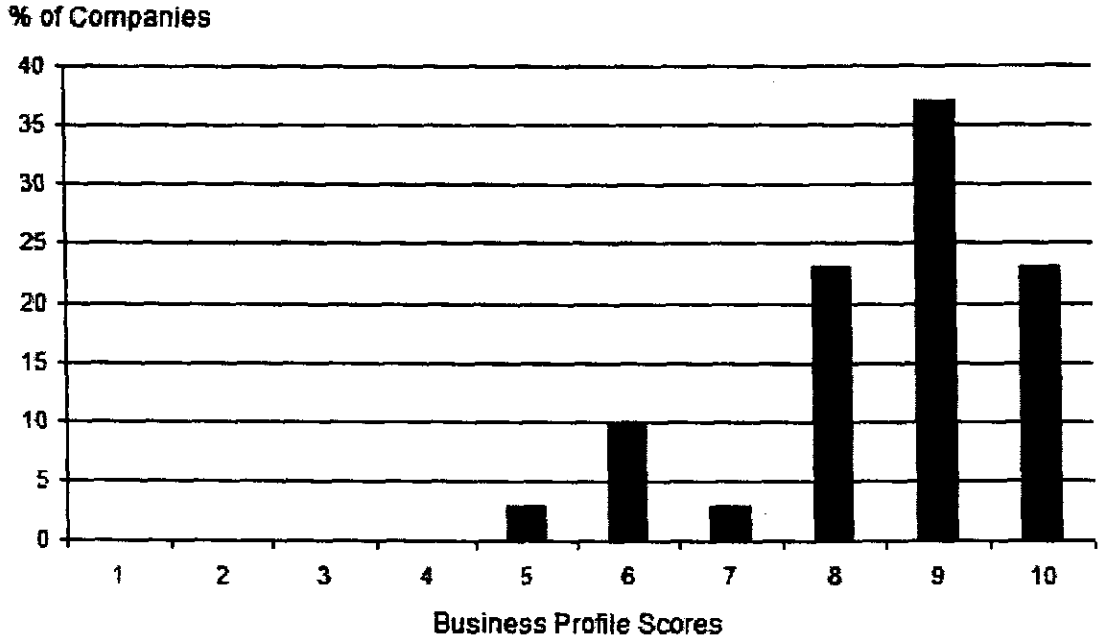


Chart 6

Energy Merchant/Developers/Trading and Marketing



The average business profile scores for transmission and distribution companies and transmission-only companies are lower on the scale than the previous averages, while the average business profile scores for integrated utilities, diversified energy, and energy merchants and developers are higher.

The Appendix provides the company list of business profile scores segmented by industry sub-sector and ranked in order of credit rating, outlook, business profile score, and relative strength.

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Business Profile Score Methodology

Standard & Poor's methodology of determining corporate utility business risk is anchored in the assessment of certain specific characteristics that define the sector. We assign business profile scores to each of the rated companies in the utility and power sector on a 10-point scale, where '1' represents the lowest risk and '10' the highest risk. Business profile scores are assigned to all rated utility and power companies, whether they are holding companies, subsidiaries or stand-alone corporations. For operating subsidiaries and stand-alone companies, the score is a bottom-up assessment. Scores for families of companies are a composite of the operating subsidiaries' scores. The actual credit rating of a company is analyzed, in part, by comparing the business profile score with the risk-adjusted financial guidelines.

For most companies, business profile scores are assessed using five categories; specifically, regulation, markets, operations, competitiveness, and management. The emphasis placed on each category may be influenced by the dominant strategy of the company or other factors. For example, for a regulated transmission and distribution company, regulation may account for 30% to 40% of the business profile score because regulation can be the single-most important credit driver for this type of company. Conversely, competition, which may not exist for a transmission and distribution company, would provide a much lower proportion (e.g., 5% to 15%) of the business profile score.

For certain types of companies, such as power generators, power developers, oil and gas exploration and production companies, or nonenergy-related holdings, where these five components may not be appropriate, Standard & Poor's will use other, more appropriate methodologies. Some of these companies are assigned business profile scores that are useful only for relative ranking purposes.

As noted above, the business profile score for a parent or holding company is a composite of the business profile scores of its individual subsidiary companies. Again, Standard & Poor's does not apply rigid guidelines for determining the proportion or weighting that each subsidiary represents in the overall business profile score. Instead, it is determined based on a number of factors. Standard & Poor's will analyze each subsidiary's contribution to FFO, forecast capital expenditures, liquidity requirements, and other parameters, including the extent to which one subsidiary has higher growth. The weighting is determined case-by-case.

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Appendix: U.S. Utility and Power Company Ranking List

U.S. Utility and Power Company Ranking List		
Company	**Corporate Credit Rating**	**Business Profile**
1. Regulated Transmission and Distribution - Electric, Gas, and Water		
Baton Rouge Water Works Co. (The)	AA/Stable/--	1
Nicor Gas Co.	AA/Stable/A-1+	2
Nicor Inc.	AA/Stable/A-1+	3
Washington Gas Light Co.	AA-/Stable/A-1+	2
WGL Holdings Inc.	AA-/Stable/A-1+	3
New Jersey Natural Gas Co.	A+/Stable/A-1	1
Aqua Pennsylvania	A+/Stable/--	2
KeySpan Energy Delivery Long Island	A+/Negative/--	1
KeySpan Energy Delivery New York	A+/Negative/--	1
Elizabethtown Water Co.	A+/Negative/--	2
California Water Service Co.	A+/Negative/--	3
Questar Gas Co.	A+/Negative/--	3
Southern California Gas Co.	A/Stable/A-1	1
Boston Edison Co.	A/Stable/A-1	1

Commonwealth Electric Co.	A/Stable/--	1
Cambridge Electric Light Co.	A/Stable/--	1
NSTAR	A/Stable/A-1	1
Massachusetts Electric Co.	A/Stable/A-1	1
Narragansett Electric Co.	A/Stable/A-1	1
Northwest Natural Gas Co.	A/Stable/A-1	1
Connecticut Water Service Inc.	A/Stable/ --	2
Connecticut Water Co. (The)	A/Stable/ --	2
Aquarion Co.	A/Stable/--	2
Aquarion Water Co. of Connecticut	A/Stable/--	2
NSTAR Gas Co.	A/Stable/--	2
Piedmont Natural Gas Co. Inc.	A/Stable/A-1	2
National Grid USA	A/Stable/A-1	2
Consolidated Edison Co. of New York Inc.	A/Stable/A-1	2
Orange and Rockland Utilities Inc.	A/Stable/A-1	2
Rockland Electric Co.	A/Stable/--	2
Consolidated Edison Inc.	A/Stable/A-1	2
Laclede Gas Co.	A/Stable/A-1	3
Laclede Group Inc.	A/Stable/--	3
Atlantic City Sewerage Co.	A/Stable/--	3
Niagara Mohawk Power Corp.	A/Stable/--	3
Central Hudson Gas & Electric Co.	A/Stable/--	3
American Water Capital Corp.	A/Negative/	2
Boston Gas Co.	A/Negative/--	2
Colonial Gas Co.	A/Negative/--	2
Middlesex Water Co.	A/Negative/--	3
York Water Co. (The)	A-/Stable/--	2
Alabama Gas Corp.	A-/Stable/--	2
Atlanta Gas Light Co.	A-/Stable/--	2
Public Service Co. of North Carolina Inc.	A-/Stable/A-2	2
Wisconsin Gas Co.	A-/Stable/A-2	2
North Shore Gas Co.	A-/Stable/A-2	2
Peoples Gas Light & Coke Co.	A-/Stable/A-2	2
ONEOK Inc.	A-/Stable/A-2	6
Indiana Gas Co. Inc.	A-/Negative/--	1
Southern California Water Co.	A-/Negative/--	3
American States Water Co.	A-/Negative/--	3
United Water New Jersey	A-/Negative/--	4

United Waterworks	A-/Negative/--	4
PPL Electric Utilities Corp.	A-/Negative/--	4
Commonwealth Edison Co.	A-/Negative/A-2	4
PECO Energy Co.	A-/Negative/A-2	4
Central Illinois Public Service Co.	A-/CW-Neg/--	3
Western Massachusetts Electric Co.	BBB+/Stable/--	1
Cascade Natural Gas Corp.	BBB+/Stable/--	2
South Jersey Gas Co.	BBB+/Stable/--	2
Baltimore Gas & Electric Co.	BBB+/Stable/A-2	3
Connecticut Natural Gas Corp.	BBB+/Negative/--	3
Southern Connecticut Gas Co.	BBB+/Negative/--	3
Central Maine Power Co.	BBB+/Negative/--	3
Atlantic City Electric Co.	BBB+/Negative/A-2	3
Potomac Electric Power Co.	BBB+/Negative/A-2	3
Delmarva Power & Light Co.	BBB+/Negative/A-2	3
Yankee Gas Services Co.	BBB+/Negative/--	3
Connecticut Light & Power Co.	BBB+/Negative/--	3
UGI Utilities Inc.	BBB+/Negative/--	4
Bay State Gas Co.	BBB/Stable/--	2
AEP Texas Central Co.	BBB/Stable/--	2
AEP Texas North Co.	BBB/Stable/--	2
Southwest Gas Corp.	BBB-/Stable/--	3
Columbus Southern Power Co.	BBB/Stable/--	3
Ohio Power Co.	BBB/Stable/--	3
Public Service Electric & Gas Co.	BBB/Stable/A-2	3
Oncor Electric Delivery Co.	BBB/Negative/--	2
Southern Union Co.	BBB/Negative/--	3
Centerpoint Energy Houston Electric LLC	BBB/Negative/--	3
CenterPoint Energy Resources Corp.	BBB/Negative/--	3
Duquesne Light Co.	BBB/Negative/	4
Duquesne Light Holdings Inc.	BBB/Negative/ --	5
TXU Gas Co.	BBB/CW-Dev/--	3
Jersey Central Power & Light Co.	BBB-/Stable/--	4
Metropolitan Edison Co.	BBB-/Stable/--	4
Pennsylvania Electric Co.	BBB-/Stable/--	4
Texas-New Mexico Power Co.	BB+/Stable/--	4
AmeriGas Partners L.P.	BB+/Stable/--	7
NUI Utilities Inc.	BB/CW-Dev/--	4

Suburban Propane Partners L.P.	BB-/Stable/--	8
Star Gas Partners L.P.	BB-/Stable/--	8
SEMCO Energy Inc.	BB-/Negative/--	5
Ferrellgas Partners L.P.	BB-/Negative/--	8
Potomac Edison Co.	B/Stable/--	3
West Penn Power Co.	B/Stable/--	3
Illinova Corp.	B/Negative/--	7
NorthWestern Corp.	D/NM/--	7
2. Transmission Only - Electric, Gas, and Other		
Questar Pipeline Co.	A+/Negative/--	3
Mid-West Independent Transmission System Operator Inc.	A/Stable/--	1
American Transmission Co.	A/Stable/A-1	1
New England Power Co.	A/Stable/A-1	1
Colonial Pipeline Co.	A/Stable/A-1	3
Dixie Pipeline Co.	--/--/A-1	3
Plantation Pipeline Co.	--/--/A-1	3
Explorer Pipeline Co.	A/Stable/A-1	4
Northern Natural Gas Co.	A-/Positive/--	2
Buckeye Partners L.P.	A-/Stable/--	4
Kern River Gas Transmission Co.	A-/Negative/--	3
Northern Border Pipeline Co.	A-/CW-Neg/--	2
Texas Gas Transmission LLC	BBB+/Stable/--	3
Iroquois Gas Transmission System L.P.	BBB+/Stable/--	3
Florida Gas Transmission Co.	BBB/Stable/--	2
International Transmission Co.	BBB/Stable	2
ITC Holding Corp.	BBB/Stable	2
Texas Eastern Transmission L.P.	BBB/Stable/--	3
PanEnergy Corp.	BBB/Stable/--	3
TE Products Pipeline Co. L.P.	BBB/Stable/--	4
TEPPCO Partners L.P.	BBB/Stable/--	4
Panhandle Eastern Pipeline LLC	BBB/Negative/--	3
Noark Pipeline Finance LLC	BBB/Negative/--	4
Southern Star Central Gas Pipeline Inc.	BB/Stable/--	3
Transwestern Pipeline Co.	BB/CW-Dev/--	4
Transcontinental Gas Pipe Line Corp.	B+/Negative/--	2
Northwest Pipeline Corp.	B+/Negative/--	2
Colorado Interstate Gas Co.	B-/Negative/--	2
Southern Natural Gas Co.	B-/Negative/--	2

ANR Pipeline Co.	B-/Negative/--	3
Tennessee Gas Pipeline Co.	B-/Negative/--	3
El Paso Tennessee Pipeline Co.	B-/Negative/--	3
El Paso Natural Gas Co.	B-/Negative/--	4
Gas Transmission-Northwest Corp.	CC/CW-Pos/--	2
3. Integrated Electric, Gas, and Combination Utilities		
Wisconsin Public Service Corp.	AA-/Stable/A-1+	4
Madison Gas & Electric Co.	AA/Negative/A-1+	4
Southern Co.	A/Stable/A-1	4
Georgia Power Co.	A/Stable/A-1	4
Alabama Power Co.	A/Stable/A-1	4
Mississippi Power Co.	A/Stable/A-1	4
Gulf Power Co.	A/Stable/--	4
Savannah Electric & Power Co.	A/Stable/--	4
San Diego Gas & Electric Co.	A/Stable/A-1	5
MidAmerican Energy Co.	A/Stable/A-1	5
Questar Corp.	--/--/A-1	6
Equitable Resources Inc.	A/Stable/A-1	6
Florida Power & Light Co.	A/Negative/A-1	4
South Carolina Electric & Gas Co.	A-/Stable/A-2	4
SCANA Corp.	A-/Stable/--	4
Wisconsin Electric Power Co.	A-/Stable/A-2	4
AGL Resources Inc.	A-/Stable/A-2	4
Virginia Electric & Power Co. (Dominion Virginia)	A-/Stable/A-2	5
Idaho Power Co.	A-/Stable/A-2	5
IDACORP Inc.	A-/Stable/A-2	5
Energen Corp.	A-/Stable/--	6
Vectren Utility Holdings Inc.	A-/Negative/A-2	3
Wisconsin Power & Light Co.	A-/Negative/A-2	4
Atmos Energy Corp.	A-/Negative/A-2	4
Southern Indiana Gas & Electric Co.	A-/Negative/--	5
Montana-Dakota Utilities Co.	A-/Negative/--	5
PacifiCorp	A-/Negative/A-2	5
Northern Border Partners L.P.	A-/CW-Neg/--	4
Central Illinois Light Co.	A-/CW-Neg/--	5
CILCORP	A-/CW-Neg/--	5
Union Electric Co.	A-/CW-Neg/A-2	5
Ameren Corp.	A-/CW-Neg/A-2	5

Cincinnati Gas & Electric Co.	BBB+/Stable/A2-	4
Oklahoma Gas & Electric Co.	BBB+/Stable/A-2	4
Northern States Power Wisconsin	BBB+/Stable /A-2	5
Kentucky Utilities Co.	BBB+/Stable/A-2	5
Louisville Gas & Electric Co.	BBB+/Stable/A-2	5
Allete Inc.	BBB+/Stable/A-2	5
Wisconsin Energy Corp.	BBB+/Stable/A-2	5
PSI Energy Inc.	BBB+/Stable/A-2	5
Union Light Heat & Power Co.	BBB+/Stable/--	5
Hawaiian Electric Co. Inc.	BBB+/Stable/A-2	6
Enogex Inc.	BBB+/Stable/--	6
National Fuel Gas Co.	BBB+/Stable/A-2	7
Energy East Corp.	BBB+/Negative/--A2	3
RGS Energy Group Inc.	BBB+/Negative/--	4
Rochester Gas & Electric Corp.	BBB+/Negative/--	4
Michigan Consolidated Gas Co.	BBB+/Negative/A-2	4
Interstate Power & Light Co.	BBB+/Negative/A-2	5
Public Service Co. of New Hampshire	BBB+/Negative/--	5
Kaneb Pipe Line Operating Partnership L.P.	BBB+/Negative/--	5
Consolidated Natural Gas Co.	BBB+/Negative/A-2	6
Detroit Edison Co.	BBB+/Negative/A-2	6
Questar Market Resources Inc.	BBB+/Negative/--	8
Portland General Electric Co.	BBB+/CW-Neg./A-2	5
Columbia Energy Group	BBB/Stable/--	3
NiSource Inc.	BBB/Stable/--	4
Xcel Energy Inc.	BBB/Stable/A-2	5
Public Service Co. of Colorado	BBB/Stable /A-2	5
Northern States Power Co.	BBB/Stable /A-2	5
Southwestern Public Service Co.	BBB/Stable /A-2	5
Appalachian Power Co.	BBB/Stable/--	5
Kentucky Power Co.	BBB/Stable/--	5
Public Service Co. of Oklahoma	BBB/Stable/--	5
Southwestern Electric Power Co.	BBB/Stable/--	5
Northern Indiana Public Service Co.	BBB/Stable/--	5
Entergy Arkansas Inc.	BBB/Stable/--	5
Entergy Louisiana Inc.	BBB/Stable/--	5
Progress Energy Florida	BBB/Stable/--	5
Progress Energy Carolinas Inc.	BBB/Stable/A-2	5

Kansas City Power & Light Co.	BBB/Stable/A-2	6
PNM Resources Inc.	BBB/Stable/--	6
Southern California Edison Co.	BBB/Stable/A-2	6
Empire District Electric Co.	BBB/Stable/A-2	6
Entergy Mississippi Inc.	BBB/Stable/--	6
Entergy New Orleans Inc.	BBB/Stable/--	6
Duke Energy Field Services LLC	BBB/Stable/A-2	6
Arizona Public Service Co.	BBB/Negative/A-2	5
TXU U.S. Holdings Co.	BBB/Negative/--	5
Pinnacle West Capital Corp.	BBB/Negative/A-2	6
Cleco Power LLC	BBB/Negative/A-3	6
Puget Sound Energy Inc.	BBB-/Positive/A-3	5
Puget Energy Inc.	BBB-/Positive/--	5
Green Mountain Power Corp.	BBB-/Stable/--	5
Public Service Co. of New Mexico	BBB-/Stable/A-2	6
Pacific Gas & Electric Co.	BBB-/Stable/ --	6
Cleveland Electric Illuminating Co.	BBB-/Stable/--	6
Ohio Edison Co.	BBB-/Stable/--	6
Toledo Edison Co.	BBB-/Stable/--	6
Pennsylvania Power Co.	BBB-/Stable/--	6
El Paso Electric Co.	BBB-/Stable/--	6
Central Vermont Public Service Corp.	BBB-/Stable/--	6
Entergy Gulf States Inc.	BBB-/Stable/--	6
System Energy Resources Inc.	BBB-/Stable/--	7
Tampa Electric Co.	BBB-/Negative/A-3	4
Black Hills Power Inc.	BBB-/Negative/--	6
Westar Energy Inc.	BB+/Positive/--	5
Kansas Gas & Electric Co.	BB+/Positive/--	6
Indianapolis Power & Light Co.	BB+/Stable/--	4
IPALCO Enterprises Inc.	BB+/Stable/--	4
Enterprise Products Operating L.P.	BB+/Stable/--	6
Enterprise Products Partners L.P.	BB+/Stable/--	6
GulfTerra Energy Partners L.P.	BB+/CW-Neg/--	6
Consumers Energy Co.	BB/Negative/--	6
Tucson Electric Power Co.	BB/CW-Neg/--	6
Dayton Power & Light Co.	BB-/CW-Neg/ -	7
Monongahela Power Co.	B/Stable/--	5
Nevada Power Co.	B+/Negative/--	7
Sierra Pacific Power Co.	B+/Negative/--	7

Sierra Pacific Resources	B+/Negative/--	7
4. Diversified Energy and Diversified Non-Energy		
WPS Resources Corp.	A/Stable/A-1	5
KeySpan Corp.	A/Negative/A-1	4
FPL Group Inc.	A/Negative/--	6
Peoples Energy Corp.	A-/Stable/A-2	5
Vectren Corp.	A-/Negative/--	4
PacifiCorp Holdings Inc.	A-/Negative/--	5
Exelon Corp.	A-/Negative/A-2	7
MDU Resources Group Inc.	A-/Negative/A-2	7
Centennial Energy Holdings Inc.	A-/Negative/A-2	8
Otter Tail Corp.	A-/Negative/--	8
Kinder Morgan Energy Partners L.P.	BBB+/Stable/A-2	4
Northeast Utilities	BBB+/Stable/--	5
OGE Energy Corp.	BBB+/Stable/A-2	6
LG&E Energy Corp.	BBB+/Stable/--	6
Cinergy Corp.	BBB+/Stable/A-2	6
Constellation Energy Group Inc.	BBB+/Stable/A-2	7
Sempra Energy	BBB+/Stable/A-2	7
Pepco Holdings Inc.	BBB+/Negative/A-2	5
Conectiv	BBB+/Negative/--	5
Alliant Energy Corp.	BBB+/Negative/A-2	6
DTE Energy Co.	BBB+/Negative/A-2	6
Dominion Resources Inc.	BBB+/Negative/A-2	7
Kinder Morgan Inc.	BBB/Stable/A-2	5
American Electric Power Co. Inc.	BBB/Stable/A-2	6
Entergy Corp.	BBB/Stable/--	6
Hawaiian Electric Industries Inc.	BBB/Stable/A-2	6
Progress Energy Inc.	BBB/Stable/A-2	6
PPL Corp.	BBB/Stable/--	7
Public Service Enterprise Group Inc.	BBB/Stable/A-2	7
Great Plains Energy Inc.	BBB/Stable/--	7
Duke Energy Corp.	BBB/Stable/A-2	7
Duke Capital Corp.	BBB/Stable/A-2	8
TXU Corp.	BBB/Negative/--	5
Centerpoint Energy Inc.	BBB/Negative/--	5
Cleco Corp.	BBB/Negative/A-3	6
Potomac Capital Investment Corp.	BBB/Negative/--	8
MidAmerican Energy Holdings Co.	BBB-/Positive/--	5

FirstEnergy Corp.	BBB-/Stable/--	6
TECO Energy Inc.	BBB-/Negative/A-3	5
Black Hills Corp.	BBB-/Negative/--	8
Avista Corp.	BB+/Stable/--	6
Edison International	BB+/Stable/--	6
TNP Enterprises	BB+/Stable/--	6
New York Water Service Corp.	BB/Stable	7
CMS Energy Corp.	BB/Negative/--	7
DPL Inc.	BB- /CW-Neg/--	8
Williams Companies Inc. (The)	B+/Negative/--	8
Allegheny Energy Inc.	B/Stable/--	7
Dynegy Inc.	B/Negative/--	8
Dynegy Holdings Inc.	B/Negative/--	9
El Paso CGP Corp.	B-/Negative/--	6
Aquila Inc.	B-/Negative/--	8
El Paso Corp.	B-/Negative/--	8
5. Energy Merchants/Power Developers/Trading and Marketing		
Entergy-Koch L.P.	A/Stable/--	9
KeySpan Generation LLC	A/Negative/--	5
FPL Group Capital	A/Negative/A-1	8
Exelon Generation Co.	A-/Negative/A-2	8
AmerenEnergy Generating Co.	A-/CW-Neg/--	8
Southern Power Co.	BBB+/Stable/--	6
LG&E Capital Corp.	BBB+/Stable/A-2	9
Alliant Energy Resources Inc.	BBB+/Negative/--	9
American Ref-Fuel Co. LLC	BBB/Stable/--	6
PSEG Power LLC	BBB/Stable/--	8
PPL Energy Supply LLC	BBB/Stable/--	8
TXU Energy Co. LLC	BBB/Negative/--	7
Duke Energy Trading and Marketing LLC	BBB-/Negative/--	10
Northeast Generation Company	BB+/Negative/--	9
Cogentrix Energy	BB-/Stable/--	6
PSEG Energy Holdings Inc.	BB-/Stable/--	9
AES Corp.	B+/Stable/--	9
NRG Energy Inc.	B+/Stable	9
Allegheny Energy Supply Co. LLC	B/Stable/--	8
Reliant Resources Inc.	B/Negative/--	8
Calpine Corp	B/Negative/--	9
Edison Mission Energy	B/Negative/--	9

Orion Power Holdings Inc	B/Negative/--	9
Reliant Energy Mid-Atlantic Power Holdings LLC	B/Negative/--	9
Mirant Americas Generation Inc.	D/--/--	10
Mirant Americas Energy Marketing L.P.	D/--/--	10
Mirant Corp.	D/--/--	10
NEGT Energy Trading Holdings Corp	D/--/--	10
PG&E National Energy Group	D/--/--	10
USGen New England Inc.	D/--/--	10

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PROSPECTUS

AQUILA, INC.

