

# **SCHEDULE TMR-1**

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1  
Canceling P.S.C. MO. No. \_\_\_\_\_

Original Sheet No. 6.4  
Sheet No. \_\_\_\_\_

**Aquila, Inc., dba  
AQUILA NETWORKS  
KANSAS CITY, MO 64138**

For St. Joseph, MO & Environs

QUARTERLY COST ADJUSTMENT RIDER (Continued)  
STEAM

6. In consideration of the sharing provision of this Rider, and the intent to rely on an alignment of customer and Company interests in efficient operations, a two (2) step approach to the review of prudence review will be followed. In Step One, Commission Staff will review to ascertain:

- 6.1. that the concept of aligning of Company and customer interests is working as intended;  
and,  
6.2. that no significant level of imprudent costs is apparent.

7. This review may be entirely a part of surveillance activity. Customers will be given timely notice of the results of the Step One review no later than 75 days after the end of each year. In consideration of Step One results, the Staff may proceed with Step Two, a full prudence review, if deemed necessary. A full prudence review, if pursued, shall be complete no later than 225 days after the end of each year. Such full prudence review shall be conducted no more often than once every twelve (12) months and shall concern the prior twelve (12) month period or calendar year only, provided however that the full prudence review addressing the first partial year, if pursued, will be included with a full prudence review of the first full calendar year of operation of this rate mechanism.

8. Any customer or group of customers may make application to initiate a complaint for the purpose of pursuing a prudence review by use of the existing complaint process. The application for the complaint and the complaint proceeding will not be prejudiced by the absence of a full (Step Two) prudence review by Staff.

9. Pursuant to any prudence review of fuel costs, whether by the Staff process or the complaint process, there will be no rate adjustment unless the resulting prudence adjustment amount exceeds 10% of the total of the fuel costs incurred in an annual review period.

Issued: February 28, 2006  
Issued by: Gary Clemens, Regulatory Services

**FILED**  
**MO PSC**

Effective: ~~March 30, 2006~~  
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