Notice of Ex Parte Contact

TO:

Data Center

All Parties in Case No. ER-2007-0291

EM-2007-0374

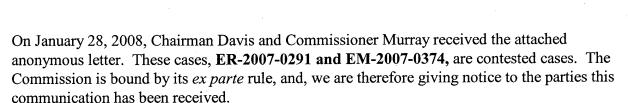
FROM:

Chairman Jeff Davis

Commissioner Connie Murray

DATE:

January 31, 2008



Although communications from members of the public and members of the legislature are always welcome, those communications must be made known to all parties to a contested case so that those parties have the opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, we submit this report pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc:

Commissioners

Executive Director

Secretary/Chief Regulatory Law Judge

General Counsel

I am writing this out of concern as a customer, shareholder and employee of KCP&L. When this merger was first announced I was very excited, but as I have became more informed and have observed the hearings I am scared to death that it will go through. I am appalled that at what I have seen and heard from the management teams involved and the Commissioners. I am sick of hearing the phrase "You can make the numbers say anything you just have to spin a good story to get it approved". There are so many issues with this case that I cannot believe it is still under consideration. If approved it will turn be a disaster for all those involved. Customers, shareholders, employees, all of us will be hurt in the end. I pray that someone will have the backbone to do their job and stop it before it happens.

If this is such a good deal then why are there so many issues? On the surface it seems to make sense given the geography, but as I have several times now the devil is in the details. I am going to try to keep this short, but here are some of my concerns:

- O As I have heard through-out our company, the execution risk is huge. Based on the performance of our management team in the hearings how can anyone believe that they can pull this off? Go back and look at Mike Chesser's testimony. It makes you ask the question how anyone like this can ascend into a position like he is in. Then you have to consider the Black Hills side. From what I understand they thought they would be able to hire Aquila personnel and retain that knowledge. From what I have heard from Aquila is that they do not have a clue as to what they have gotten into. And very few Aquila people are willing to go with them. They see the writing on the wall.
- o Right now the consultants are running the company. We have consultants on top of consultants making basic decisions for us. We are at the point to where we have them auditing each other. This is costing millions upon millions of dollars. And yet we are asking the customer to pay for all or part of it. What are we paying our management for?
- o The synergies being touted are not going to be there. There are a lot of good stories being told, but if you talk to the people in the trenches the synergies are not there. If only they were in a position to testify and tell the truth. But they are not. They have to tow the company line.
- o The construction related to the CEP is going to kill-us. IATAN II-is going to go over budget. By how much is anyone's guess, but it is going to be big dollars. Between this and the merger what's going to happen to our balance sheet. How much debt are we going to take on? How much additional equity are we going to have to issue? It makes no sense to sit by and let us dig our own grave. Who is going to pay? Everyone. Had our shareholders fully understood what they were voting on and the risk involved they would not have passed this thing. The only ones who are going to end up making some money are the hedge funds that own Aquila's stock. People like Nick Singer.
- O Both companies can make it a lot better right now as stand alones then they can if combined. Maybe that will change in a few years, but for now it's just not there.

- o Even with the sale of Strategic Energy it's going to be too much. And the actual dollars we will get will not be any where close to what will be told. Who wants to buy a failing business? It's going to be a fire sale.
- O Last but not least is the question: How can we have any confidence in a decision by this commission given the prior communications between the management of both companies and the commissioners? We can't. Real or not they have been tainted. At least Jeff Davis had the courage to do the right thing. I only hope the others will or someone will at least force them to. Even though the press has been focused on Rick Green, KCP&L's management is just as guilty. It is common knowledge that they had to get at least a positive reaction from the commissioners to go forward with this deal if not a commitment that they would push it through. Do people really hate Rick Green to enough that they will allow both companies to go down? Let's hope not, that is what looks like is going to happen.

I could write a book as to why this is not a good deal. I just hope someone will step up to the plate and put a stop to it. I beg that someone will listen. Don't let this management team take us down this road. Once it's done it is going to be too late to go back. And we will be stuck with it. I wish I could put my name on this, but I would not have a job for very long, which may be the case anyway if this goes through. We can add to Sprint's layoffs. Just what the local economy needs.

Thank You

A concerned Customer, Shareholder and Employee of KCP&L

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