

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

In the Matter of the Application of)	
Kansas City Power & Light Company)	EF-2008-0214
for Authority to Issue Debt)	
Securities)	

PRAXAIR RESPONSE TO STAFF RECOMMENDATION

COMES NOW PRAXAIR, INC. ("Praxair") and in compliance with Commission Orders submits its response to the Staff's February 1, 2008 Recommendation in this matter and the Commission's directive regarding a request for a hearing, respectfully submits the following response:

1. Praxair representatives have reviewed both the original application by Kansas City Power & Light Co. ("KCPL") for additional financing authority and the Staff's February 1, 2008 Recommendation ("February 1 Recommendation") regarding that request. We remain somewhat puzzled.

2. KCPL's Application requested more than a doubling of its existing financing authority, from roughly \$635 million to \$1.4 billion. The stated justification is that such an increase is needed to support the construction program that is the subject of the KCPL Regulatory Plan approved by the Commission in Case No. EO-2005-0329.

3. Praxair was a signatory to that Regulatory Plan. We remain interested that the encompassed construction activities move forward. Thus, we have no desire to deny or to delay KCPL

from obtaining the financing that it needs to complete this construction activity.

4. During this construction program, for which KCPL was found to need the "additional amortization" called for by the Regulatory Plan so as to preserve its credit metrics in the last two rate cases, Great Plains Energy (KCPL's corporate parent), saw fit to seek to acquire Aquila, Inc., for a purchase price in the range of \$1.7 billion.^{1/}

5. Moreover, and subsequent to the February 1 Recommendation, counsel for Praxair (who is also involved in the pending merger/acquisition proceeding, Case No. EM-2007-0374) received the anonymous communication attached hereto.^{2/} Although similar communications often reveal nothing more than a disgruntled employee or ratepayer, the attached communication appears to display deeper knowledge of the construction operations than is readily available to the general public and certainly suggests that something less than full disclosure of the financial status regarding the construction projects may have been provided by KCPL or by Great Plains to this Commission or to the Commission Staff.

6. Certainly this communication came well after the February 1 Recommendation. Obviously Staff can base any recom-

^{1/} See, paragraph 19, Joint Application in Case No. EM-2007-0374

^{2/} The communication was also directed to the Commissioners who properly have, this date, made the required ex parte disclosure in Case Nos. EM-2007-0374 and ER-2007-0291 and perhaps other cases.

mentation only on knowledge or information that is available to it at the time that recommendation is provided to the Commission. Just as obviously, the Commission should have full knowledge of the consequences of its decisions, here, whether additional borrowing authorization is needed.

7. We have no knowledge regarding whether a hearing should be convened to investigate the allegations or whether or not they have merit. We do not have the resources to support such an investigation. It would seem, however, that given the nature of the assertions in the attached letter, information that arguably is sufficient to cause a reasonable person to seek to make further inquiry has been provided.

8. While the Application is before the Commission, the Commission might usefully compare its equity ratio finding of 57.62% in Case No. ER-2007-0291 with the Projected Regulatory Equity Ratios KCPL is claiming in support of its Application as shown on Exhibit 4 [HC] of the Application.

9. To be clear, Praxair is not requesting a hearing. Moreover, the conditions suggested in the February 1 Recommendation appear reasonable. In part, they would appear to require that there be transparency regarding the application of the borrowing to support the various construction projects as distinguished from the merger/acquisition. This is desirable. However, the February 1 Recommendation does not appear to address the question of the need for the additional authorization or (understandably) any of the issues that may be raised by the recent

communication. We have little doubt that some additional borrowing authority may well be needed, but in view of the serious allegations raised, there remains a question of how much should be borrowed in such a manner that KCPL's existing rate base assets and generating plants should be encumbered thereby.

10. If the Commission is satisfied with the information that it has, so be it.

Respectfully submitted,

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ATTORNEYS FOR PRAXAIR, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by electronic means, by United States Mail, First Class postage prepaid, or by hand delivery to all known parties in interest upon their respective representatives or attorneys of record as reflected in the records maintained by the Secretary of the Commission through the EFIS system.



Stuart W. Conrad

Dated: February 13, 2008

Chairman Davis and Other Concerned Parties,

Because of things that have transpired over the last week I am writing this letter out of concern with the many issues involved in the merger of KCPL and Aquila. I am also an employee, shareholder and customer of KCPL and I applaud the previous letter writer for bringing these issues to light. Although there are many issues I am writing of specific concerns with construction of IATANII and with synergy savings that are suppose to come with the merger.

I have been in the utility industry for many years and I don't recall ever being involved in a fiasco such as IATAN. We are getting run through the wringer out here. As you are aware our Vice President of Construction, Dave Price, has resigned. This is going to be the fourth change in leadership with this project. His replacement when found will make five changes. I know how our management is spinning his leaving is for a better job, but if you look at where he is going it's easy to see the truth. His coming was the best thing that has happened out here. His leaving the worst and to bring Downey and Easley out here is a joke. They are a majority of the problem to begin with. Sir I know that there is a lot of information being withheld related to the reforecast of the projected cost for constructing IATANII. There are projections that Dave and our team put together that our management did not like. I know their credibility as well as Dave's will be attacked, but hopefully someone will see through it all. Dave is an extremely competent and honest leader. He was brought in to clean up the mess created by existing management and was doing a great job. The construction cost information is going to be withheld until the transaction is approved. Then it is going to be too late. If the credit agencies really knew they would probably downgrade us in a heart beat. I am not a legal scholar, but if withholding information such as this is not fraud it should be. Our overall capital expenditures are going to sky rocket. Not only for IATAN, but they are going to increase for all the CEP projects. And the Sierra Club can kiss their deal with us good bye. It will never happen. You need to ask for emails to and from our Regulatory group, Chris Giles, and senior management related to these expenses and why they should not be disclosed.

You also need to look at these synergy savings we keep talking about. People are being forced to agree to savings that they know will never happen. But it is either they do it or lose their jobs. Mike Chesser is so disconnected from reality it is scary. The sad thing about all of this is that if approved Mike and his gang will walk away with millions of dollar and we the shareholders, customers and employees will be left holding the bag. The consultants will make millions on the front end putting us in the mess and then another group will come in and make millions to tell how to fix it. This merger may make sense at some point and time, but not now. Not with this management team. Are you really willing to stand by and let this happen? Who is going to stand up and take responsibility down the road? Who is going to be the scapegoat? It will fall at all your feet. The only thing that's going to happen is a lot of people are going to lose their jobs and the customers are going to be forced to bail us out of this mess.

Thank you,

A concerned customer, shareholder and employee of GPE

Also, one last thing, although I am not directly involved, from what I understand the sale of strategic energy is not going to get the money we are including in our models. That will only add to our misery. They may tell you it is, but there is no way. That business was designed for a deregulated industry and that's not reality with many states going back to regulation. Who in their right mind would buy something that's already out of the money?