

## **EXHIBIT 2**

Rate boost is just days away; AQUILA IN MISSOURI | Customers of electricity face higher costs as of May 31 The  
Kansas City Star May 19, 2007 Saturday

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BYLINE: STEVE EVERLY, The Kansas City Star

BODY:

Aquila's Missouri customers will soon be paying higher electric rates, and a new charge could eventually push those bills up even further.

Missouri regulators approved a rate increase, filed late Thursday, which will boost an average residential customer's bill by as much as \$9.60 a month. The company has about 300,000 electric customers in the state.

But in the most controversial part of the ruling, regulators also allowed the utility to have a separate charge on customers' bills to cover changes in the cost of fuel used to generate power, as well as any changes in the cost of wholesale power the utility buys.

The decision makes Aquila the first electric utility in Missouri to be allowed such a charge since the **Missouri Supreme Court** ruled them illegal in 1979. Circumventing the court ruling was the focus of aggressive lobbying this decade by the state's electric utilities, and the **Missouri General Assembly** eventually passed legislation so regulators could once again consider a fuel adjustment clause.

The law was opposed by consumer groups. On Friday, critics said it is still a bad idea because it shifts the risks to consumers and leaves utilities with little incentive to curb fuel and wholesale power expenses.

Thursday's decision by the **Missouri Public Service Commission** essentially certified that shift, critics said, by allowing 95 percent of any price increases for fuel or wholesale power to be automatically passed on to Aquila's customers. Some proposals had sought a 50/50 split.

"This is an historic case," said John Coffman, an attorney for **AARP**, a retirement group

Commission chairman Jeff Davis defended the decision, calling the fuel charge a partial pass-through.

"Twenty-five other states use fuel adjustment clauses to smooth the impact of fuel price increases, to minimize the rate shock on consumers, and to spare both consumers and the state the expense of a full-blown rate case when fuel prices are the only issue at hand," he said in a statement. Kansas is among the 25 states that now allow electric utilities to charge customers for fuel price adjustments.

The decision to increase rates and approve the fuel adjustment clause was approved by the regulators in a 3-2 vote. Voting against were Steve Gaw and Robert Clayton III.

Aquila officials on Thursday called the decision fair. They had argued that traditional rate cases were unable to keep up with volatile fuel costs and recently blamed a large part of its first-quarter financial loss on those higher fuel expenses and wholesale power costs. They also told regulators that consumers could benefit if energy costs declined.

Lewis Mills, the head of the **Missouri Office of Public Counsel**, which represents consumers, said he had mixed feeling about the commission's decision on rates and the fuel clause. The rate increase was moderated by not giving Aquila a higher return on equity it requested.

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But he said Aquila's argument that it was too vulnerable to volatile costs was caused by a situation largely of its own making. The company relies too much on purchasing wholesale power and on natural gas to generate electricity to meet demand, he said.

"To some extent that's Aquila management's fault, and they're now seeking to shift that risk to their customers," Mills said.

The increase in electric rates will become effective May 31.

But Aquila said Friday that it did not expect the fuel adjustment charge to appear on electric bills any earlier than April 2008. The charge, when it does appear, will be adjusted two times per year.

The increase in electric rates will raise revenues annually by \$58.7 million - or about half what Aquila originally requested last July. For a residential customer using 1,000 kilowatt-hours of power each month, there will be a monthly increase of \$9.60 a month for those in its Missouri Public Service territory. The increase will be \$8.80 per month for those in Aquila's St. Joseph Light & Power territory.

Aquila recently agreed to be acquired by **Great Plains Energy** and **Black Hills Corp.** for \$1.7 billion, pending regulatory and shareholder approvals.

Aquila shares closed Friday at \$4.22, up 6 cents.

To reach Steve Everly, call 816-234-4455 or send e-mail to [severly@kcstar.com](mailto:severly@kcstar.com)

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