

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

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)	Case No. EM-2007-0374
of Aquila, Inc. with a Subsidiary of Great Plains Energy)	
Incorporated and for Other Related Relief)	
)	

**LIST OF ISSUES AND ORDER OF OPENING STATEMENTS,
WITNESSES AND CROSS-EXAMINATION**

Comes now the Staff of the Missouri Public Service Commission (“Staff”) and files the instant List Of Issues And Order Of Opening Statements, Witnesses And Cross-Examination. The Staff notes that it has communicated in general terms with the other parties regarding the schedule of issues and witnesses set out below. The other parties have not had an opportunity to review the schedule so there may be a need to make some modifications once the parties have an opportunity to view the dates set out hereinbelow. Undersigned counsel apologizes for the delay in filing the instant document.

1. On April 4, 2007, Great Plains Energy Incorporated (“Great Plains Energy”), Kansas City Power & Light Company (“KCPL”) and Aquila, Inc. (“Aquila”) filed with the Commission a Joint Application requesting approval of the merger of Aquila with a direct, wholly-owned subsidiary of Great Plains Energy, Gregory Acquisition Corp., a Delaware corporation, and other related relief. The Commission opened Case No. EM-2007-0374 to address that filing.

2. On June 19, 2007, the Commission issued an *Order Adopting Procedural Schedule* in which it stated the parties are to agree on a list of issues to be filed by the Staff and that “[a]ny issue not included in the issues list will be presumed to not require determination by the Commission.” In its order the Commission also stated that each party is to file a list of

witnesses to appear on each day of the hearing, the order in which they are called, and that the parties are to file a joint pleading proposing the order in which witnesses are to be cross-examined. In the ordered schedule, as proposed by the parties, the Commission set November 20, 2007, as the filing date for the “List of Issues and Order of Witnesses, Opening Statements, and Cross.” The Staff on behalf of itself and the other parties that appeared at the Settlement Conference on November 19, 2007 requested an additional day for the filing of the “List of Issues and Order of Witnesses, Opening Statements, and Cross,” which was authorized by the Regulatory Law Judge.

3. The Parties to this proceeding are: Great Plains Energy, KCPL, Aquila, the Missouri Public Service Commission Staff, the Office of the Public Counsel (Public Counsel), Ag Processing, Inc./Praxair, Inc./Sedalia Industrial Energy Users Association (SIEUA), City of Kansas City, IBEW Locals 412, 1464 and 1613, IBEW Locals 695 and 814, Dogwood Energy, Missouri Joint Municipal Electric Utility Commission (MJMEUC), City of St. Joseph, Cass County, Black Hills Corporation, City of Lee’s Summit, City of Independence, and South Harper Residents.

4. In its June 19, 2007, *Order Adopting Procedural Schedule* the Commission, at the parties’ request, waived the requirements of Commission Rule 4 CSR 240-2.080(21) regarding the format of the list of issues.

5. The parties agree the listing of issues below is not an agreement by any party that any particular listed issue is, in fact, a valid or relevant issue. Indeed, in their prehearing briefs, some parties may state that they consider a particular listed issue to not be a valid issue. This “non-binding” listing of issues is not to be construed as impairing any party’s ability to argue

about any of these issues or related matters, or to restrict the scope of its response to arguments made by other parties.

6. Following is the list of issues the Staff has assembled for this case with the assistance of various other parties. The Staff believes the list includes all contested issues and properly identifies them as they have been identified by the Staff and various other parties.

ORDER OF OPENING STATEMENTS, WITNESSES AND CROSS-EXAMINATION

7. In its *Order Setting Procedural Schedule*, as requested by the parties, the Commission scheduled the evidentiary hearings in this case for December 3-7 and 10-14, 2007.

