

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

In the Matter of the Consideration of Adoption)
of the PURPA Section 111(d)(12) Fuel Sources)
Standard as Required by Section 1251 of the)
Energy Policy Act of 2005)

Case No. EO-2006-0494

**RESPONSE OF AQUILA, INC., TO
ORDER DIRECTING FILING**

Aquila, Inc. ("Aquila"), by its undersigned counsel and pursuant to the Missouri Public Service Commission's ("Commission") August 17, 2006, Order Sustaining Motion for Late Filing of Procedural Schedule, Setting Technical Conference, and Directing Filing, hereby submits the following responses to the questions posed in that order.

- a) *Can this case be closed based on "prior state actions" as provided in Section 1251 (b)(3) of the Act [16 U.S.C. 2622(d)], and why or why not?*

Although the Commission's current rules governing resource planning for electric utilities, 4 CSR 240-22, do not specifically require fuel diversity, rules related to supply-side resources analysis (4 CSR 240-22.040) and demand-side resource analysis (4 CSR 240-22.050) require utilities to consider alternate fuel sources, such as renewable energy. This may or may not be sufficient to warrant closing this case based on "prior state action."

- b) *Can this case be consolidated with any, some, or all of the following cases – EO-2006-0493, EO-2006-0495, EO-2006-0496, and EO-2006-0497 – because the issues addressed in one or more of these cases are similar, and why or why not?*

If the Commission decides that this case cannot be closed, it can and should be consolidated with Case No. EO-2006-0495. Standards related to generation efficiency standards and fuel sources are interrelated as both potentially impact integrated resource planning for Missouri electric utilities.

- c) *What type of proceeding (e.g., rulemaking, rate case implementation, etc.) should the Commission use to address the issues in this case in order to meet the Public Utility Regulatory Policies Act of 1978 ("PURPA") section 111(a) and 111(b) "consideration and determination" requirements [16 U.S.C. 2621(a), 2621(b)] and why?*

Aquila believes roundtable discussions are the best starting point for determining how best to deal with issues related to fuel sources. Through this process all interested parties can express their views and perhaps achieve consensus as to whether these issues can best be addressed generically, through rulemaking, or on a company-by-company or case-by-case basis.

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ATTORNEYS FOR AQUILA, INC.

Certificate of Service

The undersigned hereby certifies that a true copy of the foregoing document was served upon the following by electronic mail, facsimile or U.S. mail, postage prepaid, this 15th day of September, 2006:

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