NEWMAN, COMLEY & RUTH

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The Honorable Dale Hardy Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102-0360 FILED³ SEP 1 0 2003

Missouri Public Service Germission

Re: Case No. GR-2004-0072

Dear Judge Roberts:

Enclosed for filing in the above referenced matter, please find the original and five copies of the Response to Aquila's Objection to the City of Kansas City's Application to Intervene and Suggestions in Support of Application to Intervene.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

. Comley Mark W. Comley comleym@ncrpc.com

MWC:ab Enclosure

cc: Office of Public Counsel General Counsel's Office William D. Geary Dean L. Cooper Stuart W. Conrad Stacia L. Norder

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SEP 1 0 2003

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Aquila, Inc., d/b/a Aquila Networks - MPS and Aquila Networks – L&P, Natural Gas General Rate Increase.

Case No. GR-2004-0072

<u>RESPONSE TO AQUILA'S OBJECTION TO</u> <u>THE CITY OF KANSAS CITY'S APPLICATION TO INTERVENE</u> <u>AND SUGGESTIONS IN SUPPORT OF APPLICATION TO INTERVENE</u>

COMES NOW the City of Kansas City, Missouri (hereinafter Kansas City), pursuant to the Commission's order, and submits this response to Aquila, Inc's (Aquila) objection to its application to intervene together with suggestions supporting its request for intervention:

1. In its objection to Kansas City's request for intervention, Aquila argues that because it does not supply gas to Kansas City as a customer, and its gas service territory is not within the corporate limits of Kansas City, that Kansas City does not qualify for intervention in this case.

2. Kansas City submits that its interest in this proceeding is not limited to its position as a consumer of energy supplied by Aquila, or limited by its corporate border. In this respect, Kansas City must take this opportunity to supplement its application to intervene and supply greater detail about the nature of its interest and the position it will likely assume in this action.

3. By way of background, officials of Kansas City made the initial request to this Commission for creation of a city/utility partnership in an experimental energy conservation program to benefit residential customers. The program is now labeled the "Weatherization Program" and departments of Kansas City have been involved in that program since its inception.

4. In Case No. GR-96-285, this Commission approved an agreement between Kansas City and Southern Union Company, d/b/a Missouri Gas Energy (MGE) in which administrative responsibilities were assigned to Kansas City's Department of Housing and

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Community Development, Home Weatherization Program. The program with MGE has proven successful and federal and state agencies with oversight duties have taken notice.

5. The Missouri Department of Natural Resources distributes federal and state grant funding for weatherization programs, and has designated Kansas City as the home weatherization subgrantee for all of Clay, Platte and Jackson counties. This means that for eligible homes in the three county area, Kansas City will act as administrator of home weatherization projects and will receive, distribute and account for the funding to finance them.

6. Based upon counsel's information and belief, Aquila provides natural gas to subscribers in and around Platte City, Tracy and Westin, all of which are incorporated areas in Platte County. One of the chief reasons Kansas City requests intervention in this case is to propose to the Commission, and the parties, an expansion of the home weatherization city/utility partnership in Platte County, and any other county where Aquila's gas (and electric¹) service and Kansas City's jurisdiction may overlap. It is Kansas City's position that an agreement with Aquila substantially similar in design to the one reached with MGE is in the public interest, and should be approved by the Commission.

7. Based upon the above and forgoing, Kansas City submits that its interest in this proceeding is unique; its is unlike and different from that of the general public and a final order in this case may adversely affect Kansas City's interest.

CONCLUSION

For the foregoing reasons, Kansas City respectfully requests the Commission to grant its Application to Intervene in this case, overruling Aquila's objection.

¹ Kansas City has also intervened in Case No. ER-2004-0034, Aquila's request for general electric rate increases.

Respectfully submitted,

only Mark W. Comley

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Attorneys for City of Kansas City, Missouri

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 10th day of September, 2003, to General Counsel's Office at gencounsel@psc.state.mo.us; Office of Public Counsel at opcservice@ded.state.mo.us; Dean L. Cooper at dcooper@brydonlaw.com; Stuart W. Conrad at stucon@fcplaw.com; and Stacia L. Norder at Stacia.Norder@koleyjessen.com.

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