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 MPS and L&P Missouri Service Areas.)

Case No. ER-2005-0436

STAFF RECOMMENDATION TO APPROVE TARIFF SHEETS

Comes now the Staff of the Missouri Public Service Commission, by counsel, and for its recommendation to approve tariff sheets, to become effective March 1, 2006 for good cause shown pursuant to §393.140(11) RSMo, states:

1. On February 23, 2006 the Commission issued its Order Approving Stipulation and Agreement in which it approved the Nonunanimous Stipulation and Agreement filed on January 31, 2006 as a resolution of all issues in this case after no party objected to the agreement and the Commission treated it as a unanimous agreement as permitted by Commission Rule 4 CSR 240-2.115(2). The Commission ordered the parties who signed the agreement to comply with its terms.

2. In the agreement the parties stated a goal of an effective date of March 1, 2006 for tariff sheets filed in conformance with the illustrative tariff sheets made part of the agreement. The Commission ordered that Aquila might request an effective date of March 1, 2006 for such tariff sheets. On February 24, 2006 Aquila, Inc. filed its tariff sheets, and filed a motion for expedited treatment requesting they be made effective March 1, 2006, the filed tariff sheets bear an effective date of March 26, 2006.

3. The Staff has reviewed the filed tariff sheets to determine if they conform to the illustrative tariff sheets in the Nonunanimous Stipulation and Agreement and if they otherwise comply with the Commission's Order Approving Stipulation and Agreement. The Staff

concludes they do. In the attached Memorandum (Appendix A), the Staff recommends the Commission issue an Order that both (1) approves the electric tariff sheets listed in Appendix A, as filed on February 24, 2006, to become effective March 1, 2006 and (2) cancels Aquila's present electric tariff sheets listed to be canceled in Appendix A.

4. The Staff has verified Aquila has filed its 2004 annual reports and is not delinquent on any assessment. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

5. Section 393.140(11) RSMo 2000 requires proposed changes to tariffs not go into effect with less than thirty (30) days' notice, unless the Commission determines otherwise for "good cause shown." Given that the Nonunanimous Stipulation and Agreement was filed with the Commission on January 31, 2006 with illustrative tariff sheets and, as ordered by the Commission, Aquila has filed proposed tariff sheets that are in the form of those illustrative tariff sheets with an effective date of March 26, 2006, the purpose of the thirty (30) days' notice requirement of section 393.140(11) RSMo 2000 has been accomplished. The Staff recommends the Commission grant Aquila's motion for expedited treatment and order the tariff sheets to become effective March 1, 2006.

WHEREFORE, the Staff recommends that the Commission issue an order that (1) grants Aquila's motion for expedited treatment to permit the tariff sheets filed February 24, 2006 to go into effect March 1, 2006, (2) approves the electric tariff sheets listed in Appendix A, as filed on February 24, 2006, to become effective March 1, 2006 and (3) cancels Aquila's present electric tariff sheets listed to be canceled in Appendix A.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams Senior Counsel Missouri Bar No. 35512

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360 Jefferson City, MO 65102 (573) 751-8702 (Telephone) (573) 751-9285 (Fax) nathan.williams@psc.mo.gov

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 28th day of February 2006.

<u>/s/ Nathan Williams</u> Nathan Williams

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File Case No. ER-2005-0436, File No. YE-2006-0647 Aquila, Inc., d/b/a Aquila Networks, Aquila Networks – L&P and Aquila Networks – MPS

FROM: James Watkins, Project Coordinator Mack McDuffey, Rate & Tariff Examiner II

oject Coordinator/Date

^{SD} 2/27/06 MAS 2/27/06 General Counsel's Office/Date

SUBJECT: Staff Recommendation For Approval Of Tariff Sheets Filed To Comply With The Commission's February 23, 2006 Order Approving Stipulation And Agreement

DATE: February 27, 2006

On February 24, 2006, Aquila, Inc., d/b/a Aquila Networks, Aquila Networks – L&P and Aquila Networks – MPS (Aquila) filed with the Commission seventy-eight (78) tariff sheets with an issue date of February 24, 2006, and a proposed effective date of March 26, 2006. These tariff sheets are designed to comply with the Commission's February 23, 2006 Order Approving Stipulation and Agreement (Order), wherein Ordered Paragraph 4. states, "Aquila, Inc., is authorized to file the tariff sheets agreed to as part of the Stipulation and Agreement. Aquila, Inc., may request that the tariff sheets be allowed to become effective on March 1, 2006." On February 24, 2006 Aquila filed its Motion For Expedited Treatment requesting that these tariff sheets become effective March 1, 2006.

The Missouri Public Service Commission Energy Department Staff (Staff) has reviewed the filed tariff sheets and is of the opinion that they were timely filed and are in compliance with the Commission's Order and are in conformance with the illustrative tariff sheets filed in Appendix A of the Stipulation And Agreement. Staff therefore recommends that the Commission issue an order **approving** the following proposed tariffs, as filed on February 24, 2006, to become effective on March 1, 2006:

Aquila Networks, PSC Mo. No. 1, Electric Rates

- 1st Revised Sheet No. 1, canceling Original Sheet No. 1
- 2nd Revised Sheet No. 2, canceling 1st Revised Sheet No. 2
- 1st Revised Sheet No. 18, canceling Original Sheet No. 18
- 1st Revised Sheet No. 19, canceling Original Sheet No. 19
- 1st Revised Sheet No. 20, canceling Original Sheet No. 20
- 1st Revised Sheet No. 21, canceling Original Sheet No. 21
- 1st Revised Sheet No. 22, canceling Original Sheet No. 22
- 1st Revised Sheet No. 23, canceling Original Sheet No. 23
- 1st Revised Sheet No. 24, canceling Original Sheet No. 24
- 1st Revised Sheet No. 25, canceling Original Sheet No. 25

