

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

In the matter of Aquila, Inc. d/b/a Aquila Networks–)
L&P, for authority to file tariffs changing the steam)
Quarterly Cost Adjustment for service provided to) Case No. HR-2007-0028
customers in the Aquila Networks–L&P service) Tariff No. YH-2007-0027
territory.¹)

STAFF’S STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and respectfully states:

1. On June 29, 2007, the Commission issued its *Order Directing Filing of Status Reports*. In this Order, the Commission directed the Staff to file a status report by August 31, 2007, with following reports at three-month intervals.

2. For purposes of both this case and Case No. HR-2007-0399, the Staff has participated in meetings between Aquila and Ag Processing focused on resolving their differences on the scope and parameters of the true-up audit for the steam “fuel rider.”

3. In the Staff’s last report, the Staff related that Ag Processing, Aquila and the Staff met several times, and toured the Lake Road plant and customer's plant sites to discuss the differences between Ag Processing and Aquila on the scope and parameters of the true-up audit. The Staff also related that Ag Processing and Aquila planned further meetings. Since that report Ag Processing and Aquila continued discussions and made progress, but were hampered by the attention devoted to planning and executing the integration of Aquila’s operations with those of Kansas City Power & Light Company as proposed in Case No. EM-2007-374. They have not yet resolved all of their differences.

¹ Aquila is now authorized to do business as KCP&L Greater Missouri Operations Company; *Order Recognizing Name Change and Approving Tariffs*, Case No. EN-2009-0015, issued August 7, 2008 effective August 8, 2008.

4. In Case No. EM-2007-0374 the Commission approved the acquisition of Aquila on July 1, 2008. Afterward, Aquila notified Ag Processing and Staff that, because Kansas City Power & Light Company personnel needed to attend an already planned meeting and were not prepared to do so, the meeting needed to be canceled. The parties plan to schedule another meeting with Kansas City Power & Light Company personnel acting on Aquila's behalf in the near term for all the parties to attend to bring those individuals up to date with regard to Aquila's steam fuel clause process, identify and discuss the issues concerning the parties, status of the progress made thus far between the parties and to identify Aquila's steam fuel clause review process going forward.

5. If progress does not continue, the Staff will prepare and file its recommendation of the scope and parameters for the true-up audit for Aquila's steam "fuel rider" for the audit period in this case and in Case No. HR-2007-0399.

6. Until the scope and parameters for true-up audits for Aquila's steam "fuel rider" are determined, the Staff is unable to indicate the date on which it expects to file its true-up audits of the fuel rider.

WHEREFORE, the Staff of the Missouri Public Service Commission submits this status report to the Commission.

Respectfully submitted,

/s/ Nathan Williams

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 18th day of August 2008.

/s/ Nathan Williams
