

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the matter of Aquila, Inc. d/b/a )  
Aquila Networks-L&P, for authority )  
to file tariffs changing the steam ) **HR-2007-0028**  
Quarterly Cost Adjustment for service )  
provided to customers in the Aquila )  
Networks-L&P service territory. )

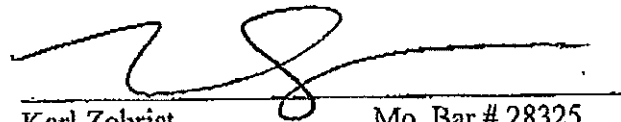
In the matter of Aquila, Inc. d/b/a )  
Aquila Networks-L&P, for authority )  
to file tariffs changing the steam ) **HR-2007-0399**  
Quarterly Cost Adjustment for service )  
provided to customers in the Aquila )  
Networks-L&P service territory. )

**CERTIFICATE OF SERVICE**

I hereby certify that on September 8, 2009 I served the following: (1) KCP&L  
GMO's Responses to Ag Processing Inc.'s First Request for Admissions of Fact; (2) KCP&L  
GMO's Responses to Ag Processing Inc.'s First Interrogatories; and (3) KCP&L GMO's  
Responses to Ag Processing, Inc.'s First Request for Production of Documents via e-mail and  
facsimile upon:

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3  
Exhibit No. 3  
Date 11-18-10 Reporter JM  
File No. HC-2010-0235



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**RESPONSE TO AG PROCESSING INC.'S FIRST  
REQUEST FOR ADMISSIONS OF FACT**

For its response to the First Request for Admissions of Fact of Ag Processing Inc. ("AgP"), KCP&L Greater Missouri Operations Co. ("GMO") states as follows:

1. The effective date of the Quarterly Cost Adjustment for Aquila, Inc.'s steam generation and distribution system in St. Joseph (hereinafter "QCA") was March 6, 2006.

**Response: GMO objects to this Request as vague and ambiguous because numerous quarterly cost adjustments exist. Subject to and without waiving the foregoing objections, GMO states that so long as this Request pertains to the Order Regarding Stipulation and Agreement in Case No. HR-2005-0450, issued February 28, 2006, GMO admits Request No. 1.**

2. The Aquila Steam natural gas hedging program resulted in net costs that are properly before the Commission for review as a part of HR-2007-0028, a docketed proceeding in which fuel costs incurred during 2006 are subject to review.

**Response: GMO objects to this Request, specifically the term "that are properly before the Commission for review," as it calls for a legal conclusion. Subject to and without waiving the foregoing objection, GMO denies Request No. 2.**

3. It is within the jurisdiction of the Missouri Public Service Commission in connection with its review of the natural gas hedging program for steam generation (hereinafter "Aquila Steam Hedging Program") that resulted in net costs that are before the Commission for review as a part of HR-2007-0028, to require the refund to customers of these costs if found by the Commission to have been imprudently incurred even though such customers have been billed and have paid these costs without protest.

**Response: GMO objects to Request No. 3 because it calls for a legal conclusion. Subject to and without waiving the foregoing objection, GMO denies Request No. 3.**

4. The Aquila Steam natural gas hedging program resulted in net costs that are properly before the Commission for review as a part of HR-2007-0399, a docketed proceeding in which fuel costs incurred during 2007 are subject to review.

**Response: GMO objects to Request No. 4 because it calls for a legal conclusion. Subject to and without waiving the foregoing objection, GMO denies Request No. 4.**

5. It is within the jurisdiction of the Missouri Public Service Commission in connection with its review of the Aquila Steam Hedging Program that resulted in net costs that are before the Commission for review as a part of HR-2007-0028, to require the refund to customers of these costs if found by the Commission to have been imprudently incurred even though such customers have been billed and have paid these costs without protest.

**Response: GMO objects to Request No. 5, specifically the term "that are properly before the Commission for review," because it calls for a legal conclusion. Subject to and without waiving the foregoing objection, GMO denies Request No. 5.**

6. The beneficial ownership of the Aquila steam business passed from Aquila, Inc., L&P Division to KCPL-Greater Missouri Operations Company (KCPL-GMO) in a transaction that became effective July 14, 2008 and the corporate entity Aquila, Inc. that formerly owned and operated the steam business in St. Joseph and environs is now doing business as KCPL-GMO.

**Response: GMO objects to this request as it calls for a legal conclusion. Subject to and without waiving the foregoing objection, GMO denies Request No. 6.**

7. The Report and Order of the Public Service Commission approving the acquisition of Aquila, Inc. by Gregory Acquisition Company and, in turn, KCPL-GMO remains subject to pending judicial review proceedings.

**Response: GMO objects to this request as vague and ambiguous, calling for speculation and calling for a legal conclusion. Subject to and without waiving the foregoing objection, GMO admits that AgP and the Office of Public Counsel have appealed the order of the Cole County Circuit Court affirming the Report and Order to the Missouri Court of Appeals but denies that "the Report and Order of the Public Service Commission approv[ed] the acquisition of Aquila, Inc. by Gregory Acquisition Company and, in turn, KCPL-GMO," and denies all other allegations contained in Request No. 7.**

8. KCPL-GMO has assumed all rights, liabilities and obligations of Aquila, Inc. and for all purposes of these proceedings is in the same status as Aquila would be if there had not been an acquisition.

**Response: GMO objects to this request as vague and ambiguous, calling for speculation and as calling for a legal conclusion because it is not known what is meant by "and for all purposes of these proceedings is in the same status as Aquila would be if there had not been an acquisition." Subject to and without waiving the foregoing objection, GMO admits that the corporation named "Aquila, Inc." immediately prior to October 17, 2008 is now named KCP&L Greater Missouri Operations Company but denies that GMO "has assumed all rights, liabilities and obligations of Aquila, Inc." and all other allegations contained in Request No. 8.**

9. The QCA mechanism under review in these dockets is the product of a settlement of HR-2005-0450 and was continuously effective during the periods under review in HR-2007-0028 and HR-2007-0399, and is set forth on the QCA rate schedule and periodic filing of tariff sheets.

**Response: GMO objects to this request because it is vague and ambiguous, calling for speculation in that the "QCA mechanism" itself is not under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waving the foregoing objections, GMO denies Request No. 9.**

10. The settlement stipulation in HR-2005-0450 contains no provisions regarding the Aquila Steam Hedging Program except as provided in paragraph 8.1.

**Response: GMO objects to this request as improper, vague, ambiguous and argumentative in that settlement stipulation and tariffs must be viewed as a whole and not in parts. Subject to and without waving the foregoing objections GMO denies Request No. 10.**

11. The Aquila Steam Hedging Program was implemented by Aquila, Inc. after March 6, 2006.

**Response: Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Missouri Public Service Commission ("Commission") in Case No. HR-2005-0450, GMO denies Request No. 11.**

12. Aquila, Inc. did not seek or receive consent from ratepayers for the Aquila Steam Hedging Program before instituting the Aquila Steam Hedging Program.

**Response: GMO objects to this request as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Subject to and without waving the foregoing objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies the allegations contained in Request No. 12 because it did receive "consent" from ratepayers, whose interests were represented in that collaborative proceeding and whose representatives included the Steam ratepayers as well as the**

Commission, and who also signed and therefore consented to the Nonunanimous Stipulation and Agreement that was approved by the Commission.

13. Aquila, Inc. did not seek or receive advice from ratepayers for the Aquila Steam Hedging Program before instituting the Aquila Steam Hedging Program.

**Response:** GMO objects to this request as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies the allegations contained in Request No. 13 because it did receive "advice" from ratepayers, whose interests were represented in that collaborative proceeding and whose representatives included the Steam ratepayers as well as the Commission, and who also signed and therefore rendered advice on the Nonunanimous Stipulation and Agreement that was approved by the Commission.

14. Aquila did not seek or receive consent from the Staff of the Public Service Commission for the Aquila Steam Hedging Program before instituting the Aquila Steam Hedging Program.

**Response:** GMO objects to this request as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies the allegations contained in Request No. 14 because it did receive "consent" from ratepayers, whose interests were represented in that collaborative proceeding and whose representatives included the Steam ratepayers as well as the Commission, and who also signed and therefore consented to the Nonunanimous Stipulation and Agreement that was approved by the Commission.