Offer To Exchange

up to $500,000,000 principal amount of its new 11 7/8% Senior Notes due July 1, 2012,
which have been registered under the Securities Act of 1933, for any and all
of its outstanding 11 7/8% Senior Notes due July 1, 2012

This prospectus relates to the offer by Aquila, Inc. to exchange up to $500,000,000 of new 11 7/8% senior notes due July 1, 2012, which are referred to as the "exchange notes," for any and all of its outstanding 11 7/8% senior notes due July 1, 2012, which are referred to as the "restricted notes." The exchange notes have been registered under the Securities Act of 1933 and, therefore, are freely transferable, whereas the restricted notes are subject to certain transfer restrictions.

Interest on the restricted notes is, and on the exchanges notes will be, paid each January 1 and July 1. The next interest payment will be made July 1, 2003. The exchange notes are subject to optional redemption by Aquila prior to maturity, in whole or in part, at the make-whole redemption price described in this prospectus.

The restricted notes are, and the exchange notes will be, unsecured and unsubordinated obligations of Aquila.

- The exchange offer expires at 5:00 p.m. New York City time on June 27, 2003, unless extended.
- You should carefully review the procedures for tendering your restricted notes beginning on page 16 of this prospectus.
- Tenders of restricted notes may be withdrawn at any time prior to the expiration of the exchange offer.
- All restricted notes that are validly tendered and not validly withdrawn will be exchanged.
- Holders of restricted notes do not have any appraisal or dissenters' rights in connection with the exchange offer.
- Restricted notes not exchanged in the exchange offer will remain outstanding and be entitled to the benefits of the indenture under which they were issued, though, except under certain circumstances, will not have further exchange or registration rights.
- No public market currently exists for the restricted notes. We do not intend to list the exchange notes on any securities exchange and, therefore, no active public market for the exchange notes may develop.

Each holder of restricted notes wishing to accept the exchange offer must effect a tender of restricted notes by book-entry transfer into the exchange agent's account at The Depository Trust Company ("DTC"). All deliveries are at the risk of the holder. You can find detailed instructions concerning delivery in the "Exchange Offer" section of this prospectus.

YOU SHOULD CAREFULLY REVIEW THE "RISK FACTORS" BEGINNING ON PAGE 5 OF THIS PROSPECTUS.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. The exchange offer letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the exchange notes received in exchange for restricted notes that the broker-dealer acquired as a result of market-making activities or other trading activities. We have agreed that we will make this prospectus available to any such broker-dealer for use in connection with such a resale for the earlier to occur of (a) a period of 180 days after the consummation of the exchange offer, and (b) the date on which such restricted notes held by such a broker-dealer have been sold. See "Plan of Distribution."

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE EXCHANGE NOTES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

YOU SHOULD READ THIS ENTIRE DOCUMENT AND THE ACCOMPANYING LETTER OF TRANSMITTAL AND RELATED DOCUMENTS AND ANY AMENDMENTS OR SUPPLEMENTS CAREFULLY BEFORE MAKING YOUR DECISION TO PARTICIPATE IN THE EXCHANGE OFFER.

The date of this prospectus is May 9, 2003

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You should rely only on the information contained in this document or to which we have referred you herein. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Unless otherwise indicated or unless the context requires otherwise, all references in this document to "Aquila," "the

Company," "we," "our," "us," or similar references mean Aquila, Inc. and its subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any materials that we file at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information regarding the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We file information electronically with the SEC. The SEC maintains an Internet site that contains the reports, proxy and information statements and other information regarding issuers that file electronically. The address of the SEC's Internet site is *http://www.sec.gov*.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to other documents. This information incorporated by reference is considered part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934:

- Annual Report on Form 10-K for the year ended December 31, 2002
- Current Report on Form 8-K, filed on April 15, 2003

You may request a copy of these filings, at no cost, by telephoning or writing to us at the following address:

Investor Relations
Aquila, Inc.
20 West Ninth Street
Kansas City, Missouri 64105
Telephone (816) 421-6600

Additionally, you can get further information about us, including our SEC reports listed above, on our website, *http://www.aquila.com*. We do not, however, intend for the information on our website (other than our SEC reports listed above) to constitute part of this prospectus.

SUMMARY

This summary highlights information contained elsewhere in this prospectus and summarizes the material terms of the exchange offer. This summary may not contain all of the information that may be important to you. You should read the entire prospectus carefully before making an investment decision.

Summary of the Terms of the Exchange Offer

The Exchange Offer	We are offering to issue the exchange notes in exchange for a like principal amount of outstanding restricted notes. We are offering to issue the exchange notes to satisfy our obligations under a registration rights agreement entered into when the restricted notes were sold in transactions pursuant to Rule 144A under

	the Securities Act. The outstanding restricted notes are subject to transfer restrictions that we believe will not apply to the exchange notes so long as you are acquiring the exchange notes in the ordinary course of your business, you are not participating in a distribution of the exchange notes and you are not an affiliate of ours. In addition, each broker-dealer that is issued exchange notes for its own account in exchange for restricted notes that were acquired by the broker-dealer as a result of market making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other transfer of the exchange notes. The SEC has not considered the exchange offer in the context of a no-action letter and we cannot be sure that the staff of the SEC would make a similar determination with respect to the exchange offer as in such other circumstances.
Registration Rights Agreement	We sold the restricted notes on July 3, 2002. Certain of the restricted notes were immediately resold by the initial purchasers in reliance on Rule 144A under the Securities Act. At the same time, we entered into a registration rights agreement with the initial purchasers requiring us to make this exchange offer. The registration rights agreement also required us to use reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act by January 29, 2003. Because we failed to do so, the restricted notes have been accruing additional interest at a rate of .005% per week. This additional interest amount will be paid on the next regular interest payment date of July 1, 2003.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on June 27, 2003, unless it is extended.

Withdrawal	If you decide to tender your outstanding restricted notes pursuant to the exchange offer, you may withdraw them at any time prior to 5:00 p.m., New York City time, on the expiration date.
Interest on the Exchange Notes	Interest on the exchange notes will accrue from January 1, 2003. No additional and Restricted Notes interest will be paid on the restricted notes tendered and accepted for exchange.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, some of which may be waived by us. See "Exchange Offer—Conditions to Exchange Offer."
Procedures for Tendering Restricted Notes	To tender your outstanding restricted notes you must follow the detailed procedures described under the heading "The Exchange Offer-Procedures for Tendering." If you decide to exchange your restricted notes for exchange notes, you must acknowledge that you do not intend to engage in and have no arrangement with any person to participate in a distribution of the exchange notes.
Exchange Agent	Bank One Trust Company, N.A.
Federal Income Tax Consequences	We believe your exchange of restricted notes for exchange notes pursuant to the exchange offer will not constitute a sale or exchange for federal income tax purposes. See "Tax Matters."
Failure to Exchange Your Restricted Notes and Trading Market	If you fail to tender your outstanding restricted notes for exchange notes in the exchange offer or if you tender your outstanding restricted notes but they are not

accepted, your outstanding restricted notes will continue to be subject to transfer restrictions and you will not have any further rights under the registration rights agreement, including any right to require us to register your outstanding restricted notes or to pay any additional interest.

We cannot assure you that an active public market for the exchange notes will develop or as to the liquidity of any market that may develop for the exchange notes, the ability of holders to sell the exchange notes, or the price at which holders would be able to sell the exchange notes. We do not intend to list the exchange notes on any securities exchange and, therefore, no public market is anticipated.

Summary of the Terms of the Exchange Notes

Issuer	Aquila, Inc.
Securities Offered	$500,000,000 aggregate principal amount of 11$^{7}/_{8}$% Senior Notes due July 1, 2012.
Maturity Date	July 1, 2012.
Interest Payment Dates	Each January 1 and July 1, commencing on January 1, 2003.
Optional Redemption	We may redeem all of the exchange notes, in whole or in part, at any time at a price equal to the greater of (i) the principal amount being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed, discounted to the redemption date at the Treasury Yield plus 50 basis points, plus in each case, accrued interest to the redemption date. Notes will be redeemed in denominations of $1,000 and integral multiples of $1,000. See "Description of the Notes—Redemption."
Ranking	The exchange notes are direct, unsecured and unsubordinated obligations of Aquila and will rank without preference or priority among themselves and equally with all of our existing and future unsecured and unsubordinated obligations for money borrowed.
Events of Default	If an event of default occurs, the principal amount of the exchange notes then outstanding, together with any accrued interest, may be declared immediately due and payable. See "Description of the Notes—Events of Default."
Form and Denomination	The exchange notes will be issued in fully registered form, in denominations of $1,000 and in integral multiples of $1,000. They will be represented by one or more permanent global securities in registered form deposited with the trustee, as book-entry depository, for the benefit of The Depository Trust Company, or DTC. Beneficial interests in the exchange notes will be shown on, and transfers of these will be made only through, records maintained in book-entry form by DTC with respect to its participants.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes.
Fees and Expenses	We will bear all expenses related to consummating the exchange offer and complying with the registration rights agreement.

RISK FACTORS

We filed our 2002 Annual Report on Form 10-K on April 15, 2003. This report contains, among other things, a detailed description of our company, business, business plans, financial condition and operating results and our analysis of each, as well as a description of certain challenges facing our industry and our company. In particular, page 64 of our 2002 Annual Report describes some of key challenges we face in implementing our business plan. Our 2002 Annual Report contains information that is fundamental to understanding our Company and your investment in the notes. Page 1 of this prospectus sets forth instructions regarding how you may obtain a copy of our 2002 Annual Report.

No public market for the exchange notes.

There is no existing market for the restricted notes. We cannot assure you that any market will develop, or if any market will be liquid. Consequently, it may be difficult for holders to sell their exchange notes.

Failure to participate in the exchange offer may have adverse consequences.

If you do not exchange your restricted notes for exchange notes in accordance with the exchange offer, you will continue to be subject to the restrictions on transfer of your restricted notes. In general, the restricted notes may not be offered or sold, unless:

- they are registered under the Securities Act and applicable state securities laws; or
- they are offered or sold in connection with an exemption from the registration requirements of the Securities Act; or
- they are offered or sold in a transaction that is not subject to the Securities Act.

We do not intend to and have not agreed to register restricted notes not tendered in the exchange offer under the Securities Act. To the extent restricted notes are tendered and accepted in the exchange offer, the trading market, if any, for the restricted notes not tendered will be adversely affected.

ABOUT AQUILA

Aquila, Inc. is a multinational energy provider headquartered in Kansas City, Missouri. We began as Missouri Public Service Company in 1917 and reincorporated in Delaware as UtiliCorp United Inc. in 1985. In March 2002, we changed our name to Aquila, Inc. We operate regulated and non-regulated businesses in four countries. As of December 31, 2002, we had 4,710 employees, with 3,496 of them in the United States and the remaining 1,214 in Canada. Our business is organized into two groups: Global Networks Group, which consists of Domestic Networks and International Networks, and Merchant Services, which consists of Capacity Services and Wholesale Services:

- **Global Networks Group**—Our Domestic Networks business owns and operates regulated electric and natural gas operations in the United States, where we provide natural gas and/or electricity to approximately 1.3 million customers in Colorado, Iowa, Kansas, Michigan, Minnesota, Missouri and Nebraska. Domestic Networks also includes Everest Connections, our 96% owned domestic communications business. Our International Networks business owns and manages interests in electric, gas and communications networks in Australia and the United Kingdom, serving approximately 4.0 million customers. Our International Networks also include our wholly-owned electric generation, transmission and distribution properties serving approximately 483,000 customers in two Canadian provinces.
- **Merchant Services**—Merchant Services consists of Capacity Services, which owns, operates and contractually controls our non-regulated electric power generation assets, and Wholesale Services, our North

American and European commodity client and capital businesses.

The reports we file with the Securities and Exchange Commission are made available free of charge at our website *http://www.aquila.com* as soon as reasonably practicable after these reports are filed.

Our principal office is located at 20 West Ninth Street, Kansas City, Missouri 64105 and our telephone number is (816) 421-6600.

RECENT DEVELOPMENTS

We filed our 2002 Annual Report on Form 10-K on April 15, 2003. This report contains, among other things, a detailed description of our company, business, business plans, financial condition and operating results and our analysis of each, as well as a description of certain challenges facing our industry and our company. In particular, page 64 of our 2002 Annual Report describes some of key challenges we face in implementing our business plan. It is fundamental to an understanding of your investment in our company that you read this document. Page 1 of this prospectus sets forth instructions about how you may get a copy of our 2002 Annual Report.

On April 22, 2003, we announced we had reached an agreement to sell all of our Australian interests for approximately $589 million, which after fees, expenses and taxes is projected to yield net cash proceeds of $445 million of closing. We intend to use the proceeds to prepay obligations under our new 364-day senior secured loan, and the remainder to carry out our restructuring plan. Completion of the transaction is conditional upon a series of agreed transaction steps, regulatory, shareholder and related approvals, and completion of the purchaser's financing arrangements.

The statement that we expect net proceeds from the transaction to be $445 million is a forward looking statement. Important factors that could result in the actual net proceeds being materially different than the projected net proceeds include the possibility that (i) the transaction won't be completed, (ii) the purchase price will be adjusted and (iii) the actual fees, expenses or taxes resulting from the transaction will be materially different than Aquila's internal estimates.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of our earnings to fixed charges for each of the periods indicated below is as follows:

For the Years Ended December 31,				
1998	1999	2000	2001	2002
2.04	1.94	1.97	2.59	(a)

(a) Ratio amount not shown due to a coverage deficiency in the amount of $1,944.7 million.

The ratio of earnings to fixed charges represents the number of times fixed charges are covered by earnings. For the purpose of these ratios, earnings consist of income from continuing operations before provisions for income taxes and fixed charges less undistributed earnings in equity investments. For this purpose, fixed charges consist of (1) interest on all indebtedness and amortization of debt discount and expense, (2) interest capitalized and (3) an interest factor attributable to rentals.

USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement dated June 28, 2002 between us and Credit Suisse First Boston Corporation (the predecessor to Credit Suisse First Boston LLC), as representative of the several initial purchasers. We will not receive any cash proceeds from the issuance of the exchange notes. As consideration for the exchange notes, we will receive in exchange an equivalent principal amount of outstanding restricted notes, the terms of which are substantially identical to the terms of the exchange notes, except that the exchange notes will

be freely transferable and issued free of any covenants regarding exchange and registration rights. The net proceeds realized from the sale of the restricted notes were used to reduce short-term debt incurred for the retirement of maturing long-term debt, and to repay current maturities of long-term debt and for general corporate purposes.

SELECTED FINANCIAL INFORMATION

You should read the following tables in conjunction with the consolidated financial statements and notes incorporated by reference into this prospectus and in conjunction with the "Recent Developments" section.

	As of and for the Years Ended December 31,				
	1998(1)	1999	2000(2)	2001(3)	2002(4)
	(In millions except per share amounts)				
Income Statement Data:					
Sales	$ 1,985.1	$ 2,821.2	$ 3,194.5	$ 3,711.0	$ 2,377.1
Gross profit	894.1	1,061.9	1,313.5	1,688.1	833.7
Earnings (loss) from continuing operations(5)	134.7	148.0	194.3	245.3	(1,722.8)
Basic earnings (loss) per common share—Continuing operations	1.68	1.62	2.09	2.19	(10.65)
Diluted earnings (loss) per common share—Continuing operations	1.66	1.61	2.08	2.12	(10.65)
Cash dividends per common share	1.20	1.20	1.20	1.20	.775
Balance Sheet Data:					
Total assets	6,130.9	7,538.6	14,026.9	11,966.5	9,259.2
Short-term debt	235.6	248.9	501.0	548.6	301.0
Long-term debt (including current maturities)	1,625.4	2,245.1	2,397.6	2,327.0	2,928.7
Company-obligated preferred securities (including current maturities)	100.0	350.0	450.0	350.0	—
Common shareholders' equity	1,446.3	1,525.4	1,799.6	2,551.6	1,607.9
Book value per common share	15.83	16.34	17.94	22.01	8.30

The following notes reflect the pretax effect of items affecting the comparability of the Selected Financial Information above:

(1) In 1998 we recorded (a) asset impairment charges of $13.2 million reflecting a plan to curtail our retail activities, (b) an $8.0 million charge relating to our plan to dissolve the EnergyOne, LLC partnership and (c) a $6.5 million impairment related to our investment in a power plant project.

(2) In the year ended December 31, 2000, we recorded $19.4 million of reserves for impairments and other charges relating to under-performing pipeline assets, investments in retail assets in the United Kingdom, certain information technology assets, corporate intangibles and our construction of communications fiber-optic networks. We also recorded a $44.0 million gain on the sale of a 34% interest in Uecomm Limited to the public.

(3) In the year ended December 31, 2001, we (a) recorded a $110.8 million gain on the sale of 5.75 million shares of Aquila Merchant Services, Inc. Class A common stock (earnings (loss) from continuing operations reflect our 80% ownership of Aquila Merchant from April 27, 2001 to December 31, 2001); (b) wrote off exposure related to the Enron bankruptcy of $35.0 million in

Merchant Services and $31.8 million in Domestic Networks; (c) recorded charges of $16.5 million in our communications business related to preliminary system design and leases in markets we do not intend to develop; and (d) recorded charges of $11.5 million in our Australia Networks related to valuation allowances on certain deferred taxes and collectibility of certain receivables.

(4) Included in earnings (loss) from continuing operations for the year ended December 31, 2002, is (a) a $696.1 million impairment charge on our investment in Quanta Services due to a continued drop in its share price, the termination of our proxy contest for control of Quanta Services and the decline of the telecommunications industry; (b) a $247.5 million impairment charge on our investment in Midlands Electricity due to the indicated fair value being substantially below our carrying value as suggested by recent sale negotiations and analysis, as well as a corresponding impairment charge being taken at the investment level; (c) a $127.2 million impairment charge on our investment in Multinet and AlintaGas based on the status of negotiations to sell our interest in these businesses, as well as a corresponding impairment charge being taken at the investment level; (d) a $227.6 million impairment charge related to our 96% owned investment in Everest Connections due to our decision to significantly reduce our funding to this business and lower values for certain technology related investments; (e) a $178.6 million write-down of Wholesale Services' goodwill in connection with our exit of the energy trading business; (f) other impairment charges and losses on sale of assets of $106.2 million, primarily as a result of our decision to sell $1 billion in assets to improve our liquidity position; and (g) $210.2 million of restructuring charges from our exit from the wholesale energy trading business and the restructure of our utility business.

(5) Depreciation and amortization expense included (in millions) $1.2, $2.7, $10.9 and $19.1 of goodwill amortization for the years ended December 31, 1998, 1999, 2000 and 2001, respectively. Goodwill amortization was not recorded in the year ended December 31, 2002 as a result of the implementation of a new accounting standard that discontinued the amortization of goodwill beginning January 1, 2002. Additionally, included in earnings from equity method investments for those periods was approximately (in millions) $7.3, $6.6, $10.5 and $17.6, respectively, of goodwill amortization.

EXCHANGE OFFER

Reason for the Exchange Offer

We sold the restricted notes on July 3, 2002 to Credit Suisse First Boston Corporation (predecessor to Credit Suisse First Boston LLC), UBS Warburg LLC, TD Securities (USA) Inc., BMO Nesbitt Burns Corp., RBC Dominion Securities Corporation and Banc One Capital Markets, Inc. (the "Purchasers"). The Purchasers subsequently resold certain of the restricted notes to qualified institutional buyers ("QIBs") in accordance with the provisions of Rule 144A under the Securities Act.

In connection with the offering of the restricted notes, we and the Purchasers entered into a registration rights agreement dated June 28, 2002, in which we agreed, among other things:

(1) within 90 days after the original issue date of the restricted notes, to file a registration statement with the SEC with respect to a registered offer to exchange the restricted notes for the exchange notes, the exchange notes having terms substantially identical in all material respects to the restricted notes (except that the exchange

notes will not contain terms with respect to transfer restrictions);

(2) to use our reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 210 days after the original issuance date of the restricted notes;

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(3) promptly following the date of effectiveness of the exchange offer registration statement (the "Effective Date") to offer the exchange notes in exchange for surrender of the restricted notes; and

(4) to keep the exchange offer open for not less than 30 days (or longer, if required by applicable law) after the date notice of the exchange offer is mailed to the holder of the restricted notes.

We also agreed, under certain circumstances to:

(1) promptly (but in no event more than 60 days after the occurrence of certain triggering events explained in the offering circular for the restricted notes) file a shelf registration statement covering re-sales of the restricted notes or the exchange notes, as the case may be;

(2) use our reasonable efforts to cause the shelf registration statement to be declared effective under the Securities Act on or prior to the 140th day following the date upon which a triggering event occurs; and

(3) use our reasonable efforts to keep the shelf registration statement effective for a period of two years or until the earliest of:

(A) the time when the restricted or exchange notes covered by the shelf registration statement are no longer restricted securities (as defined in Rule 144 under the Securities Act, as amended); and

(B) the date on which all restricted or exchange notes registered under the shelf registration statement are disposed of in accordance with that registration statement.

Where the above obligations are not fulfilled, holders of outstanding restricted notes are entitled to receive liquidated damages in an amount equal to $.05 per week per $1,000 in principal amount of restricted notes held by such holder for each week or portion of a week that the registration default continues for the first 90-day period immediately following the occurrence of such default. The amount of the liquidated damages will increase by an additional $.05 per week per $1,000 in principal amount of restricted notes with respect to each subsequent 90-day period until all registration defaults have been cured, up to a maximum amount of liquidated damages of $.25 per week per $1,000 in principal amount of restricted notes.

We have not timely met all of the above obligations and therefore will pay liquidated damages to holders of notes as required by the registration rights agreement. The exchange offer being made by this prospectus is intended to satisfy certain of our remaining obligations under the registration rights agreement. No additional liquidated damages will accrue to the restricted nor the exchange notes following the date that the registration statement relating to the exchange offer is declared effective by the SEC, unless we do not thereafter fulfill certain of our obligations under the registration rights agreement.

Where applicable, liquidated damages will be paid by us or our paying agent to the holders of the restricted notes or the exchange notes, as the case may be, on each interest payment date. No liquidated damages will be payable for any week beginning after all registration defaults have been cured. We will not be required to pay liquidated damages for more than one registration default at any given time.

If we effect the exchange offer, we will be entitled to close the exchange offer 30 days after the commencement if we have accepted all restricted notes validly tendered in accordance with the terms of the exchange offer.

For a more complete understanding of your exchange and registration rights, please refer to the registration rights agreement, which is included as an exhibit to the registration statement relating to the exchange notes.

Terms of the Exchange Offer

The restricted notes were issued in a single series of $11^{7}/_{8}$% Senior Notes due July 1, 2012. As of the date of this prospectus, $500,000,000 aggregate principal amount of the restricted notes are outstanding.

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, we will accept any and all restricted notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on June 27, 2003, the date the exchange offer expires. This date and time may be extended. See "Expiration Date; Extensions; Amendments" below. After authentication of the exchange notes by the trustee under the indenture governing the notes or an authenticating agent, we will issue and deliver $1,000 in principal amount of exchange notes in exchange for each $1,000 principal amount of outstanding restricted notes accepted in the exchange offer. Holders may tender some or all of their restricted notes pursuant to the exchange offer in denominations of $1,000 and integral multiples thereof.

The form and terms of the exchange notes are identical in all material respects to the form and terms of the outstanding restricted notes, except that:

- the offering of the exchange notes has been registered under the Securities Act;
- the exchange notes will not be subject to transfer restrictions; and
- the exchange notes will be issued free of any covenants regarding exchange and registration rights.

The exchange notes will be issued under and entitled to the benefits of the indenture that governs the restricted notes.

The restricted notes are transferable only in book-entry form through the facilities of DTC. The exchange notes will also be issuable and transferable only in book-entry form through DTC.

This prospectus, together with the accompanying letter of transmittal, is initially being sent to all registered holders of restricted notes as of the close of business on May 15, 2003. The exchange offer for restricted notes is not conditioned upon any minimum aggregate principal amount being tendered. However, the exchange offer is subject to certain customary conditions that may be waived by us, and to the terms and provisions of the registration rights agreement. See "Conditions to the Exchange Offer" below.

The exchange agent is Bank One Trust Company, N.A. We will be deemed to have accepted validly tendered restricted notes when given oral or written notice of acceptance to the exchange agent. The exchange agent will act as agent of the tendering holders for the purpose of receiving exchange notes from us and as our agent for the purpose of delivering exchange notes to such holders. See "Exchange Agent" below.

If any tendered restricted notes are not accepted for exchange because of an invalid tender or the occurrence of certain other events described in this prospectus, certificates for any such unaccepted restricted notes will be credited to an account maintained with DTC (at our cost) to the tendering holder as promptly as practicable after the expiration of the exchange offer.

Holders who tender restricted notes in the exchange offer will not be required to pay brokerage commissions or fees to us or the exchange agent or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of restricted notes pursuant to the exchange offer. We will pay all charges and expenses, other than certain applicable taxes, in connection with the exchange offer. See "Solicitation of Tenders, Fees and Expenses" below.

