FILED

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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Missouri Public Service Commission

In the Matter of Aquila, Inc., d/b/a Aquila Networks – L&P and Aquila Networks – MPS, to implement a General Rate Increase in Electricity.

In the Matter of the Request of Aquila, Inc. d/b/a Aquila Networks – L&P, to Implement a General Rate Increase in Steam Rates. • • •

Case No. ER-2004-0034

Case No. HR-2004-0024

MISSOURI DEPARTMENT OF NATURAL RESOURCES' RESPONSE TO PUBLIC SERVICE COMMISSION'S FIVE QUESTIONS

On February 23, 2004, the hearing in the above-styled rate cases began before the Missouri Public Service Commission (Commission.) On or about that same date, the Office of Public Counsel and Intervenor Ag Processing, Inc. filed their Petition for Writ of Prohibition.

On February 24, 2004, the Cole County Circuit Court issued its Preliminary Order in Prohibition directing that the Commission file its pleading in response to the Petition in Prohibition on or before March 17, 2004, and further ordering that the Commission "refrain from acting or continuing to act to process of hear the rate application of Aquila in Case No. ER-2004-0034 insofar as said rate application or hearing concerns the service territories of St. Joseph Light & Power Co.," the acquisition of which was overturned by the Missouri Supreme Court.

On February 25, 2004, the Commission, through its Regulatory Law Judge, directed counsel for the parties to the above-styled matter to respond to a series of questions propounded by the Commission through its Regulatory Law Judge.

For its response to the Commission's questions, the Missouri Department of Natural Resources states that because the issues it has in the above-styled appeal are very narrow in scope, it does not take a position on the issues raised by the questions propounded by the Commission and will therefore not be filing any further response. Having said that and without attempting to speak for any other party, the Department is in the process of separating the portions of its case that deal with the Aquila Networks-MPS service area from the Aquila Networks L&P service area. While preliminary, the Department staff working on it believe they will be able to do so for Department issues.

WHEREFORE, Missouri Department of Natural Resources states that it has no position on the issues raised by the Commission in its questions and will not file any further response.

> Respectfully submitted, JEREMIAH W. (JAY) NIXON

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 26th day of February 2004:

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