15. Aquila did not seek or receive advice from the Staff of the Public Service Commission for the Aquila Steam Hedging Program before instituting the Aquila Steam Hedging Program.

**Response:** GMO objects to this request as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies the allegations contained in Request No. 13 because

it did receive "advice" from ratepayers, whose interests were represented in that collaborative proceeding and whose representatives included the Steam ratepayers as well as the Commission, and who also signed and therefore rendered advice on the Nonunanimous Stipulation and Agreement that was approved by the Commission.

16. The book costs of the Aquila Steam Hedging Program that are subject to review in HR-2007-0028 are \$1,164,960.

Response: GMO objects to this request as vague and ambiguous, calling for speculation, and calling for a legal conclusion. GMO further objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admits that the hedge settlement costs of the Aquila Steam Hedging Program for 2006 were \$1,164,960 and denies all remaining allegations contained in Request No. 16.

17. The book costs of the Aquila Steam Hedging Program that are subject to review in HR-2007-0399 are \$2,441,860.

Response: GMO objects to this request as vague and ambiguous, calling for speculation, and calling for a legal conclusion. GMO further objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admits that the hedge settlement costs of the Aquila Steam Hedging Program for 2007 were \$2,441,860 and denies all remaining allegations contained in Request No. 17.

18. The Aquila Steam Hedging Program was a financial program that had no effect on physical gas supply arrangements.

Response: Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies Request No. 18.



19. The Aquila Steam Hedging Program was a financial program that had no effect on the physical adequacy of steam service provided to customers.

**Response:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies Request No. 19.

20. The Aquila Steam Hedging Program was a financial program that had no effect on the physical reliability of the steam generation and distribution system.

**Response:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies Request No. 20.

21. The Aquila Steam Hedging Program was intended solely to stabilize the cost of natural gas used in the generation of steam for service to steam customers.

**Response:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies Request No. 21 because that was not the sole intention.

22. The Aquila Steam Hedging Program was designed solely to stabilize the cost of natural gas used in the generation of steam for service to steam customers.

**Response:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies Request No. 22 because that was not the sole reason for the design of the program.

23. The Aquila Steam Hedging Program was financially independent of any and all other natural gas hedging programs used by Aquila, Inc. and any of its affiliates or divisions.

**Response:** GMO objects to this request because it is vague and ambiguous, calling for speculation, and potentially calls for a legal conclusion in that the term "financially independent" is not defined and subject to interpretation. Subject to and without waiving these objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism"

described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admits that the Aquila Steam Hedging Program was separate from the other Aquila hedging programs, but denies all other allegations contained in Request No. 23.

24. The Aquila Steam natural gas hedging program was terminated on or about November 1, 2007.

**Response:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO denies Request No. 24 because while the placement of new hedges was suspended on or about November 1, 2007, the Aquila Steam Hedging Program was not "terminated."

25. The Aquila Steam Hedging Program was discontinued in response to a verbal request from Ag Processing Inc. that was confirmed by e-mail on October 30, 2007.

**Response:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admits it received a verbal request from AgP to suspend the program but denies the remainder of Request No. 25 because while the placement of new hedges was suspended on or about November 1, 2007, the Aquila Steam Hedging Program was not "discontinued."

26. Subsequent to termination of the Aquila Steam Hedging Program the costs of the program continued to be booked to the steam cost accounts as the financial instruments matured and were liquidated or booked.

**Response:** GMO objects to this request as vague, ambiguous and argumentative because the Aquila Steam Hedging Program was not terminated. Subject to and without waiving this objection, GMO states that assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admits that after the placement of new hedges was suspended, the settlement costs of the program continued to be booked to the steam cost accounts as the financial instruments matured and were liquidated or booked but denies all other allegations contained in Request No. 26.

27. As a steam utility during 2006 and 2007, Aquila, Inc. and KCPL-GMO continuously had the responsibility to operate the steam business so as to incur only those costs that are prudent for its business purpose.

**Response:** GMO objects to Request No. 27 because it calls for a legal conclusion and is vague and ambiguous and calls for speculation in that GMO was not a steam utility in 2006 and 2007. Subject to and without waiving the foregoing objections, GMO denies Request No. 27 because it is regulated by the Commission pursuant to numerous statutes, rules, regulations and orders, as well as Missouri judicial case law, which provide, among other things, that its rates be just and reasonable, that its service be safe and adequate, and that it not grant any undue or unreasonable preference to any person or corporation.

Date: September 8, 2009



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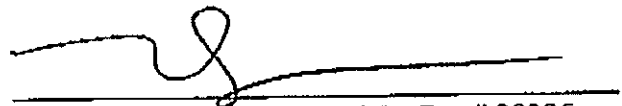
**RESPONSE TO AG PROCESSING INC.'S FIRST REQUEST FOR PRODUCTION OF  
DOCUMENTS**

KCP&L Greater Missouri Operations Co. ("GMO") responds as follows to Ag Processing Inc.'s First Request for Production of Documents:

1. All documents identified in your responses to First Interrogatories Nos. 1 through 45 inclusive and in any subpart thereof.

**Response: Subject to the objections set forth in its responses and answers to the interrogatories, GMO will produce non-privilege documents responsive to this request.**

Date: September 8, 2009

  
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**ANSWERS TO AG PROCESSING INC.'S FIRST  
INTERROGATORIES TO KCP&L GREATER MISSOURI OPERATIONS CO.**

Defendant KCP&L Greater Missouri Operations Company ("GMO") states the following as its answers and objects to Ag Processing Inc.'s ("AgP") First Interrogatories.

**INTERROGATORIES**

1. If your response to First Request for Admissions of Fact by KCPL-GMO No. 1 tendered herewith is anything other than an unqualified admission:

- a. Identify the date that you contend was the effective date of the Quarterly Cost Adjustment for Aquila, Inc's steam generation and distribution system in St. Joseph.
- b. Identify all facts that you contend support your contention.
- c. Identify all persons known to you to have any information regarding such contention.
- d. Identify all documents in your possession, custody or control that you believe contain information regarding the effective date of the Quarterly Cost Adjustment.

**ANSWER: GMO objects to Request No. 1 and Interrogatory No. 1, subparts a-d inclusive, as vague and ambiguous and calling for speculation because numerous quarterly cost adjustments exist. Subject to and without waiving the foregoing objections, GMO states that so long as Request No. 1 and Interrogatory No. 1 pertain to the Order Regarding**

**Stipulation and Agreement in Case No. HR-2005-0450, issued February 28, 2006, GMO admits Request No. 1 and Interrogatory No. 1.**

2. If your response to First Request for Admissions of Fact by KCPL-GMO No. 2 tendered herewith is anything other than an unqualified admission:

a. Identify your contention regarding any costs resulting from the ASHP as to whether these costs are properly before the Missouri Public Service Commission for review as a part of Case No. HR-2007-0028.

b. Identify all facts that you contend support your contention.

c. Identify all persons known to you to have any information regarding such contention.

d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 2 and Interrogatory No. 2 because it is vague and ambiguous, calls for speculation, and calls for a legal conclusion in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, GMO states:**

a. **Objection.** GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.

b. **Objection.** It is unduly burdensome to list "all facts." Subject to and without waiving this objection, the general objection to this interrogatory explains the reason for denial.

c. **Objection.** It is unduly burdensome to identify "all persons" with information. Subject to and without waiving that objection, Tim Rush has general knowledge.

**d. Objection. It is unduly burdensome to identify "all documents."** Subject to and without waiving this objection, GMO refers to the Quarterly Cost adjustment Rider tariff.

