

MAY 13 2005

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Susan K. Duffin Docket Room

In the Matter of the Investigation into the Affiliate)
Transactions between UtiliCorp United Inc. (UCU)) Docket No. 02-UTCG-701-GIG
and its Unregulated Businesses)

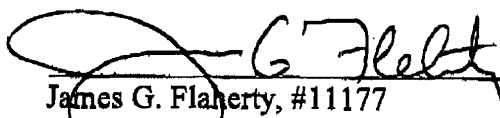
**JOINT MOTION FOR AN ORDER
APPROVING STIPULATION AND AGREEMENT**

COME NOW Aquila, Inc. ("Aquila"), the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) and Citizens' Utility Ratepayer Board ("CURB") (collectively, "Joint Movants"), and request that the Commission issue an order approving the Stipulation and Agreement entered into between Aquila, Staff and CURB, dated May 13, 2005, ("Stipulation and Agreement") with respect to Aquila's Motion for Waiver of the standstill provisions contained in the Commission's Order on Reconsideration dated June 26, 2003 ("Order"), so that Aquila would not need approval of the Commission to sell its regulated assets in Michigan (Michigan Gas), Minnesota (Minnesota Gas), Missouri (Missouri Gas and St. Joseph Light and Power only) and Colorado (Colorado Electric only), based upon the fact that the public utility commissions in those respective states will be required to review and approve their respective transaction. In support of their Joint Motion, Aquila, Staff and CURB state as follows:

1. On April 25, 2005, Aquila filed its Motion for Waiver seeking a waiver of the standstill provisions contained in the Commission's June 25, 2003, Order.
2. Pursuant to negotiations among Aquila, Staff, and CURB, the parties executed a proposed Stipulation and Agreement dated May 13, 2005. The attached Stipulation and Agreement sets forth terms and conditions of Staff and CURB's agreement to support Aquila's Motion for Waiver.

3. This Stipulation and Agreement is submitted for approval pursuant to the provisions of K.A.R. 82-1-230a as a non-unanimous settlement. LVC has elected not to participate in this Stipulation and Agreement. The signatories to this Stipulation and Agreement request permission to file testimony, if necessary, in support of this Stipulation and Agreement and reserve the right to file any response to any pleading filed by LVC or other party under K.A.R. 82-1-230a.

WHEREFORE, Aquila, Staff, and CURB respectfully request the Commission issue an order granting Joint Movants' motion approving the attached Stipulation and Agreement.



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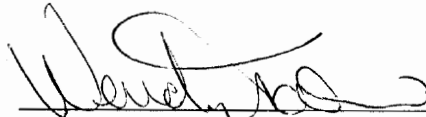
VERIFICATION

STATE OF KANSAS)

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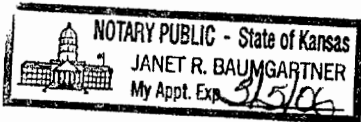
SHAWNEE COUNTY)

The undersigned, upon oath first duly sworn, states that she is the attorney for Staff; that she has read the above and foregoing Joint Motion for an Order Approving Stipulation and Agreement, that she is familiar with the contents thereof; and that the statements contained therein are true and correct.



Wendy K. Tatro

SUBSCRIBED AND SWORN to before me this 13th day of May, 2005.





Notary Public

My Commission Expires: 3/5/2006

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was mailed, postage prepaid, this 13th day of May, 2005, addressed to: Mr. James G. Flaherty, Anderson & Byrd, LLP, P. O. Box 17, Ottawa, Kansas 66067, Mr. David R. Springe, Ms. Niki Christopher, Consumer Counsel, Citizens Utility Ratepayer Board, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, Mr. James P. Zakoura, Smithyman & Zakoura, Chtd., 7400 W. 110th Street, Suite 750, Overland Park, Kansas 66210, Mr. C. Edward Peterson, Mr. Stuart W. Conrad, Finnegan, Conrad & Peterson, 1209 Penntower Office Bldg., 3100 Broadway, Kansas City, Missouri 64111 and Mr. W. Robert Alderson, Jr., Alderson Weiler Conklin Burghart & Crow LLC, 2101 S.W. 21st Street, P.O. Box 237, Topeka, Kansas 66601-0237.



Wendy K. Tatro

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Investigation into the Affiliate)
Transactions between UtiliCorp United Inc. (UCU)) Docket No. 02-UTCG-701-GIG
and its Unregulated Businesses)

STIPULATION AND AGREEMENT

The Staff of the Kansas Corporation Commission ("Staff"), Aquila, Inc. ("Aquila") and the Citizens Utility Ratepayers Board ("CURB") have reached agreement with respect to Aquila's Motion for Waiver, which requests a waiver from the Kansas Corporation Commission ("Commission") of the standstill provisions contained in the Commission's Order on Reconsideration dated June 26, 2003 ("Order"), so that Aquila would not need the approval of the Commission to sell its regulated assets in Michigan (Michigan Gas), Minnesota (Minnesota Gas), Missouri (Missouri Gas and St. Joseph Light and Power only) and Colorado (Colorado Electric only), based upon the fact that the public utility commissions in those respective states will be required to review and approve their respective transaction.

1. On June 26, 2003, the Commission issued an Order on Reconsideration in this matter setting forth the procedures Aquila must follow in order to obtain approval from the Commission in order to divest of its non-utility assets. *Order on Reconsideration dated June 26, 2003, pages 5-6, paragraphs 9-12.*

2. In its Motion for Waiver, Aquila is seeking a waiver of the standstill provisions contained in the Order to the extent that if the waiver was approved, Aquila would not need the approval of the Commission to sell the regulated assets in the above-mentioned states based upon the fact that the public utility commissions in those respective states will be required to review and approve their respective transaction.