Following is the hearing schedule the parties propose:

Following are known witness conflict dates:

Chesser (GPE/KCPL) – 12/3, 12/4 not available
Downey (GPE/KCPL) – 12/3, 12/4 not available
Bassham (GPE/KCPL) – 12/3, 12/4 not available
Cline (GPE/KCPL) – 12/3 not available
Zabors (GPE/KCPL) – 12/7, 12/14 not available
Cheatum (GPE/KCPL) – 12/3, 12/5, 12/11 not available
Van Dyne (GPE/KCPL) – 12/3, 12/5, 12/7, 12/10 – 12/12 not available
Kemp (GPE/KCPL) – 12/7 not available
Crawford (GPE/KCPL) – 12/3-12/11 not available
Herdegen (GPE/KCPL) – 12/3, 12/4 not available
Tickles (GPE/KCPL) – 12/3, 12/4, 12/10, 12/11 not available
Marshall (GPE/KCPL) – 12/3, 12/4 not available
Wright (GPE/KCPL) – 12/3 not available
Spring (GPE/KCPL) – 12/3, 12/4 not available
Steinke (GPE/KCPL) – 12/3, 12/4 not available
Bryant (GPE/KCPL) – 12/3 not available
Dittmer (Public Counsel) – 12/6 or 12/7, or 12/10 available
Janssen (Dogwood) – 12/3 – 12/7 not available
Mahlberg (Independence) – 12/12, 12/13 not available
Volpe (Independence) – 12/4, 12/6, 12/7, 12/12, 12/13 not available
Grotzinger (MJMEUC) – 12/12, 12/13 not available

Monday, December 3, 2007 8:30 a.m.

Make Entries of Appearance
Take Up Outstanding Matters

Order of Opening Statements

Great Plains/KCPL
Aquila
Black Hills Corporation
Staff
Public Counsel
AgProcessing/Praxair/ SIEU
City of Independence
Dogwood Energy
Missouri Joint Municipal Electric Utility Commission
City of Kansas City
IBEW Locals 412, 1464 and 1613
IBEW Locals 695 and 814
City of St. Joseph
City of Lee's Summit
Cass County
South Harper Residents

I. Overview of Merger / Policy – Hearing Days: Mon. 12/3, Wed. 12/5

Chesser (GPE/KCPL) (Called by Staff) (will appear 12/5)
Downey (GPE/KCPL) (Direct) (will appear 12/5)
Giles (GPE/KCPL) (Surrebuttal) (will appear 12/3)
Green (Aquila) (Called by Staff) (will appear 12/3)
Empson (Aquila) (Called by Staff) (will appear 12/3)
Fleener (Aquila) (Direct) (will appear 12/3)

II. Merger Synergy Savings Sharing Proposal – Hearing Days: Mon. 12/3, Tues. 12/4, Wed. 12/5

1. Are the estimates of savings from synergies accurate?
 - A. Could any of the synergy savings be achieved by KCPL or Aquila on a stand-alone basis absent the acquisition/consolidation/integration?
 - B. Are any of the identified synergy savings dependent on KCPL and Aquila consolidating/integrating/merging their operations?
2. Do the actual synergy savings exceed the sum of the transaction, transition and incremental interest costs that the Joint Applicants propose to recover over the first five (5) years following the acquisition/merger/consolidation? If not, is the proposed merger not detrimental to the public interest?

GPE/KCPL Overview

- (a) Zabors (Direct and Supplemental Direct) (will appear 12/5)
- (b) Kemp (Supplemental Direct and Surrebuttal) (will appear 12/3)
- (c) Marshall (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/5)
- (d) Wright (Direct) (will appear 12/6)

GPE/KCPL Specific Areas of Impacts and Synergies

- (e) Crawford (Generation) (Direct and Supplemental Direct) (will appear 12/13)
- (f) Steinke (Generation) (Supplemental Direct) (will appear 12/5)
- (g) Spring (Transmission/RTO) (Direct and Surrebuttal) (will appear 12/5)
- (h) Herdegen (Delivery Systems) (Direct and Supplemental Direct) (will appear 12/13)
- (i) Bryant (Customer Programs) (Direct and Supplemental Direct) (will appear 12/4)
- (j) Cheatum (Supply Chain) (Supplemental Direct) (will appear 12/4)
- (k) Buran (Supply Chain) (Supplemental Direct) (will appear 12/4)
- (l) Tickle (Information Technology) (Supplemental Direct) (will appear 12/4)
- (m) Van Dyne (Integration of Employee Benefits) (Supplemental Direct) (will appear 12/4)
- (n) Rush (Surrebuttal) (will appear 12/4)

AgProcessing/Praxair/SIEUA

- (a) Brubaker (Rebuttal) (will appear 12/5)

Public Counsel

- (a) Dittmer (Rebuttal) (will appear 12/6)

Staff

- (a) Schallenberg (Rebuttal) (will appear 12/5)

III. Transaction Cost Recovery – Hearing Day: Thurs. 12/6

1. Should transaction costs be directly charged to ratepayers through cost of service amortizations? Would the proposed merger be detrimental to the public interest if the Commission did so?

