

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

In the Matter of Tariff Revisions Filed by Aquila, Inc.)	Case No. EO-2007-0427
d/b/a Aquila Networks-L&P Designed to Continue)	File No. YE-2007-0794
and Expand its Fixed Bill Pilot Program.)	

STAFF'S RECOMMENDATION TO APPROVE TARIFF SHEETS

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and, for its Recommendation the Commission approve Tariff Sheets Aquila, Inc., d/b/a Aquila Networks-L&P, filed on May 3, 2007, states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Missouri Public Service Commission approve the three tariff sheets Aquila, Inc. filed on May 3, 2007, to extend for one year, to May 31, 2008, the existence of its Fixed Bill Pilot Program that is available only to customers it is serving as Aquila Networks-L&P and to limit the availability of the pilot program to existing customers.

2. As the Staff explains in its memorandum, Aquila has filed tariff sheets, docketed in Case No. Eo-2007-0395, that it designed for a permanent fixed bill program that would be available throughout its Missouri service area, *i.e.*, where it does business as Aquila Networks-L&P and where it does business as Aquila Networks-MPS, but which differs in material respects from the pilot program. The Staff has met with representatives of Aquila and the Office of the Public Counsel regarding the proposed permanent program and the Staff anticipates they will not reach an agreement on a permanent program in time for it to go into effect by July 1, 2007, if at all.

3. Because there may be a permanent program, customers currently on the pilot program may desire continuity in the availability of a fixed bill program and additional information, such as customer satisfaction, can be obtained during an extension of the pilot program, the Staff does not object to extending pilot program for one year for existing participants; therefore, the Staff recommends the Commission issue an order approving the proposed tariff sheets to become effective June 1, 2007, as requested by Aquila.

4. Section 393.140(11), RSMo 2000, requires that no tariff provision in effect in compliance with an order or decision of the Commission without thirty days' notice, except that for good cause shown, the Commission may allow such a tariff provision to go into effect on shorter notice under such conditions as the Commission may prescribe.

5. The Staff agrees continuation of the existing program is good cause to allow the tariff sheets to become effective on less than thirty (30) days' notice so that the enrollment of current customers will not lapse on May 31, 2007.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission issue its order finding good cause to allow them to go into effect on 29 days' notice and approving the Tariff Sheets Aquila, Inc., d/b/a Aquila Networks-L&P, filed on May 3, 2007, to become effective June 1, 2007, to wit:

P.S.C. MO. No. 1

2nd Revised Sheet No. 37, Canceling 1st Revised Sheet No. 37

2nd Revised Sheet No. 38, Canceling 1st Revised Sheet No. 38

2nd Revised Sheet No. 39, Canceling 1st Revised Sheet No. 39

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy General Counsel
Missouri Bar No. 35512

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 9th day of May, 2007.

/s/ Nathan Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2007-0427, File No. YE-2007-0794
Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P

FROM: James Watkins, Manager, Economic Analysis
Tom Imhoff, Rate & Tariff Examination Supervisor
James Busch, Regulatory Economist III
Mack McDuffey, Rate & Tariff Examiner II

<u>/s/ James Watkins</u>	<u>5/9/07</u>	<u>/s/ Nathan Williams</u>	<u>5/9/07</u>
Energy Department / Date		General Counsel's Office / Date	

SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed To Extend The Fixed Bill Pilot Program

DATE: May 9, 2007

On May 3, 2007, Aquila, Inc., filed with the Commission three (3) tariff sheets with a proposed effective date of June 2, 2007. These tariff sheets are designed to extend Aquila's current Fixed Bill Pilot Program until May 31, 2008, for existing participants. Aquila also filed its Motion For Expedited Treatment Of Tariff Filing requesting that the tariff sheets become effective on June 1, 2007 with twenty-nine (29) days' notice.

Aquila currently has a pilot fixed bill program in effect in the area it serves as Aquila Networks-L&P. Participation in that pilot is limited to customers within the city limits of St. Joseph, Missouri. In this case its tariff sheets are designed to leave that pilot program in effect for existing customers for an additional year. Aquila has filed tariff sheets that are the subject of Case No. EO-2007-0395. Those sheets are designed to substantially modify the existing pilot program and make it permanent. The modifications would make the program permanent, make the program available throughout Aquila's Missouri service areas, and would significantly change the costs and benefits of the program to customers. The Staff and the Office of the Public Counsel have met with Aquila and discussed the changes to the pilot program that Aquila proposes for the permanent program. At this time, it appears unlikely they can agree to a permanent program that could be implemented by July 1, 2007.

Because there may be a permanent program, customers currently on the pilot program may desire continuity in the availability of a fixed bill program and additional information, such as customer satisfaction, can be obtained during an extension of the pilot program, the Staff does not object to extending pilot program for one year for existing participants. The Staff agrees that there is good cause to allow the tariff sheets to become effective on less than thirty (30) days' notice so that the enrollment of current customers will not lapse on May 31, 2007.

Staff Recommendation

The Staff has reviewed the filed tariff sheets, and is of the opinion that they should be approved. The Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheets, as filed on May 3, 2007, to become effective on June 1, 2007, as requested by Aquila:

P.S.C. MO. No. 1

2nd Revised Sheet No. 37, Canceling 1st Revised Sheet No. 37

2nd Revised Sheet No. 38, Canceling 1st Revised Sheet No. 38

2nd Revised Sheet No. 39, Canceling 1st Revised Sheet No. 39

The Staff has verified that this Company is not delinquent on any assessment or the filing of its 2006 annual report. Case No. EO-2007-0395, In the matter of Tariff Revisions Filed by Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P for authority to file tariffs offering electric customers a Fixed Bill Pilot Program in the Aquila Networks-MPS and L&P Designed to Continue and Expand its Fixed Bill Pilot Program, is related to this case. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

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

**In the Matter of Tariff Revisions Filed by Aquila,
Inc. d/b/a Aquila Networks-L&P Designed to
Continue and Expand its Fixed Bill Pilot Program.**

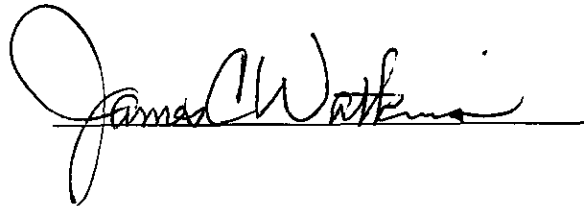
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**Case No. EO-2007-0427
File No. YE-2007-0794**

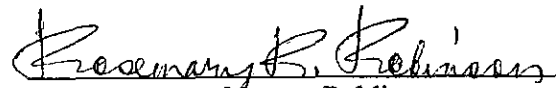
AFFIDAVIT OF JAMES C. WATKINS

**STATE OF MISSOURI)
) ss
COUNTY OF COLE)**

James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.



Subscribed and sworn to before me this 9th day of May, 2007.



Notary Public

My commission expires 9-23-2008

