

**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 RECOMMENDATION TO APPROVE TARIFF SHEETS

COMES NOW the Staff of the Missouri Public Service Commission, by counsel, and for its recommendation to approve tariff sheets, to become effective March 6, 2006 for good cause shown pursuant to §393.140(11) RSMo, states:

1. On February 28, 2006 the Commission issued its Order Regarding Stipulation and Agreement in which it approved the Nonunanimous Stipulation and Agreement filed on February 17, 2006 as a resolution of all issues in this case after no party objected to the agreement and the Commission treated it as a unanimous agreement as permitted by Commission Rule 4 CSR 240-2.115(2). The Commission ordered the parties who signed the agreement to comply with its terms.

2. In the agreement the parties stated a goal of an effective date of March 1, 2006 for tariff sheets filed in conformance with the illustrative tariff sheets made part of the agreement. The Commission ordered that Aquila might request an effective date of March 6, 2006 for such tariff sheets. On February 28, 2006 Aquila, Inc. filed its tariff sheets bearing an effective date of March 30, 2006, and filed a motion for expedited treatment requesting they be made effective March 6, 2006.

3. The Staff has reviewed the filed tariff sheets to determine if they conform to the illustrative tariff sheets in Appendix A of the Nonunanimous Stipulation and Agreement and if they otherwise comply with the Commission's Order Regarding Stipulation and Agreement. The

Staff concludes they do. In the Staff Memorandum, attached as Appendix A, the Staff recommends the Commission issue an Order that approves the electric tariff sheets listed in Appendix A, as filed on February 28, 2006, to become effective March 6, 2006.

4. The Staff has verified Aquila has filed its 2004 annual reports and is not delinquent on any assessment. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

5. Section 393.140(11) RSMo 2000 requires proposed changes to tariffs not go into effect with less than thirty (30) days' notice, unless the Commission determines otherwise for "good cause shown." Given that the Nonunanimous Stipulation and Agreement was filed with the Commission on February 17, 2006 with illustrative tariff sheets and, as ordered by the Commission, Aquila has filed proposed tariff sheets that are in the form of those illustrative tariff sheets with an effective date of March 30, 2006, the purpose of the thirty (30) days' notice requirement of section 393.140(11) RSMo 2000 has been accomplished. The Staff recommends the Commission grant Aquila's motion for expedited treatment and order the tariff sheets to become effective March 6, 2006.

WHEREFORE, the Staff recommends that the Commission issue an order that (1) grants Aquila's Motion For Expedited Treatment filed February 28, 2006, and (2) approves the electric tariff sheets (File No.YH-2006-0650) listed in Appendix A, as filed on February 28, 2006, to become effective March 6, 2006.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams

Senior Counsel

Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 751-8702 (Telephone)

(573) 751-9285 (Fax)

nathan.williams@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of March 2006.

/s/ Nathan Williams

Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. HR-2005-0450, File No. YH-2006-0650
Aquila, Inc., d/b/a Aquila Networks – L&P

FROM: James Watkins, Project Coordinator
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 3/1/06
Project Coordinator/Date

/s/ Steven Dottheim 3/1/06
General Counsel's Office/Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Comply With The Commission's February 28, 2006 Order Regarding Stipulation And Agreement

DATE: March 1, 2006

On February 28, 2006, Aquila, Inc., d/b/a Aquila Networks – L&P (Aquila) filed with the Commission ten (10) tariff sheets with an issue date of February 28, 2006, and a proposed effective date of March 30, 2006. These tariff sheets are designed to comply with the Commission's February 28, 2006 Order Regarding Stipulation and Agreement (Order), wherein Ordered Paragraph 4. states, "Aquila, Inc., is authorized to file the tariff sheets agreed to as part of the Stipulation and Agreement. Aquila, Inc., may request that the tariff sheets be allowed to become effective on March 6, 2006." On February 28, 2006 Aquila filed its Motion For Expedited Treatment requesting that these tariff sheets become effective March 6, 2006.

The Missouri Public Service Commission Energy Department Staff (Staff) has reviewed the filed tariff sheets and is of the opinion that they were timely filed, are in compliance with the Commission's Order and are in conformance with the illustrative tariff sheets filed in Appendix A of the Stipulation And Agreement filed on February 17, 2006. Staff therefore recommends that the Commission issue an order **approving** the following proposed tariffs, as filed on February 28, 2006, to become effective on March 6, 2006:

Aquila Networks, PSC Mo. No. 1, Steam Rates

1st Revised Sheet No. 1, canceling Original Sheet No. 1
1st Revised Sheet No. 2, canceling Original Sheet No. 2
1st Revised Sheet No. 3, canceling Original Sheet No. 3
1st Revised Sheet No. 5, canceling Original Sheet No. 5
1st Revised Sheet No. 6, canceling Original Sheet No. 6
Original Sheet No. 6.1
Original Sheet No. 6.2
Original Sheet No. 6.3
Original Sheet No. 6.4
Original Sheet No. 6.5

The Staff has verified that Aquila has filed its 2004 annual reports 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.

