

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

In the Matter of the Joint Application of Great)	
Plains Energy Incorporated, Kansas City Power)	
& Light Company, and Aquila, Inc. for Approval)	Case No. EM-2007-0374
Of the Merger of Aquila, Inc. with a subsidiary of)	
Great Plains Energy Incorporated and for Other)	
Related Relief.)	

**REPLY TO GPE / KCPL RESPONSE TO
PETITION TO REOPEN RECORD**

COME NOW, the Industrial Intervenors and for their Reply to the Response filed by Great Plains Energy / Kansas City Power & Light respectfully state as follows:

1. In its Response dated June 2, 2008, Great Plains Energy and Kansas City Power & Light Company oppose the Petition to Reopen Record filed by the Industrial Intervenors. GPE / KCPL claim that such a Petition is inappropriate because: (1) it “is irrelevant to the Commission’s review of the benefits and potential detriments of the Merger,” and (2) the crane collapse does not constitute a “material change of fact” as required by 4 CSR 240-2.110(8).

2. The Commission has previously considered GPE / KCPL’s argument that the budget and schedule of the Iatan capital projects are not relevant to the merger inquiry. On April 17, 2008, GPE / KCPL filed their Motion to Limit Scope of this proceeding. In that Motion, GPE / KCPL claimed that “Issues X and XI of Staff’s Second List of Issues demonstrate that Staff plans to continue this trek into areas that are not relevant to whether the proposed merger is not detrimental to the public interest.” In a ruling made from the bench, the Presiding Officer rejected GPE / KCPL’s motion on this issue and ruled that such evidence was relevant to the Commission’s inquiry. Just as

the evidence was relevant at the time of the hearing, it did not suddenly become irrelevant merely because the hearing has concluded.

3. GPE / KCPL's second argument surrounds a strict reading of Commission Rule 4 CSR 240-2.110(8). Specifically, GPE / KCPL argue that the crane collapse does not constitute a "material change of fact." Contrary to its assertions now, GPE / KCPL's argument is undercut by their conduct in other proceedings. As required by the Stipulation and Agreement in EO-2005-0329, KCPL is required to "actively monitor the major factors and circumstances which influence the need for and economics of its Resource Plan."¹ KCPL then reports the results of these changes to the other parties to the Stipulation. In response to the crane collapse of May 23, 2008, KCPL notified the other parties of the incident and sought to schedule a future meeting to discuss "the potential impact on the schedule and ultimate cost of the Iatan I project."² It appears contradictory for KCPL to claim that such the crane collapse does not constitute a "material change" and simultaneously proceed as if it is a "major factor and circumstance" that must be addressed pursuant to the Regulatory Plan.

4. The crane collapse is a "material change in fact." The unique nature of the crane, its collapse, and the lack of an immediate replacement threatens the schedule and budget of the Iatan I project. This threat to the schedule and budget occurred mere weeks following the completion of a 4 month reforecast effort that projected a 33% increase in the cost of Iatan I. At a time when GPE / KCPL seek to redirect their: (1) focus to integration efforts and (2) limited capital resources to funding this merger, the companies are suddenly faced with a situation in which the budget for Iatan I may suddenly push

¹ *Stipulation And Agreement*, Case No. EO-2005-0329, at page 24 (emphasis added).

² May 29, 2008 email from C.Blanc to parties to Regulatory Plan.

higher than the 33% reforecasted increase. As the opposing parties have repeatedly stated, GPE / KCPL should be focusing the entirety of their efforts on the provision of safe and adequate service and the timely completion of the Iatan capital projects. Any incident (i.e., merger integration activities) which causes GPE / KCPL to lose focus on these other more important aspects of its utility service will inevitably threaten the budget and schedule of Iatan I and II and will jeopardize the companies' credit rating.

WHEREFORE, the Industrial Intervenors respectfully request that the Commission grant its Petition to Reopen the Record and Schedule a Hearing in this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Woodsmall", is positioned above a horizontal line. The signature is written in a cursive, somewhat stylized font.

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ATTORNEYS FOR
INDUSTRIAL INTERVENORS

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

A handwritten signature in black ink, appearing to read "David M. Hall", is written over a horizontal line. A vertical red line is positioned to the right of the signature.

Dated: June 2, 2008