

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

In the Matter of the Application of Kansas City)	
Power & Light Company for Authority to Sell)	
to Aquila, Inc., Certain Electric Transmission)	Case No. EO-2005-0270
Facilities Subject to the Jurisdiction of the)	
Commission and Located in Buchanan County,)	
Missouri.)	

AQUILA'S RESPONSE TO STAFF REPLY

COMES NOW, Aquila, Inc. (Aquila) and, in reply to Staff's Reply to Aquila's May 20, 2005 Response, states to the Missouri Public Service Commission (Commission) as follows:

1. On May 31, 2005, the Commission Staff filed a pleading entitled Staff's Reply to Aquila's May 20, 2005 Response (Staff Reply). Aquila's May 20, 2005 Response to Staff Recommendation outlined its objection to the proposed condition in Staff's Recommendation that Aquila agree to not seek recovery of any acquisition premium associated with the purchase of the transmission line and facilities that are the subject of this case.

2. Staff's Reply also explained its opposition to any recovery of acquisition premium associated with this transaction. However, the Staff further stated that it "has no objection to the Company's request that, in the course of approving the transaction proposed in this proceeding, the Commission defer for a future rate case the issue of Aquila's recovery of the associated acquisition premium" and suggested that in doing so the Commission "make clear that it makes no finding concerning the eventual ratemaking treatment of the proposed transaction" (p. 3). Lastly, the Staff objected to a proposed finding found in Aquila's Response to Staff Recommendation concerning the

non-detrimental impact of the future possibility of rate base being set to equal the purchase price of this transmission line.

3. After review of the Staff Reply, Aquila hereby informs the Commission that it has no objection to the approach purposed by the Staff. That is, that the Commission approve this transaction and defer for a future rate case all ratemaking issues, to include the issue of Aquila's recovery of the associated acquisition premium.

WHEREFORE, Aquila respectfully requests that the Commission consider this response to the Staff Reply and, thereafter, issue its order approving the proposed sale and transfer to Aquila of a portion of KCPL's 161 kV transmission facility commonly known as Lake Road – Nashua, consisting of 1.02 miles of 161 kV transmission facilities from Structure 304 to Structure 313, pursuant to the terms and conditions of the Sale Agreement dated December 15, 2004.

Respectfully submitted,



Dean L. Cooper Mo. Bar #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
573.635.7166 (voice)
573.635.3847 (fax)
Email: dcooper@brydonlaw.com

ATTORNEYS FOR AQUILA, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 7th day of June, 2005, sent a true and correct copy of the foregoing document by electronic mail to the following:

Lewis Mills
Public Counsel
Office of the Public Counsel
lewis.mills@ded.mo.gov

Mr. Paul Ling
Kansas City Power & Light Company
Paul.Ling@KCPL.com

Mr. Denny Frey
Missouri Public Service Commission
Denny.frey@psc.mo.gov


