

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

APR 28 2007

Missouri Public
Service Commission

In the Matter of the Joint Application of Great Plains)
Energy Incorporated, Kansas City Power & Light)
Company, and Aquila, Inc., for Approval of the Merger)
of Aquila, Inc., with a Subsidiary of Great Plains)
Energy Incorporated and for Other Related Relief.)

Case No. EM-2007-0374

BLACK HILLS CORPORATION'S APPLICATION TO INTERVENE

COMES NOW BLACK HILLS CORPORATION ("Black Hills") and respectfully submits its Application to Intervene in this proceeding pursuant to 4 CSR 240-2.075. In support of its Application, Black Hills states as follows:

On April 4, 2007, Great Plains Energy Incorporated, Kansas City Power & Light Company, and Aquila, Inc., filed a joint application with the Missouri Public Service Commission. The applicants requested authority for a series of transactions whereby Aquila will become a direct, wholly owned subsidiary of Great Plains Energy and Black Hills will acquire some non-Missouri utility assets. The Commission set April 30, 2007 as the deadline for filing applications to intervene.

Black Hills, is a South Dakota corporation, which owns both regulated and non-regulated businesses, with its principle office and place of business at 625 Ninth Street, Rapid City, South Dakota. Its regulated gas and electric utility subsidiaries are Black Hills Power, Inc. ("Black Hills Power"), an electric utility serving western South Dakota, northeastern Wyoming and southeastern Montana, and Cheyenne Light, Fuel & Power Co. ("Cheyenne Light"), an electric and gas distribution utility serving the Cheyenne, Wyoming area. The wholesale energy business unit of Black Hills is Black Hills Energy, Inc. ("Black Hills Energy"), which generates electricity, markets energy, and produces natural gas, oil and

coal. In addition to its electric and gas utility service businesses and wholesale energy production and marketing business, Black Hills Services Company, Inc., a wholly-owned subsidiary of Black Hills provides centralized services to the Black Hills system.

The sale and transfer of Aquila's natural gas assets located in the states of Nebraska, Kansas, Iowa, and Colorado and Aquila's Colorado electric assets will be effectuated through the following series of transactions:

Under the Partnership Interests Agreement, Aquila will form two Delaware limited partnerships, which for these purposes will be called "Electric Opco" and "Gas Opco". Aquila will be the general partner of, and Limited Partner will be the limited partner of, each of Electric Opco and Gas Opco. Immediately before closing, Aquila will transfer its Colorado electric assets to Electric Opco and its Colorado natural gas assets to Gas Opco. Aquila and Limited Partner will then sell their partnership interests in Electric Opco and Gas Opco to Black Hills in accordance with the terms of the Partnership Interests Agreement, and Aquila will transfer its gas assets in Kansas, Iowa and Nebraska to Black Hills in accordance with the terms of the Asset Agreement. Following the closing of these transactions, Black Hills will own and operate the natural gas assets of Aquila located in the states of Nebraska, Kansas, Iowa, and Colorado. Black Hills will also own Aquila's Colorado electric assets.

The transactions contemplated by the Asset Agreement are subject to a number of conditions, including (i) a waiver from, or the approval of, the Kansas Corporation Commission under the "standstill" obligations imposed on Aquila; (ii) the approval of the Kansas Corporation Commission, Iowa Utilities Board, Nebraska Public Service Commission; (iii) the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (iv) the readiness of Great Plains

and Aquila to complete the Merger; and (v) the absence of a material adverse effect on the businesses being acquired by Black Hills, including the businesses being acquired by Black Hills under the Partnership Interests Agreement.

The transactions contemplated by the Partnership Interests Agreement are also subject to a number of conditions, including (i) a waiver from, or the approval of, the Kansas Corporation Commission under the "standstill" obligations imposed on Aquila; (ii) the approval of the Colorado Public Utilities Commission; (iii) the approval of the Federal Energy Regulatory Commission; (iv) the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (v) the readiness of Great Plains and Aquila to complete the Merger; and (vi) the absence of a material adverse effect on the businesses being acquired by Black Hills, including the businesses being acquired by Black Hills under the Asset Agreement.

Granting Black Hills's Application to Intervene will be in the public interest because Black Hills will bring to this proceeding its expertise and its experience as a gas and electric utility. Black Hills supports the Joint Application and the transactions described therein. Black Hills's rights may be adversely affected by the decisions reached in this case.

All correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

Paul S. DeFord
Lathrop & Gage L.C.
2345 Grand Boulevard, Suite 2800
Kansas City, MO 64108
Voice: 816-292-2000
Fax: 816-292-2001
Email: pdeford@lathropgage.com

Kyle D. White
Vice President-Regulatory Affairs
625 Ninth Street
Rapid City, SD 57701
Fax: 605-721-2568
Email: kwhite@bh-corp.com

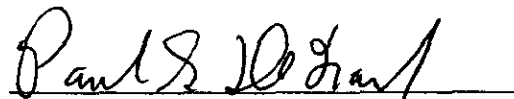
Steven J. Helmers
General Counsel
625 Ninth Street
Rapid City SD 57701
Fax 605-721-2550
Email: shelmers@bh-corp.com

WHEREFORE, Black Hills respectfully requests that the Commission grant this Application to Intervene together with any further and/or additional relief the Commission deems just and proper.

Respectfully submitted,

LATHROP & GAGE, L.C.

Dated: April 27, 2007

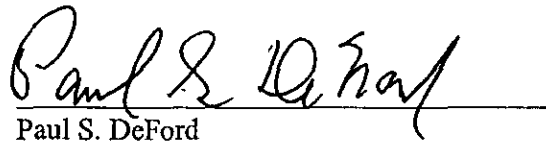


Paul S. DeFord Mo. #29509
Suite 2800
2345 Grand Boulevard
Kansas City, MO 64108-2612
Telephone: (816) 292-2000
Facsimile: (816) 292-2001
Email: pdeford@lathropgage.com

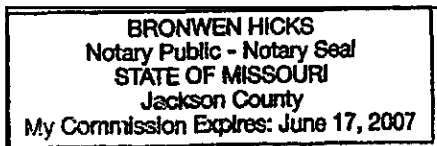
Attorneys for Black Hills Corporation

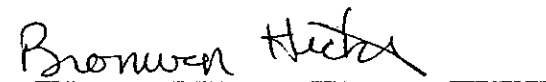
VERIFICATION

I, Paul S. DeFord, an attorney for Black Hills Corporation, hereby verify and affirm that I have read the foregoing Application to Intervene of Black Hills Corporation and that the statements contained therein are true and correct to the best of my information and belief.


Paul S. DeFord

Subscribed and sworn to before me this 27th day of April, 2007.




Notary Public

My Commission Expires:

June 17, 2007

CERTIFICATE OF SERVICE

I hereby certify that a correct copy of the foregoing was sent via U.S. Mail or electronic transmittal on this 27th day of April, 2007, to:

General Counsel Office
Missouri Public Service
Commission
200 Madison St., Suite 800
P. O. Box 360
Jefferson City MO 65102

Lewis Mills
Office of Public Counsel
Missouri Public Service
Commission
200 Madison St., Suite 800
P. O. Box 360
Jefferson City MO 65102

Kevin Thompson
Missouri Public Service
Commission
200 Madison St., Suite 800
P. O. Box 360
Jefferson City MO 65102

Renee Parsons
Aquila, Inc.
20 W. 9th St.
Kansas City MO 64105

James C. Swearngen
Aquila, Inc.
312 E Capitol Ave.
P. O. Box 456
Jefferson City MO 65102

Mark G. English
Great Plains Energy Inc.
1201 Walnut, 20th Floor
Kansas City MO 64106

James M. Fischer
Great Plains Energy Inc.
101 Madison Suite 400
Jefferson City MO 65101

Curtis D. Blanc
Great Plains Energy Inc.
1201 Walnut, 20th Floor
Kansas City Mo 64106

William G. Riggins
Great Plains Energy Inc.
1201 Walnut, 20th Floor
Kansas City MO 64106

Karl Zobrist
Great Plans Energy Inc.
4510 Main St., Suite 1100
Kansas City MO 64111

Roger W. Steiner
Great Plans Energy Inc.
4520 Main St., Suite 1100
Kansas City MO 64111

Mark G. English
Kansas City Power & Light
Company
1201 Walnut, 20th Floor
Kansas City MO 64106

James M. Fischer
Kansas City Power & Light
Company
101 Madison, Suite 400
Jefferson City MO 65101

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Company
1201 Walnut, 20th Floor
Kansas City MO 64106

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Kansas City Power & Light
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Kansas City MO 64106

Karl Zobrist
Kansas City Power & Light
Company
4520 Main St., Suite 1100
Kansas City MO 64111

Roger W. Steiner
Kansas City Power & Light
Company
4520 Main St., Suite 1100
Kansas City MO 64111


Attorney for Black Hills Corporation