

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day
of December, 2005.

In the Matter of the Application of Aquila, Inc., for)
Authority to Sell, Assign and Transfer to KAMO)
Electric Cooperative, Inc., Approximately Six (6)) **Case No. EO-2006-0036**
Miles of Electric Transmission Line Located in)
Barton County, Missouri.)

ORDER APPROVING SALE OF ASSETS

Issue Date: December 15, 2005

Effective Date: December 25, 2005

This order grants Aquila, Inc.'s application for authority to sell a section of transmission line to KAMO Electric Cooperative, Inc.

On July 26, 2005, Aquila applied for authority under Section 393.190, RSMo 2000, to sell a six-mile length of 69 kV electric transmission line connecting its Lamar substation to a point just north of its Boston Corners substation where Aquila ties into the facilities of The Empire District Electric Company. The transmission line is located in Barton County, Missouri.

Aquila is not directly serving any customer from this line but instead uses the line for emergency backup. KAMO is purchasing the facilities in order to provide voltage support to its customers in the Lamar area and the City of Lamar. According to the application, KAMO has agreed to allow Aquila access for emergency backup purposes at no cost

to Aquila.¹ The applicant stated that since the facilities are not normally serving any of its customers, and the facilities will be available for emergency backup, the sale will not be detrimental to the public interest.

KAMO agreed in an Asset Purchase Agreement to pay \$275,000 for the section of transmission line. Aquila stated that the effect of the transaction on the various taxing entities would be approximately \$205 for 2005.

On August 10, 2005, the Commission issued an order directing notice. The notice indicated that any interested person wishing to intervene should file an application to intervene on or before August 30, 2005. No intervention requests were filed.

The Staff of the Commission filed a recommendation and memorandum on October 11, 2005. Staff indicated that it reviewed the application for transfer of assets and concluded that the transaction will not be detrimental to the public interest. Staff recommended that the Commission find that this decision will not bind the Commission or any party to any ratemaking treatment in future cases.

The Commission has reviewed Aquila's application, including the Asset Purchase Agreement. The Commission has also reviewed the recommendation of Staff. The Commission finds that the proposed transfer of assets will have no adverse effect on the customers of Aquila. The Commission finds that the transaction is not detrimental to the public interest and shall be approved.

¹ The Staff of the Missouri Public Service Commission also notes in its Memorandum that KAMO is planning some facility improvements which would allow the line to be used under normal circumstances as well.

IT IS THEREFORE ORDERED:

1. That Aquila, Inc.'s application for authority to sell and transfer to KAMO Electric Cooperative, Inc., approximately six miles of 69 kV electric transmission line located in Barton County, Missouri, as described in its July 26, 2005, Application and its attached Asset Purchase Agreement, is approved.
2. That the Commission makes no finding binding it or any party in any future proceeding with regard to the treatment of this transaction for ratemaking purposes.
3. That this order shall become effective on December 25, 2005.
4. That this case may be closed on December 26, 2005.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Dippell, Senior Regulatory Law Judge