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December 28, 2007

Ms. Colleen Dale
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

RE: *Aquila, Inc.*

Dear Ms. Dale:

In accordance with 4 CSR 240-20.090(4), on behalf of Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P ("Aquila" or "Company"), I am herewith providing to the Missouri Public Service Commission ("Commission"), for filing in electronic form, proposed rate schedules to adjust charges related to the Company's approved Fuel Adjustment Clause ("FAC"). The schedules are designed to increase FAC-related charges for Aquila's MPS division by approximately \$13.2 million and for its L&P division by approximately \$3.5 million. The rate schedules bear an issue date of December 28, 2007, and an effective date of March 1, 2008.

As explained in the direct testimony and supporting schedules of Dennis R. Williams, Aquila's Vice President-Electric Regulatory Services, which is being filed in support of the proposed rate schedules, the major factors that have caused the proposed increases in FAC-related charges are: 1) higher purchased power costs; 2) higher gas costs, including hedging expenses; and 3) higher coal and freight costs. Although these costs have increased since Aquila's last general rate case, the increases have been lower than projected.

Also provided in electronic form are schedules containing all of the information required by 4 CSR 240-3.161(7); all workpapers that support the proposed rate schedules; and copies of the Surveillance Monitoring Report for each of Aquila's operating divisions for the quarter ended September 2007, which is the most recent quarter for which financial data are available.

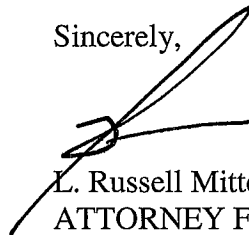
Finally, contemporaneously with, and in addition to, the various materials described above Aquila is filing a Motion for Waiver, which seeks a waiver from the Commission of certain of the filing deadlines prescribed in 4 CSR 240-3.161(5), and also a Motion for Protective Order.

Copies of Aquila's proposed FAC-related rate schedules, all supporting materials described in this letter, including workpapers, and the Motion for Waiver will be served electronically, this date, on the Commission's General Counsel, the Office of the Public Counsel, and on each party to the Company's last general rate case, Case No. ER-2007-0004.

Please bring this filing to the attention of the appropriate Commission personnel and see that a copy of all correspondence, notices, orders, and other communications that relate to Aquila's filing are furnished to Dennis R. Williams, Vice President-Electric Regulatory Services, Aquila, Inc., 20 W. Ninth Street, Kansas City, Missouri 64105, denny.williams@aquila.com, and also to the undersigned counsel.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to be "L. Russell Mitten", written over a horizontal line.

L. Russell Mitten
ATTORNEY FOR AQUILA, INC.

cc: Office of the General Counsel
Office of the Public Counsel
All Parties to Case No. ER-2007-0004

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1 1st Revised Sheet No. 127
 Canceling P.S.C. MO. No. 1 1 Original Sheet No. 127

Aquila, Inc., dba

AQUILA NETWORKS For All Territory Served by Aquila Networks – L&P and Aquila Networks – MPS
KANSAS CITY, MO 64138

FUEL ADJUSTMENT CLAUSE (CONTINUED)
 ELECTRIC

COST ADJUSTMENT FACTOR

Aquila Networks – L&P		Total		Secondary		Primary
Accumulation Period Ending		11/30/07				
1	Total energy cost (F, P, and E)	\$22,743,474				
2	Base energy cost (B)	- \$19,331,734				
3	First Interim Total	\$3,411,740				
4	Base energy (S _A) by voltage level			900,909,146		173,673,048
	4.1 Loss factors (L)		*	108.443%	*	106.231%
	4.2 S _A adjusted for losses			976,974,420		184,495,165
	4.3 Loss factor weights		*	84.115%	*	15.885%
5	Customer Responsibility	* 95%				
6	Second Interim Total by voltage level	\$3,241,153		\$2,726,308		\$514,845
7	Adjustment for Under / Over recovery for prior periods (C)		±	\$0	±	\$0
8	Fuel Adjustment Clause			\$2,779,289		\$525,059
9	Estimated recovery period sales kWh (S _R)		+	1,811,608,578	+	349,233,422
10	Current period cost adjustment factor			\$0.0015		\$0.0015
11	Previous period cost adjustment factor		+	\$0.0000	+	\$0.0000
12	Current annual cost adjustment factor			\$0.0015		\$0.0015

