

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Aquila Networks' Purchased) **Case No. GR-2005-0271**
Gas Adjustment Tariff Filing) Tariff No. YG-2006-0318

ORDER APPROVING INTERIM RATES

Issue Date: November 3, 2005

Effective Date: November 9, 2005

Syllabus: This order approves Aquila Networks – MPS and L&P's tariffs that increase the Purchased Gas Adjustment factor and directs Staff to file a status report regarding the Actual Cost Adjustment audit and recommendation.

On October 25, 2005, Aquila Networks – MPS and L&P filed tariff sheets that bear an effective date of November 9, 2005. The tariff sheets reflect scheduled changes in Aquila's Purchased Gas Adjustment (PGA) factors for its Southern Star, Panhandle Eastern and ANR systems, due to rising wholesale natural gas prices.

On October 31, the Staff of the Commission filed its Recommendation. Staff recommends that the Commission approve Aquila's proposed tariff sheets for service on and after November 9, 2005, as an interim rate, subject to refund. Staff also asks the Commission to order its Procurement Analysis Department to complete its audit and file its recommendation on Aquila's ACA balance no later than December 29, 2006.

Staff explains that for Aquila's Southern System, which is served by the Southern Star Central Gas Pipeline, Inc., the net effect of the changes will increase the firm PGA factor for the 2005-2006 winter season to \$1.14400 per Ccf from the current 2004-2005-

winter PGA factor of \$0.84462. For the Northern System, which is served by the Panhandle Eastern Pipe Line Company, L.P., the net effect of the changes will increase the firm PGA factor for the 2005-2006 winter season to \$1.08582 per Ccf from the 2004-2005 winter PGA factor of \$0.82411. For the L&P System, which is served by the ANR Pipeline Company, the net effect of the changes will increase the firm PGA factor for the 2005-2006 winter season to \$0.94543 per Ccf from the 2004-2005 winter PGA factor of \$0.77667.

Staff states that Aquila's proposed PGA factor changes were calculated in conformity with its PGA clause. Staff further states that Aquila's PGA clause allows for 10 business days' notice for filings reflecting PGA changes, and that good cause exists to approve the proposed tariff sheets on less than 30 days' notice. Staff recommends that the Commission approve the tariff sheets to become effective November 9, 2005, on an interim basis, subject to refund, pending a final Commission decision in this case and in Aquila's other Actual Cost Adjustment cases in GR-2004-0538 and GR-2004-0539.

The Commission has reviewed the proposed tariff sheets and Staff's Recommendation. The Commission finds that the tariff sheets conform to the company's Commission-approved PGA clause and are, therefore, reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 2000, the Commission concludes that the proposed tariff sheets should be approved to become effective on and after the requested effective date of November 9, 2005, on an interim basis, subject to refund.

IT IS THEREFORE ORDERED:

1. That the proposed tariff sheets filed on October 25, 2005, by Aquila Networks – MPS and L&P, are approved on an interim basis, subject to refund, for service rendered on and after November 9, 2005. The tariff sheets approved are:

P.S.C. MO. No. 1

4th Revised Sheet No. 61, Canceling 3rd Revised Sheet No. 61
5th Revised Sheet No. 62, Canceling 4th Revised Sheet No. 62
3rd Revised Sheet No. 64, Canceling 2nd Revised Sheet No. 64

2. That the Commission's Procurement Analysis Department shall complete its audit and file its recommendation concerning the Actual Cost Adjustment balance of Aquila Networks – MPS and L&P no later than December 29, 2006.

3. That this order shall become effective on November 9, 2005.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Ronald D. Pridgin, Regulatory Law
Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 3rd day of November, 2005.