

**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. JE-2007-0860

STAFF’S RECOMMENDATION TO APPROVE TARIFF SHEETS

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its Recommendation the Commission Approve Tariff Sheets Aquila filed on June 18, 2007, to comply with the Commission’s *Report and Order*, as clarified by the Commission’s May 25, 2007 *Order Granting Expedited Treatment, Approving Certain Tariff Sheets and Rejecting Certain Tariff Sheets*, and the Commission’s June 14, 2007 *Order Rejecting Tariff, Granting Clarification, Directing Filing and Correcting Order Nunc Pro Tunc*, states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Missouri Public Service Commission approve the four (4) tariff sheets Aquila filed on June 18, 2007. Aquila filed the tariff sheets to comply with the Commission’s *Report and Order*, as clarified by the Commission’s May 25, 2007 *Order Granting Expedited Treatment, Approving Certain Tariff Sheets and Rejecting Certain Tariff Sheets*, and the Commission’s June 14, 2007 *Order Rejecting Tariff, Granting Clarification, Directing Filing and Correcting Order Nunc Pro Tunc*. These four (4) sheets are designed to implement the fuel adjustment clause the Commission ordered for Aquila. The Staff recommends the Commission approve them as complying with the Commission’s *Report and Order*, as clarified by the Commission’s May 25, 2007 *Order Granting Expedited Treatment, Approving Certain Tariff*

Sheets and Rejecting Certain Tariff Sheets, and the Commission’s June 14, 2007 *Order Rejecting Tariff, Granting Clarification, Directing Filing and Correcting Order Nunc Pro Tunc*.

2. The four tariff sheets filed on June 18, 2007, bear proposed effective dates of July 18, 2007. With its tariff filing on June 18, 2007 Aquila filed an associated *Motion For Expedited Treatment And For Approval Of Tariff Sheets Filed In Compliance With Commission Order* in which it requested the Commission allow these four tariff sheets to go into effect on June 30, 2007. In its *Report and Order*, at ordered paragraph 4, the Commission states, “Aquila shall file proposed electric service tariff sheets in compliance with this Report and Order no later than midnight on May 20, 2007.” The Staff believes, that with regard to these four (4) tariff sheets, as the Commission has clarified its *Report and Order*, Aquila is now substantially in compliance with the Commission’s *Report and Order* and that this constitutes “good cause shown” pursuant to Section 393.140(11) RSMo 2000 to allow these four (4) tariff sheets to go into effect on less than thirty (30) days’ notice.

3. Accordingly, the Staff recommends the Commission approve the four (4) tariff sheets Aquila filed on June 18, 2007, to go into effect on June 30, 2007.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission approve to go into effect on June 30, 2007, the four (4) proposed tariff sheets Aquila, Inc. filed on May 25, 2007, to wit:

Aquila Networks – L&P and – MPS, P.S.C. MO. No. 1, Electric Rates

Original Sheet No. 124

Original Sheet No. 125

Original Sheet No. 126

Original Sheet No. 127

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams

Deputy General Counsel

Missouri Bar No. 35512

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Missouri Public Service Commission

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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 25th day of June, 2007.

/s/ Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2007-0004, Tariff No. YE-2007-0916
Aquila, Inc., d/b/a Aquila Networks – MPS and Aquila Networks – L&P

FROM: James Watkins, Manager, Economic Analysis, Project Coordinator
Jim Busch, Regulatory Economist III
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 06/25/07 /s/ Nathan Williams 06/25/07
Energy Department / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed Pursuant To The Commission's Order Rejecting Tariff, Granting Clarification, Directing Filing and Correcting Order Nunc Pro Tunc Issued June 14, 2007

DATE: June 25, 2007

On June 18, 2007, Aquila, Inc., d/b/a Aquila Networks – MPS and Aquila Networks – L&P (Aquila) of Kansas City, Missouri, filed with the Commission four (4) tariff sheets bearing a proposed effective date of July 18, 2007, designed to comply with the Commission's May 17, 2007, Report and Order as clarified in its June 14, 2007, Order Rejecting Tariff, Granting Clarification, Directing Filing and Correcting Order Nunc Pro Tunc. Aquila also filed its Motion For Expedited Treatment And For Approval Of Tariff Sheets Filed In Compliance With Commission Order (Motion) dated June 18, 2007.

Revised tariff sheets 124 through 127 contain the following clarifications:

1. SO₂ Emission Allowance Costs are included
2. Interest on Deferred Fuel and Energy Costs during the Accumulation Period are included; and
3. The Accumulation Periods of Fuel Adjustment Clause cease May 31, 2011, limiting the effective period of the fuel adjustment clause to no more than four (4) years.

Staff Recommendation

The Missouri Public Service Commission's Energy Department Staff (Staff) has reviewed the filed tariff sheets, and is of the opinion that they were filed in a timely manner and are in compliance with the Commission's May 17, 2007, Report and Order, as clarified. The Staff therefore recommends that the Commission **approve** the following proposed tariff sheets, as filed on June 18, 2007, to become effective on June 30, 2007 as requested in Aquila's Motion, with less than 30 day's notice for good cause shown pursuant to Section 393.140(11) RSMo 2000:

P.S.C. MO. No. 1, Electric Rates

Original Sheet No. 124
Original Sheet No. 125
Original Sheet No. 126
Original Sheet No. 127

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

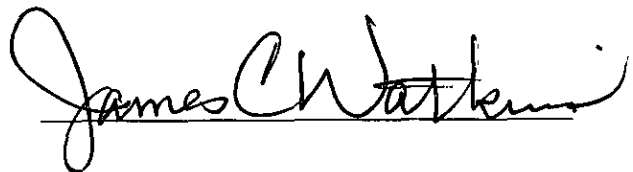
In the matter of Aquila, Inc. d/b/a Aquila Networks-MPS)
and Aquila Networks-L&P, for authority to file tariffs)
increasing electric rates for the service provided to)
customers in the Aquila Networks-MPS and Aquila)
Networks-L&P service area.)

Case No. ER-2007-0004
File No. YE-2007-0916


AFFIDAVIT OF JAMES C. WATKINS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.



Subscribed and sworn to before me this 25th day of June, 2007.


Notary Public

My commission expires 9-23-2008