3. Aquila has indicated to the Commission in its verified Motion for Waiver that the sale of its gas utility assets and operations in Michigan will require review and approval of the transfer of the Certificate and Tariffs by the Michigan Public Service Commission. The sale of the gas utility assets and operations in Minnesota will require the review and approval by the Minnesota Public Utility Commission. The sale of the gas utility assets and operations in Missouri and the electric utility operations of St. Joseph Light & Power in Missouri will require review and approval by the Missouri Public Service Commission. Finally, the sale of the electric assets and operations in Colorado will require the review and approval by the Colorado Public Utility Commission.

4. Aquila further indicated in its verified Motion for Waiver that because these transactions require the approval of these other state public utility commissions in their respective states, the public interest will be protected by those state commissions and there is no need for this Commission to provide a duplicate review of the various sales transactions in those other states.

5. Staff, Aquila and CURB have reached an agreement whereby, subject to the terms and conditions contained in this Stipulation and Agreement ("Agreement"), they submit to the Commission that approval of Aquila's Motion for Waiver is in the public interest and should be granted.

6. The conditions placed on Staff and CURB's agreement to support Aquila's Motion for Waiver are as follows:

a. Aquila agrees to use the proceeds received by Aquila for selling the above-described utility assets to retire existing Aquila debt or other significant obligations in the most economic manner possible and to report back to the Commission on how the proceeds are actually used by Aquila.

b. The approval by the Commission of this Agreement and the granting of

Aquila's Motion for Waiver does not apply to the sale of Aquila's electric utility assets and operations in Kansas and that Aquila would still be required to seek approval from the Commission regarding the sale of Aquila's Kansas electric utility assets and operations.

c. Aquila shall provide the Staff and CURB a copy of the agreement relating to the sale of the utility assets in Michigan, Minnesota, Missouri and Colorado after those agreements have been entered into between Aquila and the buyer. Aquila shall also provide Staff and CURB a summary of the relevant terms contained in each of those agreements.

d. Aquila shall provide the Staff and CURB a list of the assets being sold under each agreement after those agreements have been entered into between Aquila and the buyer and provide the Staff and CURB the book value of the assets being sold under each agreement.

e. Aquila shall provide the Staff and CURB the docket number in each of the other jurisdictions related to the approval of Aquila's sale of its utility assets in these other states. Aquila shall also provide the Staff and CURB a copy of any order from these jurisdictions related to the sale of Aquila's utility assets in these other states.

f. Finally, with regard to the sale of its Colorado electric utility, Aquila agrees that it will not enter into any contract providing for the sale to the buyer of the Colorado electric utility of capacity and energy delivered pursuant to the existing WAPA exchange agreement under pricing terms that are less favorable to Aquila's Kansas electric operations than the pricing terms of the existing agreement between Aquila-WPC and Aquila-WPK.

7. Aquila agrees this waiver is not intended to limit Staff's or CURB's discovery rights on any asset sale or potential asset sale, as is necessary for Staff or CURB to analyze Aquila's current or future repositioning plans.

8. The terms and provisions of this Agreement have resulted from negotiations between

the signatories and are interdependent. In the event the Commission does not approve and adopt the terms of this Agreement in their entirety, the parties to this Agreement have the option to terminate this Agreement and, if so terminated, none of the parties to this Agreement shall be bound by, prejudiced, or in any way affected by any of the agreements or provisions hereof.

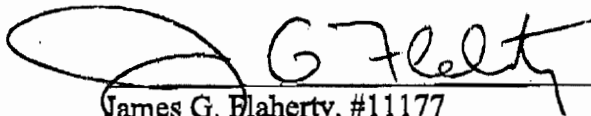
9. Unless (and only to the extent) otherwise specified in this Agreement, the parties to this Agreement shall not be prejudiced, bound by, or affected in any way by the terms of the Agreement: (1) in any future Commission or Court proceeding; (2) in any proceeding currently pending under a separate docket; (3) in this proceeding, or in any proceeding in which Aquila is seeking approval of the sale of its Kansas electric properties; and/or (4) in this proceeding, if the Commission decides not to approve this Agreement in its entirety or in any way conditions its approval of the same. The Commission's approval of this Agreement shall have no precedential effect in any other proceeding.

10. This Agreement does not prejudice or waive the signatories legal rights, positions, claims, assertions or arguments in any proceedings in this docket, or any other proceeding before this Commission or in any Court, including but not limited to, any proceeding in which Aquila is seeking approval of the sale of its Kansas electric properties. Nothing in this Agreement shall preclude or limit the signatories from taking any position, or making any claim, assertion or argument in any future Aquila rate case before this Commission on any rate issue, including but not limited to, the recovery of allocated costs to Aquila's remaining Kansas utility operations.


11. Should the Commission accept the specific terms of this Agreement in their entirety and incorporates the same into its order approving this Agreement and granting Aquila's Motion for Waiver, the signatories intend to be bound by its terms and the Commission's order incorporating those terms as to the issues covered by this Agreement and will not appeal the Commission's order as to those issues

12. The signatories request permission to file testimony in support of this Agreement and to proceed with the Motion for Waiver and submission of this Agreement for approval pursuant to the provisions of K.A.R. 82-1-230a as a non-unanimous settlement.

IN WITNESS WHEREOF, Staff, Aquila and CURB have executed and approved this Agreement effective as of this 13th day of May, 2005, by subscribing their counsels' signatures below.



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CERTIFICATE OF SERVICE

02-UTCG-701-GIG

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Joint Motion for an Order Approving Stipulation and Agreement was placed in the United States mail, postage prepaid, or hand-delivered this 13th day of May, 2005, to the following:

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