Aquila Networks – MPS		Total		Secondary		Primary
Accumulation Period Ending		11/30/07				
1	Total energy cost (F, P, and E)	\$95,066,349				
2	Base energy cost (B)	- \$82,146,272				
3	First Interim Total	\$12,920,077				
4	Base energy (S _A) by voltage level			2,810,243,477		426,410,266
	4.1 Loss factors (L)		*	107.433%	*	104.187%
	4.2 S _A adjusted for losses			3,019,127,877		444,263,899
	4.3 Loss factor weights		*	87.173%	*	12.827%
5	Customer Responsibility	* 95%				
6	Second Interim Total by voltage level	\$12,274,073		\$10,699,626		\$1,574,447
7	Adjustment for Under / Over recovery for prior periods (C)		±	\$0	±	\$0
8	Fuel Adjustment Clause			\$10,926,471		\$1,608,859
9	Estimated recovery period sales kWh (S _R)		+	5,331,039,560	+	808,901,440
10	Current period cost adjustment factor			\$0.0020		\$0.0020
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STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 11stRevised Sheet No. 127Canceling P.S.C. MO. No. 1Original Sheet No. 127

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Issued: December 28, 2007Effective: March 1, 2008

Issued by: Gary Clemens, Regulatory Services

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Exhibit No.:

Issues: Fuel Adjustment Clause

Witness: Dennis R. Williams

Sponsoring Party: Aquila Networks-MPS
& L&P

Case No.:

Before the Public Service Commission
of the State of Missouri

Direct Testimony

of

Dennis R. Williams

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DIRECT TESTIMONY OF DENNIS R. WILLIAMS
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NO. _____

INTRODUCTION AND QUALIFICATIONS.....	1
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Direct Testimony:
Dennis R. Williams

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
DIRECT TESTIMONY OF DENNIS R. WILLIAMS
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NO. _____**

INTRODUCTION AND QUALIFICATIONS

1

2 Q. Please state your name and business address.

3 A. My name is Dennis Williams, and my business address is 20 W. Ninth Street,
4 Kansas City, Missouri 64105.

5 Q. By whom are you employed and what is your job title and what are your job
6 responsibilities?

7 A. I am employed by Aquila, Inc. ("Aquila" or "Company") as Vice President –
8 Electric Regulatory Services.

9 Q. Please briefly describe your education and work experience.

10 A. I graduated with honors in 1974 from Central Missouri State University, receiving
11 a Bachelor of Science in Business Administration degree, with majors in
12 accounting and finance. After graduation, I was licensed in Missouri as a
13 Certified Public Accountant and employed as an auditor in the regulated
14 industries division of Arthur Andersen & Company. After leaving that company,
15 I was employed for five years with a regulatory consulting firm. Since 1986, I
16 have been employed by Aquila in various capacities.

17 Q. What is the purpose of your testimony?

18 A. My testimony supports the rate schedules that have been filed by Aquila to adjust
19 rates for prudently-incurred increases in fuel and purchased power costs that the

1 Company has experienced during the six-month period June through November
2 2007. This six-month period is the initial Accumulation Period specified in
3 Aquila's Fuel Adjustment Clause ("FAC") that was approved by the Missouri
4 Public Service Commission ("Commission") in June of this year in its *Report and*
5 *Order* issued in Case No. ER-2007-0004.

6 **EXECUTIVE SUMMARY**

7 Q. Please provide an overview of your testimony in support of the rate schedules
8 filed by Aquila.

9 A. The Commission's rule governing fuel and purchased power cost recovery
10 mechanisms for electric utilities – specifically 4 CSR 240-20.090(4) – requires
11 Aquila to make periodic filings to allow the Commission to review the actual fuel
12 and purchased power costs the Company has incurred and to allow rates to be
13 adjusted, either up or down, to reflect those actual costs. Aquila's approved FAC
14 calls for two annual filings: an initial filing covering the six-month Accumulation
15 Period running from June through November and a second filing covering the
16 Accumulation Period running from December through May. Any increases or
17 decreases in rates that are approved by the Commission, or that take effect by
18 operation of law, are then collected from or refunded to customers over two
19 twelve-month Recovery Periods: March through February for the initial
20 Accumulation Period and September through August for the second
21 Accumulation Period.

