

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

In the Matter of the Application of)	
Aquila, Inc., d/b/a Aquila)	
Networks – MPS and Aquila)	
Networks – L&P for Authority to)	Case No. EO-2008-0046
Transfer Operational Control of)	
Certain Transmission Assets)	
to the Midwest Independent)	
Transmission System Operator, Inc.)	

AQUILA, INC.’S SUGGESTION OF UNCONTESTED FACTS

COMES NOW applicant Aquila. Inc. (“Aquila”) and suggests that the following facts be adopted by the Commission as uncontested for purposes of this case.

1. Aquila is a Delaware corporation. Aquila is authorized to conduct business in Missouri through its Aquila Networks – MPS and Aquila Networks – L&P operating divisions and, as such, is engaged in providing electrical and heating utility services in Missouri in those areas certificated to it by the Commission. Aquila is an “electrical corporation,” a “heating company,” and a “public utility” as those terms are defined in §386.020 RSMo. 2000.

2. The Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”) is a Delaware non-stock corporation. It is the Regional Transmission Organization (“RTO”) that provides operating and reliability functions in portions of 15 Midwestern states and one Canadian province. The Federal Energy Regulatory Commission (“FERC”) approved the Midwest ISO as the nation’s first RTO on December 20, 2001. The Midwest ISO first began

selling transmission service under its FERC-approved Open Access Transmission Tariff on February 1, 2002. Currently, the Midwest ISO provides transmission services and energy market services pursuant to the terms of its Open Access Transmission and Energy Markets Tariff.

3. Southwest Power Pool, Inc. ("SPP") is a not-for-profit corporation, organized and existing under the laws of the State of Arkansas. SPP incorporated as a not-for-profit corporation in 1994.

4. Currently, SPP's members serve more than 4.5 million customers in a 255,000 square mile area covering all or parts of the States of Arkansas, Missouri, Kansas, Oklahoma, Louisiana, Mississippi, New Mexico and Texas. SPP's members including investor-owned utilities, municipal systems, generation and transmission cooperatives, state authorities, independent power producers, power marketers, a contract participant, and independent transmission companies.

5. Since 1998, SPP has administered open-access transmission services across the SPP region under the terms of SPP's open-access transmission tariff ("SPP tariff"), which was filed with and approved by FERC. The transmission facilities used to provide service under the SPP tariff are comprised of the transmission facilities owned by a number of public utility and non-public utility members of SPP currently committed to the SPP tariff.

6. On October 15, 2003, SPP submitted an application pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 8244, and Section 35.34 of the FERC's regulations, seeking to establish that SPP fulfilled the

requirements of a Regional Transmission Organization (“RTO”). In orders issued in October 2004, FERC granted SPP RTO status subject to the fulfillment of certain limited requirements.

7. Dogwood Energy, LLC (“Dogwood”) is a limited liability company organized and existing under the laws of the State of Delaware and authorized to conduct business in the State of Missouri. Dogwood owns a 600 MW combined cycle generating facility located within Aquila’s MPS service territory.

8. Kansas City Power & Light Company (“KCPL”) is a Missouri corporation. KCPL is engaged in the generation, transmission, distribution, and sale of electric energy and power in those areas in Missouri certificated to it by the Missouri Public Service Commission (“Commission”), including the City of Kansas City, Missouri, as well as in areas of eastern Kansas.

9. The City of Independence, Missouri (“City”) owns and operates a municipal electric utility which was established in 1901 to provide the residents and businesses of Independence, Missouri with electric service. The City serves more than 56,000 customers. The City maintains and operates 12 generating units and 15 major substations. The City also owns and operates 22 miles of 161 kilovolt and 45 miles of 69 kilovolt transmission lines, and more than 750 miles of distribution power lines. Some of the electricity required to meet customer demand is generated by the City, but the City acquires much of the power and energy.

10. The City has direct physical interconnections with Aquila, interconnections with KCPL, and one interconnection with Associated Electric

Cooperative, Inc. The City also has an existing wholesale power purchase agreement with Aquila.

11. Union Electric Company d/b/a AmerenUE (“AmerenUE”) is an electric and gas public utility operating under the regulatory jurisdiction of this Commission. AmerenUE’s transmission system is under the functional control of the Midwest ISO, and under the terms of the permission and authority granted to AmerenUE by the Commission in Case No. EO-2003-0371.

12. On November 1, 2007, AmerenUE filed an application with the Commission to extend its participation in the Midwest ISO for a period of 3 years. This filing was docketed by the Commission as Case No. EO-2008-0134 and the request is pending.

