

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Aquila, Inc., for)
Authority to Acquire, Sell and Lease Back Three)
Natural Gas-Fired Combustion Turbine Power) **Case No. EO-2005-0156**
Generation Units and Related Improvements to)
Be Installed and Operated in the City of Peculiar,)
Missouri)

ORDER SETTING HEARING

Issue Date: November 9, 2005

Effective Date: November 9, 2005

On December 6, 2004, Aquila, Inc., asked for authority to sell and lease back three natural gas-fired combustion turbines. Aquila, the Staff of the Commission, and the Office of the Public Counsel filed a Stipulation and Agreement on September 1, 2005.

The Commission held a hearing regarding the stipulation on September 21. After the hearing, OPC filed a Motion for Stay. OPC explained that Aquila had already sold and leased back the equipment that was the subject-matter of Aquila's application. OPC later asked the Commission to declare the transaction void, and to order its General Counsel to pursue civil and criminal penalties against Aquila.

The Commission will order Aquila, Staff and OPC to appear at a hearing to address OPC's concerns and to answer Commission questions. The Commission will also permit the City of Peculiar and Cass County, Missouri to participate. The Commission's questions may include the following:

Should the Commission approve the Stipulation and Agreement?

Should the Commission approve the Application?

Is Aquila's transaction or purported transaction with the City of Peculiar void as a matter of law?

Did Aquila inform Staff and OPC of its transaction with the City of Peculiar, and if so, when?

What effect, if any, do Aquila's pending cases in the Court of Appeals, Case Nos. WD64985 and WD65000, have on this case?

IT IS THEREFORE ORDERED:

1. That a hearing will be held on December 5, 2005, at 10:00 a.m., in Room 310 of the Commission's offices at the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. This hearing will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the hearing.

2. That this order shall become effective on November 9, 2005.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Ronald D. Pridgin, Regulatory Law
Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 9th day of November, 2005.