

LAW OFFICES  
**BRYDON, SWEARENGEN & ENGLAND**

PROFESSIONAL CORPORATION

DAVID V.G. BRYDON  
JAMES C. SWEARENGEN  
WILLIAM R. ENGLAND, III  
JOHNNY K. RICHARDSON  
GARY W. DUFFY  
PAUL A. BOUDREAU  
SONDRA B. MORGAN  
CHARLES E. SMARR

312 EAST CAPITOL AVENUE  
P.O. BOX 456  
JEFFERSON CITY, MISSOURI 65102-0456  
TELEPHONE (573) 635-7166  
FACSIMILE (573) 634-7431

DEAN L. COOPER  
GREGORY C. MITCHELL  
BRIAN T. MCCARTNEY  
DIANA C. CARTER  
JANET E. WHEELER  
SCOTT A. HAMBLIN  
JAMIE J. COX  
L. RUSSELL MITTEN

June 18, 2007

Ms. Colleen Dale  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**Re: Aquila, Inc.**  
**Case No. ER-2007-0004**

Dear Ms. Dale:

Attached for electronic filing on behalf of Aquila, please find the following revised tariff sheets:

PSC Mo. No. 1, Original Sheet No. 124  
PSC Mo. No. 1, Original Sheet No. 125  
PSC Mo. No. 1, Original Sheet No. 126  
PSC Mo. No. 1, Original Sheet No. 127

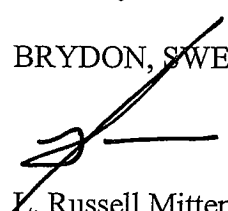
The purpose of this filing is to comply with the Commission's June 14, 2007, Order Rejecting Tariff, Granting Clarification, Directing Filing and Correcting Order Nunc Pro Tunc.

Thank you for your attention to this matter. Please call if you have any questions.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND

By:



L. Russell Mitten

LRM/lar

cc: All Parties of Record

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1

Original Sheet No. 124

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

Sheet No. \_\_\_\_\_

**Aquila, Inc., dba**

**AQUILA NETWORKS** For All Territory Served by Aquila Networks – L&P and Aquila Networks – MPS  
**KANSAS CITY, MO 64138**

**FUEL ADJUSTMENT CLAUSE  
ELECTRIC**

DEFINITIONS

**ACCUMULATION PERIOD:**

The two six-month accumulation periods each year through May 31, 2011, the two corresponding twelve-month recovery periods and filing dates will be as follows:

**Accumulation Period**

June – November  
December – May

**Filing Date**

By January 1  
By July 1

**Recovery Period**

March – February  
September – August

**RECOVERY PERIOD:**

The billing months during which the Cost Adjustment Factor (CAF) for each of the respective accumulation periods are applied to retail customer billings on a per kilowatt-hour (kWh) basis.

**COSTS:**

Costs eligible for Fuel Adjustment Clause (FAC) will be the Company's allocated variable Missouri Jurisdictional costs for the fuel component of the Company's generating units, purchased power energy charges, and emission allowance costs. Eligible costs do not include the purchased power demand costs associated with purchased power contracts.

APPLICATION

The price per kWh of electricity sold will be adjusted subject to application of the FAC mechanism and approval by the Missouri Public Service Commission. The price will reflect accumulation period Missouri Jurisdictional costs above or below base costs for:

1. variable fuel components related to the Company's electric generating plants;
2. purchased power energy charges;
3. emission allowance costs;
4. an adjustment for recovery period sales variation. This is based on the difference between the values of the FAC as adjusted minus actual FAC revenue during the recovery period. This amount will be collected or refunded during a succeeding recovery period;
5. interest on deferred electric energy costs, which shall be determined monthly. Interest shall be calculated at a rate equal to the weighted average interest rate paid on short-term debt, applied to the month-end balance of deferred electric energy costs. The accumulated interest shall be included in the determination of the CAF.

The FAC will be the aggregation of (1), (2), (3), minus the base cost of fuel, all times 95%, plus or minus (4), plus (5), above.

The Cost Adjustment Factor is the result of dividing the FAC by estimated kWh sales during the recovery period, rounded to the nearest \$.0001, and aggregating over two accumulation periods. The formula and components are displayed below.

**Aquila, Inc., dba****AQUILA NETWORKS** For All Territory Served by Aquila Networks – L&P and Aquila Networks – MPS  
**KANSAS CITY, MO 64138**FUEL ADJUSTMENT CLAUSE (CONTINUED)  
ELECTRIC

$$FAC_{Sec} = \{[95\% * (F + P + E - B)] * \{(S_{ASec} * L_{Sec}) / [(S_{ASec} * L_{Sec}) + (S_{APrim} * L_{Prim})]\}\} + C_{Sec}$$

$$FAC_{Prim} = \{[95\% * (F + P + E - B)] * \{(S_{APrim} * L_{Prim}) / [(S_{ASec} * L_{Sec}) + (S_{APrim} * L_{Prim})]\}\} + C_{Prim}$$

The Cost Adjustment Factor (CAF) is as follows:

$$\text{Single Accumulation Period Secondary Voltage CAF} = FAC_{Sec} / S_{RSec}$$

$$\text{Single Accumulation Period Primary Voltage CAF} = FAC_{Prim} / S_{RPrim}$$

$$\text{Annual Secondary Voltage CAF} =$$

Aggregation of the Single Accumulation Period Secondary Voltage CAFs still to be recovered

$$\text{Annual Primary Voltage CAF} =$$

Aggregation of the Single Accumulation Period Primary Voltage CAFs still to be recovered