Expiration Date; Extensions; Amendments

The exchange offer will expire at 5:00 p.m., New York City time, on June 27, 2003 unless we, in our sole discretion, extend it. We may extend the exchange offer at any time by giving oral or written notice to the exchange agent by 9:00 a.m. on the day after the expiration date and by timely public announcement.

We reserve the right, in our sole discretion, to amend the terms of the exchange offer in any manner. If any of the conditions set forth below under "Conditions to the Exchange Offer" has occurred and has not been waived by us, we expressly reserve the right, in our sole discretion, by giving oral or written notice to the exchange agent, to (a) delay acceptance of, or refuse to accept, any restricted notes not previously accepted, (b) extend the exchange offer, or (c) terminate the exchange offer.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice given by us to the registered holders of the restricted notes. If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose such amendment in a manner reasonably calculated to inform the holders of such amendment, and we will extend the exchange offer to the extent required by law. If the exchange offer is terminated, federal law requires that we promptly either exchange or return all restricted notes that have been tendered.

We will have no obligation to publish, advise, or otherwise communicate any delay in acceptance, extension, termination or amendment of the exchange offer other than by making a timely press release. We may also publicly communicate these matters in any other appropriate manner of our choosing.

Procedures for Tendering

Only a DTC participant listed on a DTC securities position listing with respect to the restricted notes may tender its restricted notes in the exchange offer. To tender restricted notes in the exchange offer, holders of restricted notes that are DTC participants must follow the procedures for book-entry transfer as provided for below under "Book-Entry Transfer."

To be effective, a tender must be made prior to the expiration of the exchange offer.

Any beneficial owner whose restricted notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender restricted notes in the exchange offer should contact such registered holder promptly and instruct such registered holder to tender on such beneficial owner's behalf.

The tender by a holder of restricted notes will constitute an agreement among such holder, us and the exchange agent in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. A holder may tender all or less than all the restricted notes held by the holder. The entire amount of restricted notes delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated.

By participating in the exchange, the tendering holder represents to us that:

(1) any exchange notes received by the tendering holder will be acquired in the ordinary course of its business;

(2) the tendering holder has no arrangement or understanding with any person to participate in the distribution of the exchange notes; and

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(3) the tendering holder is not an "affiliate," as defined in Rule 405 under the Securities Act, of ours, or, if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

A broker-dealer that receives exchange notes for its own account in exchange for restricted notes that were acquired by

it as a result of market-making or other trading activities also acknowledges by participating in the exchange that the broker-dealer will deliver a copy of this prospectus in connection with the resale of such exchange notes. By so acknowledging and by delivering a prospectus, such broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. See "Plan of Distribution."

The transmittal of an Agent's Message, as described below under "Book-Entry Transfer," to the exchange agent is at the election and risk of the holders of restricted notes.

All questions as to the validity, form, eligibility, acceptance and withdrawal of the tendered restricted notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject restricted notes not properly tendered or any restricted notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular restricted notes. Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of restricted notes must be cured within such time as we shall determine.

Although we intend to notify tendering holders of defects or irregularities with respect to tenders of restricted notes, neither we, the exchange agent nor any other person will be under any duty or obligation to do so, and no person will incur any liability for failure to give such notification. Restricted notes will not be validly tendered until such irregularities have been cured or waived. Any restricted notes received by the exchange agent that we determine are not properly tendered or the tender of which is otherwise rejected by us will be returned by the exchange agent to the tendering holder or other person specified as soon as practicable following the expiration of the exchange offer.

We reserve the right in our sole discretion:

(1) to purchase or make offers for any restricted notes that remain outstanding subsequent to the expiration of the exchange offer;

(2) to terminate the exchange offer, as set forth in "Conditions to the Exchange Offer" below; and

(3) to the extent permitted by applicable law, to purchase restricted notes during the pendency of the exchange offer in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers may differ from the terms of the exchange offer.

Book-Entry Transfer

The exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the restricted notes at DTC for the purpose of facilitating the exchange offer. Any financial institution that is a participant in DTC's system may make book-entry delivery of restricted notes by causing DTC to transfer such restricted notes into the Exchange Agent's DTC account in accordance with DTC's Automated Tender Offer Program procedures for such transfer. The exchange for tendered restricted notes will only be made after a timely confirmation of a book-entry transfer of the restricted notes into the exchange agent's account, and timely receipt by the exchange agent of an Agent's Message.

The term "Agent's Message" means a message transmitted by DTC and received by the exchange agent and forming part of the confirmation of a book-entry transfer, which states that DTC has received an express acknowledgment from a participant tendering restricted notes and that such participant has received an appropriate letter of transmittal and agrees to be bound by the terms of the letter of transmittal, and we may enforce such agreement against the participant. Delivery of an Agent's Message will also constitute an acknowledgment from the tendering DTC participant that the representations contained in the appropriate letter of transmittal and described in "Procedures for Tendering," above, are true and correct.

Guaranteed Delivery Procedures

Holders who wish to tender their restricted notes but cannot complete the procedure for book-entry transfer on a timely basis, may effect a tender if:

(1) the tender is made through an Eligible Institution;

(2) prior to the expiration of the exchange offer, the exchange agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery by facsimile transmittal, mail or hand delivery; and

(3) confirmation of a book-entry transfer into the exchange agent's account at DTC of restricted notes delivered electronically, is received by the exchange agent within three business days after the expiration of the exchange offer.

A Notice of Guaranteed Delivery must state:

(1) the name and address of the holder;

(2) the principal amount of such restricted notes tendered;

(3) that the tender is being made thereby; and

(4) that the holder guarantees that, within three business days after the expiration of the exchange offer, confirmation of a book-entry transfer into the exchange agent's account at DTC of restricted notes delivered electronically will be deposited by the Eligible Institution with the exchange agent.

Forms of the Notice of Guaranteed Delivery will be available from the exchange agent upon request.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, tenders of restricted notes may be withdrawn at any time prior to the expiration of the exchange offer by delivery of a written or facsimile transmission notice of withdrawal to the exchange agent at its address set forth in this prospectus.

Any such notice of withdrawal must:

(1) specify the name of the person having tendered the restricted notes to be withdrawn;

(2) identify the restricted notes to be withdrawn, including the principal amount of such restricted notes, and the name and number of the account at DTC to be credited;

(3) be transmitted by DTC and received by the exchange agent in the same manner as the Agent's Message transferring the notes; and

(4) specify the name in which any such restricted notes are to be registered, if different from that of the depositor of the restricted notes.

All questions as to the validity, form and eligibility of such withdrawal notices will be determined by us and will be final and binding on all parties. Any restricted notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer, and no exchange notes will be issued in exchange unless the restricted notes so withdrawn are validly re-tendered. Any restricted notes that have been tendered but are not accepted for exchange will be returned to the holder without cost to such holder as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn restricted notes may be re-tendered by following the procedures described above under "Procedures for

Tendering" and "Book-Entry Transfer" at any time prior to the expiration of the exchange offer.

Conditions to the Exchange Offer

We will not be required to accept for exchange, or to exchange notes for, any restricted notes, and may terminate or amend the exchange offer before the acceptance of such restricted notes if, in our judgment, any of the following conditions has occurred:

(1) the exchange offer, or the making of any exchange by a holder of restricted notes, violates applicable law or the applicable interpretations of the SEC staff;

(2) any action or proceeding has been instituted or threatened in any court or by or before any governmental agency or body with respect to the exchange offer; or

(3) there has been adopted or enacted any law, statute, rule or regulation that can reasonably be expected to impair the ability of us to proceed with the exchange offer.

See "Expiration Date; Extensions; Amendments" above for a discussion of possible actions if any of the foregoing conditions occur.

The foregoing conditions are for our sole benefit. They may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time in our sole discretion. The failure by us at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, and each such right will be deemed an ongoing right which may be asserted at any time and from time to time.

In addition, we will not accept for exchange any restricted notes tendered, and no exchange notes will be issued in exchange for those restricted notes, if at such time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939. In any of those events we are required to use reasonable efforts to obtain the withdrawal of any stop order at the earliest possible time.

Exchange Agent

Bank One Trust Company, N.A. has been appointed as exchange agent for the exchange offer. Requests for assistance and requests for additional copies of this document or of the letter of transmittal should be directed to the exchange agent addressed as follows:

By Mail:	*By Hand Delivery or Overnight Courier:*	*By Facsimile Transmission:* (614) 248-9987
Suite 1N, OH1-0184 1111 Polaris Parkway Columbus, OH 42340 Attention: Exchanges	Suite 1N, OH1-0184 1111 Polaris Parkway Columbus, OH 42340 Attention: Exchanges	*For Facsimile Confirmation:* (614) 248-7499
		For Information: (800) 346-5153 *Email:* *bondholder@bankone.com*

Solicitation of Tenders; Fees and Expenses

The principal solicitation pursuant to the exchange offer is being made by us by mail and through the facilities of DTC. Additional solicitations may be made by our officers and regular employees in person or by telegraph, telephone, facsimile transmission, electronic communication or similar methods.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket costs and expenses incurred in connection with the exchange offer and will indemnify the exchange agent for certain losses and claims incurred by it as a result of the exchange offer. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this document, the letter of transmittal and related documents to the beneficial owners of the restricted notes and in handling or forwarding tenders for exchange.

We will pay all expenses incurred in connection with the exchange offer, including fees and expenses of the trustee, accounting and legal fees, including the expense of one counsel for the holders of the restricted notes, and printing costs.

We will pay any transfer taxes applicable to the exchange of restricted notes pursuant to the exchange offer. If, however, a transfer tax is imposed for any reason other than the exchange of restricted notes pursuant to the exchange offer, then the amount of any such transfer taxes, whether imposed on the registered holder or any other person, will be payable by the tendering holder.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the restricted notes, as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized by us as a result of the consummation of the exchange offer. The expense of the exchange offer will be amortized by us over the term of the exchange notes.

Transferability of the Exchange Notes

Based on certain no-action letters issued by the staff of the SEC to others in unrelated transactions, we believe that a noteholder may offer for resale, resell or otherwise transfer any exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, unless the noteholder is:

(1) acquiring the exchange notes other than in the ordinary course of business;

(2) participating, intends to participate or has an arrangement or understanding with any person to participate, in a distribution of the exchange notes;

(3) an "affiliate" of ours, as defined in Rule 405 under the Securities Act; or

(4) a Purchaser who acquired restricted notes from its in the initial offering to resell pursuant to Rule 144A or any other available exemption under the Securities Act.

In any of the foregoing circumstances, a noteholder (a) will not be able to rely on the interpretations of the staff of the SEC, in connection with any offer for resale, resale or other transfer of exchange notes and (b) must comply with the registration and prospectus delivery requirements of the Securities Act, or have an exemption available, in connection with any offer for resale, resale or other transfer of the exchange notes.

We are not making this exchange offer to, nor will it accept surrenders of restricted notes from, holders of restricted notes in any state in which this exchange offer would not comply with the applicable securities laws or "blue sky" laws of such state.

Each broker-dealer that receives exchange notes for its own account in exchange for restricted notes, when such restricted notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

Clearing of the Notes

The exchange notes will have a CUSIP number different from the CUSIP number for the restricted notes.

Consequences of a Failure to Exchange Restricted Notes

Following consummation of the exchange offer, assuming we have accepted for exchange all validly tendered restricted notes, we will have fulfilled our exchange and registration obligations under the registration rights agreement. All untendered restricted notes outstanding after consummation of the exchange offer will continue to be our valid and enforceable debt obligations, subject to the restrictions on transfer set forth in the second supplemental indenture to the indenture governing the notes. Holders of restricted notes will only be able to offer for sale, sell or otherwise transfer untendered restricted notes as follows:

(1) to us, although we have no obligation to purchase untendered restricted notes except if they are called for redemption in accordance with the provisions of the indenture governing the notes;

(2) pursuant to a registration statement that has been declared effective under the Securities Act, although we will have no obligation, and do not intend, to file any such registration statement;

(3) for so long as the restricted notes are eligible for resale pursuant to Rule 144A under the Securities Act, to a person reasonably believed to be a QIB within the meaning of Rule 144A, that purchases for its own account or for the account of a QIB to whom notice is given that

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the transfer is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A; or

(4) pursuant to any other available exemption from the registration requirements of the Securities Act.

To the extent that restricted notes are tendered and accepted in the exchange offer, the liquidity of the trading market for untendered restricted notes could be adversely affected.

DESCRIPTION OF THE NOTES

The restricted notes were issued and the exchange notes will be issued as a separate series of securities under the indenture, dated as of August 24, 2001, as supplemented, between us and Bank One Trust Company, N.A., as the trustee. The statements made in this section relating to the indenture and the notes are summaries of the provisions of the indenture and the notes. For a full description of the terms of the notes, noteholders should refer to the indenture, as supplemented, a copy of which can be obtained from us upon request. See "Where You Can Find More Information." The indenture is subject to, and governed by, the United States Trust Indenture Act of 1939. As used in this description, the term "notes" refers to and includes the restricted notes and the exchange notes.

General

The notes are direct, unsecured obligations and will rank without preference or priority among themselves and equally with all of our existing and future unsecured and unsubordinated indebtedness. The notes will mature on July 1, 2012. In the future, we may issue an additional principal amount of notes of the same series with the same CUSIP number, without the

consent of the noteholders.

The notes will be represented by a global note issue in fully registered form that, when issued, will be registered in the name of Cede & Co., as registered owner and as nominee for DTC. DTC will act as securities depository for the notes, with certain exceptions. Beneficial interests in these notes will be in book-entry form only.

We will pay the principal of and interest on the notes at the office or agency we maintain in New York, New York for that purpose. In addition, the transfer or exchange of the notes will be registerable at that same office. We may, however, pay interest by check mailed to the address as it appears on the security register of any person entitled to payment of interest. (Sections 301, 305 and 1002).

Interest on the Exchange Notes

Interest on the exchange notes will accrue from January 1, 2003. The exchange notes will bear interest at a rate of $11^{7}/_{8}\%$ per annum, plus any adjustment amount. Interest on the exchange notes will be payable on January 1 and July 1 of each year to the person in whose name the note was registered at the close of business on the preceding December 15 and June 15, respectively, subject to certain exceptions. Interest on the notes will be paid on the basis of a 360-day year comprised of twelve 30-day months. Assuming that the exchange offer is consummated prior to June 15, 2003, as anticipated, the first interest payment on the exchange notes will be on July 1, 2003.

Interest Rate Adjustment Based on Our Credit Rating

Our current senior unsecured long-term debt ratings ("ratings") are described in the table below:

Rating Service	Rating	Outlook
Moody's Investors Service, Inc. ("Moody's")	Caa1	Negative
Standard & Poor's Corporation ("S&P")	B	Negative
Fitch, Inc. ("Fitch")	B-	Negative

The notes provide that in the event of a downgrade in our rating below Baa3 by Moody's or BBB- by S&P or Fitch, the interest rate on the notes will be adjusted as follows:

Moody's Rating	Adjustment Amount	S&P or Fitch Rating	Adjustment Amount
Ba1	1.000%	BB+	1.000%
Ba2	1.250%	BB	1.250%
Ba3 or lower	1.500%	BB- or lower	1.500%

The adjusted interest rate per annum for the notes will be $11^{7}/_{8}\%$, plus the sum of any Moody's adjustment amount plus the higher of (a) any S&P adjustment amount or (b) any Fitch adjustment amount set forth above.

Where a rating change is made by one of the relevant rating services during any interest payment period, the amount of interest to be paid with respect to such period shall be calculated at a rate per annum equal to the weighted average of the interest rate in effect immediately prior to such change and the rate in effect upon such new rating being given, calculated by multiplying each such rate by the number of days such rate is in effect during such interest payment period, determining the sum of such products and dividing such sum by the number of days in that interest payment period. Given our current ratings, the adjusted interest rate per annum is currently $14^{7}/_{8}\%$.

Events of Default

With respect to the notes, the indenture defines an event of default as:

- a default in the payment of principal (or premium, if any) on any note of that series at its maturity;
- a default in the payment of any interest on any note of that series for 30 days;
- our failure to perform any other of the covenants or warranties in the indenture for 60 days after we receive notice of our failure (other than a covenant or warranty included in the indenture solely for the benefit of a series of notes other than that particular series);
- a default by us under any indebtedness for borrowed money resulting in indebtedness in an aggregate principal amount exceeding $40,000,000 becoming due prior to maturity, if the acceleration of that indebtedness is not rescinded within 10 days after notice of such default;
- certain events of bankruptcy, insolvency or reorganization; and
- any other event of default provided with respect to the notes of that series. (Section 501).

If any event of default with respect to any series of notes at the time outstanding occurs and is continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding notes of that series may, by notice, declare the principal amount of all notes of that series to be due and payable immediately. Upon certain conditions the holders of a majority in principal amount of the outstanding notes of that series on behalf of the holders of all notes of that series may annul that declaration and waive past defaults. A declaration may not, however, be annulled if the default is a default in payment of principal of, or premium or interest, if any, on, the notes of that series and other specified defaults unless such default has been cured. (Sections 502 and 513).

The indenture states that the trustee will give notice to the noteholders of a known default if that default is uncured or not waived. The trustee may decide to withhold a notice of default if it determines in good faith that withholding of the notice is in the interest of the holders of the notes unless the default is in the payment of principal (or premium, if any) or interest, if any. The trustee may not give notice of default until 30 days after the occurrence of a default in the performance of a covenant in the indenture other than for the payment of principal (or premium, if any) or interest, if

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any. The term default for the purpose only of this provision means the happening of any of the events of default specified in the indenture and relating to a series of outstanding notes, excluding any grace periods and irrespective of any notice requirements. (Section 602).

The indenture contains a provision entitling the trustee, subject to the duty of the trustee during a default to act with the required standard of care, to be indemnified by the holders of the notes before proceeding to exercise any right or power under the indenture at the request of such holders of the notes. (Section 603). The indenture states that the holders of a majority in principal amount of outstanding notes of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or other power conferred on the trustee. The trustee, however, may decline to act if that direction is contrary to law or the indenture. (Section 512).

The indenture requires us to annually file with the trustee a certificate stating that no default exists or identifying any existing default.

Defeasance

At our option, we:

- will be discharged from all obligations with respect to the notes (except for certain obligations including registering the transfer or exchange of the notes, replacing stolen, lost or mutilated notes, maintaining payment

agencies and holding monies for payment in trust); or

- need not comply with certain restrictive covenants of the indenture,

if we deposit with the trustee (and in the case of a discharge, 91 days after such deposit) money, or U.S. government obligations, or a combination of both, sufficient to pay all the principal of and interest on the notes on the date those payments are due in accordance with the terms of the notes to and including a redemption date which we irrevocably designate for redemption of the notes. To exercise this option, we must meet certain conditions, including delivering to the trustee an opinion of counsel stating that the deposit and related defeasance will not cause the holders of the notes to recognize income, gain or loss for federal income tax purposes. (Sections 403 and 1008).

Modification of the Indenture

We and the trustee may add provisions to or change or eliminate any of the provisions of the indenture relating to the notes of a series if holders of at least a majority in principal amount of that series of the notes, voting as a class, consent. We and the trustee cannot, however, modify the indenture to:

- change the stated maturity of any note;
- reduce the principal amount of, or the rate of interest or any premium on, any note;
- change the place or currency of payment on any note;
- impair the right to institute suit for the enforcement of any payment on or after the stated maturity of any note;
- reduce the percentage of outstanding notes necessary to modify or amend the indenture; or
- reduce the percentage of aggregate principal amount of outstanding notes necessary to waive compliance with certain provisions of the indenture or to waive certain covenants and defaults. (Section 902).

Consolidations, Merger and Sale of Assets

Without the consent of the holders of any of the outstanding notes under the indenture, we may:

- consolidate with or merge into any other corporation;
- transfer or lease substantially all of our assets to any person;
- acquire or lease substantially all of the assets of any person; or
- permit any corporation to merge into us, if:
  - the successor is a corporation organized under the laws of any domestic jurisdiction;
  - the successor corporation, if other than us, assumes our obligations on the notes and under the indenture; and
  - after giving the effect to the transaction, no event of default, and no event which, after notice or lapse of time, would become an event of default, will occur. (Section 801).

Certain of the covenants described above will not necessarily afford the holders protection in the event we are involved

in a highly leveraged transaction, such as a leveraged buyout. However, we must obtain regulatory approval to issue long-term debt.

Outstanding Notes

In determining whether the holders of the requisite principal amount of outstanding notes have given any request, demand, authorization, direction, notice, consent or waiver under the indenture, notes that we or any of our affiliates own are not considered to be outstanding. (Section 101).

Book-Entry Systems

The Depository Trust Company will act as securities depository for the notes. The notes will be issued in fully-registered form in the name of Cede & Co. (DTC's partnership nominee). We will issue one or more fully registered certificates as global securities for the notes in the aggregate principal amount of the notes and deposit the certificates with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve Systems, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through computerized book-entry changes in direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules that apply to DTC and its participants are on file with the SEC.

If you intend to exchange any of the notes you must do so through the DTC system by or through direct participants. The participant that you exchange through will receive a credit for the notes on DTC's records. The ownership interest of each actual owner of notes, who we refer to as a "beneficial owner," is in turn to be received on the participants' records. Beneficial owners will not receive written confirmation from DTC of their exchange, but beneficial owners are expected to receive written

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confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the notes except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes. DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the notes. Under its usual procedures, DTC would mail an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting

or voting rights to those direct participants to whose accounts the notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

We will make principal and interest payments on the notes to DTC. DTC's practice is to credit direct participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC, us or the trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. We or the trustee will be responsible for the payment of principal and interest to DTC. DTC will be responsible for the disbursement of those payments to its participants, and the participants will be responsible for disbursements of those payments to beneficial owners.

DTC may discontinue providing its service as securities depository with respect to the notes at any time by giving reasonable notice to us or the trustee. Under these circumstances, in the event that a successor securities depository is not obtained, we will print and deliver to you restricted note certificates.

Also, in case we decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository) we will print and deliver to you restricted note certificates.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable (including DTC), but we take no responsibility for its accuracy.

Neither we nor the trustee will have any responsibility or obligation to participants, or the persons for whom they act as nominees, with respect to the accuracy of the records of DTC, its nominee or any participant, any ownership interest in the notes, or any payments to, or the providing of notice to participants or beneficial owners.

Redemption

We may redeem the notes at any time, in whole or in part, at a redemption price equal to the greater of (1) the principal amount being redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield plus 50 basis points, plus in each case accrued interest to the redemption date.

"Treasury Yield" means, for any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporation debt securities of comparable maturity to the remaining term of the notes.

"Independent Investment Banker" means Credit Suisse First Boston Corporation or its successor or, if Credit Suisse First Boston Corporation or its successor is unwilling or unable to select the Comparable Treasury Issue, one of the remaining Reference Treasury Dealers appointed by the trustee after consultation with us.

"Comparable Treasury Price" means, for any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding the redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if that release (or any successor release) is not published or does not contain those prices on that business day, (A) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury

Dealer Quotations for the redemption date, or (B) if we obtain fewer than four Reference Treasury Dealer Quotations, the average of all of the quotations.

"Reference Treasury Dealer Quotations" means, for each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by the Reference Treasury Dealer at 5:00 p.m. on the third business day preceding the redemption date.

"Reference Treasury Dealer" means (1) each of Credit Suisse First Boston LLC and any other primary U.S. Government Securities dealer in New York City (a "Primary Treasury Dealer") designated by, and not affiliated with Credit Suisse First Boston LLC and its successors, provided, however, that if Credit Suisse First Boston Corporation or any of its designees ceases to be a Primary Treasury Dealer, we will appoint another Primary Treasury Dealer as a substitute and (2) any other Primary Treasury Dealer selected by us.

If we elect to redeem less than all the notes and the notes are at the time represented by a global security, then the particular interest to be redeemed will be selected by lot. If we elect to redeem less than all of the notes, and the notes are not represented by a global security, then the Trustee will select the particular notes to be redeemed in a manner it deems appropriate and fair.

The notes do not provide for any sinking fund.

Limitation on Issuance of Mortgage Bonds

We have agreed not to issue any mortgage bonds under our General Mortgage Indenture and Deed of Trust (the "Commerce Indenture"), dated as of September 15, 1988, between us and Commerce Bank of Kansas City, N.A., as trustee, or under the Indenture of Mortgage and Deed of Trust dated as of April 1, 1946, as amended and supplemented (the "SJLP Indenture"), between us, as successors to St. Joseph Light & Power Company, and The Bank of New York, as trustee, without directly securing the notes equally and ratably with the mortgage bonds and all other obligations and indebtedness secured under the relevant indenture. As of the date of this prospectus, we have mortgage bonds outstanding in the approximate amount of $20.3 million under the SJLP Indenture. There are no bonds outstanding under the Commerce Indenture.

