Missouri Public Service Commission P.O. BOX 360 JEFFERSON CITY, MO 65102

TERRY M. JARRETT COMMISSIONER 573-751-3243 terry.jarrett@psc.mo.gov

May 7, 2008

The Honorable Charles W. Shields Missouri State Senate Office of Majority Floor Leader State Capitol – Room 320 Jefferson City, MO 65101

Dear Senator Shields:

Thank you for your letter regarding the proposed acquisition of Aquila by Great Plains Energy. The Missouri Public Service Commission has just completed the hearing on this issue in Case No. EM-2007-0374. This is a contested case and the Commission is bound by its ex parte rule. Therefore, the parties to this case have been given notice that your communication was received.

Communications from the members of the legislature are always welcome, however, those communications must be made known to all parties to a contested case. According to the Commission's rules, when a communication from any person interested in a case 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 to each member of the Commission and to the parties to the case so that the parties have a full and fair opportunity to respond. Please understand that I am bound by law to decide the case solely based upon the facts in the record.

Sincerely,

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## **MISSOURI SENATE**

JEFFERSON CITY

OFFICE OF MAJORITY FLOOR LEADER

CHARLES W. SHIELDS 34TH DISTRICT

May 5, 2008

Mr. Jeff Davis Chairman Missouri Public Service Commission Governor Office Building 200 Madison Street P.O. Box 360 Jefferson City, MO 65101

Dear Chairman Davis and Commissioners,

As you know, one of my top priorities has been to move Missouri towards a more environmentally sound energy policy that strengthens our economy while decreasing our dependence on foreign oil.

While our primary focus has been on allowing Missouri's corn and soybean farmers to play a greater role in renewable fuels, an equally important factor in Missouri's energy future is making sure that our utilities stay financially strong, so they can continue making investments in renewable energy production and air quality initiatives.

To that end, I am encouraging the Missouri Public Service Commission to approve the proposed acquisition of Aquila by Great Plains Energy.

As I understand it, this merger represents the best possible outcome for Aquila and will result in a single regional utility that is on strong financial footing. Kansas City Power & Light, Great Plains' utility, has an excellent track record of performance within its service area and has been recognized nationally for its efforts to achieve top-tier service and increase investments in renewable energy production and air quality improvements. I was particularly pleased to learn about Kansas City Power & Light's decision to endorse the effort by Missourians for Cleaner Cheaper Energy to put a renewable energy initiative proposal on the public ballot for the November 2008 election. This is a positive step towards increasing the percentage of renewable energy in our state's generation portfolio.

COMMITTEES:

RULES, JOINT RULES, RESOLUTIONS AND ETHICS-CHAIR

GUBERNATORIAL APPOINTMENTS-VICE-CHAIR

**ADMINISTRATION-VICE-CHAIR** 

HEALTH AND MENTAL HEALTH-VICE-CHAIR

EDUCATION

In addition, the prospect of passing along to customers hundreds of millions of dollars in operational savings by combining these two utilities is appealing, especially when almost all of the risks to ratepayers have been removed. Given these uncertain economic times and the rising cost of many daily staples, including food, fuel, and energy, we need to take advantage of every opportunity to help Missourians keep their monthly electric bills as low as possible.

And last, based on conversations that I have had with many of my constituents, I believe there is overwhelming support in my community for this merger. News of this proposal has been very well received and I believe will be viewed as a positive step on behalf of customers.

Certainly there are risks in any business transaction. But the benefits of this proposed transaction seem to far outweigh any risks. I would urge the Commission to carefully consider, and then approve, this combination.

Best regards. Charlie Shields

Senator, 34<sup>th</sup> District State of Missouri

CS:abh

cc: Commissioner Robert Clayton Commissioner Terry Jarrett Commissioner Kevin Gunn Commissioner Connie Murray