

Utilicorp/Saint Joseph Light and Power
Summary of Synergy Benefits, net of Costs to Achieve

UCU/SJLP Projected Merger Cost / Benefit Analysis

Exhibit No. 729
Date Pr 13-00 Case No EM-2000-292
Reporter ma

UCU/SJLP Projected Merger Cost / Benefit Analysis		UCU/SJLP Total Years 1 - 5 000's (A)	UCU/SJLP Total Years 6 - 10 000's (B)	UCU/SJLP Total All 10 Years 000's (C)	Staff Total All 10 Years 000's (D)	Difference All 10 Years 000's (E) (D)-(G)	Staff Total Years 6 - 10 000's (F)
I	Operating Costs - Current Dollars						
	1 Dispatch / Generation Savings	\$26,082	\$33,883	\$59,965	\$2,286	(\$57,679)	\$ 1,829
	2 General & Administrative / Customer Accounts Savings	\$28,442	\$32,484	\$60,926	\$60,926	\$0	\$32,484
	3 Distribution Savings	\$9,249	\$11,122	\$20,371	\$20,371	\$0	\$11,122
	4 Transmission Savings	\$2,591	\$3,180	\$5,771	\$5,771	(\$0)	\$3,180
	5 Conversion to Utilicorp Benefits	\$15,021	\$22,213	\$37,234	\$37,234	\$0	\$22,213
	6 Total O & M Savings	\$81,385	\$102,882	\$184,267	\$126,588	(\$57,679)	\$70,828
II	Capital Savings (Costs)						
	7 Depreciation - Interconnect / SCADA / T&D	(\$1,570)	(\$1,525)	(\$3,095)	(\$3,095)	\$0	(\$1,525)
	8 Amortization of Transaction / Transition Costs	(\$7,545)	(\$7,537)	(\$15,082)	(\$5,223)	\$9,859	\$0
	9 Return on Interconnect SCADA / T&D	(\$4,152)	(\$2,854)	(\$7,006)	(\$7,006)	\$0	(\$2,854)
	10 Return on Transaction / Transition Costs	\$0	\$0	\$0	\$0	\$0	\$0
	11 Total Capital Savings (Costs)	(\$13,267)	(\$11,916)	(\$25,183)	(\$15,324)	\$9,859	(\$4,379)
III	Total Synergies, net of Costs to Achieve	\$68,118	\$90,966	\$159,084	\$111,264	(\$47,820)	\$66,449
IV	Net Enterprise Support Functions Allocated to SJLP						
	12 SJLP Direct Costs transferred to ESF Departments	\$12,050	\$13,633	\$25,683	\$25,683	\$0	\$13,633
	13 SJLP Direct Costs transferred to IBU Departments	\$6,157	\$7,404	\$13,561	\$13,561	(\$0)	\$7,404
	14 ESF and IBU Departments Allocated Back to SJLP	(\$65,049)	(\$73,597)	(\$138,646)	(\$163,341)	(\$24,695)	(\$91,583)
	15 Net UCU Corporate Overhead Depts. Allocated to SJLP	(\$46,842)	(\$52,560)	(\$99,402)	(\$124,097)	(\$24,695)	(\$70,546)
V	16 Total Synergies, net of Costs to Achieve and Allocated Costs	\$21,276	\$38,406	\$59,682	(\$12,832)	(\$72,514)	(\$4,097)
VI	Premium Costs						
	17 Return on Premium	(\$48,399)	(\$41,857)	(\$90,256)	\$0	\$90,256	\$0
	18 Amortization of Premium	(\$11,510)	(\$11,510)	(\$23,020)	\$0	\$23,020	\$0
	19 Reflect non-tax deductibility of Premium	(\$7,673)	(\$7,673)	(\$15,346)	\$0	\$15,346	\$0
	20 Total Premium Cost	(\$67,582)	(\$61,040)	(\$128,622)	\$0	\$128,622	\$0
VI	21 SJLP Share of Premium Costs - 50 %	(\$33,791)	(\$30,520)	(\$64,311)	\$0	\$64,311	\$0
VII	22 Synergies, net of 50 % of Premium	(\$12,515)	\$7,886	(\$4,629)	(\$12,832)	(\$8,203)	(\$4,097)
	23 Average per Year	(\$2,503)	\$1,577	(\$463)	(\$1,283)	(\$820)	(\$819)
	24 Inflation Rate - UCU ESF / IBU Dept. Costs		5.0%				
	25 Inflation Rate - SJLP Costs Transferred to UCU & Savings Estimates		2.5%				