We have issued $430 million of mortgage bonds under our Indenture of Mortgage and Deed of Trust (the "Bank One Indenture") between us and Bank One Trust Company, N.A., as trustee, dated April 1, 2003. Holders of notes have no right to be secured equally and notably with mortgage bonds issued pursuant to the Bank One Indenture.

TAX MATTERS

The exchange of the restricted notes for exchange notes under the exchange offer should not be a taxable exchange for U.S. federal income tax purposes. As a result, there should be no U.S. federal income tax consequences to holders exchanging the restricted notes for the exchange notes pursuant to the exchange offer.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes or market-making activities or other trading activities.

We will not receive any cash proceeds from any sale of exchange notes by broker-dealers or other persons. Exchange notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one

or more transaction in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act, and any profit on any such resale of exchange notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period starting on the date of this prospectus and ending on the close of business on the earlier to occur of:

(1) the date on which all exchange notes held by broker-dealers eligible to use the prospectus to satisfy their prospectus delivery obligations under the Securities Act have been sold and

(2) the date 180 days after the consummation of the exchange offer,

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we will make this prospectus, as amended or supplemented, available to any broker-dealer in connection with any such resale and will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents.

We have agreed to pay all expenses incident to the exchange offer, including the expense of one counsel for the holders of the restricted notes, other than commissions or concession of any broker-dealers and will indemnify the holders of the notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act.

LEGAL OPINIONS

The validity of the securities offered hereby will be passed upon for us by our General Counsel.

EXPERTS

The consolidated financial statements and schedules of Aquila, Inc. Inc. as of December 31, 2002 and 2001, and for each of the years in the three-year period ended December 31, 2002, have been incorporated by reference in this prospectus in reliance upon the reports of KPMG LLP and Arthur Andersen LLP (as it relates to Aquila's investment in Quanta Services, Inc. ("Quanta")), independent accountants, incorporated by reference herein, and upon the authority of said firms as experts in accounting and auditing. The audit report covering the December 31, 2002, financial statements refer to (i) the restatement of Aquila's statement of cash flows for the years ended December 31, 2001 and 2000, (ii) a change in reporting certain energy trading activities for the years ended December 31, 2001 and 2000 and (iii) a change to its method of accounting for goodwill.

The consolidated financial statements incorporated in this prospectus by reference to Exhibit 99.3 of the Aquila, Inc. Annual Report on Form 10-K for the year ended December 31, 2002 of Quanta have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. Such report contains two explanatory paragraphs relating to (i) Quanta's adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142) on January 1, 2002 as described in Note 2 and (ii) the audit by PricewaterhouseCoopers LLP of Quanta's required transitional disclosures of SFAS No. 142 as described in Note 2 for the years ended December 31, 2001 and 2000. However, PricewaterhouseCoopers LLP was not engaged to audit, review or apply any procedures to the 2000 and 2001 consolidated financial statements of Quanta other than with respect to such transitional disclosures.

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PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED SEPTEMBER 13, 1999

$250,000,000

[UTILICORP UNITED LOGO]

7.95% Senior Notes Due 2011

We are offering $250,000,000 of our 7.95% Senior Notes Due 2011. The senior notes will mature on February 1, 2011. We will pay interest on the senior notes on February 1 and August 1 of each year. The first interest payment on the senior notes will be made on August 1, 2001. We may redeem the senior notes, in whole or in part, at the make-whole redemption price described in this prospectus supplement. The senior notes are senior unsecured securities and rank without preference or priority among themselves and equally with all of our existing and future unsecured and unsubordinated indebtedness.

Investing in the senior notes involves risk. See "Risk Factors" on page S-9.

<TABLE>
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	Price to Public(1)	Underwriting Discounts and Commissions	Proceeds to UtiliCorp(1)
<S>	<C>	<C>	<C>
Per Note	100%	.650%	99.350%
Total	$250,000,000	$1,625,000	$248,375,000

</TABLE>

(1) Plus accrued interest, if any, from February 2, 2001.

Delivery of the notes in book-entry form will be made on or about February 2, 2001.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

JOINT BOOK-RUNNERS

Credit Suisse First Boston — Salomon Smith Barney

TD Securities — BMO Nesbitt Burns

The date of this prospectus supplement is January 30, 2001.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any of these materials at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public over the Internet at the SEC's web site at http://www.sec.gov.

We are "incorporating by reference" information which we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered part of this prospectus supplement, and information that we file in the future with the SEC will be deemed to automatically update and supersede this incorporated information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934:

- our Annual Report on Form 10-K for the year ended December 31, 1999;
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2000; and
- our Current Report on Form 8-K dated December 13, 2000.

You can get a free copy of any of the documents incorporated by reference by making an oral or written request directed to:

Investor Relations
UtiliCorp United Inc.
20 West Ninth Street
Kansas City, Missouri 64105
Telephone (816) 421-6600

Additionally, you can get additional information about us on our website, HTTP://WWW.UTILICORP.COM. We do not, however, intend for the information on our website to constitute part of this prospectus supplement.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference into this prospectus supplement include certain forward-looking statements. The forward-looking statements reflect UtiliCorp's expectations, objectives and goals with respect to future events and financial performance and are based on assumptions and estimates which UtiliCorp believes are reasonable. However, actual results could differ materially from anticipated results. We generally intend the words "may," "will," "should," "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," "continue," or the negative of these terms or similar expressions to identify forward-looking statements. Important factors which may materially affect the actual results include, but are not limited to, commodity prices, political developments, market and economic conditions, industry competition, the weather, changes in financial markets and changing legislation and regulations. The forward-looking statements contained in this prospectus supplement and the documents incorporated by reference into this prospectus supplement are intended to qualify for the safe harbor

provisions of Section 21E of the Securities Exchange Act of 1934, as amended.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should carefully read this prospectus supplement along with the prospectus that follows before you invest. Both documents contain important information you should consider when making your investment decision. This prospectus supplement contains information about our 7.95% Senior Notes Due 2011, and the prospectus contains information about our senior notes generally.

THE COMPANY

We are a multinational energy and energy solutions provider headquartered in Kansas City, Missouri. We began as Missouri Public Service Company in 1917 and reincorporated in Delaware as UtiliCorp United Inc. in 1985. We strive to be a world-class manager of energy assets and to be a leading energy merchant and services provider in the markets in which we compete. Today we operate regulated or merchant businesses on three continents. Our businesses are organized into three groups consisting of Networks, Energy Merchant and Services.

NETWORKS

Our Networks segment includes our domestic and international network generation, distribution and transmission businesses. International operations include activities in Australia, New Zealand and Canada.

DOMESTIC NETWORKS

Our domestic networks business consists of our regulated electric and natural gas network operations and our related generation assets. We serve over 1.2 million regulated customers in 978 communities in seven Midwestern states: Missouri, Kansas, Colorado, Iowa, Nebraska, Minnesota, and Michigan. We have approximately 405,000 electric customers and approximately 845,000 gas customers in those states. This geographic diversity limits our exposure to earnings volatility from a single adverse state regulatory ruling and lowers our asset exposure to catastrophic events. Our electric generation capability is approximately 62% coal and 38% natural gas and oil and our current generating capacity is approximately 2,075 MW.

The composition of our domestic network revenue for the twelve months ended September 30, 2000, is as follows:

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

<TABLE>
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TOTAL REVENUE

<S>	<C>
ELECTRIC	51.80%
GAS	48.20%

</TABLE>

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ELECTRIC REVENUE

<S>	<C>
RESIDENTIAL	33.30%
COMMERCIAL	23.00%
OTHER	32.30%
INDUSTRIAL	11.40%

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GAS REVENUE

<S>	<C>
RESIDENTIAL	61.80%
COMMERCIAL	25.20%
OTHER	7.80%
INDUSTRIAL	5.20%

</TABLE>

INTERNATIONAL NETWORKS

Our international networks business consists of our operations in the following three countries:

- AUSTRALIA. We own 34% of United Energy, an electric distribution company serving approximately 546,000 customers in Melbourne. We also own a 50% economic interest in Multinet/Ikon, a gas

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  network company serving approximately 587,000 customers in Victoria. In October 2000, through a joint venture with United Energy, we acquired a 45% stake in AlintaGas, a gas distribution utility in Western Australia which serves approximately 400,000 customers.

- NEW ZEALAND. We own 62% of UnitedNetworks, New Zealand's largest distributor of electricity, with 484,000 electric customers and 117,000 natural gas customers. The company's network delivers electricity to

around 30% of New Zealand's electricity consumers.

- CANADA. We own 100% of West Kootenay Power, a vertically integrated hydroelectric utility in British Columbia serving approximately 140,000 customers. In August 2000, we acquired 100% of TransAlta Corporation's Alberta-based electricity distribution and retail assets serving approximately 350,000 customers. These retail assets were subsequently sold in November 2000. Both of these companies are operated as part of UtiliCorp Networks Canada.

ENERGY MERCHANT

Our Energy Merchant segment markets and trades wholesale natural gas, electricity and other commodities in North America and Western Europe through our wholly-owned subsidiary Aquila Energy Corporation ("Aquila"). See "Recent Developments--Divestiture of Aquila". Aquila manages energy transactions, provides risk management for its customers and provides capital to select energy ventures. Aquila's business is conducted through two interconnected and complementary business groups:

- WHOLESALE SERVICES. We provide commodity risk management services focusing on the energy industry. For the twelve months ended September 30, 2000, according to statistics published by NATURAL GAS WEEK we were ranked as the third largest wholesale marketer of power and natural gas on a combined basis in North America, and we have a growing presence in the United Kingdom and continental Europe. During 1999, we marketed approximately 10.4 Bcf/d of natural gas, 236.5 MMWhs of power and 16.9 million tons of coal and related products. In addition, we buy and sell natural gas liquids, crude oil, refined products and emission allowances. We also offer structured financial products to our clients by combining financing with energy products and services and we engage in e-commerce marketing and trading efforts.

- CAPACITY SERVICES. We own, operate and contractually control significant electric power generation assets; natural gas gathering, transportation, processing and storage assets; and a coal blending, storage and loading facility. We have approximately 4,100 MW of electric power generation capacity owned, controlled or under development. In addition, we control 11 natural gas gathering systems, 2.0 Bcf/d of natural gas transportation capacity, 30,000 Bbls/d of natural gas processing capacity, 37 Bcf of net working natural gas storage capacity and a coal terminal facility with 22 million tons of annual throughput capacity. Our energy assets complement our wholesale marketing and trading businesses by providing natural gas and coal supplies, a source of reliable power supply and an enhanced ability to structure innovative products and services. Our strategy includes diversifying our capacity assets into various regions to balance our portfolio geographically and to reduce our concentration risk.

SERVICES

Our Services segment includes our broadband communications business and our 36% ownership interest in Quanta Services Inc. ("Quanta"). In April 2000, UtiliCorp announced a partnership with Everest Connections to construct and operate broadband fiber-optic networks to homes and businesses in select Midwestern markets in the United States. To date our activities have been limited primarily to the Kansas City area.

The U.S. telecom initiative complements and leverages UtiliCorp's investment in Quanta. Quanta is a provider of specialized construction and maintenance services to electric utilities, telecommunications and cable television companies, and governmental entities.

STRATEGY

Our strategy is to be a world-class operator of energy networks and to be a leading energy merchant and services provider in the markets in which we choose to compete. We believe the pursuit of this strategy provides us with a better platform to compete in a deregulated energy marketplace. Fundamental to this strategy is our commitment to the "Value Cycle" philosophy we began practicing a few years ago: Invest, Optimize, Monetize. Upon finding attractive investment opportunities, we strive to improve the quality and profitability of their operations. We then find ways to extract value from these investments so we can reuse the capital and repeat the process elsewhere. The key elements of this strategy are:

PURSUE STRATEGIC ACQUISITIONS, ALLIANCES, AND INVESTMENTS. Growth through mergers and acquisitions has been a major part of our strategy for more than a decade. We believe that our approximately $4.8 billion in mergers, acquisitions and investments since 1984 has played an integral role in establishing us as a leading diversified energy provider. During 2000, we closed on the acquisitions of three international network properties, one domestic regulated utility and a company holding interests in nonregulated generating assets. These transactions were valued at approximately $1.3 billion.

CAPITALIZE ON OPENING INTERNATIONAL MARKETS. Our senior management team is focused on seeking early entry and expansion into markets that provide a combination of stable and attractive political environments and markets open or opening to competition. For example, we were one of the first U.S. companies to invest in and manage an Australian electric distribution company and a New Zealand electric network company. By establishing trading and marketing operations in selected markets, Aquila has been an early entrant into the

expanding European market. We believe capitalizing on these opportunities provides us with the assets and skills necessary to compete in a global energy marketplace that is opening to competition. We generally seek to finance our international investments in local currencies to mitigate foreign currency exposures. In addition, when feasible, we make these investments through joint ventures with strategic partners to optimize the value of our investments. We believe that this approach allows us to capitalize on the opportunities presented in international markets while limiting the amount of risk and capital required to make these investments.

DIVERSIFY RISK. In order to balance various energy market risks, we seek to diversify our portfolio of assets and commodities. For our network businesses, this diversity includes summer and winter peaking utilities, a greater geographic and regulatory mix, and international expansion. For merchant businesses, we seek to diversify our portfolio by offering an increasing number of energy-related products and services. We also combine products and services to help clients maximize asset value. In addition to providing us with multiple revenue sources, we believe diversification enhances our value to customers by allowing us to better meet their increasing complex needs.

LEVERAGE EXISTING INVESTMENT IN QUANTA TO PURSUE BUILDOUT OF TELECOM INFRASTRUCTURE TO SELECT MARKETS. We believe that our 36% stake in Quanta provides a critical resource necessary for the rapid, cost-effective, build-out of broadband communications networks. Additionally, this position allows us to participate in the initial upside of construction revenues and to develop a first mover profile in select broadband communications markets. We will focus on delivering broadband services to smaller communities in the Midwest, initially in communities within or near our existing service territory.

MANAGE AND ALIGN OUR BUSINESSES TO ADDRESS A CHANGING COMPETITIVE ENVIRONMENT. We believe that our distinct, yet interrelated, business groups enable us to better manage our operations in the changing marketplace. Our corporate structure allows us to manage each of these businesses individually, improving our ability to maximize their profitability while providing low cost, high quality energy and energy-related products and services to our customers.

IMPROVE OPERATIONAL EXCELLENCE. We constantly seek to improve our operational performance through the consolidation and integration of related business activities. Over the last several years, we have consolidated many of the operations of our domestic electric and natural gas distribution

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businesses which has improved our ability to serve our customers and offer them more energy choices. We will continue to seek to improve the operational performance of our network businesses through the refinement of internal processes, the consolidation and integration of related business activities, the unbundling of services and/or the restructuring of assets.

EXTRACTION OF VALUE. We are constantly aware of opportunities to realize value with respect to the properties that we manage. This value is realized by bringing in partners, asking the public to invest or developing some other form of strategic partnership. During 2000, we recorded a $44 million pre-tax gain from the initial public offering of Uecomm Limited, formerly a wholly-owned subsidiary of United Energy. Additionally, our announced intentions to conduct an initial public offering of Aquila and to sell our U.S. network construction, operation and maintenance business are examples of our desire to realize value from our investments.

COMPETITIVE STRENGTHS

We believe we have developed substantial competitive strengths that will enable us to continue to successfully execute our strategy. We believe our competitive strengths are reflected in our demonstrated track record of consistently achieving earnings growth above the utility industry average. One of our most significant competitive strengths is our demonstrated ability to identify and react to new business opportunities. Other strengths within each of our business segments include:

NETWORKS

- Low-cost, non-nuclear domestic and international network businesses focused on superior customer service
- International operations in Australia, New Zealand and Canada from which we have derived significant earnings and gained valuable experience in various deregulated markets
- A proven track record of quickly and successfully integrating domestic and international mergers and acquisitions

ENERGY MERCHANT

- Third largest wholesale marketer of power and natural gas on a combined basis in North America by unit volume
- Proven risk management policies, procedures and systems to limit exposure to commodity market positions
- Experience in trading commodities and successfully operating a competitive non-regulated business since formation of Aquila in 1986

SERVICES

- Focused strategy targeting smaller, under-served communities that comprise the majority of our existing network service area

- Ownership stake in Quanta allows us to capture the benefits of rapid, cost-effective build-out of needed infrastructure

- Utilization of new, state-of-the art broadband fiber-optic networks provides the ability to generate multiple revenue streams from a single connection

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RECENT DEVELOPMENTS

2000 EARNINGS RELEASE. On January 23, 2001, we announced estimated 2000 earnings per share to be approximately $2.20, a 25.7% increase over the $1.75 earned in 1999. This significant growth in earnings reflects increased contributions from Aquila and international businesses. Additionally, we announced that we had begun reducing our exposure to the utilities in the California market several months ago. We currently have no material direct exposure there.

THE EMPIRE DISTRICT ELECTRIC COMPANY TRANSACTION. On January 2, 2001, we terminated the merger agreement with The Empire District Electric Company ("Empire"), under which Empire was to merge into UtiliCorp. Under the terms of the May 10, 1999 merger agreement, either company could terminate the deal if regulatory approvals of the merger were not obtained by December 31, 2000. Two of the required regulatory approvals were not received by the required date while a third approval was received but without the requested regulatory plan in support of the merger. With so much uncertainty about the remaining regulatory process, we were uncertain that the merger could ever be completed in a way that would benefit Empire's customers and the shareholders of both companies.

ST. JOSEPH LIGHT & POWER TRANSACTION. On December 31, 2000, we closed our merger with St. Joseph Light & Power Company ("Light & Power"). Under the terms of this merger agreement, Light & Power shareholders received 0.7933 shares of UtiliCorp common stock for each share of Light & Power stock held as of December 29, 2000. The completion of this transaction resulted in the issuance of approximately $190 million of UtiliCorp common stock and the assumption of approximately $90 million of debt. Light & Power now serves its 66,000 electric and gas utility customers as a unit of UtiliCorp.

DIVESTITURE OF AQUILA. On December 13, 2000, we announced plans to conduct an initial public offering of up to 19.9% of Aquila. Additionally, we announced our intention to complete our divestiture of Aquila within 12 months of the initial public offering by distributing all of our remaining shares of Aquila to the holders of UtiliCorp common stock subject to market and other conditions. If the divestiture is completed, stockholders of UtiliCorp would hold shares of two, publicly-traded companies. It is currently anticipated that substantially all of the proceeds generated by the initial public offering are to be used by Aquila to repay amounts it owes to us. Our intention is to subsequently use these proceeds to retire our debt.

GPU INTERNATIONAL. On December 22, 2000, Aquila completed its purchase of GPU International, a company holding interests in six independent U.S.-based generating plants and a development generating project, for approximately $225 million. This transaction was initially funded with a combination of short-term and long-term debt.

PLANNED SALE OF U.S. NETWORK CONSTRUCTION, OPERATION AND MAINTENANCE BUSINESS. On November 16, 2000, we announced that we would seek a buyer for our utility network construction, operation and maintenance business through a competitive bid. The sale of this business would affect about 900 employees and would include equipment that supports our electricity and gas networks in Missouri, Kansas, Colorado, Iowa, Nebraska, Minnesota, and Michigan. It is currently anticipated that the winning bidder will be identified by the end of the first quarter with a closing taking place later in 2001, subject to the required regulatory approvals.

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RISK FACTORS

WE MAY NOT BE ABLE TO IMPLEMENT OUR STRATEGY IF WE ARE UNABLE TO ACCESS CAPITAL AT COMPETITIVE RATES.

If we are not able to access capital at competitive rates, our growth will be adversely affected. A number of factors could affect our ability to access capital including: (1) general economic conditions; (2) capital market conditions; (3) market prices for electricity and gas; (4) the overall health of the utility industry; (5) our ability to maintain our investment grade credit ratings; and (6) our capital structure.

WE MAY NOT BE ABLE TO SUCCESSFULLY INTEGRATE ACQUIRED BUSINESSES INTO OUR OPERATIONS.

Our ability to successfully integrate acquired businesses into our operations will depend on, among other things: (1) the adequacy of our implementation plans; (2) the ability to achieve desired operating efficiencies; and (3) regulatory approval of the acquisitions on favorable terms.

If we are unable to successfully integrate new businesses into our

operations, our ability to generate sufficient revenues to make interest and principal payments on the senior notes could be adversely affected.

THE EARNINGS CONTRIBUTION FROM AQUILA MAY DECREASE IN THE NEAR FUTURE.

Upon completion of the initial public offering of Aquila (see related comments under "Recent Developments"), our share in the earnings from this subsidiary will effectively decrease by approximately 20%. If the divestiture of our remaining shares of Aquila is consummated through the distribution of these shares to the holders of UtiliCorp common stock, we will have no share in the earnings from Aquila. For the nine months ended September 30, 2000, Aquila provided approximately 30% of our consolidated earnings before interest and taxes. While we believe the expected divestiture will significantly reduce our business risk, we will need to reduce our debt levels in order to maintain our existing financial coverage ratios. While plans to reduce our financial leverage have been identified, if we are unable to successfully execute these strategies as a result of market conditions or otherwise, the reduction in earnings may negatively impact our ability to make interest and principal payments.

WE ARE EXPOSED TO MARKET RISK AND MAY INCUR LOSSES FROM OUR MARKETING AND TRADING OPERATIONS.

We routinely enter into financial contracts to position our trading portfolios. Our trading portfolios consist of physical and financial gas, electricity, coal, other commodities and interest rate contracts. These contracts take many forms including futures, swaps and options. If the values of these contracts change in a direction or manner that we do not anticipate, we could realize losses from our trading activities.

We currently enter into financial contracts to hedge or limit our exposure to trading losses. However, these strategies may not prove to be effective and we may still incur losses.

We have commenced marketing and trading operations in the United Kingdom, Canada, Spain, Germany and Norway. We incur similar trading risks and market exposures in these foreign markets. As we open additional foreign offices and our trading volumes in these offices increase, we will be exposed to additional trading risks.

In our marketing and trading activities, we often extend credit to our trading counterparties. While significant credit analysis is performed prior to the extension of any credit, the risk exists that parties with whom we enter into contracts fail to perform their obligations under their contracts with us. While we do not have material direct exposure to the California market, our customers and trading partners may have exposures to the California market.

Although we strictly adhere to trading guidelines established by our board of directors and carefully quantify our market risk using advanced methodologies, there can be no assurance that these practices will prevent trading losses or that losses attributable to trading will not be material.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of the senior notes, after deducting underwriting discounts and commissions and estimated fees and expenses, will be approximately $248,175,000. We will use the net proceeds to reduce short-term debt incurred for acquisitions and for general corporate purposes.

At September 30, 2000, we had outstanding short-term borrowings (excluding current maturities of long-term debt) of approximately $437.4 million with a weighted average interest cost of 6.78%.

RATIOS OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

<TABLE>
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	YEARS ENDED DECEMBER 31,				
TWELVE MONTHS ENDED SEPTEMBER 30, 2000	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
2.22 (1)	2.12	2.43	2.46	2.15	1.93

</TABLE>

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(1) We have announced a planned initial public offering and subsequent divestiture of Aquila. See "Recent Developments" and "Risk Factors."

The ratio of earnings to fixed charges represents the number of times fixed charges are covered by earnings. For the purpose of these ratios, "earnings" is determined by adding pretax income to "fixed charges". For this purpose "fixed charges" consists of (1) interest on all indebtedness and amortization of debt discount and expense, (2) interest capitalized and (3) an interest factor attributable to rentals.

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SELECTED FINANCIAL INFORMATION

You should read the following table in conjunction with the financial statements and notes incorporated by reference into this prospectus supplement and the accompanying prospectus and in conjunction with the "Recent Developments" section of this prospectus supplement.

<TABLE>
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	NINE MONTHS ENDED SEPTEMBER 30, (UNAUDITED)		YEAR ENDED DECEMBER 31,		
	2000	1999	1999	1998	1997
			(IN MILLIONS)		
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA					
Sales	$18,606.3	$14,235.4	$18,621.5	$12,563.4	$8,926.3
Gross Profit	908.8	845.2	1,156.8	967.4	954.3
EBIT(1)	398.8	311.8	414.0	351.4	359.1
Earnings Available for Common Shares	158.6	119.2	160.5	132.2	121.8
BALANCE SHEET DATA					
Total Assets	10,042.1	8,497.6	7,538.6	6,130.9	5,113.5
Short-Term Debt (Including Current Maturities)	454.3	310.5	291.7	484.4	263.4
Long-Term Debt	2,040.1	2,234.2	2,202.3	1,376.6	1358.6
Company-Obligated Mandatorily Redeemable Preferred Securities of Partnership and Trusts	450.0	350.0	350.0	100.0	100.0
Common Shareholders' Equity	1,561.9	1,507.6	1,525.4	1,446.3	1,163.6
OTHER FINANCIAL DATA					
EBITDA(2)	558.0	453.7	607.7	501.4	488.7
Depreciation Expense	159.2	141.9	193.7	150.0	129.6
Additions to Utility Plant	133.1	93.3	129.3	121.8	133.2
Cash Dividends Paid	83.6	83.3	111.2	95.0	94.6

</TABLE>

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(1) EBIT is earnings before interest and taxes. EBIT shown here is the same as the EBIT shown in our financial statements.

