

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day of
November, 2006.

In the Matter of the Tariffs of Aquila, Inc., d/b/a)	
Aquila Networks – MPS and Aquila Networks – L&P)	
Increasing Electric Rates for the Services Provided)	<u>Case No. ER-2007-0004</u>
to Customers in the Aquila Networks – MPS and)	Tariff No. YE-2007-0001
Aquila Networks – L&P Service Areas)	

**ORDER SETTING LOCAL PUBLIC HEARINGS
AND DIRECTING NOTICE**

Issue Date: November 16, 2006

Effective Date: November 16, 2006

On July 3, 2006, Aquila, Inc., submitted proposed tariff sheets designed to implement a general rate increase for retail electric service provided by Aquila to customers in its Aquila Networks – MPS and Aquila Networks – L&P service areas. In its July 5 order suspending that tariff, the Commission directed the parties to file recommendations regarding the times, dates, and locations for local public hearings. The parties were also ordered to file the proposed language to be included in the notice that will be given to inform the public of those local public hearings.

On August 16, 2006, the Office of the Public Counsel filed a proposed customer notice that would notify the public of two local public hearings. No party has objected to Public Counsel's draft notice.

The notice proposed by Public Counsel is generally acceptable. However, the Commission will add a paragraph to the notice to inform the public that Aquila has requested the implementation of a fuel adjustment clause.

IT IS ORDERED THAT:

1. The Commission shall hold a local public hearing on Monday, January 22, 2007, from 6:00 p.m. until 9:00 p.m., or until all persons who wish to testify have done so, whichever is sooner, at Lee's Summit North High School, Performing Arts Center, 901 Northeast Douglas, Lee's Summit, Missouri.

2. The Commission shall hold a local public hearing on Wednesday, January 24, 2007, from 6:00 p.m. until 9:00 p.m., or until all persons who wish to testify have done so, whichever is sooner, at Hillyard Technical Center, ITV Room, 3434 Faraon, St. Joseph, Missouri.

3. No later than ten days before the local public hearings, Aquila, Inc., shall provide individual notice to each of its electric service customers including the notice as set out below.

NOTICE

Aquila, Inc., doing business as Aquila Networks – MPS and as Aquila Networks – L&P, has filed revised electric tariff sheets with the Missouri Public Service Commission (PSC) that would increase the company's Missouri jurisdictional annual gross revenues in its MPS service area by approximately \$94.5 million and in its L&P service area by approximately \$24.4 million. For the average MPS residential customer using 1,000 kilowatt hours of electricity, the proposed increase would be approximately \$21.19 each month. For the average L&P residential customer using 1,000 kilowatt hours of electricity, the proposed increase would be approximately \$16.09 each month. The proposed increase is approximately 22% in each of the company's service territories.

Aquila, Inc.'s rate filing includes a request to implement a fuel adjustment clause. A fuel adjustment clause, if approved by the Commission, would allow increases or decreases in fuel and purchased power costs occurring after base electric rates are set by the pending electric rate case to be passed through to customers as a separate line on customer's bills. Increases in fuel and purchased power costs above base electric rates would be applied to customer bills via a separate and additional charge and decreases would be applied to customer bills via a credit.

Public comment hearings have been set before the PSC as follows:

- Monday, January 22, 2007, from 6:00 p.m. to 9:00 p.m., at Lee's Summit North High School, Performing Arts Center, 901 Northeast Douglas, Lee's Summit, Missouri
- Wednesday, January 24, 2007, from 6:00 p.m. to 9:00 p.m., at Hillyard Technical Center, ITV Room, 3434 Faraon, St. Joseph, Missouri

***A question-and-answer session will be held one-half hour before the beginning of each hearing.**

If you are unable to attend a live public hearing and wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102, telephone (573) 751-4857, email opcservice@ded.mo.gov or the Missouri Public Service Commission, Post Office Box 360 Jefferson City, Missouri 65102, telephone 800-392-4211, email pscinfo@psc.mo.gov.

The Commission will also conduct an evidentiary hearing at its offices in Jefferson City during the weeks of April 2 through 6, and April 9 through 13, 2007, beginning at 8:30 a.m.

The hearings and local public hearings will be held in buildings that meet accessibility standards required by the Americans with Disabilities Act. If a customer needs additional accommodations to participate in these hearings, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

4. The local public hearings shall be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional

accommodation to participate in the hearings should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the hearings.

5. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county in Aquila, Inc.'s service area.

6. The Public Information Office of the Missouri Public Service Commission shall send a copy of this order to members of the General Assembly and to the media that serve Aquila, Inc.'s service area.

7. Aquila, Inc., shall place advertisements in the newspapers serving its service territory. The advertisements shall contain the information from the customer notice relevant to the customers in the newspaper's circulation area.

8. This order shall become effective on November 16, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton and Appling, CC., concur

Woodruff, Deputy Chief Regulatory Law Judge