

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1
 Canceling P.S.C. MO. No. _____

Second Revised
 First Revised

Sheet No. 1
 Sheet No. 1

AQUILA NETWORKS – MPS and L&P FOR: All Communities and Rural Areas Receiving Natural Gas Service
KANSAS CITY, MO 64138

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 GAS**

Gas rate schedules are available to communities and rural areas as indicated on the rate schedules provided in this index, subject to availability provisions of each schedule. Rate schedules applicable in the MPS-Southern, MPS-Northern, and L&P Systems:

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**AQUILA NETWORKS – MPS and L&P
KANSAS CITY, MO 64138**

FOR: Sedalia, Missouri and Surrounding Rural Areas

**LOW INCOME PROGRAM
("LIP")**

APPLICATION

This Low Income Program is available for service billed under Schedule RS-M, Residential Service for customers in the Sedalia area, to qualified customers. The LIP will provide participants with a fixed credit on their monthly bill (LIP Credit). Customers participating in the LIP program shall receive the credit during the months of November through March. This program was approved by the Missouri Public Service Commission in Case No. GR-2004-0072.

DEFINITIONS

“Agency” – The social services agency serving the Sedalia, Missouri service territory, also known as the Missouri Valley Consumer Action Association (MVCAA), that qualifies and assists LIP customers pursuant to agreement between Aquila and the Agency.

“Applicant” – A qualified customer who submits a LIP application form for the LIP credit.

“Qualified Customer” – An Aquila customer receiving service under Schedule RS-M who is classified as low income by the Missouri Valley Consumer Action Association (MVCAA) and whose annual income no greater than 125 percent of the federal poverty level, as established by the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902 (2).

“Participant” – An Applicant who agrees to the terms of the LIP and is designated as a Qualified Customer by the MVCAA.

“Program Funding” – Annual funding for the Weatherization and Low Income Programs is based on the Unanimous Stipulation and Agreement in Case No. GR-2004-0072. A total of \$135,000 will be funded by Aquila annually for the following programs:

- \$78,500 will be used to fund system-wide experimental weatherization assistance, to be administered in a manner consistent with the federal Weatherization Assistance Program, and the entire annual funding amount is to be allocated pro rata to all of Aquila’s service territories through the Missouri Department of Natural Resources weatherization service providers.
- \$7,500 will be used for experimental commercial energy audits.
- \$24,000 will be used for weatherization for an experimental low-income program for Aquila residential gas customers in areas served by the MVCAA with incomes in the range of 0% to 125% of the Federal Poverty Level (FPL).
- \$25,000 will be used to fund an experimental rate discount with at least two tiers of credits for Aquila residential gas customers in the areas served by MVCAA with incomes in the range of 0% to 125% of the FPL.

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**AQUILA NETWORKS – MPS and L&P
KANSAS CITY, MO 64138**

FOR: Sedalia, Missouri and Surrounding Rural Areas

**LOW INCOME PROGRAM
("LIP")**

AVAILABILITY

Service under this rate schedule shall be available to qualified LIP program participants in the Sedalia, Missouri service territory who satisfy the following eligibility requirements:

1. Participant must be an Aquila residential customer receiving service under the RS-M rate schedule.
2. Participant's annual household income must be verified initially, and annually thereafter, as no more than 125 percent of the federal poverty level.
3. For purposes of determining the level of the LIP credit to be received, the participants will be categorized as follows:
 - a. Group A – participants whose annual income has been verified as being from 0 to 75 percent of the federal poverty level.
 - b. Group B – participants whose annual income has been verified as being from 76 to 125 percent of the federal poverty level.
4. Participants who have outstanding arrearages on their Aquila accounts shall enter into special payment agreements through which the arrearages shall be paid over a period of up to 12 months as mutually agreed by both the participants and Aquila. Failure to pay such agreement will result in disqualification from the program until such arrearages are paid in full.
5. Participants must provide, via an interview or questionnaire, information related to their energy use and program participation. Any information provided in these interviews or questionnaires that are later made public will not be include the participant's name.
6. Any provision of the Company's Rules and Regulations applicable to the Company's residential customer will also apply to LIP customers.

