

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of a Management Audit of)	
Aquila, Inc., d/b/a Aquila Networks-MPS)	<u>Case No. EO-2006-0356</u>
and Aquila Networks-L&P)	

ORDER SCHEDULING A CONFERENCE REGARDING PUBLIC
COUNSEL’S MOTION FOR A MANAGEMENT AUDIT OF AQUILA, INC.

Issue Date: April 19, 2006

Effective Date: April 19, 2006

On March 16, 2006, Public Counsel filed a motion asking the Commission to conduct a management audit of Aquila, Inc. Aquila responded on March 20 with a pleading arguing that no such audit was needed. The Commission’s Staff also responded on March 20 with questions for Public Counsel regarding the nature and timing of the proposed audit. The Commission directed Public Counsel to respond to Staff’s questions. Public Counsel did so on March 28.

Public Counsel’s response makes it clear that it expects the Staff of the Commission to conduct the audit of Aquila’s management and that it would expect the audit to take about eight months. Public Counsel expects that the results of the audit could then be incorporated in testimony filed in Aquila’s next rate case. Staff replied to Public Counsel’s response on April 7.

Staff indicates that it is still uncertain about the exact nature of the audit contemplated by Public Counsel. Staff also indicates that it has only limited resources and that it will be examining the management of Aquila as a part of Aquila’s upcoming rate

case. Staff questions the need for a formal management audit apart from that rate case. Staff asks that if the Commission believes that a formal management audit is needed, it provide Staff with detailed guidance on what such an audit would entail.

The Commission is certainly concerned about the management of Aquila, but it is unwilling to order its Staff to commit the substantial resources needed to conduct a formal management audit unless the purpose and means for conducting such an audit are clearly defined in advance. To that end, the Commission will schedule a conference to discuss the need for a formal management audit, as well as the purpose and means for conducting such an audit.

IT IS ORDERED THAT:

1. A conference will be held on May 15, 2006, at 10:00 a.m., at the Commission's office at the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, Room 305. This building meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this conference, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the conference.

2. This order shall become effective on April 19, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Morris L. Woodruff, Deputy Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 19th day of April, 2006.