3. If your response to First Request for Admissions of Fact by KCPL-GMO No. 3 tendered herewith is anything other than an unqualified admission:

a. Identify your contention regarding any costs resulting from the ASHP as to whether the Missouri Public Service Commission has jurisdiction to order refund of any of the referenced costs that are found by the Commission to have been imprudently incurred as a part of Case No. HR-2007-0028.

b. Identify all facts that you contend support your contention.

c. Identify all persons known to you to have any information regarding such contention.

d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 3 and Interrogatory No. 3 because it is vague and ambiguous, calls for speculation, and calls for a legal conclusion in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, GMO states:**

**a. Objection. GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.**

**b. Objection. It is unduly burdensome to list "all facts." Subject to and without waiving this objection, the general objection to this interrogatory explains the reason for denial.**



- c. Objection. It is unduly burdensome to identify "all persons" with information. Subject to and without waiving that objection, Tim Rush has general knowledge.**
- d. Objection. It is unduly burdensome to identify "all documents." Subject to and without waiving this objection, GMO refers to the Quarterly Cost adjustment Rider tariff.**
4. If your response to First Request for Admissions of Fact by KCPL-GMO No. 4 tendered herewith is anything other than an unqualified admission:
- a. Identify your contention regarding any costs resulting from the ASHP as to whether these costs are properly before the Missouri Public Service Commission for review as a part of Case No. HR-2007-0399.
  - b. Identify all facts that you contend support your contention.
  - c. Identify all persons known to you to have any information regarding such contention.
  - d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 4 and Interrogatory No. 4 because it is vague and ambiguous, calls for speculation, and calls for a legal conclusion in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, GMO states:**

- a. Objection. GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.**

**b. Objection.** It is unduly burdensome to list "all facts." Subject to and without waiving this objection, the general objection to this interrogatory explains the reason for denial.

**c. Objection.** It is unduly burdensome to identify "all persons" with information. Subject to and without waiving that objection, Tim Rush has general knowledge.

**d. Objection.** It is unduly burdensome to identify "all documents." Subject to and without waiving this objection, GMO refers to the Quarterly Cost adjustment Rider tariff.

5. If your response to First Request for Admissions of Fact by KCPL-GMO No. 5 tendered herewith is anything other than an unqualified admission:

a. Identify your contention regarding any costs resulting from the ASHP as to whether the Missouri Public Service Commission has jurisdiction to order refund of any of the referenced costs that are adjudged by that Commission to have been imprudently incurred as a part of Case No. HR-2007-0399.

b. Identify all facts that you contend support your contention.

c. Identify all persons known to you to have any information regarding such contention.

d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 5 and Interrogatory No. 5 because it is vague and ambiguous, calls for speculation, and calls for a legal conclusion in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, GMO states:

a. **Objection.** GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the program is not properly under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence

review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.

b. **Objection.** It is unduly burdensome to list "all facts." Subject to and without waiving this objection, the general objection to this interrogatory explains the reason for denial.

c. **Objection.** It is unduly burdensome to identify "all persons" with information. Subject to and without waiving that objection, Tim Rush has general knowledge.

d. **Objection.** It is unduly burdensome to identify "all documents." Subject to and without waiving this objection, GMO refers to the Quarterly Cost adjustment Rider tariff.

6. If your response to First Request for Admissions of Fact by KCPL-GMO No. 6 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on which you contend the beneficial ownership of the Aquila steam business passed from Aquila, Inc., L&P Division to KCPL-Greater Missouri Operations Company, including through Gregory Acquisition Corporation.

b. Identify the corporate entity that is now doing business in St. Joseph and environs and describe how that status occurred complete with the dates on which you contend such transaction(s) occurred.

c. Identify all facts that you contend support your contentions regarding the matters referenced in any subpart of this interrogatory.

d. Identify all persons known to you to have any information regarding the contentions identified in your response to any subpart of this interrogatory.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions identified in your response to subparts a. and b. of this interrogatory.

**ANSWER: GMO objects to Request No. 6 and Interrogatory No. 6 because it calls for a legal conclusion. Subject to and without waiving the foregoing objections, GMO states:**

**a. Aquila, Inc. has owned and operated its steam business at all times after the merger of St. Joseph Light & Power Company into Aquila. The L&P Division is an internal division of Aquila and is not a separate entity. The acquisition of Aquila by Great Plains Energy Incorporated on July 14, 2008 did not result in the transfer of the steam business to KCP&L Greater Missouri Operations Company (the current name for Aquila), as Aquila was the corporate entity who owned and operated its steam business both before and after the July 14, 2008 acquisition. Aquila's corporate name was changed to KCP&L Greater Missouri Operations Company on October 17, 2008. The corporation does business under its corporate name of KCP&L Greater Missouri Operations Company, and also uses the trade name "KCP&L".**

**b. As stated in paragraph (a), KCP&L Greater Missouri Operations Company, formerly known as Aquila, Inc., owns and operates its steam business. The entity's ownership of its steam business was not affected by either the acquisition on July 14, 2008 or the change of name on October 17, 2008.**

**c. The Agreement and Plan of Merger dated as of February 6, 2007 provided for the merger of Gregory Acquisition Corp. into Aquila, Inc., with Aquila being the surviving entity. The Certificate of Merger was filed with the Delaware Secretary of State on July 14, 2008. Neither of these documents referenced a transfer of the steam business, and none occurred. The name change was implemented on October 17, 2008 by filing a certificate of amendment to Aquila's certificate of incorporation; no transfer of the steam business was included in such certificate of amendment.**

**d. Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Mark English has knowledge.**

**e. Objection. It is unduly burdensome to identify "all documents" that show that Aquila's ownership of its steam system was not transferred as a result of the acquisition or name change.**

**7. If your response to First Request for Admissions of Fact by KCPL-GMO No. 7 tendered herewith is anything other than an unqualified admission:**

**a. Identify your contentions regarding the present legal status of the Report and Order approving the acquisition of Aquila, Inc. by Gregory Acquisition Company.**

**b. Identify all facts that you contend support your contention.**

c. Identify all persons known to you to have any information regarding such contention.

d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 7 and Interrogatory No. 7 as vague and ambiguous, calling for speculation and calling for a legal conclusion. Subject to and without waiving the foregoing objections, GMO states:**

a. **The Report and Order approved the merger of Gregory Acquisition Corporation, a subsidiary of Great Plains Energy Incorporated, with and into Aquila, with Aquila being the surviving corporation.**

b. **The application, pleadings, exhibits (including the Agreement and Plan of Merger dated as of February 6, 2007) and Report and Order in Case No. EM-2007-0374 demonstrate the structure of the transaction.**

c. **Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Mark English has knowledge.**

d. **Objection. It is unduly burdensome to identify "all documents" that show the structure of the transaction.**

8. If your response to First Request for Admissions of Fact by KCPL-GMO No. 8 tendered herewith is anything other than an unqualified admission:

a. Identify your contentions regarding the assumption of all rights, liabilities and obligations of Aquila, Inc. by KCPL-GMO.

b. Identify the entity or entities that you contend have assumed and are currently operating pursuant to the rights referenced in any subpart of this interrogatory.

c. Identify all facts that you contend support the contentions identified in your response to any subpart of this interrogatory.

d. Identify all persons known to you to have any information regarding the contentions identified in your response to any subpart of this interrogatory.

e. Identify all documents in your possession, custody or control that you believe contain information regarding the contentions identified in your response to any subpart of this interrogatory.

**ANSWER: GMO objects to Request No. 8 and Interrogatory No. 8 as vague and ambiguous, calling for speculation and as calling for a legal conclusion because it is not known what is meant by "and for all purposes of these proceedings is in the same status as Aquila would be if there had not been an acquisition." Subject to and without waiving the foregoing objections, GMO states:**

a. **Aquila, Inc. changed its corporate name to KCP&L Greater Missouri Operations Company on October 17, 2008. The change in corporate name did not entail any assumption of rights, liabilities and obligations, as the corporate entity did not change. The corporation continued to have all of the rights, liabilities and obligations it had immediately prior to the name change.**

b. **As stated in paragraph (a), there was no assumption of the rights, liabilities and obligations in connection with the name change. Only the name of the corporate entity changed.**

c. **The certificate of amendment to Aquila's certificate of incorporation simply changed the name of the corporation.**

d. **Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Mark English has knowledge.**

e. **Objection. It is unduly burdensome to identify "all documents" that show that a name change did not result in an assumption.**

9. If your response to First Request for Admissions of Fact by KCPL-GMO No. 9 tendered herewith is anything other than an unqualified admission:

a. Identify the manner in which the QCA mechanism under review in Case Nos. HR-2007-0028 and HR-2007-0399 came into being.

b. Identify by each reference to each case number the periods under review.

c. Identify each periodic rate filing that you contend was made pursuant to such authorization as you contend was established in your response to any subpart of this interrogatory.

d. Identify all facts that you contend support the contentions identified in your response to any subpart of this interrogatory.

c. Identify all persons known to you to have any information regarding the contentions identified in your response to any subpart of this interrogatory.

f. Identify all documents in your possession, custody or control that you believe contain information regarding the contentions identified in your response to any subpart of this interrogatory including without limitation any periodic rate filings that you have identified in your response to any subpart of this interrogatory.

