

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

In the Matter of the Tariff Filing of Aquila, Inc., to )  
Implement a General Rate Increase for Retail )  
Electric Service Provided to Customers in its Aquila )  
Networks—MPS and Aquila Networks—L&P )  
Missouri Service Areas. )

**Case No. ER-2007-0004**  
Tariff No. YE-2007-0001

**JOINTLY PROPOSED PROCEDURAL SCHEDULE**

**COME NOW** the Sedalia Industrial Energy Users' Association, AG Processing Inc., the Office of the Public Counsel, AARP, Union Electric Company d/b/a AmerenUE, the Staff of the Missouri Public Service Commission, the City of Kansas City, Missouri, the City of St. Joseph, Missouri, the Federal Executive Agencies, the Missouri Department of Natural Resources and Aquila, Inc., and for their Jointly Proposed Procedural Schedule state:

1. In its Order Directing Notice, Suspending Tariff, Setting Hearings, and Directing Filings ("Order"), the Commission set an early prehearing conference for 10:00 a.m. on August 9, 2007 and directed the parties to file a proposed procedural schedule by August 16, 2007. The Commission ordered the parties to include times, dates and locations for local public hearings.

2. As ordered by the Commission the parties attended the prehearing conference on August 9, 2006 and through discussions that began at that conference, all parties have reached consensus on a test year, update period and filing dates, and jointly propose the test year, update period and schedule that is attached as Appendix A; however, they were unable to finalize that consensus and arrange signature until August 17, 2006; therefore, the joint proposed procedural schedule is filed one day later than the date ordered

3. Before submitting their proposed procedural schedule to the Commission the undersigned parties extensively negotiated to arrive at dates acceptable to all parties. Among the factors that played a role in the dates selected were conflicts and needs caused by other matters such as the Commission's pending rate cases with Union Electric Company, ER-2007-0002 and GR-2007-0003, Kansas City Power & Light Company, ER-2006-0314, The Empire District Electric Company, ER-2006-0315, Southern Union Company d/b/a Missouri Gas Energy, GR-2006-0422, and Algonquin Water Resources of Missouri, LLC., WR-2006-0425, as well as other investigation and complaint cases such as the storm investigation of Union Electric Company in EO-2007-0037 and the Staff complaint case against Missouri Pipeline Company, LLC; Missouri Gas Company, LLC; Mogas Energy, LLC; United Pipeline Systems, Inc.; and Gateway Pipeline Company, LLC, GC-2006-0378; the times needed to review, analyze and prepare testimony based on the updated test year; and holidays. A comparison of the procedural schedule dates of some of the foregoing cases with those proposed herein is attached as Appendix B.

4. To accommodate Aquila's desire to capture known and material changes through the end of calendar year 2006 and yet accommodate for schedules in other cases, the undersigned have agreed to dispense with a true-up audit and test year and, instead, use an historical test year of calendar year 2005, updated for known and measurable events through December 31, 2006, except that if Aquila enters into an agreement effective January 2, 2007, to purchase power instead of owning generation to supply that power, Aquila shall present evidence on that issue in its rebuttal testimony and other parties may respond to such rebuttal testimony in surrebuttal testimony. If Aquila presents evidence of the agreement in rebuttal testimony, parties responding to the agreement

in their surrebuttal testimony may make any argument opposing recovery in rates of the cost of the agreement.

5. Because agreement to the test year and update period are dependent on the date proposed and, likewise, the dates the parties propose are dependent on the test year and update period to which they have agreed, any modification by the Commission of either will vitiate the parties' agreement.

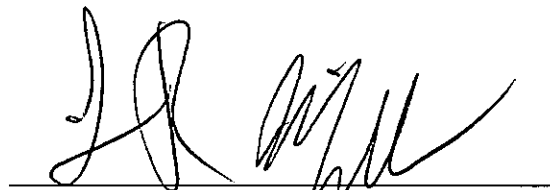
WHEREFORE, the undersigned parties move the Commission to adopt the schedule and agreements proposed herein, and order the parties to comply with them.

