

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE  
OF MISSOURI

INFORMATION FILED IN ACCORDANCE WITH  
4 CSR-240-3.030 MINIMUM FILING REQUIREMENTS

FOR  
AQUILA, INC. d/b/a  
AQUILA NETWORKS,  
AQUILA NETWORKS – L&P AND AQUILA NETWORKS – MPS

INFORMATION FILED IN ACCORDANCE WITH  
4 CSR-240-3.030 (3) (B) 1

ITEM 1 – Aggregate Annual Increase

The aggregate annual increase over current revenues which the tariffs propose is \$24,437,232 for Aquila Networks – L&P, an overall increase of 22.0% on a Pro Forma Basis. The annual increase which the tariffs propose is \$94,447,222 for Aquila Networks – MPS, an overall increase of 22.1% on a Pro Forma Basis.

INFORMATION FILED IN ACCORDANCE WITH  
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ITEM 2 – Names of Counties and Communities Affected by Proposed Electric Rate Increase

AQUILA NETWORKS – L&P

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**Andrew County**

Amazonia  
Bolckow  
Cosby  
Country Club Village  
Fillmore  
Flag Springs  
Helena  
Nodaway  
Rea  
Rochester  
Rosendale  
Savannah  
Whitesville  
Wyeth

**Atchison County**

Fairfax  
Hamburg, IA – Rural  
Langdon  
Northboro, IA – Rural  
Phelps City  
Rock Port – Rural  
South Blanchard, IA – Rural  
Tarkio  
Watson  
Westboro

**Buchanan County**

Agency  
Armour  
DeKalb  
Easton  
Faucett

Halls  
Lewis & Clark  
Maxwell Heights  
Rushville  
Saint Joseph  
San Antonio  
Sugar Lake  
Wallace  
Winthrop

**Clinton County**

Gower  
Hemple  
Plattsburg – Rural

**DeKalb County**

Clarksdale  
Stewartsville  
Union Star

**Gentry County**

Gentry  
King City

**Holt County**

Bigelow  
Craig  
Forbes  
Forest City  
Fortescue  
Maitland  
Mound City  
New Point  
Oregon

**Nodaway County**

Arkoe  
Barnard  
Braddyville, IA – Rural  
Burlington Junction  
Clearmont  
Clyde  
Conception  
Conception Junction  
Elmo  
Graham  
Guilford  
Hopkins  
Maryville  
Parnell  
Pickering  
Quitman  
Ravenwood  
Skidmore  
Wilcox

**Platte County**

Bean Lake  
Iatan

**Worth County**

Allendale  
Denver  
Grant City  
Isadora  
Sheridan  
Worth

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ITEM 2 – Names of Counties and Communities Affected by Proposed Electric Rate Increase

AQUILA NETWORKS – MPS

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**Barton County**

Burgess  
Hannon  
Iantha  
Irwin  
Lamar Heights  
Milford

**Bates County**

Adrian  
Amoret  
Amsterdam  
Foster  
Hume  
Merwin  
Rich Hill – Rural  
Rockville  
Virginia  
Worland

**Benton County**

Blue Branch  
Cole Camp  
Ionia  
Lincoln  
Warsaw  
Whitakerville  
White Branch

**Buchanan**

Faucett

**Carroll**

Norborne

**Cass County**

Archie  
Baldwin Park  
Belton  
Creighton  
Drexel  
East Lynne  
Freeman  
Garden City  
Gunn City  
Harrisonville  
Lake Winnebago  
Peculiar  
Pleasant Hill  
Raymore  
Strasburg

**Cedar County**

Jerico Springs – Rural

**Clay County**

Glenaire  
Grayson  
Liberty  
Missouri City  
Nashua  
Paradise  
Smithville

**Clinton County**

Trimble

**Dade County**

NW Rural

**Daviess**

Jamesport  
Lock Springs

**Grundy County**

Brimson  
Dunlap  
Edinburg  
Laredo  
Spickard  
Tindall  
Trenton

**Harrison County**

Blythedale  
Cainsville  
Eagleville  
Martinsville  
Mount Moriah  
New Hampton  
Ridgeway

**Henry County**

Blairstown  
Brownington  
Calhoun  
Clinton  
Deepwater  
Montrose  
Urich  
Windsor

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ITEM 2 – Names of Counties and Communities Affected by Proposed Electric Rate Increase

AQUILA NETWORKS – MPS (CONTINUED)

