

STATE OF MISSOURI
MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
Aquila, Inc. dba KCP&L Greater)
Missouri Operations Company for) HR-2009-0092
Approval to Make Certain Changes in)
its Charges for Steam Heating Ser-)
vice.)

STATEMENT OF POSITION
OF AG PROCESSING INC, A COOPERATIVE

COMES NOW AG Processing Inc a Cooperative and states its position with respect to the issues that have thus far been identified in this proceeding.

REVENUE REQUIREMENT

RATE BASE

1. Cash Working Capital-Imputed AR Program in Lead Lag Study:

Should the Commission impute a hypothetical accounts receivable program in the Cash Working Capital calculation?

2. Accumulated Depreciation:

a. Should the imputation of a depreciation accrual of approximately \$4.2 million be added back to accumulated

depreciation for ECORP common asset accounts that had become fully depreciated?

- b. Was the accounting for common plant retirements on the ECORP business appropriate?

AGP takes no position on these issues at the present time and reserves its position pending the outcome of the hearing.

COST OF CAPITAL

1. Return on Common Equity: What return on common equity should be used for determining GMO's rate of return?
2. Capital Structure: What capital structure should be used for determining GMO's rate of return?
3. Cost of Debt (MPS and L&P): What cost of debt should be used for determining GMO's rate of return?

AGP takes no position on these issues at the present time and reserves its position pending the outcome of the hearing.

REVENUES

1. Conjunctive Billing: Should revenue be imputed as a result of the pooling of meters for billing purposes?

AGP believes that multiple meters placed for the convenience of the company should not become a profit center for the utility. Otherwise, AGP takes no position on this issue at the present time and reserves its position pending the outcome of the hearing.

EXPENSES

1. Short-term Incentive Compensation: Should the costs of short-term incentive compensation plans be included in cost of service for setting GMO's rates?
2. Supplemental Executive Retirement Pension (SERP) Costs: Should the costs of the SERP be included in cost of service for purposes of setting rates?
3. Payroll Overtime: What level of payroll overtime should be included in cost of service for purposes of setting rates?
4. Fuel Expense: What level of fuel expense should be included in cost of service for purpose of setting rates?

5. Merger Transition Costs: What is the appropriate amount of merger transition costs to include in rates in this case?

AGP takes no position on these issues at the present time and reserves its position pending the outcome of the hearing.

DEPRECIATION:

1. Depreciation Rates: Should the Staff's proposed reduction in depreciation rates be adopted?

AGP takes no position on this issue at the present time and reserves its position pending the outcome of the hearing.

RATE DESIGN

1. Allocations Among Customers: What is the proper rate design?

AGP generally supports the approach of the Staff, i.e., to increase (if justified) all rate components by an equal percentage.

QUARTERLY COST ADJUSTMENT CLAUSE

1. QCA Revisions:

a. Should the QCA be continued?

b. If so, should any lawful modifications should be made?

The QCA should be modified in a manner consistent with the testimonies of Mr. Johnstone. Absent those changes AGP supports continuation of the QCA unchanged. In the event of material changes to the QCA inconsistent with the testimonies of Mr. Johnstone, AGP supports elimination of the QCA.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

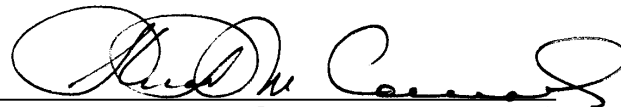


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ATTORNEYS FOR AG PROCESSING INC.

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing pleading by First Class Mail or by electronic means on the persons shown on the service list maintained by the Secretary of the Commission on its EFIS system.



Stuart W. Conrad, an attorney for
Ag Processing Inc, a Cooperative

Dated: April 15, 2009