(2) Earnings before interest, taxes, depreciation and amortization, or "EBITDA," is presented as an additional measure of our ability to service our debt and to fund capital expenditures. It is not a measure of operating results, but is derived from our consolidated financial statements, and is not presented in our consolidated financial statements. It should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with generally accepted accounting principles, or "GAAP," in the United States and is not indicative of operating income or cash flow from operations as determined under GAAP. In addition, EBITDA may not be comparable with other companies' EBITDA due to different ways of potentially defining EBITDA. We define EBITDA by simply taking EBIT as presented on our financial statements and adding back depreciation expense also as reflected on our financial statements.

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CAPITALIZATION

The following table sets forth our unaudited capitalization as of September 30, 2000, and reflects the reclassification of $250 million of short-term debt to long-term debt to reflect the intended use of the proceeds of the sale of the senior notes as described under "Use of Proceeds" in this prospectus supplement.

<TABLE>
<CAPTION>

	AS OF SEPTEMBER 30, 2000 (UNAUDITED)	
	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
<S>	<C>	<C>
Short-Term Debt (Including Current Maturities)	$ 454.3	$ 204.3
Long-Term Debt	2,040.1	2,290.1
Company-Obligated Mandatorily Redeemable Preferred Securities of Partnership and Trusts	450.0	450.0
Common Shareholders' Equity	$1,561.9	$1,561.9
Total Capitalization	$4,506.3	$4,506.3

</TABLE>

DESCRIPTION OF SENIOR NOTES

The following description of the particular terms of the senior notes

offered by this prospectus supplement may add, update or change the description of the general terms and provisions of senior notes contained in the prospectus.

GENERAL

We are issuing $250 million of senior notes under an Indenture, dated as of November 1, 1990, as supplemented by a Fifteenth Supplemental Indenture, dated as of February 2, 2001 between UtiliCorp United Inc. and Bank One Trust Company, NA (formerly The First National Bank of Chicago). The senior notes will be direct, unsecured obligations and will rank without preference or priority among themselves and equally with all of our existing and future unsecured and unsubordinated indebtedness. The senior notes will mature on February 1, 2011.

We will pay interest on the senior notes from February 2, 2001 at the rate per annum set forth on the cover page of this prospectus supplement, on February 1 and August 1 of each year, commencing August 1, 2001, to the person in whose name the senior note was registered at the close of business on the preceding January 15 and July 15, respectively, subject to certain exceptions.

BOOK-ENTRY SYSTEMS

The Depository Trust Company ("DTC") will act as securities depository for the senior notes. The senior notes will be issued in fully-registered form in the name of Cede & Co. (DTC's partnership nominee). We will issue one or more fully registered certificates as global securities for the senior notes in the aggregate principal amount of the senior notes and deposit the certificates with DTC.

DTC has provided us with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve Systems, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through computerized book-entry changes in direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of

<PAGE>
Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules that apply to DTC and its participants are on file with the Securities and Exchange Commission.

If you intend to purchase any of the senior notes you must do so through the DTC system by or through direct participants. The participant that you purchase through will receive a credit for the senior notes on DTC's records. The ownership interest of each actual purchaser of senior notes, who we refer to as a "beneficial owner", is in turn to be received on the participants' records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the senior notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the senior notes except in the event that use of the book-entry system for the senior notes is discontinued.

To facilitate subsequent transfers, all senior notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of senior notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the senior notes. DTC's records reflect only the identity of the direct participants to whose accounts such senior notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the senior notes. Under its usual procedures, DTC would mail an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the senior notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

We will make principal and interest payments on the senior notes to DTC. DTC's practice is to credit direct participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has

reason to believe that it will not receive payment on the payable date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not of DTC, us or the trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. We or the trustee will be responsible for the payment of principal and interest to DTC. DTC will be responsible for the disbursement of those payments to its participants, and the participants will be responsible for disbursements of those payments to beneficial owners.

DTC may discontinue providing its service as securities depository with respect to the senior notes at any time by giving reasonable notice to us or the trustee. Under these circumstances, in the event that a successor securities depository is not obtained, we will print and deliver to you senior note certificates.

Also, in case we decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) we will print and deliver to you senior note certificates.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable (including DTC), but we take no responsibility for its accuracy.

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Neither we, the trustee nor the underwriters will have any responsibility or obligation to participants, or the persons for whom they act as nominees, with respect to: the accuracy of the records of DTC its nominee or any participant, any ownership interest in the senior notes, or any payments to, or the providing of notice to participants or beneficial owners.

INTEREST RATE ADJUSTMENT BASED ON OUR CREDIT RATING

Our current senior unsecured long-term debt ratings ("ratings") are described in the table below:

<TABLE>
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RATING SERVICE	RATING	OUTLOOK
<S>	<C>	<C>
Moody's Investors Service, Inc. ("Moody's")	Baa3	Stable
Standard & Poor's Rating Service ("S&P")	BBB	Stable
Fitch, Inc. ("Fitch")	BBB	Ratings Watch Evolving

</TABLE>

In the event of a downgrade in the rating below Baa3 by Moody's or BBB- by S&P or Fitch, the interest rate on the senior notes will be adjusted in accordance with the table below.

<TABLE>
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MOODY'S RATING	ADJUSTMENT AMOUNT	S&P OR FITCH RATING	ADJUSTMENT AMOUNT
<S>	<C>	<C>	<C>
Ba1	0.500%	BB+	0.500%
Ba2	0.750%	BB	0.750%
Ba3 or lower	1.000%	BB- or lower	1.000%

</TABLE>

The adjusted interest rate per annum for the senior notes will be 7.95%, plus the sum of any Moody's adjustment amount plus the higher of (a) any S&P adjustment amount or (b) any Fitch adjustment amount set forth above.

Where a rating change is made by one of the relevant rating services during any interest payment period, the amount of interest to be paid with respect to such period shall be calculated at a rate per annum equal to the weighted average of the interest rate in effect immediately prior to such change and the rate in effect upon such new rating being given, calculated by multiplying each such rate by the number of days such rate is in effect during each month of such interest payment period, determining the sum of such products and dividing such sum by the number of days in that interest payment period.

REDEMPTION

We may redeem the senior notes at any time, in whole or in part, at a redemption price equal to the greater of (1) the principal amount being redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the senior notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield plus 30 basis points, plus in each case accrued interest to the redemption date.

"Treasury Yield" means, for any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

"Comparable Treasury Issue" means the United States Treasury security

selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the senior notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the senior notes.

"Independent Investment Banker" means Credit Suisse First Boston Corporation or Salomon Smith Barney Inc. or its successor or, if Credit Suisse First Boston Corporation or Salomon Smith Barney Inc. or its successor is unwilling or unable to select the Comparable Treasury Issue, one of the remaining Reference Treasury Dealers appointed by the Trustee after consultation with us.

"Comparable Treasury Price" means, for any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal

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amount) on the third business day preceding the redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if that release (or any successor release) is not published or does not contain those prices on that business day, (A) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations for the redemption date, or (B) if we obtain fewer than four Reference Treasury Dealer Quotations, the average of all of the Quotations.

"Reference Treasury Dealer Quotations" means, for each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by the Reference Treasury Dealer at 5:00 p.m. on the third business day preceding the redemption date.

"Reference Treasury Dealer" means (1) each of Credit Suisse First Boston Corporation and Salomon Smith Barney Inc. and any other primary U.S. Government Securities dealer in New York City (a "Primary Treasury Dealer") designated by, and not affiliated with Credit Suisse First Boston Corporation or Salomon Smith Barney Inc. and their respective successors, provided, however, that if Credit Suisse First Boston Corporation or Salomon Smith Barney Inc. or any of their designees ceases to be a Primary Treasury Dealer, we will appoint another Primary Treasury Dealer as a substitute and (2) any other Primary Treasury Dealer selected by us.

If we elect to redeem less than all the senior notes and the senior notes are at the time represented by a global security, then the particular interest to be redeemed will be selected by lot. If we elect to redeem less than all of the senior notes, and the senior notes are not represented by a global security, then the Trustee will select the particular senior notes to be redeemed in a manner it deems appropriate and fair.

The senior notes do not provide for any sinking fund.

LIMITATION ON ISSUANCE OF MORTGAGE BONDS

We have agreed not to issue any mortgage bonds under our General Mortgage Indenture and Deed of Trust, dated as of September 15, 1988, between us and Commerce Bank of Kansas City, N.A., as trustee, or under the Indenture of Mortgage and Deed of Trust dated as of April 1, 1946, as amended and supplemented, between us, as successors to St. Joseph Light & Power Company, and The Bank of New York, as trustee, without directly securing the senior notes equally and ratably with the mortgage bonds and all other obligations and indebtedness secured under the relevant indenture. As of the date of this prospectus supplement, we have mortgage bonds outstanding in the approximate amount of $37.5 million.

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated January 30, 2001, we have agreed to sell to the underwriters named below the following respective principal amounts of the senior notes:

<TABLE>
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UNDERWRITERS	PRINCIPAL AMOUNT
<S>	<C>
Credit Suisse First Boston Corporation	$ 87,500,000
Salomon Smith Barney Inc.	87,500,000
TD Securities (USA) Inc.	50,000,000
BMO Nesbitt Burns Corp.	25,000,000
Total	$250,000,000

</TABLE>

The underwriting agreement provides that the underwriters are obligated to purchase all of the senior notes if any are purchased. The underwriting agreement also provides that if an underwriter defaults the purchase commitments

of non-defaulting underwriters may be increased or the offering of senior notes may be terminated.

The underwriters propose to offer the senior notes initially at the public offering price on the cover page of this prospectus supplement and to selling group members at that price less a selling concession of .400% of the principal amount per senior note. The underwriters and selling group members may allow a discount of .250% of the principal amount per senior note on sales to other broker/dealers. After the initial public offering, the underwriters may change the public offering price and concession and discount to broker/dealers.

We estimate that our out-of-pocket expenses for this offering will be approximately $200,000.

The senior notes are a new issue of securities with no established trading market. One or more of the underwriters intend to make a secondary market for the senior notes. However, they are not obligated to do so and may discontinue making a secondary market for the senior notes at any time without notice. No assurance can be given as to how liquid the trading market for the senior notes will be.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in that respect.

Certain of the underwriters and their affiliates engage in various general financing and banking transactions with us and our affiliates.

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

- Over-allotment involves sales by the underwriters of senior notes in excess of the principal amount of the senior notes the underwriters are obligated to purchase, which creates a syndicate short position.

- Syndicate covering transactions involve purchases of senior notes in the open market after the distribution has been completed in order to cover syndicate short positions. The underwriters' short position can only be closed out by buying senior notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the senior notes in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the senior notes originally sold by such syndicate member are purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the senior notes or preventing or retarding a decline in the market price of the senior notes. As a result, the price of the senior notes may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

NOTICE TO CANADIAN RESIDENTS

RESALE RESTRICTIONS

The distribution of the senior notes in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of senior notes are made. Any resale of the senior notes in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the senior notes.

REPRESENTATIONS OF PURCHASERS

By purchasing senior notes in Canada and accepting a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the senior notes without the benefit of a prospectus qualified under those securities laws,

- where required by law, the purchaser is purchasing as principal and not as agent, and

- the purchaser has reviewed the text above under Resale Restrictions.

RIGHTS OF ACTION (ONTARIO PURCHASERS)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Ontario securities law. As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

ENFORCEMENT OF LEGAL RIGHTS

All of the issuer's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

NOTICE TO BRITISH COLUMBIA RESIDENTS

A purchaser of senior notes to whom the SECURITIES ACT (British Columbia) applies is advised that the purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any senior notes acquired by the purchaser in this offering. The report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from us. Only one report must be filed for senior notes acquired on the same date and under the same prospectus exemption.

TAXATION AND ELIGIBILITY FOR INVESTMENT

Canadian purchasers of senior notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the senior notes in their particular circumstances and about the eligibility of the senior notes for investment by the purchaser under relevant Canadian legislation.

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PROSPECTUS

[UTILICORP UNITED LOGO]

UCU CAPITAL TRUST I

$1,038,000,000

DEBT SECURITIES
COMMON STOCK
STOCK PURCHASE CONTRACTS
STOCK PURCHASE UNITS
SUBORDINATED DEBENTURES
TRUST PREFERRED SECURITIES AND RELATED GUARANTEES

We will provide specific terms of these securities in supplements to this prospectus.
You should read this prospectus and any supplement carefully before you invest.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This Prospectus is dated September 13, 1999

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that UtiliCorp, together with the Trust, filed with the Securities and Exchange Commission utilizing a "shelf" registration process. Under this shelf process, UtiliCorp and the Trust may, from time to time, sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of $1,038,000,000. This prospectus provides you with a general description of the securities that may be offered. Each time UtiliCorp and the Trust sells securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information." Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to "UtiliCorp," "we," "our," "us," or similar references mean UtiliCorp United Inc.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any of these materials at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We file information electronically with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the SEC's Internet site is http://www.sec.gov. UtiliCorp's Internet address is http://www.utilicorp.com.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

a. Annual Report on Form 10-K for the fiscal year ended December 31, 1998.

b. Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, June 30, 1999.

c. Current Reports on Form 8-K dated March 5 and May 14, 1999.

d. The description of Common Stock contained in our Registration Statement on Form 8-B dated May 5, 1987 and the description of the Preference Stock Purchase Rights set forth in our Registration Statement on Form 8-A dated March 4, 1997.

You may request a copy of these filings, at no cost, by telephoning or writing to us at the following address:

Investor Relations
UtiliCorp United Inc.
20 West Ninth Street
Kansas City, Missouri, 64105
816-421-6600

This prospectus is part of a registration statement we filed with the SEC. You should rely only on the information contained in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

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UTILICORP UNITED INC.

UtiliCorp is a multinational energy and energy services company headquartered in Kansas City, Missouri. UtiliCorp's executive offices are located at 20 West Ninth Street, Kansas City, Missouri 64105, and its telephone number is (816) 421-6600.

THE TRUST

UCU Capital Trust I is a statutory business trust that was created in August 1999 under the Delaware Business Trust Act. The Trust currently is governed by:

- a declaration of trust dated as of August 30, 1999, that was executed by UtiliCorp, as a sponsor of the Trust, and by certain trustees of the Trust; and

- a certificate of trust dated as of August 30, 1999, filed with the

Secretary of State of the State of Delaware.

Prior to the issuance of the trust preferred securities, the declaration of trust will be amended and restated in its entirety, substantially in the form filed as an exhibit to, or incorporated by reference into, the registration statement.

At such time as the Trust issues and sells the trust preferred securities, UtiliCorp will purchase the trust common securities in an aggregate liquidation amount equal to at least three percent of the total capital of the Trust. The trust common securities will constitute all of the common securities of the Trust. Upon the sale and issuance of the trust common securities and the trust preferred securities, the Trust will use the proceeds to purchase debt securities from UtiliCorp. The Trust exists for the exclusive purposes of:

- selling and issuing the trust securities, which represent undivided beneficial ownership interests in the assets of the Trust;

- using the proceeds from such sale and issuance to purchase the debt securities; and

- except as otherwise set forth in the declaration of trust, engaging in only those other activities necessary or incidental to the purposes set forth above.

The Trust has a term of approximately seven years but may be dissolved earlier as provided in the declaration of trust.

The Trust's business and affairs will be conducted initially by five trustees appointed by us, as sole holder of the trust common securities. Three of the trustees are our employees, officers or persons affiliated with us. Pursuant to the declaration of trust, the fourth trustee is The First National Bank of Chicago (or its successor), a financial institution that is unaffiliated with us, which serves as the property trustee under the declaration of trust and as indenture trustee for the purposes of complying with the provisions of the Trust Indenture Act of 1939. The fifth trustee is Bank One Delaware, Inc., who will serve as trustee in the State of Delaware for the purpose of complying with the provisions of Delaware Business Trust Act. The First National Bank of Chicago (or its successor) also will act as trustee under our guarantee of the trust preferred securities for the purposes of complying with the Trust Indenture Act.

The property trustee will own and hold legal title to the debt securities for the benefit of the Trust and the holders of the trust securities. The property trustee will have the legal power to exercise all of the rights, powers and privileges of a holder of debt securities under the indenture. In addition, the property trustee will establish and maintain exclusive control of a segregated non-interest bearing trust account to hold all payments made in respect of the debt securities for the benefit of the holders of the trust preferred securities. The property trustee will use funds from the trust account to make distribution payments and any payments on liquidation, redemption or otherwise to the holders of the trust preferred securities.

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We, as holder of all of the Trust's outstanding common securities, will have the right to appoint, remove or replace any trustee and to increase or decrease the number of trustees, provided that the Trust always will have at least three trustees. Furthermore, we, as issuer of the debt securities, will pay all fees and expenses related to the Trust's ongoing affairs and operations (including any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes)), including the offering of the trust securities.

The rights of the holders of the trust preferred securities, including any economic rights, rights to information and voting rights, are set forth in the declaration trust, the Delaware Business Trust Act and the Trust Indenture Act.

The Delaware trustee's offices are located at 201 North Walnut Street, Wilmington, Delaware 19801. The Trust's principal place of business is in care of UtiliCorp United Inc., 20 West Ninth Street, Kansas City, Missouri, 64105. Its telephone number is (816) 421-6600.

USE OF PROCEEDS

Unless otherwise set forth in a prospectus supplement, the net proceeds from the sale of the offered securities will be used for general corporate purposes including repayment of debt, construction and acquisitions. At June 30, 1999, we had outstanding short-term borrowings (excluding current maturities of long-term debt) of approximately $467.2 million.

ACCOUNTING TREATMENT RELATING TO TRUST SECURITIES

The financial statements of the Trust will be consolidated with our financial statements, with the trust preferred securities shown on our consolidated financial statements as obligated mandatory redemption preferred securities of a consolidated trust. Our financial statements will include a footnote that discloses, among other things, that the assets of the Trust consist of our debt securities and will specify the designation, principal amount, interest rate and maturity date of the debt securities.

RATIOS OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges for each of the periods indicated is

as follows:

<TABLE>
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	TWELVE MONTHS ENDED JUNE 30,	YEARS ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ratio of Earnings to Fixed Charges.....	2.36	2.43	2.46	2.15	1.93	2.31

</TABLE>

The ratio of earnings to fixed charges represents the number of times fixed charges are covered by earnings. For the purpose of this ratio, "earnings" is determined by adding pretax income to "fixed charges". For this purpose "fixed charges" consists of (1) interest on all indebtedness and amortization of debt discount and expense, (2) interest capitalized and (3) an interest factor attributable to rentals.

DESCRIPTION OF COMMON STOCK

GENERAL

The following description of our common stock is a summary and is not complete. You should refer to our governing corporate documents and our Michigan Gas Utilities Indenture, dated as of July 1, 1951, which secures the first mortgage bonds issued by Michigan Gas Utilities Company and assumed by us in connection with our acquisition of Michigan Gas Utilities Company in 1989.

We are authorized to issue up to 230,000,000 shares of capital stock consisting of:

- 200,000,000 shares of common stock, par value $1 per share;
- 10,000,000 shares of preference stock, without par value; and
- 20,000,000 shares of Class A common stock, par value $1 per share.

DIVIDEND RIGHTS AND LIMITATIONS

Subject to the limitations referred to below, our board of directors may declare dividends on our capital stock out of funds legally available for that purpose.

Cash dividends on our capital stock are restricted by provisions of the Michigan Gas Utilities Indenture. Under the most restrictive of these provisions, we may not declare or pay any dividend, other than a dividend payable in shares of our capital stock, if, after giving effect to the dividend, the sum of:

- the aggregate amount of all dividends declared and all other distributions made, other than dividends declared or distributions made in shares of our capital stock, subsequent to December 31, 1984; plus
- the excess, if any, of the amount applied to or set apart for the acquisition of any shares of our capital stock subsequent to December 31, 1984, over amounts received by us as the net cash proceeds of sales of shares of our capital stock subsequent to that date, would exceed the sum of our net income since January 1, 1985, plus $50 million.

In addition, we may not declare dividends unless we maintain a tangible net worth of at least $250 million and the total principal amount of our outstanding indebtedness does not exceed 70% of our capitalization. None of our retained earnings was restricted as to payment of cash dividends on our capital stock as of June 30, 1999.

VOTING RIGHTS

Holders of our common stock are entitled to one vote for each share held of record. Our board of directors is divided into three classes, and each year one class is elected to serve a three-year term. Holders of common stock do not have cumulative voting in the election of directors. Accordingly, the holders of more than 50% of the outstanding shares of our common stock voting for the election of directors can elect all the directors, and the remaining holders will not be able to elect any directors.

LIQUIDATION RIGHTS

Our outstanding common stock is, and the common stock that may be offered from time to time, when issued and paid for will be, fully paid and non-assessable. Holders of common stock do not have any preemptive rights. On liquidation, the holders of the common stock will be entitled to all amounts remaining for distribution after payment of the liquidation preferences of the outstanding shares, if any, of the Class A common stock and the preference stock.

CLASS A COMMON STOCK AND PREFERENCE STOCK

Without action by our stockholders, our board of directors may issue one or more series of Class A common stock or preference stock that may have terms more

favorable than the common stock, including preferential dividend, liquidation, redemption and voting rights.

We may use the Class A common stock or the preference stock as an anti-takeover device because these securities may be issued with "super voting" rights and placed in the control of parties aligned with current management. However, the NYSE has in effect a rule that restricts our ability to issue Class A common stock and preference stock with super voting rights. There are presently no shares of Class A common stock or preference stock issued or outstanding.

STOCKHOLDER RIGHTS PLAN

We have adopted a stockholder rights plan under which our stockholders have been granted one preference stock purchase right for each

<PAGE>
share of common stock held. The following description of the purchase rights is not complete. You should refer to the Rights Agreement we entered into with First Chicago Trust Company of New York on December 31, 1996, a copy of which we filed with the SEC as an exhibit to our Form 8-A Registration Statement filed on March 4, 1997.

Each purchase right, when it becomes exercisable as described below, entitles the holder to purchase one one-thousandth of a share of our Series A Participating Cumulative Preference Stock, no par value, at a purchase price of $76.67, subject to certain adjustments and other specified conditions.

The purchase rights become exercisable upon the occurrence of a "distribution date," which is defined in the rights agreement as the earlier of:

- the tenth business day, or such later date as our board of directors may fix, after the date on which any company commences a tender or exchange offer which, if consummated, would result in the company acquiring ownership of more than 15% of our outstanding common stock; or

- the "flip-in date," which means the tenth business day after we first publicly announce that a company has acquired ownership of more than 15% of our outstanding common stock, or such other date as our board of directors may adopt prior to the flip-in date that would otherwise have occurred.

The rights agreement does not apply to certain acquisitions, including acquisitions by a company that inadvertently acquires ownership of more than 15% of our outstanding common stock, provided the company promptly divests sufficient shares of common stock to reduce its percentage ownership below 15%.

If a flip-in date occurs, each purchase right, other than purchase rights the acquiring company or any of its affiliates beneficially own, will constitute the right to purchase from us that number of shares of our common stock having a market value equal to twice the exercise price of the purchase right. On the occurrence of a flip-in date, the purchase rights beneficially owned by the acquiring company or any of its affiliates will be void.

In addition, our board of directors may, at its option, at any time after a flip-in date and prior to the time the acquiring company becomes the owner of more than 50% of the outstanding shares of our common stock, elect to exchange all of the outstanding purchase rights, other than those purchase rights beneficially owned by the acquiring company or its affiliates, for shares of our common stock at an exchange ratio of one share of our common stock per purchase right. Immediately upon the taking of that action by our board of directors, the right to exercise the purchase rights will terminate and each purchase right will then represent only the right to receive the appropriate number of shares of common stock.

Whenever we become obligated to issue shares of common stock upon the exercise of or in exchange for purchase rights, we may substitute shares of preference stock, at a ratio of one one-thousandth of a share of preference stock for each share of common stock.

If we are acquired in a merger or other similar business combination entered into while:

- the acquiring company or any of its affiliates is in control of our board of directors or 50% or more of our assets; or

- assets representing 50% or more of our operating income or cash flow are transferred to an acquiring company or any of its affiliates,

then we are required to take all necessary action to ensure that the purchase rights will "flip-over" and entitle each holder of a purchase right to purchase capital stock of the acquiring company having a market value equal to twice the purchase price of the preference stock otherwise purchasable pursuant to the purchase right.

At any time prior to the earlier of a flip-in date and the tenth anniversary of the rights agreement, our board of directors may redeem the purchase rights in whole, but not in part, at

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a price of $0.01 per purchase right. Under certain circumstances the rights

agreement may be amended by our board of directors without approval from our stockholders.

