

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

In the matter of Aquila, Inc. d/b/a Aquila Networks—)	
L&P, for authority to file tariffs changing the steam)	
Quarterly Cost Adjustment for service provided to)	<u>Case No. HR-2007-0399</u>
customers in the Aquila Networks—L&P service)	<u>Tariff No. JH-2007-0742</u>
territory.)	

STAFF'S RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and respectfully states:

1. In the attached Memorandum (Appendix A) the Staff recommends the Missouri Public Service Commission (Commission) approve the tariff sheet Aquila filed on April 16, 2007, to make a quarterly cost adjustment required as part of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450. That Stipulation and Agreement includes a “fuel rider” that requires quarterly rate adjustments, with not more frequent than annual true-ups.

2. As filed, the tariff sheet bears an effective date of June 1, 2007.

3. Staff has reviewed the tariff sheet and is of the opinion that the quarterly cost adjustment for the 2007 Q1 has been calculated in accordance with the provisions of the Quarterly Cost Adjustment Rider tariff sheet and complies with the Commission’s Order in HR-2005-0450. The Staff recommends the Commission issue an order approving the proposed tariff sheet to be effective June 1, 2007.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission approve the Tariff Sheet Aquila, Inc. d/b/a Aquila Networks—L&P filed on April 16, 2007, to become effective June 1, 2007, to wit:

P.S.C. MO. No. 1

4th Revised Sheet No. 6.5 Canceling 3rd Revised Sheet No. 6.5

Respectfully submitted,

/s/ Robert V. Franson

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 17th day of May 2007.

/s/ Robert V. Franson