Respectfully submitted,



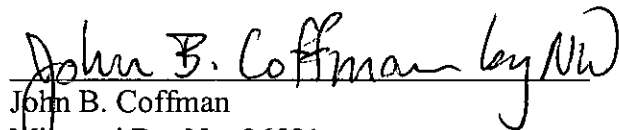
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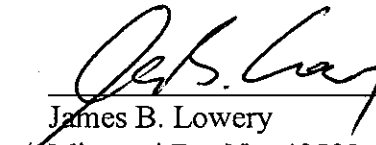


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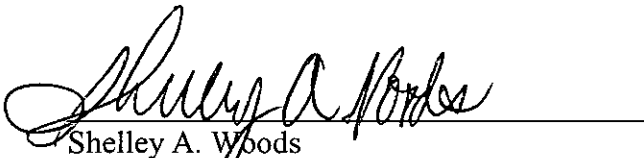
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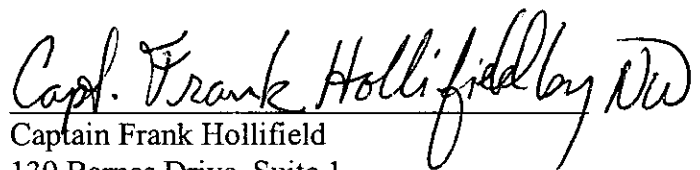
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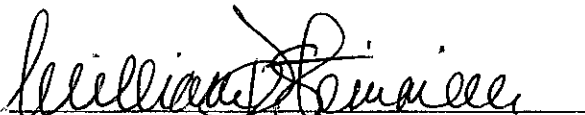
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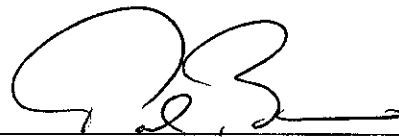
  
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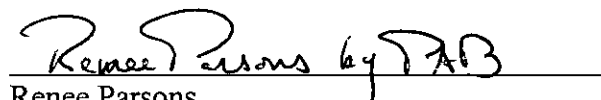
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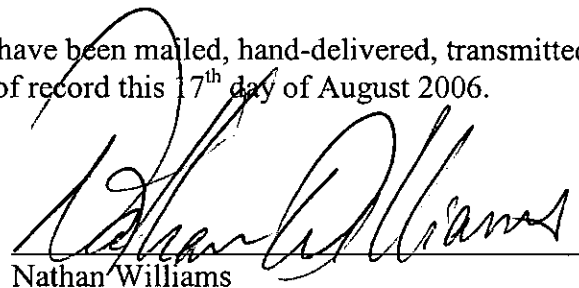


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#### Certificate of Service

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 17<sup>th</sup> day of August 2006.

  
Nathan Williams

**JOINT PROPOSED PROCEDURAL SCHEDULE**  
**CASE NO. ER-2007-0004**

The test year is the historical calendar year ending December 31, 2005, updated for material known and measurable changes through December 31, 2006, except that if Aquila enters into a purchased power agreement effective January 2, 2007, to serve its native electric load in its Aquila Networks—MPS and Aquila Networks—L&P service areas Missouri in lieu of acquiring generation facilities it owns, any party in this case may offer evidence in this case regarding that agreement in rebuttal and, in response to rebuttal testimony on that issue, in surrebuttal testimony.

Aquila shall provide to Staff and the other parties (1) by January 16, 2007, its preliminary data for the update period ending December 31, 2006, (2) by January 23, 2007, its preliminary trial balance for the year ending December 31, 2006 and (3) by February 5, 2007, its preliminary closed books for the year ending December 31, 2006.

