

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

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                 )  
to Customers in the Aquila Networks - MPS and                     )  
Aquila Networks - L&P Service Areas.                                 )

**Case No. ER-2007-0004**  
Tariff No. YE-2007-0001

**ORDER DIRECTING NOTICE, SUSPENDING TARIFF,**  
**SETTING HEARINGS, AND DIRECTING FILINGS**

Issue Date: July 5, 2006

Effective Date: July 5, 2006

***Procedural History***

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. Aquila states that the new retail electric service rates are designed to produce an additional \$94.5 million in annual electric revenues in the Aquila Networks – MPS operating division, and an additional \$24.4 million in annual electric revenues in the Aquila Networks – L&P operating division. The submitted tariffs carry an August 2 effective date.

***The Commission's Authority to Suspend Proposed Tariffs:***

Section 393.150, RSMo 2000, authorizes the Commission to suspend the effective date of a proposed tariff for 120 days plus an additional six months to allow for a hearing on the matter. So that the Commission will have sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable, and in the public interest, the

proposed tariffs will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariffs cannot be concluded within 120 days, the proposed tariffs will be suspended for an additional six months.

***Test Year, True-up and Local Public Hearing Recommendations:***

The direct testimony of Aquila's witness, Susan K. Braun, which Aquila filed along with its tariff, indicates that Aquila used a test year ending December 31, 2005, for the purposes of its rate case filing. Braun also stated that Aquila made certain adjustments to the test year to reflect changes through June 30, 2006. Through Braun's testimony, Aquila proposes that a true-up of certain accounts be made as of January 1, 2007. So that the test year and true-up questions can be quickly resolved, the Commission will require the other parties to promptly state their positions regarding Aquila's true-up and test year proposals.

In addition to test year and true-up recommendations, the Commission will direct the parties to file recommendations regarding the number, date, time, and location of local public hearings to be held in this matter.

***Hearing Dates, Customer Notice, and Prehearing Conference:***

The Commission will schedule an evidentiary hearing in this order and will reserve dates for a true-up hearing. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to be sent to customers. The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule. Staff will have primary responsibility for preparing the

proposed procedural schedule, but should coordinate the proposed schedule with the other parties as much as possible.

***Notice and Intervention:***

The Commission's Data Center shall serve a copy of this order upon the county commission of each county in the Company's service area, as well as upon every party to Aquila's last rate case. In addition, the Commission's Public Information Office shall make notice of this order available to the media serving Aquila's service area and to the members of the General Assembly representing the residents of Aquila's service area. The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file an application to intervene.

**IT IS ORDERED THAT:**

1. The proposed electric service tariff sheets submitted under Tariff File No. YE-2007-0001, on July 3, 2006, by Aquila, Inc., for the purpose of increasing rates for retail electric service to customers, are suspended for 120 days, from August 2, 2006, to November 30, 2006.
2. The proposed electric service tariff sheets suspended for 120 days in ordered paragraph 1, are suspended an additional six months beyond November 30, 2006, to May 30, 2007, unless otherwise ordered by the Missouri Public Service Commission.
3. Any proper person or entity wishing to intervene shall file an application to intervene no later than July 25, 2006, with:

Colleen M. Dale, Secretary  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102-0360

and send copies to:

James C. Swearengen, Esq.  
Brydon, Swearengen & England  
312 East Capitol Avenue  
Post Office Box 456  
Jefferson City, Missouri 65102-0456

Attorney for Aquila, Inc.

and to:

Office of the Public Counsel  
Post Office Box 2230  
Jefferson City, Missouri 65102-2230

4. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any persons or entities requesting intervention shall file, on or before August 1, 2006, a pleading either indicating concurrence in Aquila, Inc.'s recommended test year or recommending alternatives to that test year.

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any intervenors shall file, on or before August 1, 2006, a pleading offering a recommendation concerning a true-up.

6. An early prehearing conference shall be held on August 9, 2006, at 10:00 a.m. The early prehearing conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

7. The parties shall file a proposed procedural schedule on or before August 16, 2006. The Staff of the Missouri Public Service Commission shall have the primary responsibility for preparing and filing the proposed procedural schedule.

8. The parties shall file recommendations as to the times, dates and locations for local public hearings regarding the proposed rate increases on or before August 16, 2006.

9. An evidentiary hearing is scheduled for February 5 through February 9, and February 12 through February 16, 2007, beginning at 8:30 a.m. March 26 and 27, 2007, are reserved for a true-up hearing, if such a hearing is ordered. The evidentiary hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

10. Because the deadline for completion of the hearing process is fixed by law, the Commission is unwilling to continue the scheduled hearing at the last minute to allow the parties more time to negotiate a settlement. Therefore, the parties are put on notice that the Commission will not grant a motion for continuance of the hearing filed less than a month before the beginning of the hearing unless a unanimous stipulation and agreement is filed along with the motion for continuance.

11. Aquila, Inc., shall notify each affected customer of the scheduled hearings. The form and time of the notice shall be agreed upon by the parties and shall be filed for the Commission's approval no later than August 16, 2006.

12. The Commission's Data Center shall serve a copy of this order upon the county commission of each county in Aquila, Inc.'s Missouri service area, and upon every party to Aquila, Inc.'s last rate case.

13. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of Aquila, Inc.'s Missouri service area and to the news media serving the residents of Aquila, Inc.'s Missouri service area.

14. All hearings in this case will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional

accommodations to participate in any hearing, please call the Missouri Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 before the hearing.

15. This order shall become effective on July 5, 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 )

Morris L. Woodruff, Deputy Chief Regulatory  
Law Judge, by delegation of authority  
under Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 5th day of July, 2006.