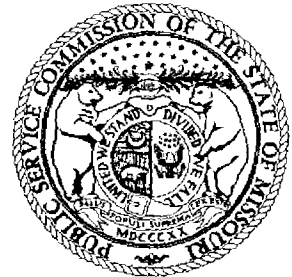


Notice of *Ex Parte* Contact

TO: Data Center
All Parties in Case No. **EM-2007-0374**

FROM: Commissioner Connie Murray *CM*
Commissioner Robert Clayton *RC*
Commissioner Lin Appling *LA*
Commissioner Terry Jarrett *TJ*



DATE: March 17, 2008

On March 17, 2008, we received the attached anonymous letter regarding KCP&L. The Commission is currently considering the issues discussed in this document in case **EM-2007-0374** which is a contested case. In contested cases, the Commission is bound by the same *ex parte* rule as a court of law.

Although communications from members of the public and members of the legislature are always welcome, those communications must be made known to all parties to a contested case so that those parties have the opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, we submit this report pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Commissioners
Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel

To: Missouri Public Service Commission
Commissioner Murray
Commissioner Clayton
Commissioner Appling
Commissioner Jarrett

RECEIVED
MAR 17 2008

RE: Case EM-2007-0374

Honorable Commissioners:

As an employee, shareholder, and customer of KCP&L, I am respectfully submitting this letter to you because the Commission must be made aware of how horribly detrimental this merger will be if it is approved. In actuality, the proposed merger is already horribly detrimental to our company, but it will get much worse.

There are things going on internally at KCPL that the Commission must be made aware of. Only the employees that have to deal with these problems on a daily basis are going to be willing to tell you about them. The executives and consultants will never bring this to your attention on a voluntary basis, and will do everything possible to block you from obtaining this information. The executives know there are disastrous problems, but are still highly confident that the Missouri Commissioners will rubber stamp this merger like the Kansas Commission did.

If the Commissioners really are concerned with what is in the best interest of the public, there are specific things that must be thoroughly investigated by the Commission.

Possible Document Tampering

There was frantic activity at KCPL after the official objection filed by GPE/KCPL on March 6th, and it is being noted by many employees that there is a very real possibility that documentation surrounding the CEP and regulatory plan, including the Iatan projects' financial estimates, is being changed to provide the Commission with favorable data, or being deleted.

GPE/KCPL Financial Stability

Our solid financial reputation is being destroyed because of this proposed merger. Our company stock has taken a major hit due to this proposed merger. If this merger is approved, KCPL will become just like Aquila financially. Many employees' retirement funds will be decimated when the stock price continues to plummet.

Uncontrolled Spending charged to merger

KCPL is spending millions of dollars on currently unneeded items without even knowing if the merger will be approved. The money is being spent on things like hundreds of contractors to do the daily work at KCPL, and major facility renovations to accommodate staff and equipment already arriving from Aquila. The spending is completely out of control. Any time something needs to be purchased, the standard line is, "Charge it to the merger" – even when it is not related directly to merger activities. Why is this massive spending taking place without even knowing if the merger will be approved? Who is accounting for, and accountable for, all this spending? How is KCPL going to meet our 2008 earnings projections with this uncontrollable spending taking place? The short answer is we won't.

Staffing

Consultants hired by our executives decided that the entire company (KCPL) had to be reorganized because of this proposed merger. The consultants decided who needed to be moved where, without ever talking to individual employees to find out what they do on a daily basis. They made these decisions without knowing, or caring, anything about our company's culture. ***Most of the reorganization decisions they have made are going***

to be extremely detrimental to our employees, customers and electrical reliability. In their reorganization plans, they have placed many employees in positions where they have no experience, or no understanding of what they will be doing.

Aquila employees are already being brought in to the KCPL organization from the executive level to the employee level and are making decisions about the strategic activities of our company. Some of the decisions that are being made seem to be contradictory to what a utility should be doing to provide reliable service to their customers.

Long time employees with highly specialized skills are quitting both KCPL and Aquila at an alarming rate and are not being replaced. We have already been told we will not fill the current open positions slotted for the new company and there will be no new hires for a significant period of time once the merger is approved.

Accounting

Major assets are already being moved between Aquila and KCPL. Not sold between the companies, simply moved. This proposed merger doesn't look like it is between a new GPE subsidiary and Aquila, it looks exactly like it is a merger that has already happened between KCPL and Aquila.

Merger Synergies

The merger synergies provided to you in the executives' and consultants' testimonies are not accurate. Some of the merger synergies discussed in the testimonies are misleading and, in some cases, false. Estimated timelines for projects being completed to obtain synergies are grossly inaccurate and the only way any synergies will be seen is if the merger is approved in such a way that KCPL and Aquila operate as one company with far fewer employees.

This proposed merger between a GPE subsidiary and Aquila is nothing more than a flagrant attempt to merge KCPL and Aquila without going through the appropriate regulatory approval.

I cannot stress strongly enough that these problems must be investigated immediately.

Respectfully,

A very concerned employee, shareholder and customer of KCPL