

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

In the Matter of an Examination of Class Cost of Service)
and Rate Design in the Missouri Jurisdictional Electric) **Case No. EO-2002-384**
Service Operations of Aquila, Inc., formerly known as)
UtiliCorp United Inc.)

REPLY TO STAFF'S RESPONSE TO COMMISSION ORDER

Comes now Aquila, Inc. ("Aquila" or "Company"), by counsel, and for its Response to Staff's Motion for Clarification states to the Missouri Public Service Commission ("Commission") as follows:


1. Should the Commission determine that it is appropriate to have local public hearings in this cost of service ("COS") case, the Staff's proposed form of the notice of said hearings, which includes a summary of the potential rate impacts on customer classes, will likely lead to considerable confusion on the part of Aquila's customers.

2. The Staff's table contained in its proposed notice does not show the results of its COS study and in fact sets out "combined" information for both the L&P and the MPS operating divisions and therefore applies to neither. Putting the recommendations of the various parties for both the L&P and MPS divisions on the notice will double the amount of information provided and may mislead customers as to the applicability of the proposals. In addition, the cost of distributing more detailed information will be more than a simple post card notice of public hearings. Also, issues exist with respect to the numbers provided by the various parties in their recommendations which is further complicated by the

fact that not all of the COS studies group classes of Aquila's customers in the same fashion. Reconciling all of this will take time and probably can not be accomplished in time to provide the notice.

3. A notice consistent with the Staff's recommendation will cause customers to believe that they will secure a rate reduction. On the contrary, however, it is anticipated that no rate increase or decrease will result at the conclusion of this case and that rate adjustments will not actually occur until Aquila's pending rate case, Case No. ER-2005-0436, is decided. Should these customers ultimately get rate increases, they may believe they were misled by the notice in this proceeding.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James C. Swearengen", is written over a horizontal line.

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ATTORNEYS FOR AQUILA, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail or by hand delivery, on this 23RD day of September, 2005, to the following:

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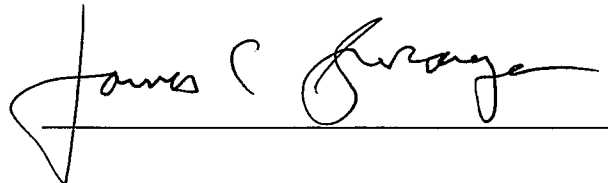
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A handwritten signature in black ink, appearing to read "James C. Furay", is written over a horizontal line.