The purchase rights have an anti-takeover effect. Specifically, the purchase rights may cause substantial dilution to a person or group that attempts to acquire a substantial number of shares of our common stock without board approval. The purchase rights will not interfere with any merger or other business combination with a third party approved by our board of directors, because the board of directors may, at any time prior to a flip-in date, redeem the purchase rights as described above or amend the rights agreement to render it inapplicable to a specific transaction.

ADDITIONAL ANTI-TAKEOVER DEFENSES

A number of provisions in our governing corporate documents may have the effect of discouraging other companies from acquiring large blocks of our common stock or delaying or preventing a change of control of UtiliCorp. For instance, because our certificate of incorporation authorizes our board of directors to issue additional capital stock without stockholder approval, the board of directors could issue additional shares of stock to discourage a change of control of UtiliCorp. Furthermore, the absence of cumulative voting rights could discourage accumulations of large blocks of our common stock by purchasers seeking representation on our board of directors.

Other provisions in our certificate of incorporation are designed to discourage attempts to obtain control of UtiliCorp in a transaction not approved by our board of directors. Such provisions include:

- an 80% stockholder vote requirement to remove the entire board of directors;
- a prohibition against the removal of individual directors without cause;
- a requirement that the board of directors be divided into three classes, with one class elected each year for a three-year term;
- an 80% stockholder vote requirement to amend provisions of the certificate of incorporation relating to our board of directors;
- an 80% stockholder vote requirement to approve certain business transactions, unless certain minimum price conditions are met;
- an 80% stockholder vote requirement to amend the above-listed provisions;
- a requirement that stockholder action may be taken only at an annual or special meeting; and
- a requirement that special meetings may be called by not less than a majority of the stockholders.

Our bylaws also contain provisions that may have an anti-takeover effect, including:

- advance notice requirements for stockholder nominations to our board of directors; and
- a requirement that nominating stockholders provide information comparable to that which we would be required to provide under federal securities laws.

These bylaw provisions could enable us to delay undesirable stockholder actions in order to give us more time and information to adequately respond.

As previously described, our stockholder rights plan also has an anti-takeover effect. Severance agreements we have entered into with certain of our management employees may have anti-takeover effects as well. Such severance agreements provide we must pay certain benefits if the employees are terminated without good cause or resign for good reason, as defined in the agreements, within three years after a change of control of UtiliCorp.

TRANSFER AGENT AND REGISTRAR

The co-transfer agents for our common stock are:

- First Chicago Trust Company of New York, New York;
- UMB Bank, N.A., Kansas City, Missouri; and
- The R-M Trust Company, Toronto, Ontario, Canada.

The registrar for the common stock is First Chicago Trust Company of New York, New York. Our common stock is listed on the New York, Pacific and Toronto Stock Exchanges, and unless the prospectus supplement accompanying this prospectus states otherwise, the common stock offered under this prospectus will be listed on those exchanges.

DESCRIPTION OF DEBT SECURITIES

We may issue debt securities from time to time in one or more series, under an Indenture dated as of November 1, 1990, as supplemented, between us and The First National Bank of Chicago, as the trustee. The indenture has been filed as

an exhibit to the registration statement of which this prospectus is a part. The following description of certain provisions of the indenture is a summary and is not complete. You should refer to all of the provisions of the indenture, including the definitions of certain terms contained in the indenture. Wherever particular sections of the indenture are referred to in this prospectus, those sections are incorporated by reference as part of the statements made.

GENERAL

The indenture does not limit the aggregate principal amount of the debt securities or the aggregate principal amount of any particular series of debt securities that we may issue under the indenture. The indenture states that we may issue debt securities from time to time in one or more series. The debt securities will be unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness.

The specific terms of each series of debt securities will be set forth in the prospectus supplement relating to that series, including the following terms, if possible:

- the title of the debt securities;
- the aggregate principal amount of the series of debt securities and any limit on the aggregate principal amount of that series;
- the price (expressed as a percentage of the aggregate principal amount) at which we will issue the series of debt securities;
- the maturity date or dates for the series of debt securities;
- the interest rate or rates (which may be fixed or variable) per annum for the series of debt securities, if any, or any method by which the interest rate or rates, will be determined;
- the date or dates:
  - from which the interest, if any, will accrue;
  - on which the interest, if any, will be payable;
  - on which payment of the interest, if any, will commence; and
  - of record for any interest payments;
- the person, if different than the registered holder as of the record date, to whom any interest will be payable;
- the dates, if any, on which and the price at which the series of debt securities may be redeemed or purchased under any mandatory sinking fund provisions, and the other detailed terms and provisions of the sinking funds;
- the date, if any, after which and the price at which we or any holder of the debt securities may redeem the debt securities

and other detailed terms and provisions of the optional redemptions;

- any additional restrictive covenants included in the indentures solely for the benefit of the series of debt securities;
- any additional events of default (as defined below) solely with respect to the series of debt securities;
- the currency or currencies in which we will pay the principal of (and premium if any) and interest, if any, on the series;
- the index, if any, used to determine the amount of principal of (and premium, if any) or interest, if any, on the series of debt securities;
- whether we will use a global security with respect to the series of debt securities, the name of the depository for the global security and the terms, if any, upon which interests in the global security may be exchanged for definitive debt securities; and
- any additional terms of the series of the debt securities.

Unless the prospectus supplement states otherwise, we will pay the principal of, and the premium and interest, if any, on the series of debt securities at the office or agency we maintain in New York, New York for that purpose. In addition, the transfer or exchange of the debt securities will be registerable at that same office. We may, however, pay interest by check mailed to the address as it appears on the security register of any person entitled to payment of interest. (Sections 301, 305 and 1002).

Unless the prospectus supplement states otherwise, we will only issue the debt securities in registered form without coupons and in denominations of $1,000 and integral multiples of $1,000. (Section 302). No service charge will be made for any registration of transfer or exchange of the debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. (Section 305).

We may issue debt securities as original issue discount securities (as defined below) meaning that they will be sold at a substantial discount below their principal amount. We will describe special federal income tax, accounting and other considerations applicable to original issue discount securities in the prospectus supplement. "Original issue discount security" is any security that provides for the acceleration of the maturity of an amount less than the principal amount of the security upon the occurrence and continuance of an event of default. (Section 101).

EVENTS OF DEFAULT

With respect to any series of debt securities, the indenture defines an event of default as:

- a default in the payment of principal of, (or premium, if any), any debt security at its maturity;
- a default in the payment of any interest on any debt security for 30 days;
- a default in the payment of any sinking fund installment;
- our failure to perform any other of the covenants or warranties in the indenture for 60 days after we receive notice of our failure (other than a covenant or warranty included in the indenture solely for the benefit of a series of debt securities other than that particular series);
- a default by us under any indebtedness for money we have borrowed resulting in indebtedness in an aggregate principal amount exceeding $5,000,000 becoming due prior to maturity, if the acceleration of that indebtedness is not rescinded within 10 days after notice of such default;
- certain events of bankruptcy, insolvency or reorganization of UtiliCorp; and
- any other event of default provided with respect to debt securities of that series. (Section 501).

If any event of default with respect to any series of debt securities at the time outstanding

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occurs and is continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may, by notice, declare the principal amount (or, if the debt securities are original issue discount securities, such portion of the principal amount as may be specified in the terms of that series) of all debt securities of that series to be due and payable immediately. Upon certain conditions the holders of a majority in principal amount of the outstanding debt securities of that series on behalf of the holders of all debt securities of that series may annul that declaration and waive past defaults. A declaration may not, however, be annulled if the default is a default in payment of principal of, or premium or interest, if any, on the debt securities and other specified defaults unless that default has been cured. (Sections 502 and 513).

The prospectus supplement relating to each series of outstanding debt securities which are original issue discount securities will contain the particular provisions relating to acceleration of the maturity of a portion of the principal amount of those original issue discount securities if an event of default occurs and continues.

The indenture states that the trustee will give notice to the holders of any series of debt securities of a known default if that default is uncured or not waived. The trustee may decide to withhold a notice of default if it determines in good faith that withholding of the notice is in the interest of the holders of the debt securities unless the default is in the payment of principal of (or premium, if any) or interest, if any, on any debt security of that series, or in the payment of any sinking fund installment. The trustee may not give notice of default until 30 days after the occurrence of a default in the performance of a covenant in the indenture other than for the payment of the principal of (or premium, if any) or interest, if any, or the deposit of any sinking fund installment. The term default with respect to any series of outstanding debt securities for the purpose only of this provision means the happening of any of the events of default specified in the indenture and relating to such series of outstanding debt securities, excluding any grace periods and irrespective of any notice requirements. (Section 602).

The indenture contains a provision entitling the trustee, subject to the duty of the trustee during default to act with the required standard of care, to be indemnified by the holders of any series of outstanding debt securities before proceeding to exercise any right or power under the indenture at the request of the holders of that series of debt securities. (Section 603). The indenture states that the holders of a majority in principal amount of outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or other power conferred on the trustee. The trustee, however, may decline to act if that direction is contrary to law or the indenture. (Section 512).

The indenture requires us to annually file with the trustee a certificate stating that no default exists or identifying any existing default.

DEFEASANCE

At our option, we:

- will be discharged from all obligations with respect to the debt securities (except for certain obligations including registering the transfer or exchange of the debt securities, replacing stolen, lost or mutilated debt securities, maintaining paying agencies and holding monies for payment in trust); or

- need not comply with certain restrictive covenants of the indenture,

if we deposit with the trustee (and in the case of a discharge, 91 days after such deposit) money, or U.S. government obligations, or a combination of both, sufficient to pay all the principal of and interest on the debt securities on the date those payments are due in accordance with the terms of the debt securities to and including a redemption date which we irrevocably designate for redemption of the debt securities. To exercise this option, we must meet certain conditions, including delivering to the trustee an opinion of counsel stating that the deposit and related defeasance will not cause the

holders of the debt securities to recognize income, gain or loss for federal income tax purposes. (Sections 403 and 1008).

MODIFICATION OF THE INDENTURE

With respect to any series of debt securities we and the trustee may add provisions to or change or eliminate any of the provisions of the indenture relating to that series if holders of at least 66 2/3% in principal amount of that series of debt securities, voting as a class, consent. We and the trustee cannot, however, modify the indenture to:

- change the stated maturity of any debt security;

- reduce the principal amount of, or the rate of interest or any premium on, any debt security;

- change the place or currency of payment on any debt security;

- impair the right to institute suit for the enforcement of any payment on or after the stated maturity of any security;

- reduce the percentage of outstanding debt securities necessary to modify or amend the indenture; or

- reduce the percentage of aggregate principal amount of outstanding debt securities necessary to waive compliance with certain provisions of the indenture or to waive certain covenants and defaults. (Section 902).

CONSOLIDATION, MERGER AND SALE OF ASSETS

Without the consent of the holders of any of the outstanding debt securities under the indenture, we may:

- consolidate with or merge into any other corporation;

- transfer or lease substantially all of our assets to any person;

- acquire or lease substantially all of the assets of any person; or

- permit any corporation to merge into us, if:

  - the successor is a corporation organized under the laws of any domestic jurisdiction;

  - the successor corporation, if other than us, assumes our obligations on the debt securities and under the indenture; and

  - after giving the effect to the transaction, no event of default, and no event which, after notice or lapse of time, would become an event of default, will occur. (Section 801).

Certain of the covenants described above will not necessarily afford the holders protection in the event we are involved in a highly leveraged transaction, such as a leveraged buyout. However, we must obtain regulatory approval to issue long-term debt.

OUTSTANDING DEBT SECURITIES

In determining whether the holders of the requisite principal amount of outstanding debt securities have given any request, demand, authorization, direction, notice, consent or waiver under the indenture, the following are taken into account:

- the portion of the principal amount of an original issue discount security deemed to be outstanding is that portion of the principal amount that could be declared to be due and payable upon the occurrence and continuation of an event of default under the terms of the original issue discount security as of the date of the determination; and

- debt securities we or any of our affiliates own are not considered to be outstanding. (Section 101).

REGARDING THE TRUSTEE

We have a bank line of credit with the trustee and maintain depository and other banking relationships with the trustee.

DESCRIPTION OF SUBORDINATED DEBENTURES

The following description of our subordinated debentures is a summary and is not complete. You should refer to the form of subordinated indenture that is filed as an exhibit to, or incorporated by reference into, the registration statement and to the Trust Indenture Act.

We may issue subordinated debentures from time to time under the subordinated indenture. Certain material United States federal income tax consequences applicable to the offering of the subordinated debentures will be described in the applicable prospectus supplement.

GENERAL

The subordinated indenture does not limit the aggregate principal amount of the subordinated debentures or the aggregate principal amount of any series of subordinated debentures that we may issue under the subordinated indenture. In addition, the subordinated indenture does not limit us from issuing or incurring other secured or unsecured debt, whether under the subordinated indenture or any other indenture or agreement that we may enter into in the future.

The specific terms of each series of subordinated debentures will be set forth in the applicable prospectus supplement relating to that series, including the following terms, if possible:

- the title of the subordinated debentures;
- any limit upon the aggregate principal amount of that series of subordinated debentures;
- the date on which the principal of the subordinated debentures is payable, or the method of determining such date;
- the rate, if any, at which the subordinated debentures will bear interest (including any reset rates and the method by which any such rates will be determined), the date or dates on which we will pay any interest and any right we have to defer any interest payment;
- the place where, subject to the terms of the subordinated indenture as described below, we will pay the principal and any premium or interest on the subordinated debentures, and where, subject to the terms of the subordinated indenture as described below, we will maintain an office or agency where subordinated debentures may be presented for registration of transfer or exchange, and where notices and demands to or upon us in respect of the subordinated debentures and the subordinated indenture may be made;
- any period within, any date on which, the price at which and the terms and conditions upon which we may redeem the subordinated debentures, in whole or in part, at our option pursuant to any sinking fund or otherwise;
- any obligation of ours to redeem or purchase the subordinated debentures pursuant to any sinking fund or analogous provision or at the option of a holder, and the period within which, the price at which, the currency (including currency units) in which and the other terms and conditions upon which we will redeem or purchase the subordinated debentures, in whole or in part, pursuant to such obligation;
- the denominations in which we will issue the subordinated debentures;
- if other than in U.S. dollars, the currency (including currency units) in which we will pay the principal of or any premium or interest on the subordinated debentures, or in which the subordinated debentures will be denominated;
- if other than the principal amount, the portion of the principal amount of the subordinated debentures that we will pay upon declaration of acceleration of the maturity thereof;
- any additional events of default or covenants pertaining to that series of subordinated debentures;
- any index used to determine the amount of payments of principal of and premium,

if any, on the subordinated debentures and the manner to determine such amounts;

- subject to the terms described below, whether we will issue the subordinated debentures in whole or in part in global form and, in such case, the depositary for such global subordinated debentures;

- the appointment of any trustee, registrar, paying agent;

- the terms and conditions of any obligation or right of ours or any holder to convert or exchange subordinated debentures into other securities; and

- any other terms of the subordinated debentures not inconsistent with the provisions of the subordinated indenture.

SUBORDINATION

The subordinated indenture provides that the subordinated debentures are subordinate and junior in right of payment to all of our senior indebtedness (as defined below) as provided in the subordinated indenture. We cannot make any payment of principal of (including redemption and sinking fund payments), premium, if any, or interest on, the subordinated debentures if:

- any senior indebtedness is not paid when due;

- any applicable grace period with respect to any default under any senior indebtedness has ended and such default has not been cured or waived; or

- the maturity of any senior indebtedness has been accelerated because of a default.

Upon any distribution of our assets to creditors upon any dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal of, and premium, if any, and interest due or to become due on, all senior indebtedness must be paid in full before the holders of the subordinated debentures will receive or retain any payment. The rights of the holders of the subordinated debentures will be subrogated to the rights of the holders of senior indebtedness to receive payments or distributions applicable to senior indebtedness until all amounts owing on the subordinated debentures are paid in full. However, since the vast majority of our senior indebtedness currently is not secured and ranks equally with our other unsecured indebtedness, rights of subrogation currently do not improve the position of the holders of the subordinated debentures in relation to the holders of any of our other unsecured indebtedness.

The term "senior indebtedness" means the principal of, premium, if any, interest on and any other payment due pursuant to any of the following, whether outstanding at the date of execution of the subordinated indenture or thereafter incurred, created or assumed:

- all of our indebtedness evidenced by notes, debentures, bonds or other securities we sold for money;

- all indebtedness of others of the kinds described in the preceding bullet assumed by or guaranteed in any manner by us or in effect guaranteed by us; and

- all renewals, extensions or refundings of indebtedness of the kinds described in any of the preceding two bullets;

unless, in the case of any particular indebtedness, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, renewal, extension or refunding is not superior in right of payment to or is equal with the subordinated debentures. The senior indebtedness shall continue to be senior indebtedness and entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of such senior indebtedness.

The subordinated indenture does not limit the aggregate amount of senior indebtedness that we may issue.

DENOMINATIONS, REGISTRATION AND TRANSFER

Unless otherwise specified in the applicable prospectus supplement, we will only issue the subordinated debentures in registered form without coupons in denominations of $1,000 and any integral multiple thereof.

Once we issue the subordinated debentures, we will keep at one of our offices or agencies a register in which, subject to such reasonable regulations as we may prescribe, we will provide for the registration and transfer of the subordinated debentures. That office or agency will be appointed the security registrar for the purpose of registering and transferring the subordinated debentures. We will appoint the subordinated indenture trustee as securities registrar under the subordinated indenture.

The holder of any registered subordinated debenture may exchange the subordinated debenture, at its option, for registered subordinated debentures of the same series having the same stated maturity date and original issue date, in any authorized denominations, in like tenor and in the same aggregate principal amount. Such holder may exchange such subordinated debentures by surrendering them at the office or agency we appoint as security registrar for the subordinated debentures. The subordinated debentures may be presented for exchange or for registration of transfer (with the form of transfer endorsed thereon or a satisfactory and duly executed written instrument of transfer), at the office of the securities registrar, without service charge and upon payment

of any taxes and other governmental charges as described in the subordinated indenture.

When a holder of a registered subordinated debenture surrenders a subordinated debenture to be registered for transfer, we will execute, and the subordinated indenture trustee will authenticate and deliver to the holder, in the name of the designated transferee or transferees, one or more new registered subordinated debentures of the same series having the same stated maturity date and original issue date, in any authorized denominations and of like tenor and aggregate principal amount.

If any subordinated debentures of any series are redeemed, we will not be required to issue, register the transfer of or exchange any such subordinated debentures during the 15 business days immediately preceding the date upon which notice of such redemption is given (which notice will identify the serial numbers of the subordinated debentures being redeemed). Furthermore, if any registered subordinated debentures are selected to be either partially or fully redeemed, then we will not be required to issue, register or exchange any such subordinated debentures (except for the unredeemed portion of any subordinated debenture being redeemed in part).

GLOBAL SUBORDINATED DEBENTURES

Unless otherwise specified in the applicable prospectus supplement, we may issue the subordinated debentures in whole or in part in global form that will be deposited with, or on behalf of, a depositary identified in the applicable prospectus supplement. Global subordinated debentures may be issued only in fully registered form and in either temporary or permanent form. Unless and until a global subordinated debenture is exchanged in whole or in part for individual subordinated debentures, the depositary holding such global subordinated debenture may transfer the global subordinated debenture only to its nominee or successor depositary (or vice versa) and only as a whole. Unless otherwise indicated in the applicable prospectus supplement for the subordinated debentures, the depositary for the global subordinated debentures will be The Depository Trust Company. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in certificated form. Such limits and laws may impair the ability to transfer beneficial interests in global subordinated debentures.

The specific terms of the depositary arrangement for the subordinated debentures will be described in the applicable prospectus supplement. We expect that the applicable depositary or its nominee, upon receipt of any payment of principal, premium or interest in respect of a permanent global subordinated debenture, immediately will credit the accounts

of its participants with payments in amounts proportionate to their respective beneficial interests in the aggregate principal amount of such global subordinated debenture as shown on the records of the depositary or its nominee. We also expect that payments by participants to owners of beneficial interests in a global subordinated debenture held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name." Such participants will be responsible for those payments.

Unless otherwise specified in the applicable prospectus supplement, if at any time the applicable depositary is unwilling, unable or ineligible to continue as depositary for the subordinated debentures, we will appoint a successor depositary with respect to the subordinated debentures. If we do not appoint a successor depositary within 90 days after we receive such notice or become aware of such ineligibility, we will issue individual subordinated debentures of such series in exchange for the global subordinated debenture representing such individual subordinated debentures. In addition, unless otherwise specified in the applicable prospectus supplement, we may determine at any time and in our sole discretion, subject to any limitations described in the applicable prospectus supplement, to have the subordinated debentures no longer represented by one or more global subordinated debentures. In that event, we will issue individual subordinated debentures of such series in exchange for the global subordinated debenture or global subordinated debentures. Furthermore, if we so specify with respect to the subordinated debentures, a beneficial owner may receive, on terms acceptable to us, the subordinated indenture trustee and the depositary, individual subordinated debentures in exchange for its beneficial interests, subject to any limitations described in the applicable prospectus supplement. In that case, a beneficial owner will be entitled to physical delivery of individual subordinated debentures equal in principal amount to its beneficial interest and to have the subordinated debentures registered in its name. We will issue individual subordinated debentures so issued in denominations of $25 and integral multiples thereof unless otherwise indicated in the applicable prospectus supplement or otherwise specified by us.

PAYMENT AND PAYING AGENTS

Unless otherwise indicated in the applicable prospectus supplement, we will pay the principal of and any premium or interest on the subordinated debentures at the office of the subordinated indenture trustee or at the office of any paying agent as we may designate in the applicable prospectus supplement. We may at any time designate additional paying agents or rescind the designation of any paying agent.

Unless otherwise indicated in the applicable prospectus supplement, we will pay any interest on a subordinated debenture to the person or entity in whose name the subordinated debenture is registered at the close of business on the

regular record date for such interest, except in the case of interest which is payable, but is not punctually paid or duly provided for, on any interest payment date. If we elect, we may make payment of this defaulted interest:

- to the persons in whose names the subordinated debentures are registered at the close of business on a special record date for the payment of the defaulted interest, which will be fixed as provided in the subordinated indenture; or

- in any other lawful manner not inconsistent with the requirements of any securities exchange on which we may list such subordinated debentures, and upon such notice as may be required by such exchange, if, after we notify the subordinated indenture trustee of the proposed payment, the subordinated indenture trustee deems such manner of payment to be practicable.

OPTION TO DEFER INTEREST PAYMENTS

If so provided in the applicable prospectus supplement, so long as an event of default with respect to the subordinated debentures has not occurred and is not continuing, we will have the right, at any time during the term of the

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subordinated debentures, to defer the payment of interest for such number of consecutive interest payment periods as may be specified in the applicable prospectus supplement, subject to the terms, conditions and covenants, if any, specified in such prospectus supplement. At the end of each extension period, we will pay all interest accrued and unpaid, together with interest thereon compounded quarterly at the rate specified for the subordinated debentures, to the extent permitted by applicable law.

During any extension period, we may not:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to any of our capital stock; or

- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank equally with or junior in interest to the subordinated debentures or make any guarantee payments with respect to any guarantee by us of the debt securities of any subsidiary of ours if such guarantee ranks equally with or junior in interest to the subordinated debentures.

However, even during an extension period, we may:

- purchase or acquire our capital stock in connection with the satisfaction by us of our obligations under any employee benefit plans or pursuant to any contract or security outstanding on the first day of any extension period requiring us to purchase our capital stock;

- reclassify our capital stock or exchange one class or series of our capital stock for another class or series of our capital stock;

- purchase fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged;

- declare dividends or distributions in our capital stock;

- redeem or repurchase any rights pursuant to a rights agreement; and

- make payments under the guarantee related to the trust preferred securities.

Prior to the termination of any extension period, we may further defer payments of interest by extending the extension period but the total duration of any extension period may not exceed 20 consecutive quarters or extend beyond the stated maturity of the subordinated debentures. Once any extension period terminates and we have paid all amounts then due, we may commence a new extension period, subject to the terms set forth in this section. No interest will be due and payable during an extension period. If the property trustee of the Trust is the sole holder of the subordinated debentures, we will give the regular trustees of the Trust and the property trustee of the Trust notice of our selection of such extension period one business day prior to the earlier of:

- the date distributions on the trust preferred securities are payable; or

- the date the regular trustees of the Trust are required to give notice, if applicable, to the NYSE (or other applicable self-regulatory organization) or to holders of the trust preferred securities of the record or payment date of such distribution.

The regular trustees of the Trust will give notice of our selection of such extension period to the holders of the trust preferred securities. If the property trustee of the Trust is not the sole holder of the subordinated debentures, we will give the holders of the subordinated debentures notice of our selection of such extension period ten business days prior to the earlier of:

- the interest payment date; or

- the date upon which we are required to give notice, if applicable, to the NYSE (or other applicable self-regulatory organization) or to holders of the subordinated debentures as of the record or payment date of such related interest payment.

