

5.5 IMPLEMENTATION AND RESOURCE ACQUISITION STRATEGY

5.5.1 Demand-Side Implementation

All of the cost-effective demand-side programs will begin to be implemented upon approval of the programs and establishment of an appropriate cost recovery mechanism by the Missouri Public Service Commission. Various implementation strategies will be investigated with input from Quantec.

The initial planning strategy is to promote customer awareness through brochures, bill inserts and other printed material; trade ally meetings; a program information telephone line; and through the Company web-site. Other options will be evaluated to promote energy-efficiency among customers including: (1) radio and television advertisements, (2) newspapers, magazines and billboards, (3) telemarketing, and (4) other innovative marketing methods. The demand-side programs will be implemented upon approval of the programs and establishment of an appropriate cost recovery mechanism by the Missouri Public Service Commission. Evaluation, measurement and verification of the programs will begin during 2008. A schedule of implementation has been included in the supplemental filing to the IRP in the file, "2007 MO EE Program Implementation Schedule 08-01-07.doc".

5.5.2 Supply-Side Implementation and Contingency Monitoring

The preferred plan includes the addition of the following four supply-side resources over the planning horizon 2007-2026.

- 225 MW Combustion Turbine Addition in 2010
- 250 MW Combined Cycle Addition in 2013
- 200 MW Coal Participation in 2017
- 300 MW Nuclear Participation in 2022

ANM will be receiving detailed cost estimates of combustion turbine and combined cycle technologies from vendors in the next few months. In addition, ANM will be issuing an RFP for PPAs and wind generation PPAs in February, 2007. Finally, ANM will also be evaluating the results of the brownfield site study being performed by Black & Veatch to determine the potential for utilizing existing sites for new generation and the potential need for unit retirements.

The critical uncertain factors identified by Aquila are included in the supplemental filing to the IRP in the file, "Revised Section 5.2.4 Critical Uncertain Factors.doc". The ANM electric planning group will be monitoring the critical uncertain factors including emissions costs and fuel prices and updating the load forecasts to ensure that there is an ability to evaluate any contingency and develop additional strategies to respond to extreme scenarios. A description of Aquila's risk factor monitoring procedures has been included in the supplemental filing to the IRP in the file, "Risk Factor Monitoring r1.doc".

In addition, ANM will undertake the following activities in the 2008 through 2012 period:

- Monitor the development of CO₂ emissions reduction legislation.
- Continue discussions to renew purchase power contracts that currently expire in 2011 and 2014.
- Pursue discussions with area utilities and independent power developers to determine the potential for unit participation in either coal or nuclear generating units in the 2015-2026 timeframe.
- Continue to evaluate the viability of renewable generation technology options in ANM service territory.

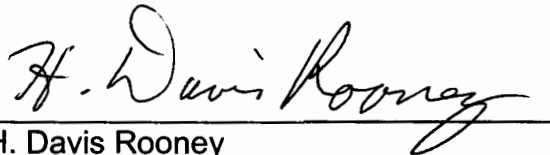
All of the above activities and the contingency options considered in Section 5.4.7 will facilitate the consideration of different types of supply resources to meet customer demand in the 2008-2026 timeframe.

**Aquila Networks - Missouri
2007 Integrated Resource Plan**

The Resource Acquisition strategy contained in Aquila Networks - Missouri's 2007 Integrated Resource Plan was prepared under our direction and control. It is Aquila's intent to follow the Implementation and Resource Acquisition Strategy. The resource plan considers candidate resources using expected prices and availabilities. Actual prices and availabilities will be established by issuing a request for proposals and could result in changes to the preferred plan. If changed circumstances indicate that Aquila should deviate from this strategy, Aquila will provide to the Missouri Public Service Commission any notifications and/or revise energy plan filings required by Commission regulations.



Scott H. Heidbrink
Vice President – Power Generation/Energy Resources
Aquila, Inc.



H. Davis Rooney
Director – Resource Planning and Commodity Analysis
Aquila, Inc.

10/02/2007

Date