

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Tariff Filing of Aquila, Inc.)
d/b/a KCP&L Greater Missouri Operations)
Company, to Implement a General Rate Increase)
for Retail Steam Heating Service Provided to)
Customers in its Missouri Service Area it formerly)
served as Aquila Networks—L&P.)

Case No. HR-2009-0092
Tariff No. YH-2009-0195

STAFF’S RESPONSE TO AQUILA, INC.’S TEST YEAR AND TRUE-UP PROPOSALS

COMES NOW the Staff of the Missouri Public Service Commission (Staff), in accordance with the Commission’s September 12, 2008 *Order Directing Filing and Directing Notice*, and states:

1. In its September 12, 2008 Order the Commission ordered the Staff, and others, to file, on or before October 14, 2008, their concurrences or recommended alternatives to Aquila, Inc. d/b/a KCP&L Greater Missouri Operations Company’s (KCPL-GMO) proposed test year and true-up date.

2. At paragraph 7 of its “Application” KCPL-GMO states, “This Application and the attached schedules and testimony filed on behalf of GMO in this proceeding reflect the historical data and analyses concerning GMO’s operations, based on a test year ending December 31, 2007, updated based upon October 31, 2008 financial data, and a true-up as of April 30, 2009.”

3. KCPL-GMO has informed the Staff that changing the update date from October 31, 2008 to September 30, 2008 is acceptable to it. The Commission has scheduled an early prehearing conference for 10:00 a.m. on October 15, 2008. If the parties in this case are able to agree upon the use of a 2007 test year, September 30, 2008 update date and April 30, 2009 true-up date and the parties are able to agree to an appropriate procedural schedule in light of a 2007

test year, September 30, 2008 update date and April 30, 2009 true-up date, then a 2007 test year, September 30, 2008 update date and April 30, 2009 true-up date are acceptable to the Staff.

WHEREFORE the Staff submits its conditional concurrence in the use of an historical test year ending December 31, 2007 trued-up through April 30, 2009, as adjusted and updated for any known and measurable changes through September 30, 2008 rather than October 31, 2008. The conditions being that the parties in this case agree upon (1) the use of a 2007 test year, September 30, 2008 update date and April 30, 2009 true-up date and (2) an appropriate procedural schedule in light of a 2007 test year, September 30, 2008 update date and April 30, 2009 true-up date.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy Counsel
Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8702 (Telephone)
(573) 751-9285 (Fax)
nathan.williams@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 14th day of October 2008.

/s/ Nathan Williams