

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

In the Matter of the Tariff Filing of Aquila, Inc., to)
Implement a General Rate Increase for Retail)
Steam Heat Service Provided to Customers in its)
L&P Missouri Service Area.)

Case No. HR-2005-0450

STAFF'S RESPONSE TO AQUILA, INC.'S TEST YEAR RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), in accordance with the Commission's June 1, 2005 order that, inter alia, suspended tariffs filed by Aquila, Inc., and states:

1. In its June 1 2005 order the Commission ordered Aquila, Inc. to file by Friday, June 17, 2005, in a separate pleading, its test year recommendation.
2. In that same order the Commission ordered the Staff and other parties to respond by July 1, 2005 to Aquila, Inc.'s test year proposal.
3. On June 7, 2005 Aquila, Inc. filed a pleading recommending an "historical test year ending December 31, 2004 adjusted and updated for any known and measurable changes through June 30, 2005."
4. The Staff concurs in the test year Aquila, Inc. recommends.

WHEREFORE the Staff submits its concurrence in Aquila, Inc.'s recommendation of a test year of the "historical test year ending December 31, 2004 adjusted and updated for any known and measurable changes through June 30, 2005."

Respectfully submitted,

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/s/ Nathan Williams

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 1st day of July 2005.

/s/ Nathan Williams