22 Since the conclusion of Aquila's last rate case, the variable costs of fuel and
23 purchased power necessary to meet the demand for electricity by the Company's

1 customers has continued to increase. For the Accumulation Period June through
2 November 2007, Aquila's actual variable fuel and purchased power costs,
3 including carrying costs, have exceeded the costs included in base rates in Case
4 No. ER-2007-0004 by approximately \$13.2 million for its Missouri Public
5 Service ("MPS") division and \$3.5 million for its St. Joseph Light and Power
6 division ("L&P"). According to Aquila's tariff, Aquila absorbs 5% of increased
7 variable fuel and purchased power costs. Therefore, in accordance with the
8 Commission's rule and Aquila's approved FAC, the Company has filed rate
9 schedules that provide for an increase in rates to recover cost increases of
10 approximately \$12.5 million from its MPS customers and \$3.3 million from its
11 L&P customers. As reflected in the rate schedules filed by the Company, Aquila
12 has developed a Cost Adjustment Factor ("CAF") of \$0.0020 for MPS and
13 \$0.0015 for L&P. This will allow Aquila to collect the difference between base
14 costs of fuel and purchased power and the costs that actually were incurred during
15 the June-November Accumulation period over a Recovery Period running from
16 March 2008 through February 2009.

17 My testimony also notes the two safeguards that have been built into Aquila's
18 FAC and the Commission's rules to ensure that the Company does not collect
19 from customers more than its actual, prudently-incurred fuel and purchased power
20 costs. The first is a true-up process that ensures that collections through the CAF
21 during the Recovery Period do not exceed actual fuel and purchased power costs.
22 The second is the requirement that the Company's purchases of fuel and

1 purchased power be subjected to periodic Prudence Reviews, which will ensure
2 that only prudently-incurred costs are passed through to customers.

3 **THE PROPOSED FAC RATE ADJUSTMENT**

4 Q. Please explain the reasons that Aquila has filed FAC-related rate schedules at this
5 time?

6 A. The Commission's rules – specifically 4 CSR 240-20.090(4) – and Aquila's FAC
7 require the Company to periodically make filings to allow the Commission to
8 review Aquila's actual fuel and purchased power costs and to allow rates to be
9 increased or decreased based on 95% of the difference between base energy costs
10 and the fuel and purchased power costs that the Company actually incurred during
11 the applicable Accumulation Period. Aquila's approved FAC calls for two annual
12 filings: an initial filing covering the six-month Accumulation Period running from
13 June through November 2007 and a second filing covering the Accumulation
14 Period running from December 2007 through May 2008. The rate schedules to
15 which my testimony relates are Aquila's initial filing under the FAC that was
16 approved by the Commission in June of this year. By its filing, the Company
17 seeks to increase rates to reflect 95% of the difference between the base amount
18 of fuel and purchased power costs and Aquila's actual expenditures for energy for
19 the period June through November 2007. As provided in the Company's FAC,
20 these cost increases will be collected from customers over the twelve-month
21 Recovery Period running from March 2008 through February 2009.

22 Q. Have Aquila's fuel and purchased power costs increased since the Commission
23 issued its *Report and Order* in Case No. ER-2007-0004?

1 A. Yes. Aquila's fuel and purchased power costs have increased, which is the reason
2 why the rate schedules filed by the Company seek to increase rates charged to
3 customers.

4 Q. Please briefly describe the reasons for those increases.

5 A. A number of factors caused these cost increases. These factors included the
6 following:

- 7 • Higher cost of purchased power
- 8 • Higher cost of gas including hedging expenses; and
- 9 • Higher cost of coal and freight

10 Q. What is the expected monthly dollar increase for a typical residential customer's
11 electric bill?

12 A. For customers using 1,000 kWh per month in the MPS territory the bill will
13 increase approximately \$2.00 per month and in the L&P territory the bill will
14 increase about \$1.50 per month.

15 Q. Were these increases in line with expectations?

16 A. They were actually lower than what had been projected. The testimony in Case
17 No. ER-2007-0004, I provided historical evidence that variable fuel and
18 purchased power costs had increased on average approximately \$35 million in
19 each of the past three years. Approximately 70% of these costs are typically
20 incurred during the months of June through November. Our forecasts reflected
21 expectations of similar increases in 2007, most of which were expected to take
22 place during the peak summer months. However, Aquila was able to negotiate

1 lower than anticipated purchase power rates to meet our peaking needs this
2 summer.