**SCHEDULE**

EVENT	DATE
Company Direct Testimony	July 3, 2006
Company preliminary data including revenue, payroll and plant, with workpapers and support, provided to all parties, but not filed	Delivered by 5:00 p.m. CST, Tuesday, January 16, 2007
Revenue Requirement Direct Testimony—all parties but Aquila	Thursday, January 18, 2007
Local Public Hearing City Council Chamber 10000 East 59th Street Raytown, Missouri	4:00-7:00 p.m., Monday, January 22, 2007
Company preliminary trial balance provided to all parties	Delivered by 5:00 p.m. CST, Tuesday, January 23, 2007

Preliminary Case Reconciliation Circulated to all parties by Staff	Tuesday, January 23, 2007
Local Public Hearing City Council Chamber 1100 Frederick Avenue St. Joseph, Missouri	4:00-7:00 p.m., Wednesday, January 24, 2007
Rate Design Direct Testimony—all parties but Aquila	Thursday, January 25, 2007
Pre-hearing Conference	Monday-Friday, January 29 to February 2, 2007, parties shall use their best efforts to accommodate each other with scheduling discussion topics in the pre-hearing conference
Company preliminary closed books for the year ending December 31, 2006, provided to all parties	Delivered by 5:00 p.m. CST, Monday, February 5, 2007
Rebuttal Testimony—all parties	Tuesday, February 20, 2007
Beginning of 10 calendar day response time for data requests and 5 business days to object	Tuesday, February 20, 2007
Supplemental Direct Testimony—all parties but Aquila*	Tuesday, February 27, 2007
Surrebuttal Testimony—all parties, all issues	Tuesday, March 20, 2007
Joint Statement of Issues to be heard, Order of Issues, List of Witnesses, Order of Witnesses, Order of Witness Cross Examination	Thursday, March 22, 2007
Reconciliation for issues to be heard filing date	Thursday, March 22, 2007
Pre-hearing briefs (hearing memoranda)	Thursday, March 29, 2007
Evidentiary Hearings	Monday-Friday, April 2-6, 2007 and Monday-Friday, April 9-13, 2007
Operation of Law Date	June 3, 2007

\*Supplemental Direct Testimony limited to quantification, but not methodology, of the following issues:

**RATE BASE:**

- (1) Plant in service
- (2) Depreciation reserve;
- (3) Deferred taxes;
- (4) Fuel inventories (oil and coal);
- (5) Related cash working capital;
- (6) Materials and supplies;
- (7) Prepayments;
- (8) Advances and contributions;
- (9) Customer deposits;
- (10) Income tax offsets; and
- (11) Interest expense offset.

**CAPITAL STRUCTURE:**

- (1) Rate of return – embedded cost of long-term debt, short-term debt and preferred stock (excludes return-on-equity);
- (2) Capital structure.

**INCOME STATEMENT:**

- (1) Revenues and kWh sales to account for customer growth;
- (2) Margin from off-system sales;
- (3) Uncollectibles;
- (4) Payroll – employee levels, current wage rates, payroll related benefits and payroll taxes;
- (5) Fuel prices for gas, oil, SO<sub>2</sub> allowances and freight;
- (6) Purchased power prices;
- (7) System loads;
- (8) Fuel and purchased power expense;
- (9) Rate case expense and MoPSC assessment;
- (10) Lease cost;
- (11) Property insurance;
- (12) Depreciation expense;
- (13) Property taxes – if applicable and appropriate;
- (14) Income tax effects; and
- (15) Allocation factors.

The requirements following are integral to this agreement to a proposed procedural schedule.

To be included in the update, standard monthly documentation must be available for all applicable items (i.e., monthly operating reports, Aquila Networks—MPS and Aquila Networks—L&P ledgers and supporting invoices) which assure that the item in fact has occurred



or is in service, has been booked, payment has been recorded in Aquila's accounts payable system and is auditable by February 5, 2007.

The update should include all major changes to revenue, expenses, rate base and capital structure occurring through December 31, 2006.

Each party shall provide all workpapers associated with a testimony filing to the other parties within two days following the filing of the associated testimony.