GPE/KCPL

- (a) Bassham (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/6)
- (b) Wright (Direct) (will appear 12/6)
- (c) Zabors (Direct and Supplemental Direct) (will appear 12/6)
- (d) Rush (Surrebuttal) (will appear 12/6)

Public Counsel

- (a) Dittmer (Rebuttal) (will appear 12/6)

Staff

- (a) Schallenberg (Rebuttal) (will appear 12/6)

IV. Actual Debt Cost Recovery – Hearing Day: Thurs. 12/6

1. Should the Commission require GPE/KCPL to continue protecting ratepayers from the activities and results of Aquila's non-regulated businesses by setting rates based on a “regulatory cost of debt” rather than Aquila's actual cost of debt? Would the proposed merger be not detrimental to the public interest if the Commission did not do so?

GPE/KCPL

- (a) Bassham (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/6)
- (b) Cline (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/6)
- (c) Giles (Surrebuttal) (will appear 12/6)

Public Counsel

- (a) Dittmer (Rebuttal) (will appear 12/6)

Staff

- (a) Schallenberg (Rebuttal) (will appear 12/6)

V. Additional Amortization Mechanism – Hearing Day: Fri. 12/7

1. Should the Commission allow Aquila to implement “Additional Amortization to Maintain Financial Ratios” similar to those negotiated by KCPL with stakeholders in Case No. EO-2005-0329? If not, is the proposed merger detrimental to the public interest? If yes:
 - A. Has Aquila proposed a plan in which the additional amortizations are balanced by provisions favorable to ratepayers and other stakeholders? If not, is the proposed additional amortization device detrimental to the public interest?
 - B. Will the additional amortizations shift the risks of the costs of Aquila's unregulated activities from Aquila to its ratepayers? If yes, is the proposed merger detrimental to the public interest?
 - C. Is the additional amortization device proposed by the Joint Applicants set out in a sufficient level of detail to be able to be understood and effectively administered?

GPE/KCPL

- (a) Bassham (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/7)
- (b) Cline (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/7)
- (c) Giles (Surrebuttal) (will appear 12/7)

Public Counsel

- (a) Trippensee (Rebuttal) (will appear 12/7)
- (b) Dittmer (Rebuttal) (will appear 12/6)

Staff

- (a) Schallenberg (Rebuttal) (will appear 12/7)

VI.Affiliate Transactions Rule Waiver/Variance – Hearing Day: Fri. 12/7

1. Should GPE/KCPL and Aquila be granted a waiver/variance from the provisions of the affiliate transactions rule under 4 CSR 240-20.015 as it might pertain to transactions between Aquila and KCPL? Will the proposed merger be not detrimental to the public interest if the Commission does so?
2. Have GPE/KCPL and Aquila complied with the Commission's rules regarding a request for a waiver or variance from the affiliate transactions rule, such as the requirement regarding making a showing of good cause?
3. Have GPE/KCPL and Aquila provided adequate details for there to be clarity respecting what provisions of the affiliate transactions rule that GPE/KCPL and Aquila are seeking relief from?

GPE/KCPL

- (a) Wright (Direct) (will appear 12/7)
- (b) Bassham (Direct, Supplemental Direct, and Surrebuttal) (will appear 12/7)
- (c) Giles (Surrebuttal) (will appear 12/7)

Staff

- (a) Schallenberg (Rebuttal) (will appear 12/7)

VII.Service Quality – Hearing Day: Thurs. 12/13

1. Can service quality problems resulting from a merger/consolidation/acquisition of a works or system necessary or useful in the performance of duties to the public preclude the merger/consolidation/acquisition from being not detrimental to the public interest?
2. Has GPE/KCPL taken adequate measures to ensure that its proposed post-consolidation/post-merger/post-acquisition operations will not be detrimental to the public interest by precluding service quality issues arising from the consolidation/merger/acquisition?