**ANSWER: GMO objects to Request No. 9 and Interrogatory No. 9 because it is vague and ambiguous and calls for speculation in that the "QCA mechanism" itself is not under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, GMO states:**

**a. Objection. GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the "QCA mechanism" itself is not under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.**

**b. Objection. GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the "QCA mechanism" itself is not under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.**

**c. Objection. GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the "QCA mechanism" itself is not under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4,**

items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.

d. **Objection.** GMO objects to this subpart because it is vague and ambiguous and calls for speculation in that the "QCA mechanism" itself is not under review in these dockets. Further, GMO objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year.

e. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving that objection, Tim Rush has general knowledge.

f. **Objection.** It is unduly burdensome to list "all documents," subject to and without waiving this objection, GMO refers to the Quarterly Cost adjustment Rider tariff.

10. If your response to First Request for Admissions of Fact by KCPL-GMO No. 10 tendered herewith is anything other than an unqualified admission:

a. Identify by reference to page, paragraph number and line any provision in the settlement stipulation in Case No. HR-2005-0450 regarding any natural gas hedging program for steam generation that you contend authorizes or approves such natural gas hedging program.

b. Identify all facts that you contend support your contention.

c. Identify all persons known to you to have any information regarding such contention.

d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 10 and Interrogatory No. 10 as improper, vague, ambiguous and argumentative in that settlement stipulation and tariffs must be viewed as a whole and not in parts. Subject to and without waiving the foregoing objections, GMO states:

a. & b. In addition to paragraph 8.1 within the Nonunanimous Stipulation and Agreement for HR-2005-0450, hedging costs are discussed in Appendix A, Sheet 6.2, "Details" item 1.



c. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving that objection, Tim Rush has general knowledge.

d. **Objection.** It is unduly burdensome to list "all documents," subject to and without waiving this objection, GMO refers to the Nonunanimous Stipulation and Agreement for HR-2005-0450, Appendix A.

11. If your response to First Request for Admissions of Fact by KCPL-GMO No. 11 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on which you contend the Aquila Steam Hedging Program was implemented by Aquila, Inc.

b. Identify all facts that you contend support your contention.

c. Identify all persons known to you to have any information regarding such contention.

d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. On or about February 16, 2006.

b. The first hedges were placed on or about February 16, 2006. Aquila's response to Data Request No. AgP-0016, Case No. HR-2007-0028, Aquila Networks-Missouri (Steam), Aquila Inc., Missouri Public Service Commission, references "... the program implementation in February 2006 ...." Aquila's response to Data Request No. AgP-0021, in the same proceeding stated "our program didn't start until Feb 2006."

c. **Objection.** It is unduly burdensome to list "all persons known" to have any information regarding the contention. Subject to and without waiving this objection, Tim Rush has general knowledge.

d. **Objection.** It is unduly burdensome to identify "all documents" that show that the Aquila Steam Hedging Program was implemented before March 6, 2006. Subject to and without waiving this objection, responsive documents will be provided.

12. If your response to First Request for Admissions of Fact by KCPL-GMO No. 12 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and the manner in, which Aquila, Inc. sought consent from its steam ratepayers before instituting the Aquila Steam Hedging Program.

b. Identify what and the nature of the consent that was sought.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 12 and Interrogatory No. 12 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Subject to and without waiving the foregoing objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:**

a. **Objection. It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.**

b. **The nature of the discussions related to the process through which a rate case is settled. All significant issues were discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.**

c. **Objection. It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.**

d. **Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.**

**e. Objection. It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.**

13. If your response to First Request for Admissions of Fact by KCPL-GMO No. 12 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and the manner in, which Aquila, Inc. received consent from its steam ratepayers before instituting the Aquila Steam Hedging Program.

b. Identify the nature and content of the consent you contend was obtained.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 12 and Interrogatory No. 13 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:**

**a. Objection. It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.**

**b. The nature of the discussions relates to the process through which a rate case is settled. All significant issues are discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.**

**c. Objection. It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.**

**d. Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other**

party representatives who participated in the negotiations and signed the Stipulation have knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.

14. If your response to First Request for Admissions of Fact by KCPL-GMO No. 13 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and manner in, which Aquila, Inc. sought advice from its steam ratepayers before instituting the Aquila Steam Hedging Program.

b. Identify the advice and the nature of the advice that was sought.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 13 and Interrogatory No. 14 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. **Objection.** It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.

b. The nature of the discussions relates to the process through which a rate case is settled. All significant issues are discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.

c. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.

15. If your response to First Request for Admissions of Fact by KCPL-GMO No. 13 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and the manner in, which Aquila, Inc. received advice from its steam ratepayers before instituting the Aquila Steam Hedging Program.

b. Identify the advice and the nature of the advice that was received.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 13 and Interrogatory No. 15 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. **Objection.** It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.

b. The nature of the discussions relates to the process through which a rate case is settled. All significant issues are discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.

c. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.

16. If your response to First Request for Admissions of Fact by KCPL-GMO No. 14 tendered herewith is anything other than an unqualified admission:

a. Identify the date on, and the manner in, which Aquila, Inc. sought consent from the Staff of the Missouri Public Service Commission before instituting the Aquila Steam Hedging Program.

b. Identify the consent and the nature of the consent that was sought.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 14 and Interrogatory No. 16 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. **Objection.** It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.

b. The nature of the discussions relates to the process through which a rate case is settled. All significant issues are discussed and addressed with specific wording

proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.

c. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.

17. If your response to First Request for Admissions of Fact by KCPL-GMO No. 14 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and the manner in, which Aquila, Inc. received consent from the Staff of the Missouri Public Service Commission before instituting the Aquila Steam Hedging Program.

b. Identify the consent and the nature of the consent that was received.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 14 and Interrogatory No. 17 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. **Objection.** It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this

objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.

b. The nature of the discussions relates to the process through which a rate case is settled. All significant issues are discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.

c. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.

18. If your response to First Request for Admissions of Fact by KCPL-GMO No. 15 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and the manner in, which Aquila, Inc. sought advice from the Staff of the Missouri Public Service Commission before instituting the Aquila Steam Hedging Program.

b. Identify the consent and the nature of the advice that was sought.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** GMO objects to Request No. 15 and Interrogatory No. 18 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in



**Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:**

a. **Objection.** It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.

b. **The nature of the discussions relates to the process through which a rate case is settled.** All significant issues are discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.

c. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.

19. If your response to First Request for Admissions of Fact by KCPL-GMO No. 15 tendered herewith is anything other than an unqualified admission:

a. Identify the date or dates on, and the manner in, which Aquila, Inc. received advice from the Staff of the Missouri Public Service Commission before instituting the Aquila Steam Hedging Program.

b. Identify the consent and the nature of the consent that was received.

c. Identify all facts that you contend support your contention.

d. Identify all persons known to you to have any information regarding such contention.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 15 and Interrogatory No. 19 as neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. It is also vague, ambiguous and argumentative. Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:**

**a. Objection. It is unduly burdensome to list all dates on which negotiations took place during a rate case settled in 2006. Subject to and without waiving this objection, numerous discussions took place as well as through numerous types of medium, e-mail, telephone conversations, face-to-face meetings, etc.**

**b. The nature of the discussions relates to the process through which a rate case is settled. All significant issues are discussed and addressed with specific wording proposed for inclusion within the stipulation as well as the tariffs. Wording relating to the hedging program was included in both the stipulation and agreement and the tariff.**

**c. Objection. It is unduly burdensome to list all facts. Subject to and without waiving this objection, in summary, see b. above.**

**d. Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush and other party representatives who participated in the negotiations and signed the Stipulation have knowledge.**

**e. Objection. It is unduly burdensome to identify "all documents" that might have been exchanged during the negotiation process.**

**20. If your response to First Request for Admissions of Fact by KCPL-GMO No. 16 tendered herewith is anything other than an unqualified admission:**

**a. Identify the amount that you contend is the book costs of the Aquila Steam Hedging Program that are subject to review in Case No. HR-2007-0028.**

**b. Identify all facts that you contend support your contention.**

**c. Identify all persons known to you to have any information regarding such contention.**

**d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.**

**ANSWER: GMO objects to Request No. 16 and Interrogatory No. 20 as vague and ambiguous, calling for speculation and calling for a legal conclusion. GMO further objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:**

- a. \$1,164,960 is the amount of total steam hedging settlement costs as included in the QCA, prior to the application of the 80% recovery allowance or any coal performance standard adjustments for HR-2007-0028.
- b. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, this is the amount as filed within the quarterly costs adjustment filings relating to 2006.
- c. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge.
- d. **Objection.** It is unduly burdensome to identify "all documents."

