

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

In the Matter of the Application of Aquila, Inc., for)	
Approval of Its Experimental Regulatory Plan and for)	
a Certificate of Convenience and Necessity)	
Authorizing It to Participate in the Construction,)	
Ownership, Operation, Maintenance, Removal,)	
Replacement, Control and Management of a Steam)	Case No. EO-2005-0293
Electric Generating Station in Platte County, Missouri,)	
or Alternatively for an Order Specifically Confirming)	
That Aquila, Inc. Has the Requisite Authority under)	
Its Existing Certificate(s).)	

Staff's Response to Aquila's Status Report

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its Response to Aquila's Status Report states:

1. The parties in this case have held numerous meetings regarding Aquila, Inc.'s proposed regulatory plan.
2. Aquila, Inc. has twice amended its plan fundamentally changing it so that now it is solely a financing plan. A stipulation and agreement (agreement) in this case for participation in the Iatan II electric generation unit will differ fundamentally from both the Kansas City Power & Light experimental regulatory plan for Iatan II and an experimental regulatory plan for The Empire District Electric Company for participation in Iatan II.
3. The Staff's resources are limited and the Staff has focused on reaching an agreement with Aquila, Inc. and the other parties involved in this proceeding, not engaging in the discovery required for a contested hearing.

4. While the Staff is optimistic that an agreement can be reached, the Staff does not believe that a contested hearing should be held the week of July 17; however, the Staff does believe that if the parties have an agreement before then, that week is an appropriate time for the Commission to hold an on-the-record presentation regarding such an agreement. If the parties cannot reach an agreement, then an evidentiary hearing might be possible as early as the week of July 24, 2005. The schedule is being driven primarily by KCPL's desire to have a Report And Order from the Commission by August 1, 2005 and ongoing work with other parties who desire to be partners in the Iatan II project.

5. The Staff is continuing to meet with Aquila and the other parties in an effort to reach such an agreement before the week of July 17, 2005. The next such meeting is currently scheduled for this afternoon, July 7, 2005.

WHEREFORE, the Staff responds to Aquila's Status Report as set forth above.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Nathan Williams
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Senior Counsel
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 7th day of July 2005.

/s/ Nathan Williams