3 Q. Do you expect similar variable fuel and purchased power cost increases during the
4 next Accumulation Period from December 2007 through May 2008?

5 A. No. Barring unforeseen circumstances, Aquila expects net variable fuel and
6 purchased power cost increases to be negligible during that period. The
7 December through May period is not one of peak energy consumption that can
8 drive purchased power costs upward. Moreover, Aquila has been successful in
9 renegotiating an existing coal contract, which is expected to generate \$7 million
10 in annual savings beginning in 2008.

11 Q. Do you believe the design of Aquila's fuel adjustment mechanism is appropriate?

12 A. Yes. The design was the subject of much discussion and debate prior to being
13 approved in the Commission's Order in Case No. ER-2007-0004. Aquila is not
14 opposed to reasonable changes in the design of its fuel adjustment mechanism but
15 believes that if changes are made they should be done so in the context of its next
16 base rate case, which will likely be filed in mid-2008. For example, the FAC six
17 month time periods were set in a manner that creates the potential for a significant
18 under-recovery during the June-November filing period (i.e. all of the summer
19 months) and a flat to potential over-recovery during the December-May filing
20 period. This lack of symmetrical impact could be potentially mitigated by shifting
21 the composition of the filing periods.

22 Q. In Case No. ER-2007-0004 there was an issue regarding the C.W. Mining coal
23 contract court case. Do you have an update on this issue?

1 A. Yes. The Utah federal district court issued an order in Aquila's favor. The court
2 ordered C.W. Mining to pay Aquila \$24.8 million. Per the stipulation in Case No.
3 ER-2007-0004, Aquila agreed to return to customers ninety-five percent of any
4 monetary recovery net of fees and expenses through the FAC, including those
5 associated with collecting the awarded damages from C.W. Mining. Aquila may
6 collect some or all of this judgment in 2008, and if that occurs, will pass through
7 95% of the net proceeds received in its next FAC filing.

8 Q. Did Aquila consider including some of the awarded damages in this filing?

9 A. Yes. Aquila considered accruing a portion of the recovery that it was awarded so
10 that it would pass through the current FAC. However, C.W. Mining's financial
11 status is uncertain and there is substantial concern that a large portion of their
12 obligation to Aquila may not be paid. Without specific knowledge of the form,
13 amount or timing of any ultimate recovery from C.W. Mining, Aquila's outside
14 auditors did not believe that this accounting treatment would have been
15 appropriate.

16 Q. How is Aquila proposing to recover the cost increases the Company experienced
17 during the June-November 2007 Accumulation Period?

18 A. The rate schedules filed by Aquila propose to recover the fuel and purchased
19 power cost increases actually incurred during the June-November Accumulation
20 Period by applying a Cost Adjustment Factor ("CAF") of \$0.0020 for MPS and
21 \$0.0015 for L&P to estimated kWh sales during the March 2008-February 2009
22 Recovery Period. The proposed CAF was calculated in the manner specified in
23 the Company's FAC. I have attached to my testimony as Schedule DRW-1 a copy

1 of the tariff sheets that contain and explain the formula that Aquila used to
2 calculate the CAF that is included in the proposed rate schedules. This formula
3 was approved by the Commission in Case No. ER-2007-0004.

4 Q. The tariff has separate CAF rates for primary and secondary voltage levels. Why
5 are these rates the same as shown on the Schedule DRW-1?

6 A. The rates are only carried out to four decimal places. The rates when rounded to
7 four decimal places are the same.

8 Q. How did you develop the various values used to derive the proposed CAF that are
9 shown on Schedule DRW-1?

10 A. The data upon which Aquila based the values for each of the variables in the
11 approved CAF formula are included on that schedule. The schedule contains all
12 of the information that is required by 4 CSR 240-3.161(7)(A). In addition, as
13 required by 4 CSR 240-3.161(7)(B), I have separately provided to all parties of
14 record in Case No. ER-2007-0004 the accounting work-papers that support the
15 data contained in Schedule DRW-1.

16 Q. If the rate schedules filed by Aquila are approved, what safeguards exist to ensure
17 that the revenues the Company collects do not exceed the fuel and purchased
18 power costs that Aquila actually incurred during the Accumulation Period?