21. If your response to First Request for Admissions of Fact by KCPL-GMO No. 17

tendered herewith is anything other than an unqualified admission:

- a. Identify the amount that you contend is the book costs of the Aquila Steam Hedging Program that are subject to review in Case No. HR-2007-0399.
- b. Identify all facts that you contend support your contention.
- c. Identify all persons known to you to have any information regarding such contention.
- d. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to Request No. 17 and Interrogatory No. 21 as vague and ambiguous, calling for speculation and calling for a legal conclusion. GMO further objects to this request as improper, irrelevant and not reasonably calculated to lead to discovery of admissible evidence in that a prudence review is time-barred by the Quarterly Cost**

Adjustment Rider tariff, Sheet No. 6.4, items 7 and 8, which clearly state that any prudence review is to be conducted no later than 225 days after the end of each year. Subject to and without waiving the foregoing objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. \$2,441,860 is the amount of total steam hedging settlement costs as included in the QCA, prior to the application of the 80% recovery allowance or any coal performance standard adjustments for HR-2007-0399.

b. **Objection.** It is unduly burdensome to list all facts. Subject to and without waiving this objection, this is the amount as filed within the quarterly costs adjustment filings relating to 2007.

c. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge.

d. **Objection.** It is unduly burdensome to identify "all documents."

22. If your response to First Request for Admissions of Fact by KCPL-GMO No. 18 tendered herewith is anything other than an unqualified admission:

a. Identify the manner in which the Aquila Steam Hedging Program affected the physical gas supply arrangements made by Aquila.

b. Identify the activities of the Aquila Steam Hedging Program and explain how these activities affected the physical gas supply arrangements made by Aquila in any way other than the price at which natural gas supplies were obtained.

c. Identify the nature of the effect that the Aquila Steam Hedging Program had upon the adequacy of steam service provided to customers.

d. Identify all facts that you contend support your contention.

e. Identify all persons known to you to have any information regarding such contention.

f. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. & b. The hedges placed under the Aquila Steam Hedging Program were a collection of the New York Mercantile Exchange ("NYMEX") futures contracts and NYMEX call options. Through August 2009 Aquila and then GMO have settled those hedges financially. The NYMEX however does provide that buyer or seller may exchange a futures position for a physical position or a swaps position of equal quantity by submitting a notice to the Exchange. An alternate delivery procedure is also available to buyers and sellers who have been matched by the Exchange subsequent to the termination of trading in the spot month contract. Buyers and sellers can agree to consummate delivery under terms different from those prescribed in Exchange's contract specifications.

c. All of the hedges under the Aquila Steam Hedging Program that have settled through August 2009 have been settled financially. Consequently it appears the Aquila Steam Hedging Program has not had a direct impact on the physical gas supply for the steam generation and distribution system. To determine if the Aquila Steam Hedging Program could have an impact on the physical gas supply for the steam generation and distribution system would require speculation and conjecture to identify such effects. Therefore this subpart is objected to as requiring speculation.

d. **Objection.** It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts that support our position are presented above.

e. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Ed Blunk has general knowledge.

f. **Objection.** It is unduly burdensome to identify "all documents" containing information regarding a hedging programs effect on physical supply. Subject to and without waiving this objection, the fact that NYMEX futures contracts can be exchanged for physical is supported by public information that is readily available from NYMEX.

23. If your response to First Request for Admissions of Fact by KCPL-GMO No. 19 tendered herewith is anything other than an unqualified admission:

- a. Identify the manner in which the Aquila Steam Hedging Program affected the physical adequacy of steam service provided to customers.
- b. Identify the activities of the Aquila Steam Hedging Program and explain how these activities affected the physical adequacy of steam service provided to customers in any way other than the price at which natural gas supplies were obtained.
- c. Identify the nature of the effect that the Aquila Steam Hedging Program had upon the adequacy of steam service provided to customers.
- d. Identify all facts that you contend support your contention.
- e. Identify all persons known to you to have any information regarding such contention.
- f. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. & b. The hedges placed under the Aquila Steam Hedging Program were a collection of NYMEX futures contracts and NYMEX call options. Through August 2009 Aquila and then GMO have settled those hedges financially. The NYMEX however does provide that buyer or seller may exchange a futures position for a physical position or a swaps position of equal quantity by submitting a notice to the Exchange. An alternate delivery procedure is also available to buyers and sellers who have been matched by the Exchange subsequent to the termination of trading in the spot month contract. Buyers and sellers can agree to consummate delivery under terms different from those prescribed in Exchange's contract specifications.

c. All of the hedges under the Aquila Steam Hedging Program that have settled through August 2009 have been settled financially. Consequently it appears the Aquila Steam Hedging Program has not had a direct impact on the physical adequacy of steam service provided to customers. To determine if the Aquila Steam Hedging Program could have an impact on the physical adequacy of steam service provided to customers would require speculation and conjecture to identify such effects. Therefore this subpart is objected to as requiring speculation.

d. **Objection.** It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts that support our position are presented above.

e. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Ed Blunk has general knowledge.

f. **Objection.** It is unduly burdensome to identify "all documents" containing information regarding a hedging programs effect on physical supply. Subject to and without waiving this objection, the fact that NYMEX futures contracts can be exchanged for physical is supported by public information that is readily available from NYMEX.

24. If your response to First Request for Admissions of Fact by KCPL-GMO No. 20 tendered herewith is anything other than an unqualified admission:

a. Identify the manner in which the Aquila Steam Hedging Program affected the physical reliability of steam service provided to customers.

b. Identify the activities of the Aquila Steam Hedging Program and explain how these activities affected the physical reliability of steam service provided to customers as distinguished from the price at which natural gas supplies were obtained.

c. Identify the nature of the effect that the Aquila Steam Hedging Program had upon the reliability of steam service provided to customers.

d. Identify all facts that you contend support your contention.

e. Identify all persons known to you to have any information regarding such contention.

f. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. & b. The hedges placed under the Aquila Steam Hedging Program were a collection of NYMEX futures contracts and NYMEX call options. Through August 2009 Aquila and then GMO have settled those hedges financially. The NYMEX however does provide that buyer or seller may exchange a futures position for a physical position or a swaps position of equal quantity by submitting a notice to the Exchange. An alternate delivery procedure is also available to buyers and sellers who have been matched by the Exchange subsequent to the termination of trading in the spot month contract. Buyers and sellers can agree to consummate delivery under terms different from those prescribed in Exchange's contract specifications.

c. All of the hedges under the Aquila Steam Hedging Program that have settled through August 2009 have been settled financially. Consequently it appears the Aquila Steam Hedging Program has not had a direct impact on the physical reliability of the steam generation and distribution system. To determine if the Aquila Steam Hedging Program could have an impact on the physical reliability of the steam generation and distribution system would require speculation and conjecture to identify such effects. Therefore this subpart is objected to as requiring speculation.

d. **Objection.** It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts that support our position are presented above.

e. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Ed Blunk has general knowledge.

f. **Objection.** It is unduly burdensome to identify "all documents" containing information regarding a hedging programs effect on physical supply. Subject to and without waiving this objection, the fact that NYMEX futures contracts can be exchanged for physical is supported by public information that is readily available from NYMEX.

