



Missouri Public Service Commission

Commissioners

SHELLA LUMPE  
Chair

M. DIANNE DRAINER  
Vice Chair

CONNIE MURRAY

ROBERT G. SCHEMENAUER

KELVIN L. SIMMONS

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.psc.state.mo.us>

December 5, 2000

BRIAN D. KINKADE  
Executive Director

GORDON L. PERSINGER  
Director, Research and Public Affairs

WESS A. HENDERSON  
Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOLLIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

FILED  
DEC 5 2000

Missouri Public  
Service Commission

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

**RE: Case No. Case No. EM-2000-369-- In the matter of the Joint Application of UtiliCorp United Inc. and The Empire District Electric Company for authority to merge The Empire District Electric Company with and into UtiliCorp United Inc. and, in Connection therewith, certain other related transactions.**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of **STAFF SUGGESTIONS IN SUPPORT OF THE STIPULATION AND AGREEMENT OF UTILICORP, EMPIRE, AND STAFF AS THE CERTAIN ISSUES.**

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

Thank you for your attention to this matter.

Sincerely yours,

Steven Dottheim  
Chief Deputy General Counsel  
(573) 751-7489  
(573) 751-9285 (Fax)

SD/lb  
Enclosure  
cc: Counsel of Record

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

DEC 5 2000

Missouri Public  
Service Commission

In the matter of the Joint Application of )  
UtiliCorp United Inc. and The Empire )  
District Electric Company for authority to )  
merge The Empire District Electric )  
Company with and into UtiliCorp United )  
Inc. and, in connection therewith, certain )  
other related transactions. )

Case No. EM-2000-369

**STAFF'S SUGGESTIONS IN SUPPORT OF THE  
STIPULATION AND AGREEMENT OF UTILICORP,  
EMPIRE AND THE STAFF AS TO CERTAIN ISSUES**

Comes now the Missouri Public Service Commission Staff (Staff) in support of the Stipulation And Agreement of UtiliCorp United Inc. (UtiliCorp), Empire District Electric Company (Empire or EDE) and the Staff, which was filed on November 30, 2000, and states the following:

1. All of the issues in the Stipulation And Agreement of UtiliCorp, Empire and the Staff, which was filed on November 30, 2000, were issues in Case No. EM-2000-292 (In the matter of the Joint Application of UtiliCorp United Inc. and St. Joseph Light & Power Company for authority to merge St. Joseph Light & Power Company with and into UtiliCorp United Inc. and, in connection therewith, certain other related transactions) and were similarly resolved in that case by UtiliCorp, St. Joseph Light & Power Company (SJLP) and the Staff.<sup>1</sup>

<sup>1</sup> Unlike SJLP, Empire is not a gas corporation in addition to being an electrical corporation. Thus, there were three issues raised by the Staff in Case No. EM-2000-292, and resolved in that case, for which there are no counterparts in the instant proceeding. Those issues were denominated by the Staff in the SJLP - UtiliCorp merger case as Gas Supply RFP Condition (Staff witness Anne M. Allee), Gas Peak Load Study Condition (Staff witness Anne M. Allee) and Gas Safety Program Condition (Staff witness Daniel I. Beck). Regarding the Gas Supply RFP Condition, UtiliCorp and SJLP agreed that for the SJLP division of UtiliCorp, UtiliCorp/SJLP would issue requests for proposal for natural gas for resale which would include, but need not be limited to, price ceilings, price floors, fixed prices and index pricing, and

25

In Case No. EM-2000-292, UtiliCorp, SJLP and Staff witnesses addressed the resolved issues when they were on the witness stand. This procedure was not utilized in the EDE-UtiliCorp merger case, for no particular reason, even though the exact same resolution was reached on all of the issues that are common to both merger cases. As a consequence, UtiliCorp, Empire and the Staff submitted the Stipulation And Agreement which was filed with the Commission on November 30, 2000. The Staff would note that the language in the Stipulation And Agreement filed on November 30, 2000 in Case No. EM-2000-369 is just as appropriate for Case No. EM-2000-292 as it is for Case No. EM-2000-369.

