BEFORE THE PUBLIC SERVICE COMMISSION

OF THE 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 customers in the Aquila Networks - L&P service territory.

Case No. HR-2007-0399 Tariff No. YH-2008-0426

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ORDER APPROVING TARIFF SHEET FILED IN COMPLIANCE WITH COMMISSION'S ORDER

Issue Date: February 27, 2008

Effective Date: March 1, 2008

On January 15, 2008, Aquila, Inc., d/b/a Aquila Networks–L&P, submitted a proposed tariff sheet that contains a quarterly cost adjustment to allow customer rates to change with fuel cost changes. The tariff sheet was filed pursuant to the terms of the Stipulation and Agreement approved by the Commission in Case No. HR-2005-0450. Aquila's tariff sheet, Tariff No. YH-2008-0426, has a proposed effective date of March 1, 2008.

On February 20, 2008, the Staff of the Missouri Public Service Commission filed a recommendation. Staff states that it has reviewed Tariff No. YH-2008-0426 and is of the opinion that it has been calculated in accordance with the provisions of the Quarterly Cost Adjustment Rider tariff sheet and complies with the Commission's order in Case No. HR-2005-0450. Staff recommends that the Commission approve the proposed tariff sheet to become effective on March 1, 2008.

No objections to the tariff were filed. AG Processing, Inc., however filed a comment indicating that it believed the tariffs should be approved "subject to refund."

After being ordered to respond, Aquila and Staff stated that they had no objection to including the "subject to refund" language and that because the prudence-review process was governed by the Commission-approved agreement in Case No. HR-2005-0450, reference to that process should also be included.

The Commission has reviewed Aquila's tariff sheet, Staff's verified recommendation, and the other pleadings. Based on these filings, the Commission finds that the tariff sheet is in compliance with the Commission's previous order and shall be approved subject to refund pursuant to the terms of the Stipulation and Agreement approved in Case No. HR-2005-0450, as ordered below.

IT IS ORDERED THAT:

1. Tariff No. YH-2008-0426, submitted on January 15, 2008, is hereby approved subject to refund pursuant to the terms of the Stipulation and Agreement approved in Case No. HR-2005-0450 for steam service rendered on or after March 1, 2008. The tariff sheet approved is:

P.S.C. MO. No. 1

7th Revised Sheet No. 6.5, Canceling 6th Revised Sheet No. 6.5

2. This order shall become effective on March 1, 2008.

BY THE COMMISSION

Colleen M. Dale Secretary

(SEAL)

Nancy Dippell, Deputy Chief Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri, on this 27th day of February, 2008.