MODIFICATION OF SUBORDINATED INDENTURE

From time to time, we and the subordinated indenture trustee may modify the subordinated indenture without the consent of any holders of subordinated debentures with respect to certain matters, including:

- to evidence the succession of another corporation to UtiliCorp and the assumption by any such successor of our covenants in the subordinated indenture and the subordinated debentures;
- to add to our covenants for the benefit of the holders of the subordinated debentures, or to surrender any right or power therein conferred upon us;
- to cure any ambiguity or correct or supplement any provision that may be defective or inconsistent with any other provision of the subordinated indenture, provided that such action will not adversely affect the interests of the holders of the subordinated debentures in any material respect;
- to conform the subordinated indenture to any amendment of the Trust Indenture Act;
- to add any additional events of default;
- to change or eliminate any provisions of the subordinated indenture, provided that any such change or elimination will become effective only when there is no security outstanding of any series prior to the execution of such modification that is entitled to the benefit of such provision;
- to secure the subordinated debentures;
- to establish the form or terms of securities of any series and any related coupons as permitted by the subordinated indenture; or
- to evidence or provide for the acceptance of appointment of a successor subordinated indenture trustee with respect to the securities of one or more series, to contain such provisions necessary to confirm that all the rights, powers, trusts and duties that the predecessor subordinated indenture trustee is not retiring will continue to be vested in the predecessor subordinated indenture trustee, and to add to or change any subordinated indenture provisions necessary to provide for or facilitate the administration of the trusts by more than one subordinated indenture trustee.

In addition, we and the subordinated indenture trustee may modify certain rights, covenants and obligations of ours and the rights of holders of the subordinated debentures under the subordinated indenture with the written consent of the holders of at least a majority in aggregate principal amount of subordinated debentures. However, unless each affected holder of subordinated debentures consents, we and the subordinated indenture trustee may not:

- extend the maturity of the subordinated debentures;
- reduce the interest rate or extend the time for payment of interest;
- change the optional redemption or repurchase provisions in a manner adverse to any holder of subordinated debentures;
- otherwise modify the terms of payment of the principal of, or interest (or premium, if any) on, the subordinated debentures; or
- impair any holder's right to bring a suit for the payment of any principal, interest, or premium, if any, on the subordinated debentures on or after the stated maturity or redemption date for the subordinated debentures;
- reduce the percentage required for modification.

SUBORDINATED INDENTURE EVENTS OF DEFAULT

Any one or more of the following events that has occurred and is continuing constitutes an event of default under the subordinated indenture (whatever the reason for such event of

default and whether it is voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- we fail to pay any interest on any subordinated debenture for a period of 30 days after such interest becomes due and payable (subject to a valid deferral of interest payments during an extension period);
- we fail to pay the principal of (or premium, if any, on) the subordinated

debentures for a period of three business days after such principal (or premium) becomes due, whether at maturity, upon redemption, by declaration or otherwise;

- we fail to deposit any sinking fund payment for a period of three business days after such deposit becomes due (if applicable to the subordinated debentures);

- we fail to observe or perform any other covenant or warranty under the subordinated indenture (other than a covenant or warranty included in or pursuant to the subordinated indenture solely for the benefit of one or more series of debt securities other than the subordinated debentures) for a period of 60 days after written notice has been given, by registered or certified mail, to us by the subordinated indenture trustee, or to us and the subordinated indenture trustee by the holders of at least 25% in principal amount of the subordinated debentures;

- we fail to pay in excess of $5 million of the principal or interest on any indebtedness under any bond, subordinated debenture, note or other evidence of indebtedness for money we have borrowed (including a default with respect to debt securities of any series other than that series) or under any mortgage, subordinated indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money we have borrowed, whether such indebtedness now exists or shall hereafter be created, when due and payable after the expiration of any applicable grace period with respect thereto or shall have resulted in such indebtedness in an amount in excess of $5 million becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged, or such acceleration having been rescinded or annulled within a period of 90 days after there shall have been given, by registered or certified mail, to us by the subordinated indenture trustee or to us and the subordinated indenture trustee by the holders of at least 25% in principal amount of the subordinated debentures;

- certain events in bankruptcy, insolvency or reorganization of UtiliCorp; and

- any other event of default with respect to the subordinated debentures.

The holders of not less than a majority in outstanding principal amount of the subordinated debentures have the right to direct the time, method and place of conducting any proceeding for any remedy available to the subordinated indenture trustee. The subordinated indenture trustee or the holders of not less than 33% in aggregate outstanding principal amount of the subordinated debentures may declare the principal due and payable immediately upon an event of default. The holders of a majority in aggregate outstanding principal amount of the subordinated debentures may annul such declaration and waive the default if the default (other than the non-payment of the principal of subordinated debentures that has become due solely by such acceleration) has been cured and there has been deposited with the subordinated indenture trustee:

- a sum sufficient to pay all overdue interest and all installments of principal due otherwise than by acceleration;

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- interest upon overdue interest at the rates prescribed in the subordinated debentures (to the extent lawful); and

- all sums paid or advanced by the subordinated indenture trustee.

The holders of not less than a majority in outstanding principal amount of the subordinated debentures affected thereby may waive, on behalf of the holders of all of the subordinated debentures, any past default under the subordinated indenture except for a default:

- in the payment of the principal of or interest on any subordinated debenture (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the subordinated indenture trustee); or

- in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each outstanding subordinated debenture affected thereby.

CONSOLIDATION, MERGER, SALE OF ASSETS AND OTHER TRANSACTIONS

The subordinated indenture provides that we may not consolidate with or merge into any other person or entity or convey, transfer or lease our properties and assets substantially as an entirety to any person unless:

- the corporation formed by any such consolidation or continuing in such merger, or the person that acquires by conveyance or transfer, or that leases, our properties and assets substantially as an entirety is a corporation organized and existing under the laws of any domestic jurisdiction and expressly assumes, our obligations under the subordinated debentures and the subordinated indenture;

- immediately after giving effect to such transaction, no event of default, and no event that, after notice or lapse of time, would become an event of default under the subordinated indenture, will have happened and be

continuing; and

- we deliver to the subordinated indenture trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease complies with the subordinated indenture and that all conditions precedent set forth in the subordinated indenture relating to such transaction have been complied with.

SATISFACTION AND DISCHARGE

The subordinated indenture provides that:

- when all subordinated debentures not previously delivered to the subordinated indenture trustee for cancellation:
  - have become due and payable;
  - will become due and payable at their stated maturity within one year; or
  - are to be called for redemption within one year under arrangements satisfactory to the subordinated indenture trustee for the giving of notice of redemption by the subordinated indenture trustee in our name, and at our expense; and
- we deposit or cause to be deposited with the subordinated indenture trustee, as trust funds in trust dedicated solely for such purpose, an amount in the currency in which the subordinated debentures are payable sufficient to pay and discharge the entire indebtedness on the subordinated debentures not previously delivered to the subordinated indenture trustee for cancellation, for the principal (and premium, if any) and interest to the date of the deposit or to the stated maturity, as the case may be,

then the subordinated indenture will cease to be of further effect (except as to our obligations to pay all other sums due pursuant to the subordinated indenture and to provide the officers' certificates and opinions of counsel described therein), and we will be deemed to have satisfied and discharged the subordinated indenture. At our expense the

subordinated indenture trustee will execute proper instruments acknowledging such satisfaction and discharge.

REDEMPTION

Unless otherwise indicated in the applicable prospectus supplement, the subordinated debentures will not be subject to any sinking fund.

Unless otherwise indicated in the applicable prospectus supplement, we may redeem, at our option, the subordinated debentures in whole at any time or in part from time to time, at the redemption price set forth in the applicable prospectus supplement plus accrued and unpaid interest to the date fixed for redemption. If the subordinated debentures can only be redeemed on or after a specified date or upon the satisfaction of additional conditions, then the applicable prospectus supplement will specify such date or describe such conditions.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of subordinated debentures to be redeemed at such holder's registered address. Unless we default in the payment of the redemption price, interest will cease to accrue on the subordinated debentures or portions thereof called for redemption on and after the redemption date.

GOVERNING LAW

The subordinated indenture and the subordinated debentures will be governed by and construed in accordance with the laws of the State of New York.

INFORMATION CONCERNING THE SUBORDINATED INDENTURE TRUSTEE

The subordinated indenture trustee will have and be subject to all the duties and responsibilities imposed upon an indenture trustee under the Trust Indenture Act. Subject to such provisions, the subordinated indenture trustee has no obligation to exercise any of its rights or powers under the subordinated indenture at the request or direction of any holder of a subordinated debenture, unless the subordinated indenture trustee is offered reasonable security or indemnity by such holder against the costs, expenses and liabilities that might be incurred thereby. The subordinated indenture trustee is not required to expend or risk its own funds or otherwise incur any personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the subordinated indenture trustee reasonably believes that repayment of funds or adequate indemnity is not reasonably assured to it.

DESCRIPTION OF TRUST PREFERRED SECURITIES

The following description of certain terms of the trust preferred securities is a summary and is not complete. You should refer to the Trust Indenture Act and the form of the amended and restated declaration of trust, including definitions of certain terms used therein, that is filed as an exhibit to, or incorporated by reference into, the registration statement.

The regular trustees, on behalf of the Trust and pursuant to the declaration of trust, will issue one class of trust preferred securities and one class of trust common securities. The trust securities will represent undivided beneficial ownership interests in the assets of the Trust.

GENERAL

Except as described below, the trust preferred securities will rank equally, and payments will be made thereon proportionately, with the trust common securities. The property trustee of the Trust will hold legal title to the debt securities in trust for the benefit of the holders of the trust securities. We will execute a guarantee agreement for the benefit of the holders of the trust preferred securities. The guarantee will not guarantee the payment of distributions (as defined below) or any amounts payable on redemption or liquidation of the trust preferred securities when the Trust does not have funds on hand available to make such payments. Certain material United States federal income tax consequences and special

considerations applicable to the trust preferred securities will be described in the applicable prospectus supplement.

DISTRIBUTIONS

Distributions on each trust preferred security will accumulate and be payable at a rate specified in the applicable prospectus supplement. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed per 30-day month unless otherwise specified in the applicable prospectus supplement. Distributions that are in arrears will accumulate additional distributions at the rate per annum if and as specified in the applicable prospectus supplement. The term "distributions" means cumulative cash distributions that accumulate at the per annum rate specified in the applicable prospectus supplement, together with any additional amounts unless otherwise stated.

Unless otherwise specified in the applicable prospectus supplement, distributions on the trust preferred securities will be cumulative, will accumulate from the date of original issuance and will be payable on such dates as are specified in the applicable prospectus supplement. If the date on which any distributions on the trust securities are payable is not a business day (as defined below), then payment of such distributions will be made on the next business day (without any interest or other payment in respect of any such delay), provided that if such next business day falls in the next calendar year, then payment of such distributions will be made on the business day immediately preceding the payment date. A "business day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York City are authorized or required by law or executive order to remain closed, or a day on which the indenture trustee, or the principal office of the property trustee, is closed for business.

If provided in the applicable prospectus supplement, we will have the right under the indenture to defer payments of interest on the debt securities from time to time by extending the applicable interest payment period for a period or periods that will be specified in the applicable prospectus supplement. If we exercise our right to defer interest payments on the debt securities, then any payments of distributions on the trust preferred securities also would be deferred. During an extension period, interest will continue to accrue on the debt securities (compounded quarterly), and, as a result, distributions would continue to accumulate at the rate per annum if and as specified in the applicable prospectus supplement. During any extension period, we may not:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of our capital stock;

- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank equally with or junior in interest to the debt securities or make any guarantee payments with respect to any guarantee by us of the debt of any subsidiary of ours if such guarantee ranks equally with or junior in interest to the debt securities.

However, even during an extension period, we may:

- purchase or acquire our capital stock in connection with the satisfaction by us of our obligations under any employee benefit plans or pursuant to any contract or security outstanding on the first day of any extension period requiring us to purchase our capital stock;

- reclassify our capital stock or exchange or convert one class or series of our capital stock for another class or series of our capital stock;

- purchase fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged;

- declare dividends or distributions in our capital stock;

- redeem or repurchase any rights pursuant to a rights agreement; and

- make payments under the guarantee related to the trust preferred securities.

Prior to the termination of any extension period, we may further extend the extension period, but the total duration of any extension period may not exceed 20 consecutive quarters or extend beyond the stated maturity of the debt securities. Once any extension period terminates and we have paid all amounts then due, we may commence a new extension period, provided that such extension period together with all extensions thereof may not exceed 20 quarters or extend beyond the stated maturity of the debt securities. Once an extension period has terminated, any deferred distributions, including accumulated additional amounts, will be paid to those holders of record of the trust securities appearing on the books and records of the Trust on the first record date, following the termination of such extension period.

It is expected that any revenue available for the payment of distributions to holders of the trust preferred securities will be limited to payments we make to the Trust under the debt securities. If we do not make interest payments on the debt securities, then the property trustee will not have any funds available to pay distributions on the trust preferred securities. The payment of distributions (if and to the extent the Trust has funds legally available for the payment of such distributions and cash sufficient to make such payments) is guaranteed by us as set forth under "Description of the Guarantee."

The property trustee will pay distributions to the holders of the trust preferred securities as such holders appear on the Trust's securities register on the relevant record dates. As long as the trust preferred securities are represented by one or more global securities, the relevant record dates will be the close of business on the business day next preceding each distribution date, unless a different regular record date is established or provided for the corresponding interest payment date on the debt securities. If any trust preferred securities are not represented by global securities, then the relevant record date for such trust preferred securities will be the date, at least 15 days prior to the relevant distribution date, that is specified in the applicable prospectus supplement.

REDEMPTION OR EXCHANGE

MANDATORY REDEMPTION. Unless otherwise specified in the applicable prospectus supplement, if the debt securities held by the Trust are repaid or redeemed in whole or in part, either upon their maturity date or earlier, then the property trustee will use the proceeds from such repayment or redemption to redeem trust securities having an aggregate liquidation amount equal to the aggregate principal amount of the debt securities being repaid or redeemed. The redemption price per trust security will be equal to the aggregate stated amount of the trust securities being redeemed plus any accumulated and unpaid distributions thereon to the date of redemption plus the related amount of the premium, if any, we paid upon the concurrent redemption of the debt securities. In the event of a partial redemption, the trust securities will be redeemed among all of the holders of trust securities on a pro rata basis. Holders of the trust securities will receive at least 30 days but not more than 60 days notice of such redemption.

TAX EVENT REDEMPTION. If a tax event (as defined below) occurs and is continuing, we will have the right to redeem the debt securities in whole (but not in part) and thereby cause a mandatory redemption of the trust securities in whole (but not in part) at the redemption price within 90 days following the occurrence of such tax event. In the event a tax event has occurs and is continuing and we do not elect to redeem the debt securities (thereby causing a mandatory redemption of the trust preferred securities) or to liquidate the Trust (causing the debt securities to be distributed to holders of the trust securities), the trust preferred securities will remain outstanding.

"Tax event" means the receipt by us and the Trust of an opinion of counsel, rendered by Blackwell Sanders Peper Martin LLP or another law firm having a recognized national tax practice, to the effect that, as a result of any

amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative decision, pronouncement, judicial decision or action interpreting or applying such laws or regulations, which amendment or change is effective or such proposed change, pronouncement, action or decision is announced on or after the date on which the trust preferred securities are issued and sold, there is more than an insubstantial increase in the risk that:

- the Trust is, or within 90 days of the date of such opinion will be, subject to United States federal income tax with respect to income received or accrued on the debt securities;

- interest payable by us on the debt securities is not, or within 90 days of the date of such opinion, will not be, deductible by us, in whole or in part, for United States federal income tax purposes; or

- the Trust is, or within 90 days of the date of such opinion will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

DISTRIBUTION OF DEBT SECURITIES. Unless otherwise specified in the applicable prospectus supplement, we will have the right to dissolve the Trust

at any time and, after satisfaction of any liabilities to creditors of the Trust as provided by applicable law, to cause the debt securities to be distributed pro rata to the holders of the trust securities in liquidation of the Trust.

After the date fixed for any distribution of debt securities;

- the trust preferred securities will no longer be deemed to be outstanding; and

- any certificates representing the preferred securities will be deemed to represent debt securities in a principal amount equal to the liquidation amount of the trust preferred securities, bearing accrued and unpaid interest in an amount equal to the accumulated and unpaid distributions on the trust preferred securities, until such certificates are presented to the regular trustees or their agent for transfer or reissuance.

There can be no assurance as to the market prices for the trust preferred securities or for the debt securities that may be distributed in exchange for trust preferred securities upon dissolution or liquidation of the Trust. Accordingly, the trust preferred securities that an investor may purchase, or the debt securities that such investor may receive upon dissolution or liquidation of the Trust, may trade at a discount to the price that such investor paid to purchase the trust preferred securities offered hereby.

REDEMPTION PROCEDURES

Any trust preferred securities being redeemed will be redeemed by the Trust at the applicable redemption price with the proceeds received by the Trust from our contemporaneous redemption of the debt securities. Redemptions of trust preferred securities will be made and the applicable redemption price will be payable only to the extent that the Trust has funds on hand available for the payment of such redemption price.

If the Trust notifies the holders of the trust preferred securities of a redemption and if the trust preferred securities to be redeemed are issued in global form, then on the applicable redemption date, the property trustee will deposit irrevocably with the depositary for the trust preferred securities funds sufficient to pay the applicable redemption price, to the extent funds are available. In addition, the property trustee will give the depositary irrevocable instructions and authority to pay the redemption price to the beneficial owners of the trust preferred securities. If the trust preferred securities are not issued in global form, then the property trustee will pay the applicable redemption price to the holders of the trust preferred securities by check mailed to their respective addresses appearing on the register of

the Trust on the redemption date. In addition, the property trustee will give such paying agent irrevocable instructions and authority to pay the redemption price to the holders of the trust preferred securities upon surrender of their certificates evidencing the trust preferred securities. Notwithstanding the foregoing, distributions payable on or prior to a redemption date for the trust preferred securities will be payable to the holders of the trust preferred securities on the relevant record dates for the related distribution dates. If a notice of redemption has been given and funds have been deposited as required, then upon the date of such deposit, all of the rights of the holders of the trust preferred securities to be redeemed will cease, except for the right of such holders to receive the redemption price (without interest thereon), and the trust preferred securities will cease to be outstanding. If the redemption date is not a business day, then payment of the applicable redemption price will be made on the next business day (and without any interest or other payment in respect of any such delay). If, however, the next business day falls in the next calendar year, then payment of the redemption price will be made on the business day immediately preceding the redemption date.

If any payments for the redemption of any trust preferred securities are improperly withheld or refused and not paid either by the Trust or by us pursuant to the guarantee relating to the trust preferred securities, then distributions on the trust preferred securities will continue to accumulate at the then applicable rate, from the redemption date originally established by the Trust until the date upon which such redemption payments actually are paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the applicable redemption price.

Subject to applicable law (including, without limitation, U.S. federal securities laws), we or our subsidiaries may purchase at any time and from time to time outstanding preferred securities by tender, in the open market or by private agreement.

Any notice of the redemption of trust securities or the distribution of debt securities in exchange for trust securities will be mailed to each holder of trust preferred securities being so redeemed at least 30 days but not more than 60 days before the applicable redemption date, at such holder's registered address. Unless we default in the payment of the redemption price on the debt securities, interest will cease to accrue on the debt securities or portions thereof (and distributions will cease to accumulate on the trust preferred securities or portions thereof) called for redemption on and after the redemption date.

SUBORDINATION OF TRUST COMMON SECURITIES

The payment of distributions on, and any payment upon redemption of, the trust preferred securities and trust common securities, as applicable, will be

made pro rata based on their respective liquidation amounts. If, however, an event of default under the indenture (which is also a "trust enforcement event" under the declaration of trust) has occurred and continues on any distribution date or redemption date, then the amounts payable on such date will not be made on any of the trust common securities, and no other payment on account of the redemption, liquidation or other acquisition of any trust common securities will be made until all accumulated and unpaid distributions or redemption payments, as the case may be, on all of the outstanding trust preferred securities for which distributions are to be paid or that have been called for redemption, as the case may be, are fully paid. All funds available to the property trustee first will be applied to the payment in full in cash of all distributions on, or the redemption price of, the trust preferred securities then due and payable. The Trust will not issue any securities or other interests in the assets of the Trust other than the trust preferred securities and the trust common securities.

In the event that a trust enforcement event has occurred and is continuing with respect to the trust preferred securities, then we, as sole holder of the trust common securities, will be deemed to have waived any right to act with respect to any such trust enforcement event until

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the effect of such trust enforcement event with respect to the trust preferred securities has been cured, waived or otherwise eliminated. Until such trust enforcement event has been so cured, waived or otherwise eliminated, the property trustee will act solely on behalf of the holders of the trust preferred securities and not on behalf of us, as holder of the trust common securities, and only the holders of the trust preferred securities will have the right to direct the property trustee to act on their behalf.

DISSOLUTION OF THE TRUST AND DISTRIBUTIONS UPON DISSOLUTION

Unless otherwise specified in the applicable prospectus supplement, pursuant to the declaration of trust, the Trust will automatically dissolve upon the expiration of its term or, if earlier, shall dissolve on the first to occur of:

- certain events of bankruptcy, dissolution or liquidation of UtiliCorp;
- the written direction to the property trustee from us at any time to dissolve the Trust and to distribute the debt securities in exchange for the trust securities;
- redemption of all of the trust preferred securities; and
- the entry of an order for the dissolution of the Trust by a court of competent jurisdiction.

If an early dissolution occurs as described in the first, second and fourth clauses above, the Trust will be liquidated by the trustees as expeditiously as the trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to the holders of the trust securities in exchange therefor debt securities, unless such distribution is determined by the property trustee not to be practical, in which event the holders of the trust securities will be entitled to receive out of the assets of the Trust distributions in cash or other immediately available funds to the extent such funds are available for distribution after satisfaction of the Trust's liabilities to any creditors. The amount of each liquidation distribution will be equal to the stated liquidation amount plus accumulated and unpaid distributions thereon to the date of payment. If, however, debt securities are to be distributed in connection with such liquidation, then the holders of the trust securities will receive debt securities in an aggregate principal amount equal to the stated liquidation amount of the trust securities, with an interest rate identical to the distribution rate of, and accrued and unpaid interest equal to accumulated and unpaid distributions on, such trust securities.

If the liquidation distribution can be paid only in part because the Trust has insufficient assets available to pay the aggregate amount in full, then the amounts payable directly by the Trust on the trust securities will be paid on a pro rata basis. We, as sole holder of the trust common securities, will be entitled to receive liquidation distributions on a pro rata basis with the holders of the trust preferred securities, except that if an event of default under the indenture has occurred and is continuing, then the trust preferred securities will have a preference over the trust common securities with regard to such liquidation distributions.

TRUST ENFORCEMENT EVENTS; NOTICE

Under the declaration of trust, holders of trust securities have certain rights in the event that any event of default under the indenture has occurred and continues with respect to the trust securities issued under the declaration. If a trust enforcement event has occurred and is continuing, the trust preferred securities will have a preference over the trust common securities upon dissolution of the Trust, as described above.

The property trustee will transmit by mail, first class postage prepaid, notice of each trust enforcement event to the holders of the trust securities within 90 days of the occurrence of the trust enforcement event. We and the regular trustees are required to file annually with the property trustee a certificate as to whether or not we are in compliance with all the conditions and covenants applicable to us under the declaration of trust as well as any reports that they may be required to file under the Trust Indenture Act.

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REMOVAL OF TRUSTEES

The holder of the trust common securities may remove any trustee with or without cause at any time. The removal of a property trustee, however, will not be effective until a successor trustee possessing the qualifications to act as a property trustee has accepted an appointment as property trustee in accordance with the provisions of the declaration of trust.

MERGER OR CONSOLIDATION OF TRUSTEES

Any entity into which the property trustee, the Delaware trustee or any regular trustee that is not a natural person may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which such trustee may be a party, or any entity succeeding to all or substantially all the corporate trust business of such trustee, will be the successor of such trustee under the declaration of trust, provided that such entity is otherwise qualified and eligible.