2. For each of the settled issues, Pension Funds Condition, Income Taxes Condition, Surveillance Condition and Fuel Energy Cost Information Condition, UtiliCorp and Empire agreed to the condition proposed by the Staff. The Tariff Condition respecting an adoption notice, which was agreed to by UtiliCorp and Empire, was, through an oversight, inadvertently not included in the Staff's testimony in the EDE - UtiliCorp merger case. The Tariff Condition was included in the Staff's rebuttal testimony in the SJLP - UtiliCorp merger case and was agreed to by UtiliCorp and SJLP.

Just as no party to the SJLP - UtiliCorp merger case has taken a position in opposition to the Staff's proposed conditions agreed to by UtiliCorp and SJLP, no party to the instant proceeding has taken a position in opposition to these particular Staff proposed conditions agreed to by UtiliCorp and EDE. The Staff proposed these conditions to address specific

---

UtiliCorp/SJLP would provide to Staff documentation of their analysis of these bids as part of the annual ACA audit process for SJLP. Regarding the Gas Peak Load Study Condition, UtiliCorp and SJLP agreed that UtiliCorp would conduct a thorough, detailed, well documented peak design day study of the SJLP natural gas distribution system to be completed 90 days after the effective date of the Commission's Report And Order approving the merger of UtiliCorp and SJLP, subject to data availability. Regarding the Gas Safety Program Condition, UtiliCorp agreed that after the closing of the merger it would complete the yard line replacement program (replacement of 162 yard lines) agreed to by SJLP in 1999 and scheduled for completion by January 1, 2005.

concerns that the Staff has respecting these particular areas, and there is competent and substantial evidence in the record supporting the Staff's proposed conditions, excepting the Tariff Condition.<sup>2</sup> So long as no party objects to the Tariff Condition, the Staff believes that the record in this case should not present any problem for the Commission, should the Commission be disposed to adopt the Tariff Condition.

Finally, the Staff does not seek to belabor the point, but merely wishes to be clear in its presentation of these conditions by saying that UtiliCorp's and Empire's acceptance of these conditions does not change the Staff's overall recommendation to the Commission that the Commission should not approve the proposed merger.

Wherefore, for the above stated reasons, the Staff requests that the Commission approve the Stipulation And Agreement Of UtiliCorp, Empire and the Staff filed on November 30, 2000.

Respectfully submitted,

DANA K. JOYCE  
General Counsel



Steven Dottheim  
Chief Deputy General Counsel  
Missouri Bar No. 29149  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7489 (Telephone)  
(573) 751-9285 (Fax)

**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered or faxed to all counsel of record as shown on the attached service list this 5th day of December 2000.



---

<sup>2</sup> The Staff witnesses supporting the particular conditions in both merger cases are as follows: Pension Funds Condition (Steve M. Traxler), Income Taxes Condition (Charles R. Hyneman), Surveillance Condition (Roberta A. McKiddy) and Fuel Energy Cost Information Condition (Tom Y. Lin).

**Service List for**  
**Case No. EM-2000-369**  
**Verified: December 5, 2000 (RR)**

**Office of the Public Counsel**  
P.O. Box 7800  
Jefferson City, MO 65102

**James Swearngen/Paul Boudreau**  
Brydon, Swearngen & England, PC  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65102-0456

**Jeffrey Keevil**  
Stewart & Keevil Law Offices  
1001 Cherry St., Ste. 302  
Columbia, MO 65201

**Leslie Jackson Parrette, Jr.**  
Utilicorp Inc.  
20 W. 9th Street  
Kansas City, MO 64105

**James Deutsch**  
Blitz, Bardgett, & Deutsch, LC  
308 East High St., Suite 301  
Jefferson City, MO 65101

**Shelley Woods**  
Assistant Attorney General  
P.O. Box 176  
Jefferson City, MO 65102

**William Jolley**  
Jolley, Walsh, Hurley & Raisher  
204 West Linwood  
Kansas City, MO 64111

**Stuart Conrad**  
Finnegan, Conrad & Peterson  
3100 Broadway, 1209 Penntower Office  
Kansas City, MO 64111

**Mark Comley**  
Newman, Comley & Ruth  
P.O. Box 537  
Jefferson City, MO 65102

**James J. Cook**  
Union Electric Company d/b/a AmerenUE  
P. O. Box 66149 (MC 1310)  
St. Louis, MO 63166