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**Jackson County**

Blue Springs  
Buckner  
Grain Valley  
Grandview  
Greenwood  
Kansas City  
Lake Lotawana  
Lake Tapawingo  
Lee's Summit  
Levasy  
Little Blue  
Lone Jack  
Oak Grove  
Raytown  
Sibley  
Tarsney Lakes  
Unity Village

**Johnson County**

Centerview  
Chilhowee  
Holden  
Kingsville  
Knob Noster  
La Tour  
Leeton  
Montserrat  
Pittsville  
Post Oak  
Warrensburg  
Whiteman AFB

**Lafayette County**

Bates City  
Concordia  
Dover  
Higginsville  
Lexington  
Napoleon  
Odessa – Rural  
Wellington

**Livingston County**

Chula

**Mercer County**

Mill Grove  
Modena

**Pettis County**

Dresden  
Green Ridge  
La Monte  
Sedalia

**Platte County**

Beverly  
Camden Point  
Dearborn  
Edgerton  
Farley  
Ferrelview  
New Market  
Platte City  
Tracy  
Weston

**Ray County**

Camden  
Fleming  
Hardin  
Henrietta  
Orrick  
Richmond  
Swanwick

**Saint Clair County**

Appleton City  
Lowry City  
Osceola  
Roscoe

**Vernon County**

Arthur  
Bronaugh  
Deerfield  
Eve  
Harwood  
Horton  
Metz  
Milo  
Moundville  
Nevada  
Richards  
Schell City  
Sheldon  
Walker

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ITEM 3 – Number of Customers Affected by Proposed Electric Rate Increase

AQUILA NETWORKS – L&P

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<u>Rate, CLASS</u>	<u>Number of Customers December 31, 2005</u>
MO910, Residential General Use	38,334
MO915, Residential Other Use	1,756
MO916, Residential Fixed Bill	529
MO920, Residential Electric Space Heating	16,429
MO922, Residential Electric Space Heating – Separately Metered	<u>89</u>
RESIDENTIAL.....	57,137
 MO928, General Service – Temporary	New
MO930, General Service – Limited Demand	3,816
MO931, General Service- General Use	<u>2,152</u>
SMALL GENERAL SERVICE.....	5,968
 MO940, Large General Service	1,143
MO941, Commercial Electric Space and Water Heating	<u>100</u>
LARGE GENERAL SERVICE.....	1,243
 MO944, LARGE POWER SERVICE .....	59
 LIGHTS .....	<u>906</u>
 TOTAL .....	65,313

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ITEM 3 – Number of Customers Affected by Proposed Electric Rate Increase

AQUILA NETWORKS – MPS

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<u>Rate, CLASS</u>	<u>Number of Customers December 31, 2005</u>
MO815, Residential Other Use	<u>New</u>
MO860, Residential General Use	146,460
MO870, Residential Electric Space Heating	<u>58,046</u>
RESIDENTIAL.....	204,506
 MO710, Small General Service – No Demand	 9,004
MO711, Small General Service – Demand	19,423
MO716, Small General Service – Primary	4
MO728, Small General Service – Temporary	<u>New</u>
SMALL GENERAL SERVICE.....	28,431
 MO720, Large General Service – Secondary	 1,175
MO725, Large General Service – Primary	<u>24</u>
LARGE GENERAL SERVICE.....	1,199
 MO650, Thermal Energy Storage	 1
MO730, Large Power Service – Secondary	119
MO735, Large Power Service – Primary	<u>36</u>
LARGE POWER SERVICE.....	155
 LIGHTS .....	 <u>1,472</u>
 TOTAL .....	 235,763
 MO721, MO731, MO737, Real Time Pricing (counted in base rate)	 6

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ITEM 4 – The Average Annual Change Requested in Dollars and Percentage Change from Current Rates Based on June 2006 Projected Sales:

AQUILA NETWORKS – L&P

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<u>Rate, CLASS</u>	<u>Ann. Avg. Revenue</u>	<u>Proposed Revenue</u>	<u>Change</u>	<u>% Change</u>
MO910	725	894	169	23.4
MO915	371	458	87	23.4
MO916	544	672	127	23.4
MO920	1,086	1,340	254	23.4
MO922	334	412	78	23.4
RESIDENTIAL	\$816	\$1,006	\$191	23.4
MO928	New	New	New	23.4
MO930	780	962	182	23.4
MO931	2,321	2,863	542	23.4
SGS	\$1,336	\$1,648	\$312	23.4
MO940	17,139	21,145	4,006	23.4
MO941	1,450	1,788	339	23.4
LGS	\$15,877	\$19,588	\$3,711	23.4
MO944, LPS	\$470,496	\$580,455	\$109,960	23.4
LIGHTS	\$2,754	\$3,397	\$644	23.4
TOTAL	\$1,601	\$1,975	\$374	23.4



