

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 22nd day of  
August, 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	)	<b><u>Case No. ER-2007-0004</u></b>
to Customers in the Aquila Networks – MPS and	)	Tariff No. YE-2007-0001
Aquila Networks – L&P Service Areas	)	

**ORDER ADOPTING PROCEDURAL SCHEDULE AND MODIFYING  
PREVIOUSLY ORDERED TEST YEAR**

Issue Date: August 22, 2006

Effective Date: August 22, 2006

On July 3, 2006, Aquila, Inc., submitted proposed tariff sheets designed to implement a general rate increase for retail electric service provided to customers in its Aquila Networks – MPS and Aquila Networks – L&P service areas. In its order suspending Aquila's tariff, the Commission ordered the parties to prepare a proposed procedural schedule by August 16. The parties filed a jointly proposed procedural schedule one day late, on August 17.

The proposed procedural schedule calls for a hearing to be held during the first two weeks of April 2007, rather than the first two weeks of February, as scheduled by the Commission in its order suspending Aquila's tariff. The parties' proposal also assumes a test year different from that ordered by the Commission on August 2. At that time, the Commission ordered the use of test year ending December 31, 2005, updated for known and measurable changes through June 30, 2006. The proposed procedural schedule

assumes the use of a test year ending December 31, 2005, updated through December 31, 2006. With the modification to the test year, the parties agree that there will be no need for a true-up audit, true-up testimony, or a true-up hearing. The parties also agree that the parties may file additional testimony as part of their rebuttal and surrebuttal testimony to address a purchased power agreement to serve its native load that Aquila may enter into effective January 2, 2007, rather than acquiring additional generation facilities to serve that load.

The Commission is aware that the large number of rate cases currently pending before the Commission has put a strain on the resources of Staff, Public Counsel, and the other parties. Certainly, the Commission's hearing calendar in February, March, and April 2007 is very crowded. However, the parties also need to be aware that delaying the hearing of this case until April will severely limit the amount of time available for the Commission to deliberate and to prepare an order following the conclusion of the hearing. Aquila's tariffs have been suspended until May 30, 2007, which is the maximum suspension period allowed by the controlling statute.<sup>1</sup> If the Commission's report and order regarding the tariff is to have the customary 10-day effective date, the Commission will need to issue that report and order no later than May 20. May 20, 2007 is a Sunday so the last available agenda date for the Commission to vote and issue that report and order is Thursday, May 17. If the hearing ends on April 13, as proposed by the parties, the Commission will have only 34 days to issue its report and order.

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<sup>1</sup> Section 393.150, RSMo 2000 allows the Commission to suspend a tariff for 120 days from the proposed effective date of the tariff, plus six months. Aquila's tariff carried an August 2 effective date. 120 days after August 2 is November 30. Adding six months to November 30 results in an operation of law date of May 30, not June 3 as indicated in the proposed procedural schedule.

The Commission will accept the procedural schedule proposed by the parties, but it will also require the parties to submit their post-hearing briefs on a short schedule. The short amount of time allowed for the filing of briefs will also require the parties to put an extra measure of thought and effort into their pre-hearing briefs.

The proposed procedural schedule calls for local public hearings in Raytown on January 22 and in St. Joseph on January 24. The Commission will include those hearings in the procedural schedule, subject to change if the proposed sites and times are not available.

The Commission will apply the following conditions to the procedural schedule:

(A) The Commission will require that testimony be prefiled as defined in Commission Rule 4 CSR 240-2.130. All parties must comply with this rule, including the requirement that testimony be filed on line-numbered pages.

(B) The parties shall agree upon and Staff shall file a list of the issues to be heard, the witnesses to appear on each day of the hearing, the order in which they will be called, and the order of cross-examination for each witness. Any issue not contained in this list of issues will be viewed as uncontested and not requiring resolution by the Commission.

(C) Each party shall file a prehearing brief, and in addition shall file a simple and concise statement summarizing its position on each disputed issue.

(D) All pleadings and briefs shall be filed in accordance with Commission Rule 4 CSR 240-2.080. Briefs shall follow the same list of issues as filed in the case and must set forth and cite the proper portions of the record concerning the remaining unresolved issues that are to be decided by the Commission.

(E) All parties are required to bring an adequate number of copies of exhibits that they intend to offer into evidence at the hearing. If an exhibit has not been prefiled, the party offering it should bring, in addition to the copy for the court reporter, copies for the five Commissioners, the Presiding Judge, and all counsel.

**IT IS ORDERED THAT:**

1. The following procedural schedule is established:

<b>Company Preliminary Data Provided to All Parties, But Not Filed</b>	-	<b>January 16, 2007, by 5:00 p.m.</b>
<b>Direct Testimony – Revenue Requirement, by All Parties Except Aquila</b>	-	<b>January 18, 2007</b>
<b>Local Public Hearing in Raytown</b>	-	<b>January 22, 2007</b>
<b>Aquila Provides Preliminary Trial Balance to All Parties</b>	-	<b>January 23, 2007, by 5:00 p.m.</b>
<b>Staff Circulates Preliminary Case Reconciliation to All Parties</b>	-	<b>January 23, 2007</b>
<b>Local Public Hearing in St. Joseph</b>	-	<b>January 24, 2007</b>
<b>Direct Testimony – Rate Design, by All Parties Except Aquila</b>	-	<b>January 25, 2007</b>
<b>Prehearing Conference</b>	-	<b>January 29 – February 2, 2007</b>
<b>Aquila Provides Preliminary Closed Books for the Year Ending December 31, 2006 to All Parties</b>	-	<b>February 5, 2007, by 5:00 p.m.</b>
<b>Rebuttal Testimony by All Parties</b>	-	<b>February 20, 2007</b>
<b>Beginning of 10 Calendar Day Response Time for Data Requests and 5 Business Days to Object</b>	-	<b>February 20, 2007</b>

<b>Supplemental Direct Testimony, by All Parties Except Aquila</b>	-	<b>February 27, 2007</b>
<b>Surrebuttal Testimony by All Parties on All Issues</b>	-	<b>March 20, 2007</b>
<b>Joint Statement of Issues to be Heard, Order of Issues, List of Witnesses, Order of Witnesses, and Order of Witness Cross-Examination</b>	-	<b>March 22, 2007</b>
<b>Reconciliation for Issues to be Heard</b>	-	<b>March 29, 2007</b>
<b>Pre-Hearing Briefs</b>	-	<b>March 29, 2007</b>
<b>Hearing</b>	-	<b>April 2-6 and 9-13, 2007, beginning at 8:30 a.m.</b>
<b>Post-Hearing Briefs</b>	-	<b>April 27, 2007</b>

2. The prehearing conference will be held at the Commission's office at the Governor Office Building, Room 305, 200 Madison Street, Jefferson City, Missouri. This building meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this conference, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the conference.

3. The hearing will be held at the Commission's office at the Governor Office Building, Room 310, 200 Madison Street, Jefferson City, Missouri. This building meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the hearing.

4. The test year for purposes of this case shall be the year ending December 31, 2005, adjusted and updated for material known and measurable changes through December 31, 2006.

5. 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 in Missouri instead of acquiring generation facilities it owns, any party may offer evidence regarding that agreement in rebuttal and, in response to rebuttal testimony on that issue, in surrebuttal testimony.

6. This order shall become effective on August 22, 2006.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

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

Woodruff, Deputy Chief Regulatory Law Judge