25. If your response to First Request for Admissions of Fact by KCPL-GMO No. 21 tendered herewith is anything other than an unqualified admission:

a. Identify the intended goals, purposes and objectives of the Aquila Steam Hedging Program as implemented by Aquila, Inc.

b. Identify whether these goals, purposes and objectives of the design of the Aquila Steam Hedging Program were achieved and by what index of measurement they were evaluated.



- c. Identify all facts that you contend support your contention.
- d. Identify all persons known to you to have any information regarding such contention.
- e. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

- a. The purpose of the Aquila Steam Hedging Program was to mitigate the impact of high natural gas prices while still providing some opportunity to participate in low natural gas prices. The premise of the program was that if the market went up, 66% of budgeted volumes protected. Conversely, if the market went down, a benefit would be derived from the 33% of the budgeted volumes left to float with the markets, as well as the 33% that was covered in call options, minus the premiums. The primary intent of the program was to average the market cost over an extended period of time.
- b. When actual volumes were substantially less than budgeted volumes, the 33% of budgeted volumes left to float with the market was effectively reduced. In other words, lower than expected volumes reduced the program's ability to benefit from lower market prices and during a declining market resulted in a higher average cost of natural gas. The Aquila Steam Hedging Program was implemented in February 2006 and suspended about 21 months later. To determine if the program achieved its goals, purposes and objective of the design would be speculative conjecture. Therefore this subpart is objected to as requiring speculation.
- c. **Objection.** It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts that support our position as presented above.
- d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Ed Blunk has general knowledge.
- e. **Objection.** It is unduly burdensome to identify "all documents" containing information regarding the intention or design of the Aquila Steam Hedging Program. Subject to and without waiving this objection, responsive documents will be provided.

26. If your response to First Request for Admissions of Fact by KCPL-GMO No. 22 tendered herewith is anything other than an unqualified admission:

a. Identify the design goals, purposes and objectives of the Aquila Steam Hedging Program as implemented by Aquila, Inc.

b. Identify whether these goals, purposes and objectives of the design of the Aquila Steam Hedging Program were achieved and identify the index of measurement of measurement by which they were evaluated.

c. Identify all facts that you contend support your contentions.

d. Identify all persons known to you to have any information regarding such contentions.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. The purpose of the Aquila Steam Hedging Program was to mitigate the impact of high natural gas prices while still providing some opportunity to participate in low natural gas prices. The premise of the program was that if the market went up, 66% of your budgeted volumes protected. Conversely, if the market went down, a benefit would be derived from the 33% of the budgeted volumes left to float with the markets, as well as the 33% that was covered in call options, minus the premiums. The program was designed to be market neutral.

b. When actual volumes were substantially less than budgeted volumes, the 33% of budgeted volumes left to float with the market was effectively reduced. In other words, lower than expected volumes reduced the program's ability to benefit from lower market prices and during a declining market resulted in a higher average cost of natural gas. The Aquila Steam Hedging Program was implemented in February 2006 and suspended about 21 months later. To determine if the program achieved its goals, purposes and objective of the design would be speculative conjecture. Therefore this subpart is objected to as requiring speculation.

c. **Objection.** It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts that support our position are presented above.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Ed Blunk has general knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" containing information regarding the intention or design of the Aquila Steam Hedging Program. Subject to and without waiving this objection, responsive documents will be provided.

27. If your response to First Request for Admissions of Fact by KCPL-GMO No. 23 tendered herewith is anything other than an unqualified admission:

a. Identify any interrelationship that you contend existed between the Aquila Steam Hedging Program and any other natural gas hedging program used by Aquila, Inc. or by any of its affiliates or divisions.

b. Identify the manner in which this interrelationship you contend existed was implemented by Aquila, Inc. or by any of its affiliates or divisions.

c. Identify all facts that you contend support your contentions.

d. Identify all persons known to you to have any information regarding such contentions.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.

**ANSWER:** GMO objects to Request No. 23 and Interrogatory No. 27 because it is vague and ambiguous, calls for speculation and potentially calls for a legal conclusion in that the term "financially independent" is not defined and subject to interpretation. Subject to and without waiving these objections, and assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admitted that the Aquila Steam Hedging Program was separate from the other Aquila hedging programs, but denies all other allegations contained in Request No. 23 and Interrogatory No. 27.

**a & b. Although the hedging programs were separate and distinct programs, the programs were implemented by the same individuals, the financing and debt services were provided by the same group of employees, the financial backing and standing of Aquila was behind each of the programs, and the accounting records were kept by the same groups of employees for each of the programs.**

**c. Objection. It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts in support are presented above.**

**d. Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge regarding the Aquila Steam Hedging Program.**

**e. Objection. It is unduly burdensome to identify "all documents" containing information regarding the financial interdependence of the steam natural gas hedging program from all other Aquila natural gas hedging programs.**

**28. If your response to First Request for Admissions of Fact by KCPL-GMO No. 24 tendered herewith is anything other than an unqualified admission:**

**a. Identify the date you contend the Aquila Steam Hedging Program was terminated.**

**b. Identify the reason for contending that such termination occurred on that date.**

**c. Identify all facts that you contend support your contentions.**

**d. Identify all persons known to you to have any information regarding such contentions.**

**e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.**

**ANSWER: Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:**

**a. & b. The placement of new hedges was suspended on or about November 1, 2007. Subsequent to the November 1, 2007, suspension of placing new hedges, the**

settlement costs of the program continued to be booked to the steam cost accounts as the financial instruments matured and were liquidated.

c. **Objection.** It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, the last hedge placed under the Aquila Steam Hedge Program was placed on October 29, 2007.

d. **Objection.** It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge.

e. **Objection.** It is unduly burdensome to identify "all documents" containing information regarding the suspension of the Aquila Steam Hedging Program. Subject to and without waiving this objection, responsive documents will be provided.

29. If your response to First Request for Admissions of Fact by KCPL-GMO No. 25 tendered herewith is anything other than an unqualified admission:

a. Identify your contention regarding why the Aquila Steam Hedging Program was terminated on the date you contended in your response to the foregoing interrogatory.

b. Identify your contention regarding the reason for such termination on that date.

c. Identify all facts that you contend support your contentions.

d. Identify all persons known to you to have any information regarding such contentions.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.

**ANSWER:** Assuming that AgP is referring to the timeframe associated with the "Fuel Cost Customer/Utility Alignment Mechanism" described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO states:

a. & b. While the placement of new hedges was suspended on or about November 1, 2007, the Aquila Steam Hedging Program was neither "discontinued" nor

**“terminated.” Existing hedges as of the suspension date continued through maturity.**

**c. Objection. It is unduly burdensome to list “all facts” that may support our position. Subject to and without waiving this objection, facts in support are presented above.**

**d. Objection. It is unduly burdensome to list “all persons known” to have information. Subject to and without waiving this objection, Tim Rush has general knowledge regarding the Aquila Steam Hedging Program.**

**e. Objection. It is unduly burdensome to identify “all documents” containing information regarding the intention or design of the Aquila Steam Hedging Program. Subject to and without waiving this objection, responsive documents will be provided.**

**30. If your response to First Request for Admissions of Fact by KCPL-GMO No. 26 tendered herewith is anything other than an unqualified admission:**

**a. Identify your contention regarding the accounting treatment accorded the costs of the Aquila Steam Hedging Program subsequent to the termination of the Aquila Steam Hedging Program.**

**b. Identify all facts that you contend support your contentions.**

**c. Identify all persons known to you to have any information regarding such contentions.**

**d. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.**

**ANSWER: GMO objects to Request No. 26 and Interrogatory No. 30 as vague, ambiguous and argumentative because the Aquila Steam Hedging Program was not terminated. Subject to and without waiving this objection, GMO states that assuming that AgP is referring to the timeframe associated with the “Fuel Cost Customer/Utility Alignment Mechanism” described in Section 8 of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450, GMO admitted that after the placement of new hedges was suspended, the settlement costs of the program continued to be booked to the steam cost accounts as the financial instruments matured and were liquidated or booked but denied all other allegations contained in Request No. 26.**

a. **GMO objects to this subpart as vague, ambiguous and argumentative. Subject to and without waiving this objection, the Aquila Steam Hedging Program was not terminated, the placement of hedges were suspended.**

b. **Objection. It is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, facts in support are presented above.**

c. **Objection. It is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge regarding the Aquila Steam Hedging Program.**

d. **Objection. It is unduly burdensome to identify "all documents."**

31. If your response to First Request for Admissions of Fact by KCPL-GMO No. 27 tendered herewith is anything other than an unqualified admission:

a. Identify your contention regarding the responsibility that a steam utility such as Aquila, Inc. and KCPL-GMO has regarding the operation of its steam utility business.

b. Identify your contention regarding the responsibility that a steam utility such as Aquila, Inc. and KCPL-GMO have regarding the need to incur only those costs as are prudent for the operation of the steam business.

c. Identify all facts that you contend support your contentions.

d. Identify all persons known to you to have any information regarding such contentions.

e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.