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ITEM 4 – The Average Annual Change Requested in Dollars and Percentage Change from Current Rates Based on June 2006 Projected Sales:

AQUILA NETWORKS – MPS

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<u>Rate, CLASS</u>	<u>Ann. Avg. Revenue</u>	<u>Proposed Revenue</u>	<u>Change</u>	<u>% Change</u>
MO815	New	New	New	24.6
MO860	964	1,201	237	24.6
MO870	1,224	1,525	301	24.6
RESIDENTIAL	\$1,038	\$1,293	\$255	24.6
MO710	927	1,155	228	24.6
MO711	2,522	3,143	621	24.6
MO716	7,990	9,956	1,966	24.6
MO728	New	New	New	24.6
SGS	\$2,018	\$2,514	\$497	24.6
MO720	40,585	50,572	9,988	24.6
MO725	73,956	92,156	18,200	24.6
LGS	\$41,253	\$51,405	\$10,152	24.6
MO730	235,241	293,132	57,891	24.6
MO735	854,688	1,065,018	210,331	24.6
LPS	\$379,113	\$472,409	\$93,296	24.6
LIGHTS	\$4,045	\$5,041	\$996	24.6
TOTAL	\$1,628	\$2,028	\$401	24.6

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ITEM 5 – The Proposed Annual Aggregate Change Including Dollar Amounts and Percentage of Change in Revenues from Current Rates Base on June 2006:

AQUILA NETWORKS – L&P

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<u>Rate, CLASS</u>	<u>Revenue</u>	<u>Proposed Revenue</u>	<u>Change</u>	<u>% Change</u>
MO910	27,790,554	34,285,498	6,494,943	23.4
MO915	651,695	804,003	152,308	23.4
MO916	288,025	355,340	67,315	23.4
MO920	17,841,854	22,011,682	4,169,828	23.4
MO922	<u>29,737</u>	<u>36,687</u>	<u>6,950</u>	23.4
RESIDENTIAL	\$46,601,867	\$57,493,211	\$10,891,344	23.4
MO928	New	New	New	23.4
MO930	2,976,754	3,672,452	695,699	23.4
MO931	<u>4,993,994</u>	<u>6,161,143</u>	<u>1,167,149</u>	23.4
SGS	\$7,970,748	\$9,833,596	\$1,862,847	23.4
MO940	19,590,360	24,168,832	4,578,472	23.4
MO941	<u>144,964</u>	<u>178,844</u>	<u>33,880</u>	23.4
LGS	\$19,735,324	\$24,347,676	\$4,612,352	23.4
MO944, LPS	\$27,759,238	\$34,246,862	\$6,487,624	23.4
LIGHTS	<u>\$2,494,815</u>	<u>\$3,077,879</u>	<u>\$583,064</u>	23.4
TOTAL	\$104,561,992	\$128,999,224	\$24,437,232	23.4
Sales for Resale	5,119,253	5,119,253	0	0.0
Interdepartmental	481	481	0	0.0
Prov for Refunds	-1,000,000	-1,000,000	0	0.0
Forfeit discounts	106,387	106,387	0	0.0
Misc Serv Rev	274,405	274,405	0	0.0
Rent	114,318	114,318	0	0.0
Other Rev	2,386,389	2,386,389	0	0.0
SFR Offsystem	-2,110,866	-2,110,866	0	0.0
Prov for Refunds	1,000,000	1,000,000	0	0.0
Oth Rev – Trans	<u>172,041</u>	<u>172,041</u>	<u>0</u>	0.0
GRAND TOTAL	\$110,624,400	\$135,061,632	\$24,437,232	22.1

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ITEM 5 – The Proposed Annual Aggregate Change Including Dollar Amounts and Percentage of Change in Revenues from Current Rates Base on June 2006:

