

EAST LYNNE #40 SCHOOL DISTRICT

Dr. Dan Doerhoff, Superintendent

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FILED³

APR 5 2006

**Missouri Public
Service Commission**

To: Missouri Public Service Commission

Re: Aquila / Harper Power Plant

By: Dan Doerhoff

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- > **Public schools are funded by tax revenue, primarily from property taxes.**
 - > **Commercial enterprises, such as utilities, are responsible for a large portion of that property tax revenue.**
 - > **Aquila's Harper Rd. power plant should pay \$2,167,433 / yr in school taxes.**
(\$140,000,000 x 1/3 x \$4.6445/\$100 = \$2,167,433)
 - > **Through a scheme to use bond financing from a governmental entity, Aquila plans to avoid all property taxation for public schools.**
 - > **This is the loss to the fourteen school districts and 18,000 students in Cass County.**
 - > **Missouri law specifies that, "... all property owned or even controled by utilities will be taxed ... "** (RSMo 153.030)

- > **Aquila's Harper Rd. power plant must
MUST NOT AVOID TAXATION !**

- > **Property taxation is the mechanism established to provide the basic governmental service of public education . Approval of a power plant that avoids property taxation should not be allowed.**

Public
Hearing Exhibit No. 6
Date 3-20-06 Case No. EA-2006-0309
Reporter _____