

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

In the Matter of the Application of Aquila,)
Inc., d/b/a Aquila Networks-MPS, and Platte-)
Clay Electric Cooperative, Inc. for Approval)
of a Written Territorial Agreement) Case No. EO-2007-0325
Designating the Boundaries of Exclusive)
Service Areas Within Platte and Clay)
Counties, Missouri)

**RESPONSE OF APPLICANT AQUILA, INC. TO STAFF RECOMMENDATION
TO APPROVE TERRITORIAL AGREEMENT AND REQUEST FOR
HEARING**

COMES NOW Joint Applicant Aquila, Inc. ("Aquila" or the "Company") in support of its request for an evidentiary hearing in the captioned case, states as follows:

1. On March 7, 2007, Aquila, Inc. ("Aquila") and Platte-Clay Electric Cooperative, Inc. ("Cooperative") filed a Joint Application for Approval of a Territorial Agreement affecting portions of Platte and Clay Counties, Missouri.
2. On March 12, 2007, the Commission issued an Order Directing Notice, Establishing Time for Filing Recommendations, Setting Date for Submission of Intervention Requests and Setting Date for Filing of Procedural Schedule (the "Procedural Order"). The Commission established an intervention deadline of April 2, 2007. No proper party requested leave to intervene within the time specified.
3. On April 12, 2007, the Commission's staff ("Staff") filed a Staff Recommendation to Approve Territorial Agreement. Staff has recommended to

the Commission that it grant the Joint Application and that Aquila file revised tariff sheets identifying the areas affected in Platte and Clay Counties.

4. The applicable statutory authority for approval of a territorial agreement can be found at § 394.312, RSMo. Among other things, subsection 1 provides that "the Commission shall be required to hold evidentiary hearings on all petitions so received." Additionally, subsection 4 states as follows:

The Commission shall hold evidentiary hearings to determine whether such territorial agreements should be approved or disapproved.

5. Inasmuch as the Application in this case seeks authority to allocate exclusive service areas as between Aquila and the Cooperative, it involves a matter that should receive careful scrutiny by the Commission in carrying out its responsibility to ensure that the Territorial Agreement is not detrimental to the public interest or otherwise objectionable. In that regard, Aquila believes it would be in the public interest that an evidentiary record be made of the proceedings.

6. Aquila notes that a formal evidentiary hearing was held in Case No. EO-2004-0603, a case in which the Commission approved a territorial agreement as between Aquila and Osage Valley Electric Cooperative relating to service areas within Cass County, Missouri.

7. In light of the foregoing, Aquila requests a formal evidentiary hearing concerning the Joint Application. In that regard, Aquila requests that the Commission issue an order scheduling a prompt pre-hearing conference pursuant to which the parties can discuss procedural topics including a proposed schedule of events. The Company notes that the Commission's Procedural

Order contemplates the filing of a procedural schedule by April 23, 2007, culminating in a hearing by no later than May 23, 2007.

8. Aquila is authorized to state that the Cooperative concurs with Aquila's request for a hearing.

WHEREFORE, Aquila requests that the Commission schedule an early pre-hearing conference in this case for the reasons aforesaid.

Respectfully submitted,

/s/ Paul A. Boudreau
Paul A. Boudreau MO #33155
BRYDON, SWEARENGEN & ENGLAND
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
(573) 635-7166 Phone
(573) 635-0427 Fax
paulb@brydonlaw.com
Attorneys for Applicant, Aquila, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted, sent by U.S. Mail, postage prepaid, or hand-delivered, on this 18th day of April, 2007 to the parties of record.

Blane Baker
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102-0360
blane.baker@psc.mo.gov

Lewis Mills
Office of the Public Counsel
Governor Office Building
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102-2230
lewis.mills@ded.mo.gov

Charles Christian Kirley
Husch & Eppenberger, LLC
1200 Main Street, Ste. 2300
Kansas City, MO 64105- 2122
chris.kirley@husch.com

 /s/ Paul A. Boudreau
Paul A. Boudreau