AQUILA NETWORKS – MPS

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<u>Rate, CLASS</u>	<u>Revenue</u>	<u>Proposed Revenue</u>	<u>Change</u>	<u>% Change</u>
MO815	New	New	New	24.6
MO860	141,191,849	175,937,826	34,745,977	24.6
MO870	<u>71,050,913</u>	<u>88,535,870</u>	<u>17,484,957</u>	24.6
RESIDENTIAL	212,242,762	264,473,695	52,230,933	24.6
MO710	8,347,684	10,401,970	2,054,286	24.6
MO711	48,988,879	61,044,579	12,055,699	24.6
MO716	31,961	39,826	7,865	24.6
MO728	<u>New</u>	<u>New</u>	<u>New</u>	24.6
SGS	57,368,524	71,486,375	14,117,850	24.6
MO720	47,687,127	59,422,478	11,735,350	24.6
MO725	<u>1,774,954</u>	<u>2,211,753</u>	<u>436,799</u>	24.6
LGS	49,462,081	61,634,231	12,172,150	24.6
MO730	27,993,732	34,882,724	6,888,992	24.6
MO735	<u>30,768,760</u>	<u>38,340,660</u>	<u>7,571,900</u>	24.6
LPS	58,762,492	73,223,384	14,460,893	24.6
LIGHTS	<u>5,954,703</u>	<u>7,420,099</u>	<u>1,465,396</u>	24.6
TOTAL	383,790,562	478,237,784	94,447,222	24.6
RTP	2,823,573	2,823,573	0	0.0
Sales for Resale	48,839,218	48,839,218	0	0.0
Interdepartmental	10,404	10,404	0	0.0
Forfeit discounts	418,359	418,359	0	0.0
Misc Serv Rev	1,035,771	1,035,771	0	0.0
Rent	923,931	923,931	0	0.0
Other Rev	4,194,613	4,194,613	0	0.0
SFR Offsystem	-14,098,049	-14,098,049	0	0.0
Oth Rev – Trans	<u>1,085,917</u>	<u>1,085,917</u>	<u>0</u>	0.0
GRAND TOTAL	429,024,299	523,471,521	94,447,222	22.0

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ITEM 6 – Press Releases

See attached for L&P and MPS



# Aquila

## ***News Release***

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### **AQUILA FILES ELECTRIC RATE CASES WITH COMMISSION**

KANSAS CITY, MO, July 3, 2006 – Aquila, Inc. today filed a request with the Missouri Public Service Commission for electrical rate increases in the company's Missouri Public Service and St. Joseph Light & Power territories. Reasons for the request include increasing prices in the natural gas and coal markets, increased customer usage and continued customer growth. The request also proposes implementation of a fuel adjustment law passed in 2005 by the Missouri legislature.

Aquila's typical residential customer uses 42 percent more electricity annually than in 1983, and the company's number of customers served is up 58 percent since 1983.

In Aquila's Missouri Public Service (MPS) region, the proposal would increase monthly bills \$21.19 for the typical residential customer using 1,000 kilowatt-hours of electricity a month. The request is for an increase of 22 percent, or \$94.5 million, for the company's 235,500 electric customers in the MPS service area. The increase will impact all classes of customer, including residential, commercial and industrial.

Elements of the proposal for Aquila's MPS region:

- \$46.8 million for new capacity to serve increased demand
- \$28.5 million for fuel and purchased power costs
- \$11.8 million for electric system investments
- \$7.4 million for system and operating maintenance

- more -

For the typical St. Joseph-area residential customer, the company's proposal would increase bills \$16.09 a month. The request is for an increase of 22.1 percent, or \$24.4 million, for Aquila's 64,500 customers in its SJLP service area. This increase also would impact all classes of customers.

Elements of the proposal for Aquila's SJLP region:

- \$14.4 million for fuel and purchased power costs
- \$6.7 million for electrical system investments
- \$3.3 million for system and operating maintenance

Within the case Aquila also is proposing implementation of the fuel adjustment law passed by the legislature in 2005, to allow Aquila to adjust rates on a quarterly basis to more readily reflect fuel costs. The Missouri Public Service Commission would review all such adjustments. Also proposed are additional efficiency programs from the company to help make energy more affordable. These include energy audits, rebates and weatherization resources.

It normally takes approximately 11 months to receive approval from the Commission before customers are affected by new rates. In the regulatory process for Missouri utilities, it typically takes more than two years from the time a utility incurs costs before those costs are recovered in customers' rates.

Aquila serves 300,000 electric customers in Missouri. Based in Kansas City, Mo. Aquila provides electricity and natural gas service to 1 million customers in Missouri, Kansas, Colorado, Iowa and Nebraska.

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ITEM 7 – Summary of Reasons for the Proposed Changes

The rate increases for MPS and L&P are primarily driven by two factors: the need for additional long-term electric generation capacity required to provide safe and reliable service to Aquila’s Missouri electric customers and the increase in fuel and purchased power prices and volumes. The cost of fuel, both gas and coal, necessary to operate Aquila’s generating facilities has continued to escalate dramatically. Consequently, as part of this filing, Aquila is requesting the implementation of a fuel adjustment clause/mechanism (“FAC”).