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1st Revised Sheet No. 26, canceling Original Sheet No. 26 1st Revised Sheet No. 27, canceling Original Sheet No. 27 1st Revised Sheet No. 28, canceling Original Sheet No. 28 1st Revised Sheet No. 29, canceling Original Sheet No. 29 1st Revised Sheet No. 30, canceling Original Sheet No. 30 1st Revised Sheet No. 31, canceling Original Sheet No. 31 1st Revised Sheet No. 33, canceling Original Sheet No. 33 1st Revised Sheet No. 34, canceling Original Sheet No. 34 1st Revised Sheet No. 35, canceling Original Sheet No. 35 1st Revised Sheet No. 37, canceling Original Sheet No. 37 1st Revised Sheet No. 38, canceling Original Sheet No. 38 1st Revised Sheet No. 39, canceling Original Sheet No. 39 1st Revised Sheet No. 40, canceling Original Sheet No. 40 1st Revised Sheet No. 41, canceling Original Sheet No. 41 1st Revised Sheet No. 42, canceling Original Sheet No. 42 1st Revised Sheet No. 43, canceling Original Sheet No. 43 1st Revised Sheet No. 44, canceling Original Sheet No. 44 1st Revised Sheet No. 47, canceling Original Sheet No. 47 1st Revised Sheet No. 48, canceling Original Sheet No. 48 1st Revised Sheet No. 50, canceling Original Sheet No. 50 1st Revised Sheet No. 51, canceling Original Sheet No. 51 1st Revised Sheet No. 52, canceling Original Sheet No. 52 1st Revised Sheet No. 53, canceling Original Sheet No. 53 1³⁴ Revised Sheet No. 54, canceling Original Sheet No. 54 1st Revised Sheet No. 55, canceling Original Sheet No. 55 1st Revised Sheet No. 56, canceling Original Sheet No. 56 1st Revised Sheet No. 57, canceling Original Sheet No. 57 1st Revised Sheet No. 59, canceling Original Sheet No. 59 1st Revised Sheet No. 60, canceling Original Sheet No. 60 1st Revised Sheet No. 61, canceling Original Sheet No. 61 1st Revised Sheet No. 62, canceling Original Sheet No. 62 1st Revised Sheet No. 63, canceling Original Sheet No. 63 1st Revised Sheet No. 64, canceling Original Sheet No. 64 1st Revised Sheet No. 65, canceling Original Sheet No. 65 1st Revised Sheet No. 66, canceling Original Sheet No. 66 1st Revised Sheet No. 67, canceling Original Sheet No. 67 1st Revised Sheet No. 68, canceling Original Sheet No. 68 1st Revised Sheet No. 70, canceling Original Sheet No. 70 1st Revised Sheet No. 71, canceling Original Sheet No. 71 1st Revised Sheet No. 72, canceling Original Sheet No. 72 1st Revised Sheet No. 74, canceling Original Sheet No. 74 1st Revised Sheet No. 76, canceling Original Sheet No. 76 1st Revised Sheet No. 79, canceling Original Sheet No. 79 1st Revised Sheet No. 80, canceling Original Sheet No. 80 1st Revised Sheet No. 83, canceling Original Sheet No. 83 1st Revised Sheet No. 84, canceling Original Sheet No. 84 1st Revised Sheet No. 85, canceling Original Sheet No. 85 1st Revised Sheet No. 86, canceling Original Sheet No. 86 1si Revised Sheet No. 87, canceling Original Sheet No. 87 1st Revised Sheet No. 88, canceling Original Sheet No. 88 1st Revised Sheet No. 89, canceling Original Sheet No. 89

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1st Revised Sheet No. 90, canceling Original Sheet No. 90 1" Revised Sheet No. 91, canceling Original Sheet No. 91 1st Revised Sheet No. 92, canceling Original Sheet No. 92 1st Revised Sheet No. 95, canceling Original Sheet No. 95 1st Revised Sheet No. 97, canceling Original Sheet No. 97 1st Revised Sheet No. 99, canceling Original Sheet No. 99 1st Revised Sheet No. 100, canceling Original Sheet No. 100 1st Revised Sheet No. 103, canceling Original Sheet No. 103 1st Revised Sheet No. 104, canceling Original Sheet No. 104 1st Revised Sheet No. 109, canceling Original Sheet No. 109 1st Revised Sheet No. 117, canceling Original Sheet No. 117 1st Revised Sheet No. 118, canceling Original Sheet No. 118 1st Revised Sheet No. 119, canceling Original Sheet No. 119 Original Sheet No. 120 Original Sheet No. 121 Original Sheet No. 122 Original Sheet No. 123

The Staff has verified that Aquila has filed its 2004 annual reports and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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 area.

Case No. ER-2005-0436

AFFIDAVIT OF JAMES C. WATKINS

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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.

Subscribell Hill Havorn to before me this 27th day of February, 2006. SEMARIE 7/50 NOTARY SEAL NOTARY SEAL SUBJURE 1. 2057 SO SUBJURE 1. 2057 SO SUBJURE 1. 2057 SO NOTARY SEAL SUBJURE 1. 2057 SO SUBJURE 1. 2057