



Ex 7

Missouri Energy Development Association

326 East Capitol Avenue • Jefferson City, MO 65101 • (573) 634-8678 • Fax (573) 634-4691

Ameren

October 18, 2005

FILED⁴

Aquila

DEC 19 2005

Atmos Energy
CorporationChairman Jeff Davis
Missouri Public Service Commission
Governor Office Building
200 Madison Street
Jefferson City, MO 65102Missouri Public
Service CommissionEmpire District
Electric CompanyGreat Plains Energy
(KC Power & Light)

RE: Reconnection and Deposit Fee Waivers

The Laclede
Group, Inc.

Dear Mr. Chairman,

Missouri
American Water

As the winter heating season approaches, Missouri's natural gas local distribution companies (LDCs) have been experiencing record high prices when purchasing gas on the wholesale market for retail distribution in Missouri. The high natural gas prices have also impacted many electric utilities' gas generation costs and have increased the cost of purchased power on the open market. This rise in gas prices is a result of factors completely outside of the control of Missouri's utilities.

Missouri
Gas Energy

Missouri utilities buy natural gas on the wholesale market which is not regulated by any state or federal agency. As an unregulated commodity, natural gas is subject to extreme price volatility and rapid price increases as a response to changes in supply and demand as well as other national and international factors. Missouri utilities do not mark-up the cost of the natural gas they purchase. Unlike oil and gas producers and gasoline retailers, Missouri utilities do not earn a higher profit as a result of high natural gas prices. Missouri consumers, who pay their gas bills, pay exactly what Missouri utilities pay for their gas.

In September, the Energy Information Administration (EIA) announced home heating costs in the Midwest may rise by as much as 71 percent this winter for customers who use natural gas. In anticipation of rapidly increasing natural gas prices and through careful proactive planning by Missouri's natural gas companies, most Missourians who use natural gas will experience smaller increases in their winter heating bills than the national average. However, despite Missouri LDCs' best efforts, Missouri consumers will still experience significant increases in what it costs to heat their home this winter.

Exhibit No. 7

Case No(s) 04-2006-018
Date 12-06-05 Rptr XF

Missouri investor-owned utilities already have programs in place to help low-income households cope with the unprecedented heating costs anticipated this winter. However, in response to Governor Blunt's request, all Missouri Energy Development Association members, in accordance with and in addition to their existing low-income programs agree to take the following measures for any Missouri customer who is qualified and has applied for or is actually receiving benefits through the Low Income Home Energy Assistance Program (LIHEAP) during this winter season (November 1, 2005-March 31, 2006):

- Waive all reconnection fees for Missouri customers who heat their homes with natural gas or primarily with electricity.
- Suspend deposit requirements for Missouri customers who heat their homes with natural gas or primarily with electricity.
- Restore natural gas or electrical service to Missouri customers who heat their homes with natural gas or primarily with electricity with a LIHEAP or UtiliCare pledge to pay past due balances.

Missouri Energy Development Association members are proud to stand with Governor Blunt and the Missouri PSC in helping Missouri citizens and our customers during this challenging winter season.

Sincerely,

A handwritten signature in black ink, appearing to read "CA Caisley".

Charles A. Caisley
President