BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AG PROCESSING INC A COOPERATIVE, **Complainant,** **vs.** **KCP&L GREATER MISSOURI OPERATIONS COMPANY,** **Respondent.**	))))))))	**HC-2010-0235**

AG PROCESSING INC A COOPERATIVE MOTION TO CORRECT OR ADJUST RECORD

COMES NOW Complainant AG Processing Inc a Cooperative ("AGP") and, respectfully moves that the EFIS record in this matter be corrected and in support thereof states:

1. This matter was heard on November 18 and 19, 2010.

2. At that hearing, AGP's sole witness was Donald E. Johnstone. Mr. Johnstone submitted direct and rebuttal testimony, marked, respectively as Exhibit 1 and Exhibit 2.

3. As reflected in the transcript at pages 58 and 59,[1/] Mr. Johnstone submitted two revised pages to his direct

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[1/] For convenience, we quote a portion of the transcript:

Q. Now, Mr. Johnstone, do you have a sheet that you had prepared to capture those changes?
A. I do.
MR. CONRAD: Your Honor, how would you prefer --
JUDGE DIPPELL: We can either mark it as

00059

Exhibit 3 or we can just amend it -- let's just attach it to the testimony and call it amended.
MR. CONRAD: Do you have those? This is a front and back document.
JUDGE DIPPELL: You can go ahead and give me the other Commissioners' copies.

testimony. These pages were marked, copies provided to opposing counsel and the bench, and were accepted by the presiding Regulatory Law Judge to be attached as an amendment to the direct testimony.

4. However, examination of the record in EFIS indicates that the revised direct pages were ***not*** included. Accordingly this motion is submitted so that the EFIS record may be accurate and complete.

5. Copies of the two revised direct pages, pp. 3-4, identified as revised, are attached hereto.

6. On December 30, 2010, undersigned counsel has discussed this matter with Mr. Zobrist, counsel for GMO, and he has indicated that he has no objection to this motion.

WHEREFORE AGP respectfully moves that the Commission's EFIS record be corrected or revised so as to conform with the transcript and rulings of the Regulatory Law Judge as stated above.

Respectfully submitted,

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ATTORNEYS FOR AG PROCESSING INC.

SERVICE CERTIFICATE

I certify that I have served a copy of the foregoing pleading upon identified representatives of the parties hereto per the EFIS listing maintained by the Secretary of the Commission by electronic means as an attachment to e-mail, all on the date shown below.

Stuart W. Conrad, an attorney for
Ag Processing Inc a Cooperative

December 30, 2010

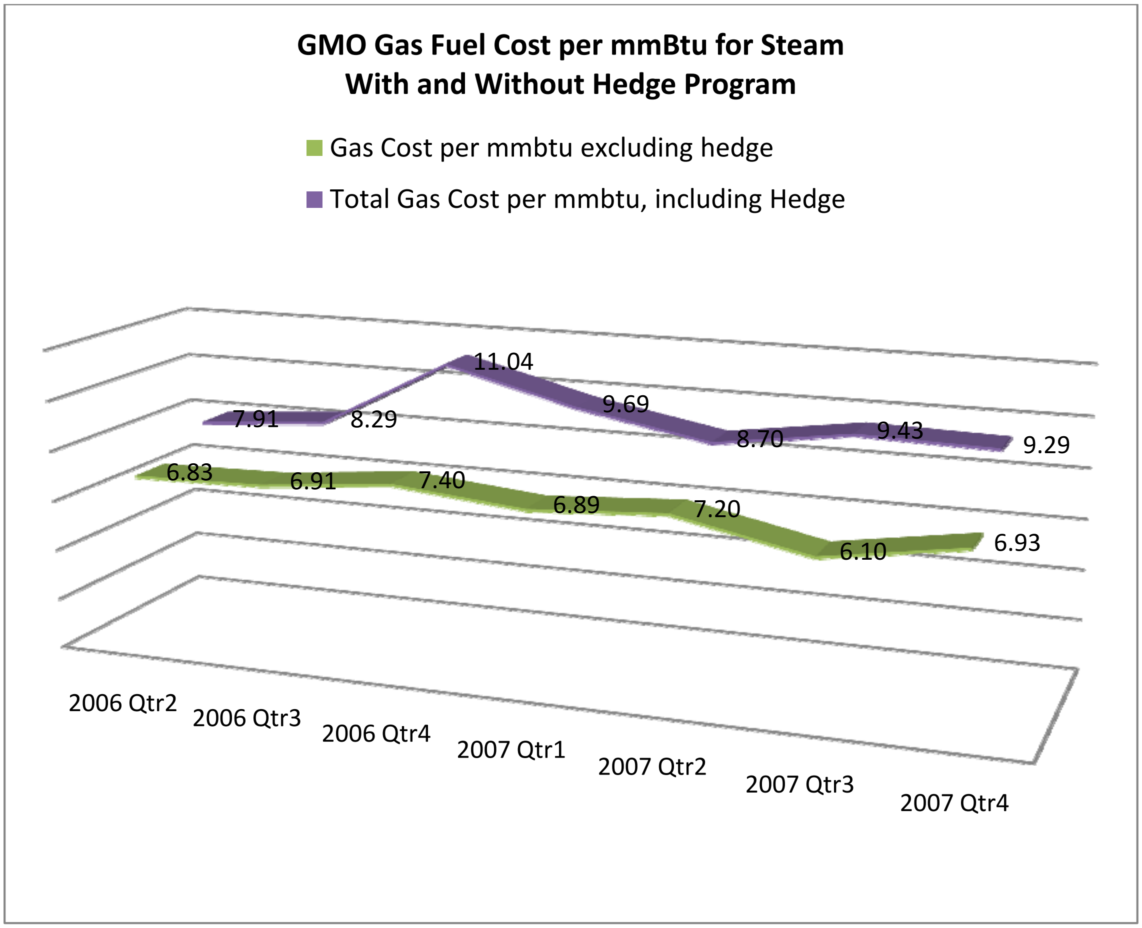
of swap contracts for the futures component, call contracts and put contracts. There were no further purchases or trades for 2006 except to close out the contract positions at or about the time of expiration for each month. The 2007 hedge positions were entered over the months of February 2006 through October 2006.

The results of the program were to substantially increase fuel cost and rate volatility. Some cost is to be expected, but there was a fundamental flaw in the hedge program volumes that amplified the cost. The problem was manifest immediately in April 2006, the first month of the program, and continued through the remainder of 2006 and 2007.

I was the technical advisor to AGP during the 2005 negotiations that led to the stipulated quarterly fuel cost adjustment ("QCA") mechanism approved by the Commission in HR-2005-0450 on February 28, 2006. The mechanism became effective March 6, 2006. The QCA design substantially protects customers from the underlying volatility in fuel costs and protects Aquila from 80% of cost variations. The need for a hedging program that focuses on volatility mitigation was largely eliminated.

The purported intent of Aquila's hedge program was to reduce volatility, but in fact, it resulted in quite the opposite effect. The statistical standard deviation of the hedged quarterly gas costs during 2006 and 2007 was 1.03 (revised), approximately 2.5 (revised) times the standard deviation without the hedge program, which was .41. Chart 1 illustrates the effect graphically. The costs are substantially lower and less volatile without the hedge program.

Chart 1 (revised). Aquila/GMO Natural Gas Fuel Cost for Steam, per mmBtu



The chart illustrates that the natural gas hedge program substantially increased the cost level and the volatility in the cost of fuel for the steam system. The issue is whether or not the 2006 and 2007 costs of the Aquila hedge program were prudent and should be recovered from customers.