Data requests shall be served on counsel for all parties contemporaneously with service of the data request, but not data request responses. A party seeking a copy of a data request response shall request such from the responding party.

Pleadings, testimony, exhibits, workpapers and other exchanges of information shall be provided to other parties in electronic format by electronic transmission where the information is available in electronic format. Parties are not required to put information that does not exist in electronic format into electronic format for purposes of exchanging it. Such information shall be provided in its existing native format.

	<u>Aquila Joint Proposal</u> <u>ER-2007-0004</u>	<u>Aquila Per Order</u> <u>ER-2007-0004</u>	<u>Aqigonquin Water</u> <u>WR-2006-0425</u>	<u>KCP&amp;L</u> <u>ER-2006-0314</u>	<u>Empire</u> <u>ER-2006-0315</u>	<u>MGE</u> <u>GR-2006-0422</u>	<u>AmerenUE</u> <u>ER-2007-0002</u>	<u>Missouri Pipeline</u> <u>GC-2006-0378</u>
Case Filed	July 3, 2006	July 3, 2006		Feb 1, 2006	Feb 1, 2006	May 1, 2006	July 7, 2006	
Staff/other parties Direct Testimony due	Jan 18, 2007		Nov 15, 2006	Aug 8, 2006	June 23, 2006	Oct 13, 2006		Oct 17, 2006
Rate Design	Jan 25, 2007			Aug 22, 2006				
Preliminary Reconciliation	Jan 23, 2007			Aug 22, 2006	June 30, 2006	Oct 23, 2006		
Public Hearings	Jan 22 & 24, 2007			Aug 24, 2006	Wk June 26, 2006	Oct 20, 2006		
Settlement conference	Jan 29 – Feb 2, 2007		Dec 14-15, 2006	Aug 28-Sept 1, 2006	July 10-14, 2006	Oct 30-Nov 3, 2006		Jan 4, 2007
Rebuttal (begin 10 day data response)	Feb 20, 2007		Dec 28, 2006	Sept 8, 2006	Jul 28, 2006	Nov 21, 2006		Dec 1, 2006
Staff/other parties Supp. Direct Testimony due	Feb 27, 2007							
List of issues-Order of witnesses	Mar 22, 2007			Sept 29, 2006	Aug 23	Nov 9, 2006		Feb 9, 2007
Surrebuttal	Mar 20, 2007		Jan 12, 2007	Oct 6, 2006	Aug 18, 2006	Dec 11, 2006		Jan 11, 2007
Reconciliation	Mar 22, 2007		Jan 17, 2007	Oct 10, 2006	Aug 25, 2006	Dec 20, 2006		
Prehearing Briefs	Mar 29, 2007			Oct 12, 2006	Aug 30, 2006	Dec 16, 2006		Feb 16, 2007
Hearings started	Apr 2-6 & 9-13, 2007	Feb 5-9,12-16, 2007	Jan 22 – 26, 2007	Oct 16-27, 2006	Sept 5-15, 2006	Jan 8-19, 2007	Mar 12-23, 2007	Feb 26- Mar 9, 2007
True-up direct if necessary	N/A	Feb 19, 2007		Nov 7, 2006	Sept 27, 2006	Dec 28, 2006		
True-up rebuttal if necessary	N/A	Mar 15, 2007		Nov 10, 2006				
True-up hearing if necessary	N/A	Mar 26-27, 2007		Nov 16-17, 2006	Oct 2-6, 2006	Jan 31-Feb 2, 2007	April 16-17, 2007	
Initial Posthearing Brief	TBD			Nov 15, 2006	TBD	Feb 15, 2007		
Reply Posthearing Brief	TBD			Nov 22, 2006	TBD			
True-up Brief if necessary	N/A			Nov 22, 2006	TBD			
Operation of Law date	June 3, 2007	June 3, 2007		Jan 1, 2007	Jan 1, 2007	Mar 30, 2007	June 7, 2007	