ENERGY ASSISTANCE

1. Participants who have not previously completed an application for a LIHEAP ("Low Income Home Energy Assistance Program") grant agree to apply for a LIHEAP grant when such grants become available. Aquila, through the Agencies, shall assist LIP participants with completion of LIHEAP application forms when such assistance is required.
2. Applicants agree to apply for any other available energy assistance programs identified by the Company, including any weatherization programs.

CREDIT AMOUNT

Participants will receive the LIP credit each month during the months of November to March, as long as the participant continues to meet the LIP eligibility requirements.

Up to 125 participants shall receive the LIP credit in the following amounts, not to exceed the participant's monthly utility bill:

Group A – \$60 per month
Group B – \$40 per month

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FOR: Sedalia, Missouri and Surrounding Rural Areas

LOW INCOME PROGRAM
("LIP")

DISCONTINUANCE AND REINSTATEMENT:

Aquila may discontinue a participant's LIP credit for any of the following reasons:

1. If Aquila, through MVCAA, determines that the participant no longer meets the eligibility requirements set forth in this tariff.
2. If the participant submits a written request to Aquila asking that the LIP be discontinued.
3. If the participant does not conform to Aquila's rules and regulations as approved by the Missouri Public Service Commission, and as a result, the participant has Schedule RS-M service discontinued by the Company.

Reinstatement of the LIP credit following discontinuance in the above circumstances and after the participant again meets the eligibility requirements will be at the discretion of the Company.

MISAPPLICATION OF THE LIP CREDIT:

Providing incorrect or misleading information to obtain the LIP credit shall constitute a misapplication of the LIP credit. If this occurs, the Company may discontinue the LIP credit and re-bill the account for the amount of all LIP credits received by the participant. Failure to reimburse the Company for the misapplication of the LIP credits may result in termination of customer's gas service pursuant to the Company's rules and regulations. However, nothing in this tariff shall be interpreted as limiting the Company's rights under any provisions of any applicable law or tariff.

OTHER CONDITIONS:

The LIP program has been designed so that the Company neither profits from nor incurs losses as a result of offering this program. The Company will notify the MVCAA of participants that become disqualified from the program. The MVCAA will notify the Company of applicant qualification to the program by the 15th day of each month during the months of November through March. If a participant leaves the program, he/she must reapply for qualification through the MVCAA, and the MVCAA must notify the Company before credits will be issued to such participants. If a program participant moves to another premise in Sedalia, he/she will be considered disqualified from the program until the MVCAA re-designates such customer as a qualified participant.

The Company will track the use of the program funds. If the \$25,000 in program funding is expended in any calendar year for subsidy credits or program administration, Aquila will not be obligated to provide additional program funding. The costs of administering the program, including those costs charged by MVCAA, up to 3% of the annual funding, shall be paid from the program funds.

Participation may be limited so that the projected expenditures of the program equal the projected program funding. The program will not be limited to fewer than 50 participants in Group A and 50 participants in Group B. LIP credits will not be prorated between monthly bills.

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**LOW INCOME PROGRAM
("LIP")**

The Company will gather and maintain participant data on usage, arrears, payments and other relevant factors to be used in the evaluation of this program, and will provide such data to the Missouri PSC Staff and Office of Public Counsel in May of each year. Any data collected by the MVCAA on participant household characteristics, such as equipment saturations or efficiencies, occupancy, energy use patterns, and adoption of energy savings actions will be shared with the Company for internal evaluation purposes.

The Company shall make non-confidential data, as well as any and all program evaluations that are conducted, available to Missouri PSC Staff and Office of Public Counsel upon request.

Pursuant to a Stipulation and Agreement in Case No. GR-2004-0072, this program may be evaluated in the Company's next rate or complaint case.

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