

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day of
August, 2007.

In the Matter of Tariff Revisions Filed by Aquila, Inc.)	
d/b/a Aquila Networks-MPS and Aquila Networks-L&P)	<u>Case No. EO-2007-0395</u>
Designed to Continue and Expand its Fixed Bill)	Tariff No. JE-2007-0739
Pilot Program)	

**ORDER SUSPENDING TARIFFS
AND SCHEDULING PREHEARING CONFERENCE**

Issue Date: August 28, 2007

Effective Date: August 29, 2007

Syllabus: This order suspends the tariff sheets filed by Aquila, Inc. and sets a prehearing conference.

On April 13, 2007, Aquila, Inc., filed tariff sheets that would continue its Fixed Bill Pilot Program. The tariff sheets bore an effective date of July 1, 2007. Aquila has extended the effective date of those sheets; most recently, Aquila extended the effective date to September 1.

On August 24, the Staff of the Commission filed a Motion to Suspend Operation of New Tariff Provisions for Aquila's Fixed Bill Program. In its motion, Staff states that while it, Aquila and OPC are still discussing the proposed program, Aquila is unwilling to further extend the effective date of the tariff sheets. Staff asserts that under the proposed program, customers will pay an excessive amount, especially, a risk premium. Further, Staff asserts that it does not know how Aquila will allocate the costs of the fixed bill program. Staff asks the Commission to suspend the tariff sheets for 120 days to examine the propriety of the proposed fixed bill program.

On August 27, the Office of the Public Counsel filed its Motion to Suspend or Reject Tariff. OPC states that it has concerns similar to those raised by Staff. In addition, OPC is concerned about Aquila's proposed below-the-line accounting treatment, the five-year "pilot" period, a substantial increase in program fees, increased penalties for early withdrawal, and an "abuse clause" that would penalize customers with very large increases in usage.

Aquila also responded on August 27, stating that OPC has not provided a basis for summary rejection of the tariff. Further, Aquila states that if the Commission does not wish for the tariffs to go into effect on September 1, then suspension, rather than rejection, is the proper course.

There is no evidentiary basis on which the Commission can decide to approve or reject the tariff. To allow sufficient time to study the effect of the proposed tariffs and establish an evidentiary record, the proposed tariffs will be suspended.

The Commission will suspend the tariffs and schedule a prehearing conference to afford the parties the opportunity to discuss, define, and possibly resolve the issues presented. The Commission will also set a date for the filing of a proposed procedural schedule to ensure that this case progresses.

IT IS ORDERED THAT:

1. The proposed tariff sheets submitted on April 13, 2007, by Aquila, Inc., and assigned Tariff No JE-2007-0739, are suspended for a period of 120 days beyond September 1, 2007, to December 30, 2007, or until otherwise ordered by this Commission.

2. A prehearing conference shall be held on September 11, 2007, at 10:00 a.m., in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, a building that meets accessibility standards of the Americans with Disabilities Act. Any

person who needs specific accessibility accommodations may call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing. Any person who wishes to appear at the prehearing conference by phone shall call the Regulatory Law Judge at 573-751-7497 no later than September 5, 2007.

3. The parties shall file a proposed procedural schedule no later than September 18, 2007. The procedural schedule shall include dates for the filing of testimony and for a hearing.

4. This order shall become effective on August 29, 2007.

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)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Pridgin, Senior Regulatory Law Judge