

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

In the Matter of Aquila, Inc., d/b/a Aquila)	
Networks-MPS and Aquila Networks-L&P)	
for Authority to Implement Rate Adjustments)	<u>Case No. EO-2008-0415</u>
Required By 4 CSR 240-20.090(4) and the)	
Company's Approved Fuel and Purchased)	
Power Cost Recovery Mechanism)	

APPLICATION FOR REHEARING

COME NOW, Ag Processing Inc., a cooperative, and Sedalia Industrial Energy Users' Association ("Industrial Intervenors") and for their Application for Rehearing respectfully state as follows:

1. On June 30, 2008, Aquila Networks-MPS and Aquila Networks-L&P (collectively referred to as "Aquila") submitted rate schedules designed to effectuate the second semiannual adjustment to its fuel adjustment clause. On August 8, 2008, the Industrial Intervenors filed their motion to reject those tariffs. In that motion, the Industrial Intervenors point out that the rate schedules are contrary to Section 386.266.1.

2. On August 18, 2008, the Commission issued its Order Approving Tariff to Establish Rate Schedules for Fuel Adjustment Clause and Denying Motion to Reject Tariffs ("Order"). In that Order, the Commission expressly denied the Industrial Intervenors' Motion to Reject Tariffs.

3. The Commission's August 18, 2008 is unlawful in that it perpetuates the premature nature of Aquila's first semiannual adjustment. As noted in the Motion to Reject, Section 386.266.1 expressly ties the effectiveness of a fuel adjustment clause to the approval of the rate schedules. The Aquila fuel adjustment clause rate schedules did

not go into effect until July 7, 2007. As such, it is unlawful for the Commission to have retroactively implemented those tariffs on June 1, 2007. Recognizing that those first adjustment tariffs were filed two months early, the rate schedules approved by this Order are similarly premature. Therefore, these rate schedules and the attendant Order approving those rates schedules are unlawful.

4. The Order is unlawful, unjust, and is not supported by competent and substantial evidence in that the Commission finds, without any supporting evidence on the whole of the record, that “the proposed tariff sheets comply with the Commission’s orders in Case No. ER-2007-0004 and with the requirements of Section 386.266, RSMo, 4 CSR 240-20.090, and 4 CSR 240-3.161.”

WHEREFORE, the Industrial Intervenors respectfully request that the Commission grant rehearing in this matter and issue its Order on Rehearing consistent with this Application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Woodsmall", is positioned above a horizontal line. To the right of the signature, a vertical red line extends from the signature area down to the contact information below.

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ATTORNEYS FOR AG PROCESSING,
INC. AND SEDALIA INDUSTRIAL
ENERGY USERS’ ASSOCIATION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

A handwritten signature in black ink, appearing to read "David L. Woodsmall", is positioned above a horizontal line. A vertical red line is located to the right of the signature.

David L. Woodsmall

Dated: August 28, 2008