

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. EO-2008-0050, Tariff No. JE-2008-0134  
Aquila, Inc. d/b/a Aquila Networks

FROM: James Watkins, Manager, Economic Analysis, Project Coordinator  
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/s/ James Watkins      09/07/07  
Energy Department / Date

/s/ Dennis L. Frey      09/07/07  
General Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Replace Missouri Change A Light Program With Residential Lighting Program

DATE: September 7, 2007

On August 27, 2007, Aquila, Inc. d/b/a Aquila Networks (Aquila or Company) filed with the Commission two (2) rules and regulations tariff sheets with an issue date of August 27, 2007, and a proposed effective date of September 26, 2007. These tariff sheets are designed to implement a Residential Lighting Program to continue and expand the present Missouri Change A Light Program into a year-round program. Both programs are designed to encourage the replacement of inefficient incandescent light bulbs with Energy Star<sup>®</sup> compact fluorescent light (CFL) bulbs. On August 27, 2007, Aquila also filed its Motion For Expedited Treatment (Motion), requesting an effective date of September 17, 2007, to allow time for Aquila to contract with the Midwest Energy Efficiency Alliance (MEEA) by the October 1, 2007 kick-off date for the Change A Light Program, which occurs during the fall of each year. Aquila's Motion states that Aquila has been working with Staff, the Office of the Public Counsel, and the Department of Natural Resources to assure these tariff sheets will comply with the parties' agreement in Case No. ER-2007-0004.

The proposed Residential Lighting Program was filed pursuant to the Stipulation and Agreement As To Certain Issues (Stipulation And Agreement) approved by the Commission in Case No. ER-2007-0004. In the Stipulation And Agreement, Aquila agreed to implement only the demand-side programs shown to be cost effective in Case No. EO-2007-0298, the Company's current Integrated Resource Plan case. The Stipulation And Agreement also provides that if the parties are unable to agree by October 31, 2007 that a demand-side program has been appropriately screened, Aquila will continue the current program.

The Residential Lighting Program is designed to educate consumers on the energy and money saving benefits of CFL bulbs, torchiere lamps and other Energy Star<sup>®</sup> products through marketing and media outreach efforts as well as offer an instant rebate towards the purchase of an Energy Star<sup>®</sup> lighting product. Energy Star<sup>®</sup> is a label awarded for energy efficiency.

Under the proposed tariff sheets, Aquila will increase the annual budget for its lighting program, which includes continued funding for the annual Change A Light campaign sponsored by the US Environmental Protection Agency. The proposed tariff sheets also provide for annual increases in funding over a five-year period. The first year will increase the budget from its current level of \$20,000 to \$49,900, increasing each year to \$137,000 in the fifth year.

The Missouri Public Service Commission Energy Department Staff (Staff) has reviewed the filed tariff sheets and is of the opinion that, they are in compliance with the Stipulation And Agreement approved by the Commission in Case No. ER-2007-0004, and that having a tariff in place for this fall's Change A Light program is good cause for approving this filing on less than thirty day's notice. Staff therefore recommends that the Commission **approve** the following proposed tariff sheets, as filed on August 27, 2007, to become effective on September 17, 2007, with less than 30 days' notice for good cause shown pursuant to Section 393.140(11) RSMo 2000, as requested in Aquila's Motion.

P.S.C. MO. No. 1

2<sup>nd</sup> Revised Sheet No. R-3, canceling 1<sup>st</sup> Revised Sheet No. R-3

1<sup>st</sup> Revised Sheet No. 62.1, canceling Original Sheet No. 62.1

The Staff has verified that Aquila has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

My commission expires 9-21-10