GPE/KCPL

- (a) Herdegen (Direct and Supplemental Direct) (will appear 12/13)

Staff

- (a) Schallenberg (Direct) (will appear 12/13)

VIII. Transmission and RTO/ISO Criteria – Hearing Day(s): Mon. 12/10, Tues. 12/11

1. Have Applicants demonstrated that the proposed transaction is not detrimental to the public interest even though they have not addressed the rate and other impacts of their intent to have Aquila participate in the Midwest ISO rather than SPP?

GPE/KCPL

- (a) Spring (Direct and Surrebuttal)

Independence

- (a) Mahlberg (Rebuttal)
(b) Volpe (Rebuttal)

MJMEUC

- (a) Grotzinger (Cross-Surrebuttal)

2. Have Applicants demonstrated that the proposed transaction is not detrimental to the public interest even though they have not addressed the rate and other impacts of potential joint dispatch of the combined companies' generation resources, including the impacts on transmission and interconnection availability?

GPE/KCPL

- (a) Spring (Direct and Surrebuttal)

Independence

- (a) Mahlberg (Rebuttal)
(b) Volpe (Rebuttal)

MJMEUC

- (a) Grotzinger (Cross-Surrebuttal)

3. Should Commission approval of the Joint Application be conditioned upon Aquila being required to join and operate its generation and transmission facilities under the auspices of the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) with KCPL within four (4) months of approval of the merger.

GPE/KCPL

- (a) Spring (Direct and Surrebuttal)

Dogwood

(a) Janssen (Rebuttal)

MJMEUC

(a) Grotzinger (Cross-Surrebuttal)

4. Should Commission approval of the Joint Application be conditioned upon Aquila and KCPL being required to consolidate their balancing authority areas within six (6) months of approval of the merger.

GPE/KCPL

(a) Spring (Direct and Surrebuttal)

Dogwood

(a) Janssen (Rebuttal)

MJMEUC

(a) Grotzinger (Cross-Surrebuttal)

IX. Municipal Franchise and Energy Audit – Hearing Day(s): Wed. 12/12, Thurs. 12/13

1. Should Commission approval of the Joint Application be conditioned upon the negotiation of a single, unitary franchise between KCPL/Aquila and the City of Kansas City within nine (9) months of the Commission's approval of the merger?

KCMO

(a) Wayne Cauthen

GPE/KCPL

(a) John Marshall

2. Should Commission approval of the Joint Application be conditioned upon requiring KCPL/Aquila to fund a comprehensive energy audit by a third party to evaluate the City of Kansas City's opportunities for lower costs, increased efficiency, consolidated purchasing and cooperative siting or cogeneration with the utility?

KCMO

(a) Stan Harris

GPE/KCPL

(a) John Marshall

X. Quality of Service Plan and Earnings Sharing Mechanism – Hearing Day(s): Wed. 12/12, Thurs. 12/13

1. Should Commission approval of the Joint Application be conditioned upon requiring KCPL/Aquila to file an application for a Quality of Service Plan within 90 days of the Commission's final decision in this proceeding?

KCMO

(a) Bob Hix

GPE/KCPL

(a) John Marshall

2. Should Commission approval of the Joint Application be conditioned upon establishment of an Earnings Sharing Mechanism that returns to customers excess earnings of KCPL/Aquila above an authorized level.

KCMO

(a) Bob Hix

GPE/KCPL

(a) Chris Giles

XI. Future Rate Case – Hearing Day: Wed. 12/12, Thurs. 12/13

1. Should Commission approval of the Joint Application be conditioned upon requiring KCPL/Aquila to file a comprehensive rate case with respect to the merged operations within three (3) years of the Commission's approval of the merger?

KCMO

(a) Bob Hix

GPE/KCPL

(a) John Marshall

XII. Legal Issues

The Staff chose to raise in its Report, which is appended to the Rebuttal Testimony of Staff witness Robert E. Schallenberg, certain legal issues, which GPE/KCPL has responded to in the Surrebuttal Testimony of Chris B. Giles. It is anticipated that these issues also will be addressed in briefs and/or other pleadings. Other parties may have chosen, or may choose, to raise legal issues solely through pleadings. The Staff also asks below whether the net detriment test being

used by the Joint Applicants is the actual legal standard that is applicable in Missouri. Finally, KCPL has raised the legal issue that appears last in the list that follows:

1. Have the Joint Applicants, Great Plains Energy, Incorporated, Kansas City Power & Light Company and Aquila, Inc. obtained from their Boards of Directors the authorizations necessary to effectuate actions required to merge, consolidate, combine, or integrate the systems, works and operations of KCPL and Aquila Networks – MPS and Aquila Networks – L&P proposed in the instant case?
2. Have the Joint Applicants, Great Plains Energy, Incorporated, Kansas City Power & Light Company and Aquila, Inc., applied to the Missouri Commission for the authorizations necessary to effectuate the merger, consolidation, combination, or integration of the systems, works and operations of KCPL and Aquila Networks – MPS and Aquila Networks – L&P proposed in the instant case?
3. What is the legal effect for future Commission cases of the present Commission adopting the GPE/KCPL/Aquila proposals contained in their Joint Application filed on April 4, 2007?
4. Is the net detriment test utilized by the Joint Applicants as the not detrimental to the public interest standard, the criteria required by law for determining whether the proposed acquisition and related transactions are not detrimental to the public interest? Will the proposed merger cause a net detriment to the public interest because the cost of service on which rates for Missouri ratepayers of Aquila and KCPL will be established will be higher as a direct result of the merger than the cost of service would be for Aquila and KCPL absent the proposed transaction?
5. Does the Affiliate Transactions Rule, 4 CSR 240-20.015, apply to transactions between regulated electrical corporations that are wholly owned by the same parent company? **See VI. Affiliate Transactions Rule Waiver/Variance – Hearing Day: Fri. 12/7.**

ORDER OF CROSS-EXAMINATION

GPE/KCPL witnesses

Aquila, Black Hills Corporation, IBEW Locals 412, 1464 and 1613, IBEW Locals 695 and 814, Dogwood Energy, MJMEUC, City of Kansas City, City of St. Joseph, City of Lee's Summit, City of Independence, Cass County, and South Harper Residents, AgProcessing/Praxair/SIEU, Public Counsel, Staff

Aquila witness

GPE/KCPL, Black Hills Corporation, IBEW Locals, Dogwood Energy, MJMEUC, City of Kansas City, City of St. Joseph, City of Lee's Summit, City of Independence, Cass County, and South Harper Residents, AgProcessing/Praxair/SIEU, Public Counsel, Staff

Staff witnesses

Public Counsel, AgProcessing/Praxair/SIEU, South Harper Residents, Cass County, City of Kansas City, City of Independence, City of Lee's Summit, City of St. Joseph, MJMEUC, Dogwood Energy, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

Public Counsel witnesses

Staff, AgProcessing/Praxair/SIEU, South Harper Residents, Cass County, City of Kansas City, City of Independence, City of Lee's Summit, City of St. Joseph, MJMEUC, Dogwood Energy, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

AgProcessing/Praxair/SIEU witness

Staff, Public Counsel, South Harper Residents, Cass County, City of Kansas City, City of Independence, City of Lee's Summit, City of St. Joseph, MJMEUC, Dogwood Energy, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

Dogwood witness

South Harper Residents, Cass County, City of Kansas City, City of Independence, City of Lee's Summit, City of St. Joseph, MJMEUC, Public Counsel, Staff, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

Independence witnesses

South Harper Residents, Cass County, City of Kansas City, City of Lee's Summit, City of St. Joseph, MJMEUC, Dogwood Energy, Public Counsel, Staff, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

MJMEUC witness

South Harper Residents, Cass County, City of Kansas City, City of Independence, City of Lee's Summit, City of St. Joseph, Dogwood Energy, Public Counsel, Staff, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

Kansas City witnesses

South Harper Residents, Cass County, City of Independence, City of Lee's Summit, City of St. Joseph, MJMEUC, Dogwood Energy, Public Counsel, Staff, IBEW Locals, Black Hills Corporation, Aquila, and GPE/KCPL.

Wherefore, the Staff submits the foregoing list of issue and order of opening statements, witnesses and cross-examination in response to the Commission's June 19, 2007, *Order Adopting Procedural Schedule*.

Respectfully submitted,

/s/ Steven Dottheim

Steven Dottheim
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Missouri Bar No. 49142

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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 21st day of November, 2007.

/s/ Steven Dottheim