13. On August 20, 2001, Aquila (then, UtiliCorp United, Inc. or “Utilicorp”) filed with FERC an Application to transfer operational control over certain designated transmission facilities to the Midwest ISO, pursuant to § 203 of the Federal Power Act, 16 USC §824b, as required by FERC Order 2000. The FERC Application requested FERC approval to transfer to the Midwest ISO operational control for portions of the Aquila transmission system in Missouri, 100 kV and above, and other systems in another state. FERC, in an Order Authorizing Disposition of Jurisdictional Facilities issued September 13, 2001, approved the transfer subject to certain specified conditions. See, 96 FERC ¶ 62,256. On November 14, 2001, UtiliCorp filed with FERC a supplemental application in order to list certain additional facilities that had been inadvertently

omitted from the August 20, 2001 application. FERC issued an order on December 13, 2001 approving the supplemental application.

14. UtiliCorp was one of the original transmission-owning members of SPP and historically had obtained security coordination services from SPP. On July 12, 2001, however, FERC rejected SPP's initial application to become an RTO. As a result, UtiliCorp transferred security coordination responsibilities from SPP to the Midwest ISO on December 15, 2001, in anticipation of the commencement of its operations as an RTO which was to begin that month.

15. On December 20, 2002, UtiliCorp filed with FERC a protest against the Midwest ISO challenging the reasonableness of certain administrative costs being assessed by the Midwest ISO pursuant to Schedule 10-B to the Midwest ISO tariff. Midwest ISO's proposed Schedule 10-B was assigned Docket No. ER02-871-000. That case was resolved by settlement, (hereinafter, the "MISO Settlement"); one of the terms included a commitment by UtiliCorp to re-file for Commission approval to transfer to the Midwest ISO operational control of its transmission facilities by June 22, 2003, and to diligently pursue said approval.

16. On September 28, 2005, KCPL and The Empire District Electric Company each filed with the Commission separate applications to transfer operational control of their respective electric transmission systems to SPP. Those cases were docketed by the Commission, respectively, as Case Nos. EO-2006-0142 and EO-2006-0141. Those applications both were approved by the Commission on June 13, 2006.

17. On April 4, 2007, Great Plains Energy Incorporated (“GPE”), KCPL and Aquila filed a Joint Application with the Commission requesting authority to undertake a series of transactions whereby Aquila, like KCPL, will become a wholly-owned subsidiary of GPE. That filing was docketed by the Commission as Case No. EM-2007-0374. The request is pending.

18. The currently effective version of the agreement that is the subject of the proposed transaction (the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc. or the (“MISO Agreement”)) was filed as Appendix F to Aquila’s Application. As a transmission-owning member of the MISO Agreement, Aquila will be obligated to transfer operational control over its transmission facilities upon receipt of all required regulatory approvals. The MISO Agreement further obligates Aquila to pay annual membership fees to the Midwest ISO and to follow operational directions of the Midwest ISO once its transmission facilities are under the Midwest ISO’s control.

19. Pursuant to Article V, Section I to the MISO Agreement, unless otherwise permitted under Article VII, a transmission owner member may withdraw from the MISO Agreement as of December 31 of the year after the year in which a notice of withdrawal is provided, subject to FERC approval and payment of an “exit fee” determined by the Midwest ISO. Article VII provides that any transmission owner member may withdraw from the MISO Agreement within 30 days after any regulatory order denying or unreasonably conditioning such member’s participation in the Midwest ISO.

20. Aquila commissioned CRA International, Inc. (formerly, Charles Rivers Associates) to perform a cost-benefit study for its Missouri electric operations to assess the impact of potential membership in an RTO (the “CRA Study”). The CRA Study considered three scenarios: Aquila’s membership in the Midwest ISO, membership in SPP and a stand-alone status in which Aquila performs reliability-related functions on its own. The CRA Study was submitted as Appendix G to the Application and, also, is appended as Schedule DO-3 to the prefiled Direct Testimony of Dennis Odell.

21. There is no expected impact on the tax revenues of any political subdivision in which the affected transmission facilities of Aquila (“Facilities”) are located because there will be no transfer of title concerning any such Facilities from Aquila to Midwest ISO. Aquila will continue to be the owner of the Facilities and will continue to be responsible for property taxes levied thereon.

22. Aquila’s only electrical connection to the Midwest ISO is through AmerenUE’s transmission system.

23. The Midwest ISO and SPP have different market structures.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on the 21st day of March, 2008, to the following:

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