**ANSWER: GMO objects to Request No. 27 and Interrogatory No. 31 and all subparts thereto because they call for a legal conclusion and are vague and ambiguous and calls for speculation in that GMO was not a steam utility in 2006 and 2007. Subject to and without waiving the foregoing objections, GMO denies Request No. 27 and Interrogatory No. 31 because it is regulated by the Commission pursuant to numerous statutes, rules, regulations and orders, as well as Missouri judicial case law, which provide, among other things, that its rates be just and reasonable, that its service be safe and adequate, and that it not grant any undue or unreasonable preference to any person or corporation.**

32. Do you contend that Aquila obtained data on which it based its decision to enter into the Aquila Steam Hedging Program?

- a. Identify the data on which Aquila based its decision to enter into the Aquila Steam Hedging Program.
- b. Identify the form in which this data was received.
- c. Identify all facts that you contend support your contentions.
- d. Identify all persons known to you to have any information regarding such contentions.
- e. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions identified in response to any subpart of this interrogatory.

**ANSWER:** GMO objects to the form of Interrogatory No. 32 which is vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration. GMO's predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. Subject to and without waiving these objections, GMO states:

a. & b. It is GMO's understanding and belief that the primary reason upon which Aquila based its decision to enter the Aquila Steam Hedging Program was that one or more of the steam customers requested the implementation of such a program. Another significant reason was the apparently favorable review of a similar program by MPSC staff in 2004.

c. Objection. As stated above, GMO has not presented "contentions" to the Commission for its consideration. Further, it is unduly burdensome to list "all facts" that may support our position. Subject to and without waiving this objection, support for our understanding and beliefs are presented above.

d. Objection. As stated above, GMO has not presented "contentions" to the Commission for its consideration. Further, it is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge regarding the Aquila Steam Hedging Program.

e. Objection. As stated above, GMO has not presented "contentions" to the Commission for its consideration. Further, it is unduly burdensome to identify "all



**documents” containing information regarding Aquila’s decision to enter into the Aquila Steam Hedging Program. Subject to and without waiving this objection, responsive documents will be provided.**

33. How do you contend any data referenced in your response to Interrogatory No. 32 or any subpart thereof was obtained?

- a. Identify all facts that you contend support your contentions.
- b. Identify all persons known to you to have any information regarding such contentions.
- c. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.

**ANSWER: GMO objects to the form of Interrogatory No. 33 which is vague and ambiguous in that GMO has not presented “contentions” to the Commission for its consideration. GMO’s predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. Additionally, GMO objects to Interrogatory No. 33 to the extent that it seeks information protected from disclosure by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege. Subject to and without waiving these objections, GMO states:**

**It is GMO’s understanding and belief that the data was obtained through meetings and phone calls.**

- a. **Objection. As stated above, GMO has not presented “contentions” to the Commission for its consideration. Further, it is unduly burdensome to list “all facts” that may support our position. Subject to and without waiving this objection, support for our understanding and beliefs are presented above.**
- b. **Objection. As stated above, GMO has not presented “contentions” to the Commission for its consideration. Further, it is unduly burdensome to list “all persons known” to have information. Subject to and without waiving this objection, Tim Rush has general knowledge regarding the Aquila Steam Hedging Program.**
- c. **Objection. As stated above, GMO has not presented “contentions” to the Commission for its consideration. Further, it is unduly burdensome to identify “all documents” containing information regarding Aquila’s decision to enter into the Aquila Steam Hedging Program. Subject to and without waiving this objection, responsive documents will be provided.**

34. Identify any source of the data referenced in your responses to Interrogatory No. 32 or any subpart thereof.

- a. Identify all facts that you contend support your contentions.
- b. Identify all persons known to you to have any information regarding such contentions.
- c. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions.

**ANSWER:** Because this interrogatory references Interrogatory No. 32, GMO objects to Interrogatory No. 34 on the same basis that it objected to Interrogatory No. 32. It is vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration, as explained in the response to Interrogatory No. 32. GMO objects to Interrogatory No. 34 to the extent that it seeks information protected from disclosure by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege.

- a. **Objection.** As stated above, GMO has not presented "contentions" to the Commission for its consideration. Further, it is unduly burdensome to list "all facts."
- b. **Objection.** As stated above, GMO has not presented "contentions" to the Commission for its consideration. Further, it is unduly burdensome to list "all persons known" to have information. Subject to and without waiving this objection, Tim Rush has general knowledge.
- c. **Objection.** As stated above, GMO has not presented "contentions" to the Commission for its consideration. Further, it is unduly burdensome to identify "all documents."

35. Do you contend that a large steam customer incurred an unplanned delay in bring its production plant on line during either of the time periods covered by the captioned case numbers? If so:

- a. Identify all facts that you contend support your contention.
- b. Identify all persons known to you to have any information regarding such contention.

c. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to the form of Interrogatory No. 35, subparts a-c inclusive, which is vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration. GMO's predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. The Interrogatory also calls for GMO to speculate as to what "large steam customer" AgP is referring to.**

36. What is your contention regarding the nature and cause of the unplanned delay referenced in Interrogatory No. 35?

- a. Identify all facts that you contend support your contention.
- b. Identify all persons known to you to have any information regarding such contention.
- c. Identify all documents in your possession, custody or control that you believe contain information regarding your contention.

**ANSWER: GMO objects to the form of Interrogatory No. 36, subparts a-c inclusive, which is vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration. GMO's predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. The Interrogatory also calls for GMO to speculate as to what "large steam customer" AgP is referring to.**

37. Was the occurrence referenced in Interrogatory No. 36 published in any local newspapers?

- a. Identify all facts that you contend support your response.
- b. Identify all persons known to you to have any information regarding such response.
- c. Identify all documents in your possession, custody or control that you believe contain information regarding your response.

**ANSWER: GMO objects to Interrogatory No. 37, subparts a-c inclusive, to the extent it calls for information or documents that are publicly available, where the burden of obtaining the same is equal to GMO as to AgP. The Interrogatory also calls for GMO to speculate as to what "large steam customer" AgP is referring to.**

38. Do you contend that Aquila, Inc. was at all relevant times ignorant regarding any unplanned delay for a significant steam customer in bringing that customers' production plant on line? If not, please state:

- a. What are your contentions regarding the manner in which Aquila, Inc. first became aware of this unplanned delay?
- b. On what date did Aquila, Inc. first become aware of this unplanned delay?
- c. After becoming aware of the unplanned delay on the date referenced in your response to any subpart of this interrogatory, identify each step that Aquila took to adjust the quantities subject to the Aquila Steam Hedging Program or that were purchased pursuant to the Aquila Steam Hedging Program.
- d. Identify all facts that you contend support your contentions.
- e. Identify all persons known to you to have any information regarding such contentions.
- f. Identify all documents in your possession, custody or control that you believe contain information regarding your contentions referenced in any subpart of this interrogatory.

**GMO objects to the form of Interrogatory No. 38, subparts a-f inclusive, which is vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration. GMO's predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. The Interrogatory also calls for GMO to speculate as to what "large steam customer" AgP is referring to. Subject to and without waiving these objections, GMO states that the relevant time for having information regarding usage would have been before Aquila's budgets were prepared.**

39. Identify each person whom you expect to call as an expert witness at the hearing or trial on this matter, their occupation, place of employment and qualifications to give an opinion. Further state the general content of the subject matter on which the expert identified is expected to testify and their hourly deposition fee, if any.

