

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2006-0297, File No. YG-2006-0769, Aquila Networks – MPS and L&P

FROM: Tim Peterson, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 04/12/06  
Energy Department/Date

/s/ Lera Shemwell 04/12/06  
General Counsel's Office/Date

SUBJECT: Staff Recommendation on Aquila Networks – MPS and L&P's Unscheduled Winter  
Season PGA Filing Effective April 27, 2006

DATE: April 12, 2006

On April 12, 2006, Aquila Networks – MPS and Aquila Networks L&P (Aquila or Company) of Kansas City, Missouri, filed tariff sheets proposed to become effective April 27, 2006. The tariff sheets were filed to reflect an optional change in Aquila's Purchased Gas Adjustment (PGA) factors as the result of an estimated change in the cost of natural gas for the upcoming summer season.

For the Southern System (serving communities such as Sedalia and Clinton), the net effect of this filing is to decrease the firm PGA factors for the summer season to \$0.78848 per Ccf from the current firm PGA factor of \$0.99924 per Ccf. This represents a \$0.21076 per Ccf decrease.

For the Northern System (serving communities such as Chillicothe and Trenton), the net effect of this filing is to decrease the firm PGA factors for the summer season to \$0.86126 per Ccf from the current firm PGA factor of \$1.01440 per Ccf. This represents a \$0.15314 per Ccf decrease.

For the L&P System (serving communities such as Maryville and Mound City), the net effect of this filing is to decrease the firm PGA factors for the summer season to \$0.71306 per Ccf from the current firm PGA factor of \$0.85966 per Ccf. This represents a \$0.1466 per Ccf decrease.

Case No. GR-2006-0297, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2005-2006 ACA filing. Case No. GR-2005-0271 was established to track the Company's PGA factors to be reviewed in its 2004-2005 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in ACA Case Nos. GR-2005-0271 and GR-2006-0297.

Staff has verified that this company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

Although Aquila filed its sheets with a requested effective date of April 27, 2006, the Commission may approve them before that date and order an earlier effective date. While Staff has not had an opportunity to verify the numbers contained in the instant filing, given the interim nature of the filing, the amount of the decreases contained therein, and the need to assist Missouri consumers by promptly implementing a decrease in natural gas rates, which Staff believes constitutes good cause, Staff recommends that the filing be approved on an expedited basis. Therefore, Staff recommends that the following tariff sheets, filed on April 12, 2006, be approved, interim subject to refund:

P.S.C. MO. No.1

6<sup>th</sup> Revised Sheet No. 61 Canceling 5<sup>th</sup> Revised Sheet No. 61

7<sup>th</sup> Revised Sheet No. 62 Canceling 6<sup>th</sup> Revised Sheet No. 62

5<sup>th</sup> Revised Sheet No. 64 Canceling 4<sup>th</sup> Revised Sheet No. 64

DAWN L. HAKE  
My Commission Expires  
March 16, 2009  
Cole County  
Commission #05407643