19 A. Aquila's FAC and the Commission's rules provide two mechanisms to ensure that
20 amounts collected from customers do not exceed Aquila's actual, prudently-
21 incurred fuel and purchased power costs. First, at the end of each Recovery Period
22 the Company is required to true-up the amounts collected from customers through
23 the CAF with the excess fuel and purchased power costs that actually were

1 incurred during the Accumulation Period to which the CAF applies. Second,
2 Aquila's fuel and purchased power costs also will be subjected to periodic
3 Prudence Reviews to ensure that only prudently-incurred fuel and purchased
4 power costs are collected from customers through Aquila's FAC. These two
5 mechanisms serve as checks that ensure that the Company's customers pay only
6 the prudently-incurred, actual costs of fuel and purchased power used to provide
7 electric service (less the 5% Aquila is absorbing) – no more and no less. This is
8 precisely the result that the Missouri General Assembly sought to achieve when it
9 enacted into law Section 386.266, RSMo.

10 Q. What action is Aquila requesting from the Commission with respect to the rate
11 schedules that the Company has filed?

12 A. As provided by 4 CSR 240-20.090(4), Staff has thirty (30) days from the date the
13 rate schedules are filed to conduct a review and to make a recommendation to the
14 Commission as to whether the rate schedules comply with the Commission's
15 rules, the requirements of Section 386.266, RSMo, and the Company's approved
16 FAC. The Commission has sixty (60) days from the date of Aquila's filing to
17 either approve the rate schedules or to allow them to take effect by operation of
18 law. Because the Company believes its filing satisfies all of the requirements of
19 applicable statutes, the Commission's rules, and Aquila's approved FAC, the
20 Company requests that, following Staff's review, the Commission approve the
21 rate schedules to be effective as of March 1, 2008, which is the first day of the
22 Recovery Period prescribed in Aquila's tariff.

23 Q. Does this conclude your testimony at this time?

1 A. Yes, it does.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1 1stRevised Sheet No. 127Canceling P.S.C. MO. No. 1Original Sheet No. 127**Aquila, Inc., dba****AQUILA NETWORKS** For All Territory Served by Aquila Networks – L&P and Aquila Networks – MPS
KANSAS CITY, MO 64138**FUEL ADJUSTMENT CLAUSE (CONTINUED)**
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In the matter of Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P, for authority to file FAC tariffs increasing electric rates for the service provided to customers in the Aquila Networks-MPS and Aquila Networks-L&P area

[illegible]

Dennis R. Williams, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Dennis R. Williams;" that said testimony was prepared by him and under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

Subscribed and sworn to before me this 28th day of December, 2007.

My Commission expires:

8-20-2008



TERRY D. LUTES
Jackson County
My Commission Expires
AUGUST 29, 2008

**INFORMATION REQUIRED BY
4 CSR 240-3.161(7)**

Energy Sales in KWh by rate class by voltage level

June- Nov - MPS	<u>Total</u>	<u>Secondary</u>	<u>Primary</u>
Base energy (Sa) by voltage level	3,236,653,743	2,810,243,477	426,410,266

June- Nov - L&P			
Base energy (Sa) by voltage level	1,074,582,194	900,909,146	173,673,048

1000

Rate class MPS	Jun - Nov 07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
	KWH Billed	KWH Billed	KWH Billed	KWH Billed	KWH Billed	KWH Billed	KWH Billed
Residential	1,503,945,749	214,077,622	275,166,391	334,745,140	316,740,227	199,125,860	164,090,509
Commercial	1,073,090,804	175,503,341	182,050,548	202,521,290	199,332,677	167,955,130	145,727,818
Industrial	406,326,833	68,583,801	66,441,745	71,162,910	71,020,696	64,996,217	64,121,464
Gov't-Other	236,858,066	39,581,729	30,501,561	52,939,250	44,561,330	37,395,219	31,878,977
Total CIS+	3,220,221,452	497,746,493	554,160,245	661,368,590	631,654,930	469,472,426	405,818,768
Wholesale	16,432,291	2,434,131	2,995,860	3,606,740	2,902,940	2,264,720	2,227,900
Total	3,236,653,743	500,180,624	557,156,105	664,975,330	634,557,870	471,737,146	408,046,668