MERGERS, CONSOLIDATIONS OR AMALGAMATIONS

The Trust may not consolidate with, convert into, amalgamate or merge with or into, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described below. At our request and with the consent of a majority of the regular trustees, and without the consent of the holders of the trust preferred securities, the Delaware trustee or the property trustee, the Trust may consolidate with, convert into, amalgamate or merge with or into, be replaced by or convey, transfer or lease its properties substantially as an entirety to a trust organized under the laws of any state. Such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease will be subject, however, to the following limitations:

- if the Trust is not the successor entity, then the successor entity either must:
  - expressly assume all of the Trust's obligations with respect to the trust securities; or
  - substitute for the trust securities other securities having substantially the same terms as the trust securities, so long as these substitute securities rank the same as the trust securities with respect to distributions and payments upon liquidation, redemption and otherwise;
- we must expressly appoint a trustee of a successor entity possessing the same powers and duties as the property trustee as the holder of the debt securities;
- the trust preferred securities or any substitute securities must be listed, or any substitute securities must be listed upon notification of issuance, on any national securities exchange or with any other organization on which the trust preferred securities are then listed or quoted;
- such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease must not cause the trust preferred securities (including any substitute securities) to be downgraded by any nationally recognized statistical rating organization;
- such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease must not adversely affect the rights, preferences and privileges of the holders of the trust preferred securities (including any substitute securities) in any material respect;
- such successor entity must have a purpose substantially identical to that of the Trust;
- prior to such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease, we must have received an opinion of independent counsel to the Trust experienced in such matters to the effect that:
  - such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the

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holders of the trust securities (including any substitute securities) in any material respect;

- following such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease, neither the Trust nor such successor entity will be required to register as an investment company under the Investment Company Act; and
- following such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease, the Trust (or the successor entity) will continue to be classified as a grantor trust for United States federal income tax purposes;

- we or any permitted successor or assignee must own all of the trust common securities and must guarantee the obligations of such successor entity under the substitute securities, at least to the extent provided by the guarantee related to the trust preferred securities; and

- such successor entity must expressly assume all of the obligations of the Trust.

Notwithstanding the foregoing, unless holders of 100% in aggregate liquidation amount of the trust securities give their consent, the Trust will not consolidate with, convert into, amalgamate or merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to, any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if such consolidation, conversion, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the successor entity to be classified as other than a grantor trust for United States federal income tax purposes or would cause each holder of trust securities not to be treated as owning an undivided beneficial ownership interest in the debt securities.

VOTING RIGHTS; AMENDMENT OF DECLARATION

Except as provided below and as otherwise required by the declaration of trust, the Delaware Business Trust Act, the Trust Indenture Act and other applicable law, the holders of the trust securities will have no voting rights.

Subject to the requirement of the property trustee obtaining a tax opinion in certain circumstances set forth in the last sentence of this paragraph, the holders of not less than a majority in aggregate liquidation amount of the trust preferred securities, voting separately as a class, have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee, or to direct the exercise of any trust or power conferred upon the property trustee under the declaration of trust. This includes the right to direct the property trustee, as holder of the debt securities, to:

- exercise the remedies available to it under the indenture;

- consent to any amendment or modification of the indenture or the debt securities where such consent will be required; or

- waive any past default and its consequences that is waivable under the indenture; provided that if an event of default under the indenture has occurred and is continuing, then the holders of not less than 25% of the aggregate liquidation amount of the trust preferred securities may direct the property trustee to declare the principal of and interest on the debt securities due and payable; and provided further that where a consent or action under the indenture would require the consent or act of the holders of more than a majority of the aggregate principal amount of debt securities affected thereby, the property trustee only may give such consent or take such action at the direction of the holders of at least the same proportion in aggregate stated liquidation amount of the preferred securities.

The property trustee will notify all holders of the trust preferred securities of any notice of any event of default under the indenture that it has received from us. The notice will state that the event of default also constitutes a trust enforcement event. Except with respect to directing the time, method and place of conducting a proceeding for a remedy, the property trustee will have no obligation to take any of the actions described in the first and second bullets above unless it first obtains an opinion of independent tax counsel experienced in such matters to the effect that, as a result of such action, the Trust will not fail to be classified as a grantor trust for United States federal income tax purposes and that each holder of trust securities will be treated as owning an undivided beneficial ownership interest in the debt securities.

In the event the consent of the property trustee, as the holder of the debt securities, is required under the indenture with respect to any amendment or modification of the indenture, the property trustee will request the direction of the holders of the trust securities with respect to such amendment or modification and will vote with respect to such amendment or modification as directed by the holders of a majority in stated liquidation amount of the trust securities voting together as a single class; provided that where a consent under the indenture would require the consent of the holders of more than a majority of the aggregate principal amount of the debt securities, the property trustee only may give such consent at the direction of the holders of at least the same proportion in aggregate stated liquidation amount of the trust securities. The property trustee will not take any action in accordance with the directions of the holders of the trust securities unless the property trustee has obtained an opinion of independent tax counsel to the effect that the Trust will not be classified as other than a grantor trust for United States federal income tax purposes as a result of such action, and that each holder of trust securities will be treated as owning an undivided beneficial ownership interest in the debt securities.

A waiver of an event of default under the indenture with respect to the debt securities will constitute a waiver of the corresponding trust enforcement event.

Any required approval or direction of holders of trust preferred securities may be given at a separate meeting of holders of preferred securities convened for such purpose, at a meeting of all of the holders of preferred securities or

pursuant to written consent. The regular trustees will cause a notice of any meeting at which holders of trust preferred securities are entitled to vote to be mailed to each holder of record of trust preferred securities. Each notice will include a statement setting forth:

- the date of the meeting;
- a description of any resolution proposed for adoption at the meeting on which the holders are entitled to vote; and
- instructions for the delivery of proxies.

No vote or consent of the holders of trust preferred securities will be required for the Trust to redeem and cancel trust preferred securities or distribute debt securities in accordance with the declaration of trust and the terms of the trust securities.

Notwithstanding that holders of trust preferred securities are entitled to vote or consent under any of the circumstances described above, any of the trust preferred securities that are owned at such time by us, the trustees or any entity directly or indirectly controlled by, or under direct or indirect common control with, us or any trustee will not be entitled to vote or consent and will, for purposes of such vote or consent, be treated as if such trust preferred securities were not outstanding.

Except during the continuance of an event of default under the indenture, the holders of the trust preferred securities will have no rights to appoint or remove the trustees, who may be appointed, removed or replaced solely by us as the holder of all of the common trust securities. If an event of default has occurred and is continuing, the property trustee and the Delaware trustee may be removed and replaced

by the holders of a majority in liquidation amount of the trust preferred securities.

GLOBAL PREFERRED SECURITIES

Unless otherwise specified in the applicable prospectus supplement, the trust preferred securities may be issued in whole or in part in global form that will be deposited with, or on behalf of, a depositary identified in the applicable prospectus supplement. Global trust preferred securities may be issued only in fully registered form and in either temporary or permanent form. Unless and until a global trust preferred security is exchanged in whole or in part for the individual trust preferred securities represented thereby, the depositary holding the global trust preferred security may transfer the global trust preferred security only to its nominee or successor depositary (or vice versa) and only as a whole. Unless otherwise indicated in the applicable prospectus supplement for the trust preferred securities, the depositary for the global trust preferred securities will be The Depository Trust Company. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. Such limits and laws may impair the ability to transfer beneficial interests in global trust preferred securities.

The specific terms of the depositary arrangement for the trust preferred securities will be described in the applicable prospectus supplement. We expect that the applicable depositary or its nominee, upon receipt of any payment of liquidation amount, premium or distributions in respect of a permanent global trust preferred security representing any of the trust preferred securities, immediately will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the aggregate principal amount of such global trust preferred security as shown on the records of the depositary or its nominee. We also expect that payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name." Such payments will be the responsibility of such participants.

Unless otherwise specified in the applicable prospectus supplement, if at any time the depositary is unwilling, unable or ineligible to continue as a depositary for the trust preferred securities, the Trust will appoint a successor depositary with respect to the trust preferred securities. If a successor depositary is not appointed by the Trust within 90 days after the Trust receives such notice or becomes aware of such ineligibility, the Trust's election that the trust preferred securities be represented by one or more global trust securities will no longer be effective, and a regular trustee on behalf of the Trust will execute, and the property trustee will authenticate and deliver, trust preferred securities in definitive registered form, in any authorized denominations, in an aggregate stated liquidation amount equal to the principal amount of the global trust preferred securities representing the trust preferred securities in exchange for such global trust preferred securities. In addition, the Trust may at any time and in its sole discretion, subject to any limitations described in the applicable prospectus supplement, determine not to have any trust preferred securities represented by one or more global trust preferred securities, and, in such event, a regular trustee on behalf of the Trust will execute and the property trustee will authenticate and deliver trust preferred securities in definitive registered form, in an aggregate stated liquidation amount equal to the principal amount of the global trust preferred securities representing such trust preferred securities, in exchange for such global trust preferred securities.

PAYMENT AND PAYING AGENCY

Payments in respect of the trust preferred securities will be made to the applicable depositary, which will credit the relevant participants' accounts on the applicable distribution dates or, if the trust preferred securities are not held by a depositary, such payments will be made by check mailed to the address of the holder of the trust preferred security that appear on the Trust's security register. Unless otherwise specified in the applicable prospectus supplement, the paying agent for the trust preferred securities initially

will be the property trustee. The paying agent will be permitted to resign as paying agent upon 30 days' written notice to the property trustee and us.

REGISTRAR AND TRANSFER AGENT

Unless otherwise specified in the applicable prospectus supplement, the property trustee will act as registrar and transfer agent for the trust preferred securities.

Registration of transfers of trust preferred securities will be made without charge by or on behalf of the Trust, but the Trust may require payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange of trust preferred securities.

INFORMATION CONCERNING THE PROPERTY TRUSTEE

The property trustee will not be liable for any action taken, suffered or omitted to be taken by it without negligence, in good faith and reasonably believed by it to be authorized or within the discretion, rights or powers conferred upon it by the declaration of trust. The property trustee will be under no obligation to exercise any rights or powers vested in it by the declaration of trust at the request of a holder of trust securities, unless the holder provides the property trustee security and indemnity, reasonably satisfactory to the property trustee, against the costs and expenses and liabilities that might be incurred.

DESCRIPTION OF THE GUARANTEE

The following description of certain terms and provisions of the guarantee is a summary and is not complete. You should refer to the form of guarantee (including the definitions therein of certain terms) that is filed as an exhibit to, or incorporated by reference into, the registration statement, and to the Trust Indenture Act.

Pursuant to and for the purposes of compliance with the Trust Indenture Act, the guarantee will qualify as an indenture.

GENERAL

To the extent set forth in the guarantee and except to the extent paid by the Trust, we will irrevocably and unconditionally agree to pay the holders of the trust securities the guarantee payments (as defined below), in full, as and when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. The payments subject to the guarantee include:

- any accumulated and unpaid distributions that are required to be paid on the trust securities, to the extent the Trust has funds available therefor;
- the redemption price, including all accumulated and unpaid distributions to the date of redemption, with respect to the trust securities, to the extent the Trust has funds available therefor;
- the repayment price, including all accumulated and unpaid distributions to the date of repayment, to the extent the Trust has funds available therefor; and
- upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (other than in connection with the distribution of debt securities to the holders in exchange for the trust securities, as provided in the declaration of trust), the lesser of:
  - the aggregate of the stated liquidation amount and all accumulated and unpaid distributions on the trust securities to the date of payment, to the extent the Trust has funds available therefor; and
  - the amount of assets of the Trust remaining available for distribution to holders of the trust securities in liquidation of the Trust.

Our obligation to make a guaranteed payment may be satisfied by direct payment of the required amounts by us to the holders of trust

preferred securities or by causing the Trust to pay such amounts to such holders.

If a trust enforcement event has occurred and is continuing, the rights of holders of the trust common securities to receive guaranteed payments will be subordinated to the rights of holders of trust preferred securities to receive guaranteed payments.

The guarantee will apply only to the extent the Trust has funds available to make payments with respect to the trust securities. If we do not make interest payments on the debt securities owned by the Trust, the Trust will not have funds available to pay distributions on the trust preferred securities.

Through the guarantee, the debt securities and the indenture, taken together, we have fully and unconditionally guaranteed all of the Trust's obligations under the trust securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of the documents that has the effect of providing a full and unconditional guarantee of the Trust's obligations under the declaration of trust.

STATUS OF THE GUARANTEE

The guarantee will constitute a guarantee of payment and not of collection. Any beneficiary of the guarantee may institute a legal proceeding directly against us to enforce such rights under the guarantee without instituting a legal proceeding against any other person or entity.

CERTAIN COVENANTS OF UTILICORP

We will covenant that, so long as any trust securities remain outstanding, if an event of default occurs under the guarantee or a trust enforcement event occurs under the declaration of trust and written notice of such event has been given to us, then we may not:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to any of our capital stock; or

- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt that ranks equally with or junior in interest to the debt securities or make any guarantee payments with respect to any guarantee by us of the debt of any subsidiary of ours if such guarantee ranks equally with or junior in interest to the debt securities.

However, even if an event of default occurs, we may:

- purchase or acquire our capital stock in connection with the satisfaction by us of our obligations under any employee benefit plans or pursuant to any contract or security outstanding on the first day of any event of default requiring us to purchase our capital stock;

- reclassify our capital stock or exchange or convert one class or series of our capital stock for another class or series of our capital stock;

- purchase fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged;

- declare dividends or distributions in our capital stock;

- redeem or repurchase of any rights pursuant to a rights agreement; and

- make payments under the guarantee related to the trust preferred securities.

AMENDMENTS; ASSIGNMENT

Except with respect to any changes that do not adversely affect the rights of holders of the trust securities in any material respect (that do not require the consent of holders), the guarantee may be amended only with the prior approval of the holders of at least a majority in liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid distributions to the date upon which the voting percentages are determined) of all the outstanding trust securities. All guarantees and agreements

contained in the guarantee will bind the successors, assigns, receivers, trustees and representatives of ours and will inure to the benefit of the holders of the trust securities then outstanding.

EVENTS OF DEFAULT

An event of default under the guarantee will occur upon our failure to perform any of our payment or other obligations thereunder.

The holders of a majority in stated liquidation amount of the trust securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee in respect of the guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee under the guarantee. If the guarantee trustee fails to enforce the guarantee, any holder of trust securities may institute a legal proceeding directly against us to enforce its rights under the guarantee, without first instituting a legal proceeding against the Trust, the guarantee trustee or any other person. Notwithstanding the foregoing, if we fail to make a guaranteed payment, a holder of trust securities may directly institute a proceeding against us for enforcement of the guarantee for such payment.

We, as guarantor, are required to file annually with the guarantee trustee a certificate indicating whether or not we are in compliance with all of the conditions and obligations applicable to us under the guarantee.

TERMINATION

The guarantee will terminate:

- upon full payment of the redemption price of all of the trust securities;
- upon full payment of the repayment price of all of the trust securities;
- upon distribution of the debt securities held by the Trust to the holders of the trust securities; or
- upon full payment of the amounts payable in accordance with the declaration of trust upon liquidation of the Trust.

The guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of the trust securities must return payment of any sums paid under the trust securities or the guarantee.

INFORMATION CONCERNING THE GUARANTEE TRUSTEE

The guarantee trustee, prior to the occurrence of a default with respect to the guarantee, will undertake to perform only those duties specifically set forth in the guarantee and, after a default that has not been cured or waived, will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Subject to such provisions, the guarantee trustee will be under no obligation to exercise any of the rights or powers vested in it by the guarantee at the request or direction of any holder of the trust securities, unless such holder provides the guarantee trustee security and indemnity, reasonably satisfactory to the guarantee trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the guarantee trustee's agents, nominees or custodians) and liabilities that might be incurred thereby. The foregoing will not relieve the guarantee trustee, upon the occurrence of an event of default under the guarantee, of its obligation to exercise the rights and powers vested in it by the guarantee.

GOVERNING LAW

The guarantee will be governed by, construed and interpreted in accordance with the laws of the State of New York.

RELATIONSHIP AMONG THE PREFERRED SECURITIES, THE DEBT SECURITIES AND THE GUARANTEE

To the extent set forth in the guarantee and to the extent funds are available, we will irrevocably guarantee the payment of distributions and other amounts due on the trust securities. If and to the extent we do not make payments on the debt securities, the Trust will

not have sufficient funds to pay distributions or other amounts due on the trust securities. The guarantee does not cover any payment of distributions or other amounts due on the trust securities unless the Trust has sufficient funds for the payment of such distributions or other amounts. In such event, a holder of trust securities may institute a legal proceeding directly against us to enforce payment of such distributions or other amounts to such holder after the respective due dates. Taken together, our obligations under the debt securities, the indenture and the guarantee provide a full and unconditional guarantee of payments of distributions and other amounts due on the trust securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that provides a full and unconditional guarantee of the Trust's obligations under the trust securities.

SUFFICIENCY OF PAYMENTS

As long as payments of interest and other amounts are made when due on the debt securities, such payments will be sufficient to cover distributions and payments due on the trust securities because of the following factors:

- the aggregate principal amount of the debt securities will be equal to the sum of the aggregate stated liquidation amount of the trust securities;
- the interest rate and the interest and other payment dates on the debt securities will match the distribution rate and distribution and other payment dates for the trust securities;
- we, as issuer of the debt securities, will pay, and the Trust will not be obligated to pay, directly or indirectly, all costs, expenses, debts and obligations of the Trust (other than with respect to the trust securities); and
- the declaration of trust further provides that the Trust will not engage in any activity that is not consistent with the limited purposes of the Trust.

Notwithstanding anything to the contrary in the indenture, we have the right to set-off any payment we are otherwise required to make thereunder against and

to the extent we have already made, or are concurrently on the date of such payment making, a related payment under the guarantee.

ENFORCEMENT RIGHTS OF HOLDERS OF PREFERRED SECURITIES

The declaration of trust provides that if we fail to make interest or other payments on the debt securities when due (taking account of any extension period), the holders of the trust preferred securities may direct the property trustee to enforce its rights under the subordinated indenture. If the property trustee fails to enforce its rights under the indenture in respect of an event of default under the indenture, any holder of record of trust preferred securities may, to the fullest extent permitted by applicable law, institute a legal proceeding against us to enforce the property trustee's rights under the indenture without first instituting any legal proceeding against the property trustee or any other person or entity. Notwithstanding the foregoing, if a trust enforcement event has occurred and is continuing and such event is attributable to our failure to pay interest or principal on the debt securities on the date such interest or principal is otherwise payable, then a holder of trust preferred securities may institute a direct action against us for payment.

If we fail to make payments under the guarantee, a holder of trust preferred securities may institute a proceeding directly against us for enforcement of the guarantee for such payments.

LIMITED PURPOSE OF TRUST

The trust preferred securities evidence undivided beneficial ownership interests in the Trust, and the Trust exists for the sole purpose of issuing and selling the trust securities and using the proceeds to purchase our debt securities. A principal difference between the rights of a holder of trust preferred securities and a holder of debt securities is that a holder of debt securities is entitled to receive from us

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the principal amount of and interest accrued on the debt securities held, while a holder of trust preferred securities is entitled to receive distributions and other payments from the Trust (or from us under the guarantee) only if and to the extent the Trust has funds available for the payment of such distributions and other payments.

RIGHTS UPON DISSOLUTION

Upon any voluntary or involuntary dissolution, winding-up or liquidation of the Trust involving the redemption or repayment of the debt securities, the holders of the trust securities will be entitled to receive, out of assets held by the Trust, subject to the rights of creditors of the Trust, if any, the liquidation distribution in cash. Because we are the guarantor under the guarantee and, as issuer of the debt securities, have agreed to pay for all costs, expenses and liabilities of the Trust (other than the Trust's obligations to the holders of the trust securities), the positions of a holder of trust securities and a holder of debt securities relative to other creditors and to our stockholders in the event of liquidation or bankruptcy of UtiliCorp would be substantially the same.

DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

We may issue stock purchase contracts, including contracts obligating holders to purchase from us, and us to sell to the holders, a specified number of shares of common stock at a future date or dates, which we refer to herein as "stock purchase contracts." The price per share of common stock and the number of shares of common stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. The stock purchase contracts may be issued separately or as part of units consisting of a stock purchase contract and debt securities, trust preferred securities or debt obligations of third parties, including U.S. treasury securities, securing the holders' obligations to purchase the common stock under the stock purchase contracts, which we refer to herein as "stock purchase units." The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and such payments may be unsecured or refunded on some basis. The stock purchase contracts may require holders to secure their obligations thereunder in a specified manner.

The applicable prospectus supplement will describe the terms of the stock purchase contracts or stock purchase units. The description in the prospectus supplement will not necessarily be complete, and reference will be made to the stock purchase contracts, and, if applicable, collateral or depositary arrangements, relating to the stock purchase contracts or stock purchase units. Material United States federal income tax considerations applicable to the stock purchase units and the stock purchase contracts will also be discussed in the applicable prospectus supplement.

PLAN OF DISTRIBUTION

We and the Trust may sell securities in any of three ways:

- through underwriters or dealers;
- directly to a limited number of institutional purchasers or to a single purchaser; or

- through agents.

Any underwriter, dealer or agent, may be deemed to be an underwriter within the meaning of the Securities Act of 1933. The terms of the offering of the securities with respect to which this prospectus is being delivered will be set forth in the applicable prospectus supplement and will include:

- the name or names of any underwriters, dealers or agents;

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- the purchase price of the securities and the proceeds to us from such sale;

- any underwriting discounts and other items constituting underwriters' compensation;

- the public offering price; and

- any discounts or concessions which may be allowed or reallowed or paid to dealers and any securities exchanges on which the securities may be listed.

If underwriters are used in the sale of securities, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by one or more underwriters acting alone. Unless otherwise set forth in the applicable prospectus supplement, the obligations of the underwriters to purchase the securities described in the applicable prospectus supplement will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all of the securities if any are so purchased by them. Any public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

The securities may be sold from time to time directly by us or the Trust through agents designated by us or the Trust. Any agents involved in the offer or sale of the securities in respect of which this prospectus is being delivered, and any commissions payable by us or the Trust to such agents, will be set forth in the applicable prospectus supplement. Unless otherwise indicated in the applicable prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment.

If dealers are utilized in the sale of any securities, we or the Trust will sell the securities to the dealers, as principals. Any dealer may resell the securities to the public at varying prices to be determined by the dealer at the time of resale. The name of any dealer and the terms of the transaction will be set forth in the prospectus supplement with respect to the securities being offered.

Securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms, which we refer to herein as the "remarketing firms," acting as principals for their own accounts or as our or the Trust's agents, as applicable. Any remarketing firm will be identified and certain terms of its agreement, if any, with us or the Trust and its compensation will be described in the applicable prospectus supplement. Remarketing firms may be deemed to be underwriters, as that term is defined in the Securities Act in connection with the securities remarketed thereby.

If so indicated in the applicable prospectus supplement, we or the Trust will authorize agents, underwriters or dealers to solicit offers by certain specified institutions to purchase the securities to which this prospectus and the applicable prospectus supplement relates from us or the Trust at the public offering price set forth in the applicable prospectus supplement, plus, if applicable, accrued interest, pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. These contracts will be subject only to those conditions set forth in the applicable prospectus supplement, and the applicable prospectus supplement will set forth the commission payable for solicitation of the contracts.

Underwriters will not be obligated to make a market in any securities. No assurance can be given regarding the activity of trading in, or liquidity of, any securities.

Agents, dealers, underwriters and remarketing firms may be entitled, under agreements entered into with us or the Trust (or both), to indemnification by us or the Trust (or both) against certain civil liabilities, including liabilities under the Securities Act, or to contribution to payments they may be required to make in respect thereof. Agents, dealers, underwriters and remarketing firms may be

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customers of, engage in transactions with, or perform services for, us and/or the Trust in the ordinary course of business.

Each series of securities will be a new issue and, other than the common stock, which is listed on the New York, Pacific and Toronto Stock Exchanges, will have no established trading market. We may elect to list any series of

securities on an exchange, and in the case of the common stock, on any additional exchange, but, unless otherwise specified in the applicable prospectus supplement, we shall not be obligated to do so. No assurance can be given as to the liquidity of the trading market for any of the securities.

Agents, underwriters, dealers and remarketing firms may be customers of, engage in transactions with, or perform services for, us and our subsidiaries in the ordinary course of business.

LEGAL MATTERS

Certain legal matters in connection with the equity securities, the debt securities, the debt securities, the trust preferred securities, the guarantee, the stock purchase contracts and stock purchase units offered by the prospectus will be passed upon for us by Blackwell Sanders Peper Martin LLP, Two Pershing Square, 2300 Main Street, Kansas City, Missouri 64108. Certain matters of Delaware law relating to the validity of the trust preferred securities will be passed upon on behalf of the Trust by Richards, Layton & Finger, P.A., counsel to the Trust. Milbank, Tweed, Hadley & McCloy LLP provides legal services to us from time to time.

EXPERTS

Our annual consolidated financial statements and schedules incorporated in this prospectus by reference from our 1998 Annual Report on Form 10-K have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated herein in reliance upon the authoring of said firm as experts in giving said reports.

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[UTILICORP UNITED LOGO]

SCHEDULES MWC-9
THROUGH MWC-12

THESE DOCUMENTS CONTAIN HIGHLY CONFIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC