1	STATE OF MISSOURI
2	PUBLIC SERVICE COMMISSION
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6	TRANSCRIPT OF PROCEEDINGS
7	Prehearing Conference
8	March 17, 2005 Jefferson City, Missouri Volume 1
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12	<pre>In the Matter of the Application) of Aquila, Inc., for Authority to) Acquire, Sell and Lease Back Three) Natural Gas-Fired Combustion) Case No. EO-2005-0156 Turbine Power Generation Units and) Related Improvements to be) Installed and Operated in the City) of Peculiar, Missouri)</pre>
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17	KEVIN A. THOMPSON, Presiding, DEPUTY CHIEF REGULATORY LAW JUDGE.
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23	REPORTED BY:
24	KELLENE K. FEDDERSEN, CSR, RPR, CCR MIDWEST LITIGATION SERVICES
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1 APPEARANCES: 2 PAUL A. BOUDREAU, Attorney at Law Brydon, Swearengen & England, P.C. 3 312 East Capitol P.O. Box 456 4 Jefferson City, MO 65102-0456 (573)635-7166 5 FOR: Aquila, Inc. 6 MARK W. COMLEY, Attorney at Law 7 Newman, Comley & Ruth 601 Monroe, Suite 301 8 P.O. Box 537 Jefferson City, MO 65102 9 (573) 634-2266 10 FOR: Cass County, Missouri. JOHN B. COFFMAN, Public Counsel 11 P.O. Box 2230 200 Madison Street, Suite 650 12 Jefferson City, MO 65102-2230 (573)751-4857 13 14 FOR: Office of the Public Counsel and the Public. 15 NATHAN WILLIAMS, Associate General Counsel P.O. Box 360 16 200 Madison Street Jefferson City, MO 65102 17 (573)751-3234 18 FOR: Staff of the Missouri Public 19 Service Commission. 20 21 22 23 24 25

1 PROCEEDINGS 2 JUDGE THOMPSON: We are here in the matter of the application of Aquila, Inc. for authority to 3 4 acquire, sell and lease back three natural gas-fired 5 combustion turbine power generation units and related 6 improvements to be installed and operated in the city of 7 Peculiar, Missouri, Case No. EO-2005-0156. 8 Lewis Mills is the Regulatory Law Judge 9 assigned to preside over this matter. He is, however, 10 caught up in the agenda meeting at this time, and I'm filling in for him for the purposes of this prehearing 11 conference only. 12 13 We will go ahead and take oral entries of 14 appearance at this time. Let's begin with the company. 15 MR. BOUDREAU: Thank you. Let the record reflect the appearance of Paul Boudreau with the law firm 16 of Brydon, Swearengen & England, Post Office Box 456, 17 18 Jefferson City, Missouri, on behalf of applicant, Aquila, 19 Inc. 20 JUDGE THOMPSON: Thank you very much. 21 Staff? 22 MR. WILLIAMS: Nathan Williams, Staff of the Missouri Public Service Commission, P.O. Box 360, 23 Jefferson City, Missouri 65102. 24 25 JUDGE THOMPSON: Thank you. Public

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1 Counsel?

2 MR. COFFMAN: Appearing on behalf of the Office of the Public Counsel and the rate-paying public, 3 4 John B. Coffman, Box 2230, Jefferson City, Missouri 65102. 5 JUDGE THOMPSON: Intervenors? 6 MR. COMLEY: Judge, appearing on behalf of 7 Cass County, Missouri, let the record reflect the entry of 8 Mark W. Comley, Newman, Comley & Ruth, PC, 601 Monroe, 9 Suite 301 Jefferson City, Missouri 65101. 10 JUDGE THOMPSON: Thank you. I understand there's at least one intervenor that's not present; is 11 12 that correct? MR. BOUDREAU: I believe that's the case. 13 14 It was my understanding that counsel for the City of 15 Peculiar was going to contact the adjudication division and request to be excused, but I understand that that did 16 17 not happen. 18 JUDGE THOMPSON: So far as I know it didn't happen. Perhaps it did and nobody told me. Either way 19 20 we'll go forward. 21 The purpose of this early prehearing 22 conference is to give the parties an opportunity to pursue 23 further settlement discussions. Probably you've already 24 engaged in such, but here's an opportunity to get you all 25 together in the room so you can pursue them yet further.

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You can also compare your calendars and put together the 1 procedural schedule, which I gather is due March 24th, 2 3 according to this Order which was issued March 9th. 4 MR. BOUDREAU: I believe that's correct. 5 JUDGE THOMPSON: So those are your tasks. 6 Do the parties have anything to bring to my attention at 7 this time? 8 MR. WILLIAMS: No, Judge. 9 MR. BOUDREAU: I don't believe so. 10 JUDGE THOMPSON: Judge Mills urged me to mention simply one thing, and that is that this case 11 involves only the financing aspect, I think, of the 12 13 proposed installation. 14 MR. COFFMAN: Well, I guess it depends on 15 how you define financing. There's several points of 16 relief requested. 17 MR. BOUDREAU: There's probably two 18 elements, one of which is the financing, and the other which Mr. Coffman is referring to addresses an affiliate 19 20 transaction that's associated with this. 21 JUDGE THOMPSON: I appreciate the 22 correction. MR. COFFMAN: Just so the record's clear, 23 24 there are requests that the Commission make certain findings which we at this point strongly disagree with. 25

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JUDGE THOMPSON: Well, the pleadings say what they say, and whatever I say or don't say on the record today is hardly going to affect where this case goes or doesn't go. With that being said, I will adjourn the recorded portion of this prehearing conference and leave you to do your homework. Thank you. WHEREUPON, the recorded portion of the prehearing conference was concluded.