Where:

$FAC_{Sec}$  = Secondary Voltage FAC

$FAC_{Prim}$  = Primary Voltage FAC

95% = Customer responsibility for fuel variance from base level

F = Actual variable cost of fuel in FERC Accounts 501 & 547

P = Actual cost of purchased energy in FERC Account 555

E = Actual emission allowance cost in FERC Account 509

B = Base variable fuel costs, purchased energy, and emission allowances are calculated as shown below:

Aquila Networks – L&P  $S_A \times \$0.01799$

Aquila Networks – MPS  $S_A \times \$0.02538$

C = Under / Over recovery determined in the true-up of prior recovery period cost, including accumulated interest, and modifications due to prudence reviews

$C_{Sec}$  = Lower than Primary Voltage Customers

$C_{Prim}$  = Primary and Higher Voltage Customers

$S_A$  = Actual sales (kWh) for the accumulation period

$S_{ASec}$  = Lower than Primary Voltage Customers

$S_{APrim}$  = Primary and Higher Voltage Customers

$S_R$  = Estimated sales (kWh) for the recovery period

$S_{RSec}$  = Lower than Primary Voltage Customers

$S_{RPrim}$  = Primary and Higher Voltage Customers

L = Loss factor by voltage level

$L_{Sec}$  = Lower than Primary Customers

$L_{Prim}$  = Primary and Higher Customers

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1

Original Sheet No. 126

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

Sheet No. \_\_\_\_\_

**Aquila, Inc., dba**

**AQUILA NETWORKS** For All Territory Served by Aquila Networks – L&P and Aquila Networks – MPS

**KANSAS CITY, MO 64138**

**FUEL ADJUSTMENT CLAUSE (CONTINUED)**  
**ELECTRIC**

The FAC will be calculated separately for Aquila Networks – L&P and Aquila Networks – MPS and by voltage level, and the resultant CAF's will be applied to customers in the respective divisions and voltage levels.

**APPLICABLE BASE ENERGY COST**

Company base energy cost per kWh sold, \$0.01799 for Aquila Networks – L&P, and \$0.02538 for Aquila Networks – MPS.

**TRUE-UPS AND PRUDENCE REVIEWS**

There shall be prudence reviews of costs and the true-up of revenues collected with costs intended for collection. FAC costs collected in rates will be refundable based on true-up results and findings in regard to prudence. Adjustments, if any, necessary by Commission order pursuant to any prudence review shall also be placed in the FAC for collection unless a separate refund is ordered by the Commission. True-ups occur at the end of each recovery period. Prudence reviews shall occur no less frequently than at 18 month intervals.

## STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1Original Sheet No. 127

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

Sheet No. \_\_\_\_\_

**Aquila, Inc., dba****AQUILA NETWORKS** For All Territory Served by Aquila Networks – L&P and Aquila Networks – MPS  
**KANSAS CITY, MO 64138****FUEL ADJUSTMENT CLAUSE (CONTINUED)**  
**ELECTRIC****COST ADJUSTMENT FACTOR**

<b>Aquila Networks – L&amp;P</b>		Total		Secondary		Primary
Accumulation Period Ending		mm/dd/yy				
1	Total energy cost (F, P, and E)	\$0				
2	Base energy cost (B)	- \$0				
3	First Interim Total	\$0				
4	Base energy ( $S_A$ ) by voltage level			0		0
	4.1 Loss factors (L)		*	108.443%	*	106.231%
	4.2 $S_A$ adjusted for losses			0		0
	4.3 Loss factor weights		*	00.000%	*	00.000%
5	Customer Responsibility	* 95%				
6	Second Interim Total by voltage level	\$0		\$0		\$0
7	Adjustment for Under / Over recovery for prior periods (C)		±	\$0	±	\$0
8	Fuel Adjustment Clause			\$0		\$0
9	Estimated recovery period sales kWh ( $S_R$ )		÷	0	÷	0
10	Current period cost adjustment factor			\$0.0000		\$0.0000
11	Previous period cost adjustment factor		+	\$0.0000	+	\$0.0000
12	Current annual cost adjustment factor			\$0.0000		\$0.0000

<b>Aquila Networks – MPS</b>		Total		Secondary		Primary
Accumulation Period Ending		mm/dd/yy				
1	Total energy cost (F, P, and E)	\$0				
2	Base energy cost (B)	- \$0				
3	First Interim Total	\$0				
4	Base energy ( $S_A$ ) by voltage level			0		0
	4.1 Loss factors (L)		*	107.433%	*	104.187%
	4.2 $S_A$ adjusted for losses			0		0
	4.3 Loss factor weights		*	00.000%	*	00.000%
5	Customer Responsibility	* 95%				
6	Second Interim Total by voltage level	\$0		\$0		\$0
7	Adjustment for Under / Over recovery for prior periods (C)		±	\$0	±	\$0
8	Fuel Adjustment Clause			\$0		\$0
9	Estimated recovery period sales kWh ( $S_R$ )		÷	0	÷	0
10	Current period cost adjustment factor			\$0.0000		\$0.0000
11	Previous period cost adjustment factor		+	\$0.0000	+	\$0.0000
12	Current annual cost adjustment factor			\$0.0000		\$0.0000

Issued: June 18, 2007

Effective: July 18, 2007

Issued by: Gary Clemens, Regulatory Services