**ANSWER:** Since no "hearing or trial on this matter" has been scheduled in this proceeding, GMO has not decided whether to retain an expert witness.

40. Identify each person that you consider to be a non-retained expert witness whom you expect to call at the trial or hearing concerning these matters, and their field of expertise. With respect to each person so identified, state:

- a. All facts known by such person upon which they would claim to base their expert opinion;
- b. All opinions held by them that you contend would be relevant to the subject matter of an evaluation of this matter.

**ANSWER:** Since no "trial or hearing concerning these matters" has been scheduled in this proceeding, GMO has not decided whether to call a non-retained expert witness if such an event occurs.

41. State whether you have consulted with any other party or representative of any other party to this proceeding in connection with the preparation of your responses to these interrogatories. If so, identify the party, the representative, the date of each such consultation, the nature of such consultation (i.e., face to face, telephone or the like), the substance of such consultation and the particular interrogatory or interrogatories about which you consulted with them.

**ANSWER:** GMO objects to Interrogatory No. 41 to the extent that it seeks information protected from disclosure by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege.

42. Please identify individually all persons that participated in, participated in, contributed to or reviewed your responses to any of the foregoing interrogatories and with respect thereto please specify:

- a. The particular interrogatory or interrogatories with which the person engaged in such activity;
- b. The nature of the said person's activity with respect to such interrogatory;
- c. The basis on which such person was selected to perform such activity; and
- d. Identify any documents pertaining to such person's selection for involvement in such activity and their involvement in such activity.

**ANSWER: GMO objects to this interrogatory and all subparts as calling for information that is protected by the attorney-client privilege and the attorney work product doctrine. Subject to and without waiving this objection, GMO states that Tim Rush, Ed Blunk and Mark English reviewed the answers in which they are identified.**

43. Did KCPL or Great Plains management perform, conduct or direct any inquiry or investigation regarding the Aquila Steam Hedging Program or any other gas acquisition mechanism or activity for the steam system owned by Aquila? If so,

- a. Identify the result of this inquiry or investigation.
- b. Identify by whom such inquiry or investigation was conducted.
- c. Identify the period of time during which such inquiry or investigation was conducted.
- d. Identify the manner in which the results of such inquiry or investigation were reported to KCPL or Great Plains management.
- e. Identify the date on which the results of such inquiry or investigation were reported to KCPL or Great Plains management.

f. Identify your contentions regarding the result of this inquiry or investigation.

g. Identify all persons known to you to have any information regarding the contentions identified in your response to any subpart of this interrogatory.

h. Identify all documents in your possession, custody or control that you believe contain information regarding the contentions identified in your response to any subpart of this interrogatory including any document containing the results of the inquiry or investigation referenced in any subpart of this interrogatory.

**ANSWER: GMO objects that this interrogatory and all subparts call for information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The actions of Great Plains Energy Inc. or Kansas City Power & Light Co. have no relevance to Stipulation and Agreement in Case No. HR-2005-0450, the Commission's orders in that and the subject proceedings, or the Quarterly Cost Adjustment process. Subject to and without waiving its objections, GMO states that during the merger analysis and due diligence period, neither Great Plains Energy nor KCPL inquired into the specific details of the mechanisms used to hedge gas for the steam business. They modeled Aquila's L&P division as a whole, with fuel adjustment clause and under-recovery issues being factored into that valuation generally.**

44. Do you contend that any inquiry or investigation conducted by or directed by KCPL or Great Plains management regarding the Aquila Steam Hedging Program or any other gas acquisition mechanism or activity for the steam system owned by Aquila was adequate to have fully disclosed to KCPL or Great Plains management all relevant information regarding the Aquila Steam Hedging Program including without limitation the extent of any exposure for potential disallowances for imprudence that Aquila (or any purchaser of the interests of Aquila) might have. If not:

a. Identify the persons, parties or party responsible for conducting or directing such inquiry or investigation.

- b. Identify the scope of the inquiry or investigation that was conducted or directed.
- c. Identify the persons, parties or party responsible for determining the scope of the inquiry or investigation that was conducted or directed.
- d. Identify all persons known to you to have any information regarding your responses to any subpart of this interrogatory.
- e. Identify all documents in your possession, custody or control that you believe contain information regarding the contentions identified in your response to any subpart of this interrogatory.

**ANSWER: GMO objects to the form of Interrogatory No. 44 and all subparts which are vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration. GMO's predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. GMO further objects that this interrogatory calls for information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The actions of Great Plains Energy Inc. or Kansas City Power & Light Co. have no relevance to Stipulation and Agreement in Case No. HR-2005-0450, the Commission's orders in that and the subject proceedings, or the Quarterly Cost Adjustment process. Additionally, Interrogatory No. 44 calls for a legal conclusion. Subject to and without waiving these objections, GMO states that during the merger analysis and due diligence period, neither Great Plains Energy nor KCPL inquired into the specific details of the mechanisms used to hedge gas for the steam business. They modeled Aquila's L&P division as a whole, with fuel adjustment clause and under-recovery issues being factored into that valuation generally.**

**Great Plains Energy and KCP&L did not specifically examine the gas hedging program for the steam business during the diligence process, as more fully discussed in our response to Question No. 43.**

45. If you contend that any inquiry or investigation conducted by or directed by KCPL or Great Plains management regarding the Aquila Steam Hedging Program or any other gas acquisition mechanism or activity for the steam system owned by Aquila was adequate to have fully disclosed to KCPL or Great Plains management all relevant information regarding the Aquila Steam Hedging Program including without limitation the extent of any exposure for



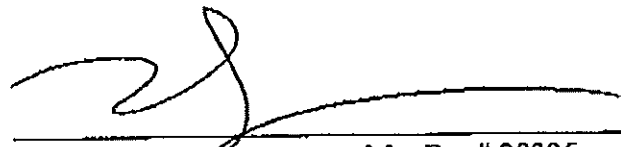
potential disallowances for imprudence that Aquila (or any purchaser of the interest of Aquila) might have:

- a. Identify any actions taken by KCPL or Great Plains management in response to the disclosure that resulted from the inquiry or investigation that was conducted or ordered.
- b. Identify any quantification of any potential exposure for potential disallowances for imprudence that Aquila might have faced and in what manner the quantification was accounted for or reflected in the acquisition transaction.
- c. Identify all persons known to you to have any information regarding your responses to any subpart of this interrogatory.
- d. Identify all documents in your possession, custody or control that you believe contain information regarding the contentions identified or in your responses to any subpart of this interrogatory.

**ANSWER: GMO objects to the form of Interrogatory No. 45 and all subparts which are vague and ambiguous in that GMO has not presented "contentions" to the Commission for its consideration. GMO's predecessor submitted tariff sheets for filing at various times which provided current Quarterly Cost Adjustment information pursuant to the Stipulation and Agreement in Case No. HR-2005-0450. Additionally, Interrogatory No. 44 calls for a legal conclusion. Subject to and without waiving these objections, GMO states that during the merger analysis and due diligence period, neither Great Plains Energy nor KCPL inquired into the specific details of the mechanisms used to hedge gas for the steam business. They modeled Aquila's L&P division as a whole, with fuel adjustment clause and under-recovery issues being factored into that valuation generally.**

**Great Plains Energy and KCPL did not delve into the detail of the exact mechanisms utilized to hedge gas for the steam business, as more fully discussed in our response to Question No. 43.**

Date: September 8, 2009



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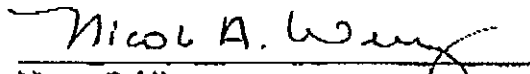
**VERIFICATION**

STATE OF MISSOURI    )  
                                  ) ss.  
COUNTY OF JACKSON    )

The below-named person, being first duly sworn, states that he has read the foregoing interrogatories and answers, that the answers are based upon information contained in records and with sources at KCP&L Greater Missouri Operations Co. and its affiliates, that they are true to the best of affiant's knowledge and belief, and that he is authorized to submit these sworn answers on behalf of KCP&L Greater Missouri Operations Co.

  
\_\_\_\_\_  
Tim M. Rush, Director, Regulatory Affairs

Subscribed and sworn to before me this 8<sup>th</sup> day of September, 2009.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Feb. 4, 2011

