

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

In the Matter of the Tariffs of Aquila, Inc.,)
d/b/a Aquila Networks - MPS and Aquila)
Networks - L&P, Increasing Electric Rates for)
the Services Provided to Customers in the)
Aquila Networks - MPS and Aquila Networks)
- L&P Service Areas.)

Case No. ER-2007-0004

**SUPPLEMENTAL SUGGESTIONS IN SUPPORT OF
AQUILA'S REQUEST FOR EXPEDITED TREATMENT**

COMES NOW Aquila, Inc. ("Aquila" or "Company"), by and through counsel, and in supplement to Aquila's Revised and Amended Motion for Expedited Consideration and Approval of Tariff Sheets Filed in Compliance with Commission Report and Order filed herein on May 21, 2007, and the Additional Motion for Expedited Treatment which the Company filed on May 23, 2007,¹ respectfully states as follows:

1. Aquila has today filed replacement revised tariff sheets 124, 125, 126, and 127, which address certain of the recommendations made by Staff in its "Recommendation Regarding Aquila's Tariff Sheets and Staff's Position on Hedging Costs," filed on May 22, 2007. Specifically, the replacement revised tariff sheets: 1) eliminate off-system sales from the calculation of fuel adjustment clause rates; 2) add language establishing an annual true-up, as required by 4 CSR 240-20.090(5); and 3) add language establishing annual prudence reviews, as required by 4 CSR 240-20.090(7). Although Aquila has reviewed and discussed each of these changes with Staff, the Company makes no representations regarding whether Staff judges the changes to be acceptable. Aquila believes Staff will make known its position on this issue in due course.

2. In its "Response to Staff's Recommendation Regarding Tariff Sheets and Motion for Clarification of Report and Order and for Expedited Treatment" ("Response"), which was filed on May 23, 2007, Aquila noted that two issues related to the fuel adjustment clause – SO₂ emissions allowances and interest on deferred fuel and energy costs – remain unresolved between the Company and Staff. That status continues pending a decision by the Commission on the Response. As soon as those remaining issues are resolved, Aquila will file replacement revised tariff sheets that comply with the Commission's decision.

3. The replacement revised tariff sheets 124, 125, 126, and 127 that Aquila filed today bear an effective date of June 20, 2007; however, as indicated in Aquila's Additional Motion for Expedited Treatment, the Company has requested that the Commission approve these replacement revised tariff sheets to be effective for service rendered on and after May 31, 2007.

4. In its "Recommendation to Approve Certain Tariff Sheets Filed by Aquila to Comply with the Commission's April 12, 2007 Order Approving Stipulation and Agreement as to Certain Issues and the Commission's May 17, 2007 Report and Order," which was filed on May 22, 2007, Staff recommended that the Commission approve sixty-two (62) tariff sheets that Aquila filed on May 21, 2007, as substituted on May 23, 2007. Aquila hereby joins Staff's recommendation. The substitute tariff sheets that were filed on May 23, 2007, bear an effective date of June 20, 2007; however, the Company has requested that the Commission approve these substitute tariff sheets to be effective for service rendered on and after May 31, 2007.

5. The Commission has the authority to approve revised tariff sheets that comply with its Report and Order in this case either in total or in parts. If all issues regarding the tariff

¹ This request for expedited treatment was part of Aquila's pleading titled "Reply Regarding Responses to Aquila's Motion for Expedited Consideration and Approval of Tariff Sheets and Additional Motion for Expedited Treatment."

sheets that relate to Aquila's fuel adjustment clause have not been resolved on or before May 31, 2007, then the Company urges the Commission to adopt Staff's recommendation and approve the sixty-two (62) tariff sheets that relate to the "Stipulation and Agreement as to Certain Issues," which the Commission approved on April 12, 2007. However, the Commission should recognize and appreciate that any delay in approving the tariff sheets that relate to Aquila's fuel adjustment clause beyond May 31, 2007, will have adverse consequences for the Company.

6. In the definition of "True-up year," which appears in 4 CSR 240-3.161(1)(G), the true-up period for a fuel adjustment clause begins on "the first day of the first calendar month following the effective date of the commission order approving a RAM unless the effective date is on the first day of the calendar month. If the effective date of the commission order approving a rate mechanism is on the first day of the calendar month, then the true-up year begins on the effective date of the commission order." The import of this definition is this: if the Commission delays the effective date of the tariff sheets that relate to Aquila's fuel adjustment clause beyond June 1, 2007, Aquila will not be able to accumulate costs during the month of June 2007 and recover those costs through its fuel adjustment clause. Because June falls within the air-conditioning season in the Company's service area, usage and fuel and energy costs during this month likely will be higher than average. It will, therefore, be costly to Aquila's shareholders if the Company is required to operate during the month of June without the benefit of the fuel adjustment clause that the Commission approved in its report and order.

Respectfully submitted,

/s/ L. Russell Mitten

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, hand-delivered, or sent by electronic transmission, on this 24th day of May, 2007, to all counsel of record.

/s/ L. Russell Mitten