

STATE CORPORATION COMMISSION
BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS
NOV 03 2003

In the Matter of the Investigation into the Affiliate)
Transactions between UtiliCorp United Inc. (UCU))
and its Unregulated Businesses)

 Docket Room
Docket No. 02-UTCG-701-GIG

**MOTION FOR APPROVAL TO SELL
OWNERSHIP IN MIDLANDS ELECTRICITY**

COMES NOW Aquila, Inc. ("Aquila") and pursuant to the Kansas Corporation Commission's ("Commission") June 26, 2003, Order on Reconsideration issued in the above-captioned docket, files this motion requesting approval from the Commission to sell Aquila's indirect ownership in Midlands Electricity ("Midlands") to Powergen UK plc ("Powergen"). In support of this motion, Aquila states as follows:

1. On June 26, 2003, the Commission issued an Order on Reconsideration in this matter setting forth the procedures Aquila must follow in order to obtain approval from the Commission in order to divest of its non-domestic and non-utility assets. *Order on Reconsideration dated June 26, 2003, pages 5-6, paragraphs 9-12.* KCC Docket No. 02-UTCG-701-GIG. The Commission indicated in its Order on Reconsideration that it would deploy its resources to give expeditious review of all such divestitures. *Id. at paragraph 11.* The Commission found that in order for Aquila to justify each particular divestiture to the Commission, it must provide the following information:

- (a) a narrative report indicating for each asset sale, the purchaser, the price and the actions Aquila took to assure that the sale took place under the circumstances which maximized the proceeds;
- (b) before and after balance sheets, income statements and cash flow statements

reflecting the impact of all asset sales to date; and

(c) pro forma balance sheet, income statement and cash flow statement reflecting projections of any transactions under consideration or in the process of consummation.

The Commission concluded that this information will allow it to assess the financial impact of a proposed transaction on Aquila's utility operations and facilitate consideration of any proposed transaction brought before the Commission for approval in this matter. *Id. at paragraphs 10-11.*

2. In the Commission's Order on Reconsideration, the Commission stated that should Aquila's original transaction that contemplated a sale of Aquila's Midlands investment to Scottish and Southern Energy plc be materially modified with respect to the exchange of consideration or if Aquila contemplates selling the Midlands investment to a different purchaser, Aquila must seek prior Commission approval. *Id. at paragraph 17.*

3. On October 2, 2003, Aquila announced the Sale and Purchase Agreement with Scottish and Southern Energy plc had been terminated by all parties.

4. On October 20, 2003, Aquila and its partner, FirstEnergy, executed a definitive Sale and Purchase Agreement ("SPA") with Powergen, whereby it would acquire 100% of Midlands from Aquila and FirstEnergy. A copy of the SPA has been provided to the Commission Staff in response to Staff's data requests relating to the Midlands transaction.

5. In this motion, Aquila is seeking approval to sell all of its interest in Midlands to Powergen.

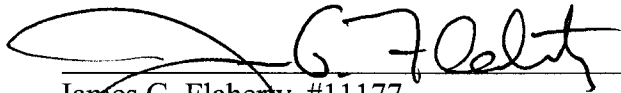
6. The information that the Commission has requested from Aquila to justify divestiture of its interest in Midlands has been provided to the Commission Staff in responses and amended responses to Staff Data Request Nos. 199 through 208 and those responses and amended responses are incorporated herein by reference. The information provided to the Commission Staff relating to

the Midlands transaction has been designated as confidential business information on the basis that the information has not been made available to the public and relates to a business transaction that has yet to be completed.

7. Aquila seeks approval from the Commission no later than December 31, 2003, so that it can complete the closing by early January 2004.

8. Aquila's divestiture of its indirect interest in Midlands will have no impact whatsoever on Kansas customers. None of Aquila's obligations related to Midlands are allocated to or recovered from Kansas customers. Aquila is confident that the divestiture process described in the responses and amended responses to Staff's Data Request Nos. 199-208 resulted in it receiving maximum value for Midlands.

WHEREFORE, for the reasons set forth herein, Aquila requests that the Commission issue an Order before December 31, 2003, allowing Aquila to sell its indirect interest in Midlands.

A handwritten signature in black ink, appearing to read "G. Flaherty", is written over a horizontal line.

James G. Flaherty, #11177

**ANDERSON, BYRD, RICHESON,
FLAHERTY & HENRICHS, LLP**

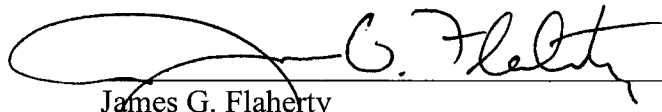
216 S. Hickory, P. O. Box 17
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VERIFICATION

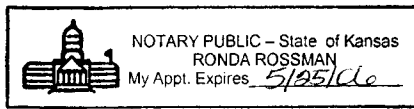
STATE OF KANSAS)
)ss:
COUNTY OF FRANKLIN)


James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for Aquila, Inc., named in the foregoing Motion for Approval to Sell Ownership in Midlands Electricity, and is duly authorized to make this affidavit; that he has read the foregoing Motion, and knows the contents thereof; and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 31st day of October, 2003.




Notary Public

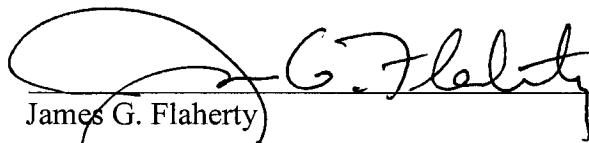
My Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was mailed, postage prepaid, this 31st day of October, 2003, addressed to:

Anne Bos
Assistant General Counsel
Kansas Corporation Commission
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Topeka, Kansas 66604

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James G. Flaherty