

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
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5 TRANSCRIPT OF PROCEEDINGS
6 In-Camera Proceedings
7 December 3, 2007
8 Jefferson City, Missouri
Volume 3

9 In the Matter of the Joint)
Application of Great Plains Energy)
10 Incorporated, Kansas City Power &)
Light Company, and Aquila, Inc.,) Case No. EM-2007-0374
11 for Approval of the Merger of)
Aquila, Inc., with a Subsidiary of)
12 Great Plains Energy Incorporated)
and for Other Related Relief)
13

14 NANCY M. DIPPELL, Presiding,
SENIOR REGULATORY LAW JUDGE.

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16 JEFF DAVIS, Chairman,
CONNIE MURRAY,
17 LINWARD "LIN" APPLING,
TERRY JARRETT,
COMMISSIONERS.
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19 REPORTED BY:
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20 MIDWEST LITIGATION SERVICES
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1 JUDGE DIPPELL: All right. I think we're
2 ready to go ahead then with your in-camera questions.

3 MICHAEL CHESSER testified as follows:

4 CROSS-EXAMINATION BY MR. WILLIAMS:

5 Q. All right. In the first sentence of that
6 last paragraph, what did you state in that letter to --
7 that was directed to Aquila?

8 A. It says, in order to deliver a transaction
9 which will create this immediate and sustainable long-term
10 value for Aquila and Great Plains shareholders, we require
11 informal discussions with regulators prior to the
12 execution of a definitive merger agreement for this
13 transaction.

14 Q. And who are you referring to when you use
15 the term regulators?

16 A. I was referring to the Missouri Public
17 Service Commission and the Kansas Corporation Commission,
18 both of whom regulate our businesses, and I was also
19 intending to -- when I say the Commission, it's
20 commissioners and staff of both commissions. And I might
21 say that in taking this tact, I was continuing a process
22 that I had experienced firsthand in two other mergers
23 where it was important to sit down with the Commissioners
24 and Staff prior to a formal announcement to make sure they
25 understood the arrangement and to make sure that there

1 wasn't any significant objections that we were not aware
2 of.

3 MR. MILLS: Judge, if I may interject here,
4 since we don't have anything in writing from KCPL or GPE
5 as to why this was supposedly marked highly confidential
6 in the first instance, I would like an explanation now of
7 why that question and that answer was highly confidential.
8 I don't see anything that falls under the Commission's
9 rule so far?

10 MR. ZOBRIST: Judge, if I may? Because it
11 reveals a business strategy, Great Plains Energy's
12 approach to how this merger and the related transactions,
13 it goes on to speak about Black Hills, how this company
14 contemplated carrying out these transactions, that clearly
15 deals with the business strategy, and that's why it at
16 this point ought to remain highly confidential.

17 MR. MILLS: There wasn't anything about
18 Black Hills in those questions.

19 MR. ZOBRIST: I know, but it's within that
20 paragraph. My point stands in regard to the plans of
21 Great Plains.

22 MR. MILLS: If it's going to be a secret
23 that part of the plan was to meet with regulators and get
24 feedback, then we're going to be fighting this every step
25 of the way. I'm perfectly happy to fight it, but that's

1 what we're going to have to do.

2 JUDGE DIPPELL: I'm going to stand by my
3 earlier ruling. I'm going to allow the companies to make
4 formal detailed response to each of the documents.
5 Mr. Mills, if you want to have an ongoing objection like
6 Mr. Conrad, I'll be happy to do that, but I think that it
7 will have to wait until in the morning when I can have an
8 opportunity to look at each of their reasons and each of
9 these documents because your motion was just as broad as
10 their designation, and I have to go through basically line
11 by line and decide.

12 MR. MILLS: And there certainly were some
13 exhibits designated highly confidential that I did not ask
14 to be declassified.

15 MR. COFFMAN: Your Honor, for
16 clarification, there will be an opportunity later, after
17 that ruling, to move to declassify portions of this
18 transcript today based on that ruling?

19 JUDGE DIPPELL: Yes. And based on my
20 ruling, I will declassify anything that -- anything that
21 is declassified tomorrow, I will declassify in the
22 transcript from today.

23 MR. COFFMAN: Thank you.

24 JUDGE DIPPELL: Including we were in-camera
25 when we had the discussion about excluding witnesses, and

1 just for the record, I will alert the court reporter to
2 consider the in-camera session not starting until after my
3 ruling on that. We didn't actually talk about anything
4 in-camera at that point. That discussion will be public
5 also. Mr. Williams, I think --

6 MR. WILLIAMS: Are we still in-camera?

7 JUDGE DIPPELL: Yes.

8 MR. CONRAD: Judge, while the colloquy is
9 going on, are we still all talking about Exhibit 101 or
10 are we talking about some subset of that?

11 JUDGE DIPPELL: We were talking about
12 Exhibit 102 on that last --

13 MR. CONRAD: Thank you. I had missed that.
14 I apologize.

15 MR. WILLIAMS: I've been advised we don't
16 need to remain in-camera for this series of questions.

17 JUDGE DIPPELL: All right, then, we can go
18 back into public session. Wait just one moment.

19 WHEREUPON, the in-camera portion of Michael
20 Chessser's testimony was concluded.

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