Rate class L&P	Jun - Nov 07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
	KWH Billed	KWH Billed	KWH Billed	KWH Billed	KWH Billed	KWH Billed	KWH Billed
Residential	376,997,018	53,460,378	70,074,560	82,744,383	75,261,052	47,827,905	47,628,740
Commercial	384,584,932	63,959,737	57,987,457	78,302,562	69,297,037	59,189,861	55,848,278
Industrial	307,711,321	50,794,358	49,527,623	52,634,215	53,249,185	50,461,086	51,044,854
Gov't-Other	5,288,923	877,027	870,263	873,202	885,691	888,270	894,470
Total CIS+	1,074,582,194	169,091,500	178,459,903	214,554,362	198,692,965	158,367,122	155,416,342
Wholesale	-	0	0	0	0	0	0
Total	1,074,582,194	169,091,500	178,459,903	214,554,362	198,692,965	158,367,122	155,416,342

7(A)1.B

The information required by this subsection contains information that is Highly Confidential or Proprietary and will be submitted as soon as the Commission issues an appropriate Protective Order.

PP costs included in fuel and PP costs with costs differentiated by

I. short and long term power contracts

MPS	Jun -Nov 07
Firm Long Term	
Nebraska Public Power District	\$ 6,489,820
Union Power Partners	\$ 11,724,101
Intercompany Purchases	\$ 1,514,844
WPE/Gray County Wind	\$ 1,590,125
Total Firm	\$ 21,318,890
Non Firm Short Term	\$ 22,945,415
Total Purchased Power Dollars	\$ 44,264,305

L&P	Jun -Nov 07
Firm	
Nebraska Public Power District	\$ 4,692,006
Intercompany Purchases	\$ 3,963,453
WPE/Gray County	\$ 789,025
Total Firm	\$ 9,444,484
Non-Firm	\$ 2,385,892
Total Purchased Power Dollars	\$ 11,830,376

II On-Peak and Off Peak costs

Not Available

III Demand and Energy costs separately

Demand costs not included in the numbers above, all energy

7(A)1.D

Market purchased MWH and costs included in PP costs

All purchases included in the fuel and purchased power costs are at Market See 7 (C)

Revenues from expenses associated with and MWH from off system sales

	<u>Jun-Nov 2007</u>
<u>MPS:</u>	
Off-System Sales (AC 447030 & 447035)	\$ 25,758,016
Off-System Generation Cost (AC 501030, 547030)	1,230,309
Off-System Purchased Power Cost (AC 555030, 031, 035)	20,452,612
Net	<u>\$ 4,075,095</u>
Off-System MWH Sales	334,570

<u>L&P:</u>	
Off-System Sales (AC 447030 & 447035)	\$ 2,382,347
Off-System Generation Cost (AC 501030, 547030)	259,231
Off-System Purchased Power Cost (AC 555030, 031, 035)	652,602
Net	<u>\$ 1,470,514</u>
Off-System MWH Sales	46,733

Extraordinary costs

None

Base rate component of off-system sales

Off system sales in base rates was settled per ER-2007-0004 rate case.

Additional Requirements ordered by Commission

None

Calculations of the proposed FAC collection Rates

Aquila Networks - L&P

6-months accumulation period ending:

Variable Costs:

	Total 11/30/2007	Secondary	Primary
(F) - 501000 Fuel	\$ 13,485,881		
(F) - 504100 Steam Transfer-Fuel	\$ (4,784,425)		
(E) - 509000 Allowances	\$ 1,892,702		
(F) - 547000 Fuel	\$ 319,140		
(P) - 555000 Purchased Power	\$ 6,368,161		
(P) - 555001 Purchased Power	\$ 3,926,558		\$ 11,830,376
(P) - 555101 Purchased Power	\$ 1,535,558		
1 Total energy cost (F, P and E)	\$ 22,743,474		
2a. Total SLP Sales kwh	\$ 1,074,582,194		
2b. Base Energy Rate	\$ 0.01799		
2 Base energy cost (B) * \$0.01799	\$ 19,331,734		
3 First Interim Total	\$ 3,411,740		
4 Base energy (Sa) by voltage level		900,909,146	173,673,048
4.1 Loss factors (Lv)		108.443%	106.231%
4.2 Sa adjusted for losses		976,974,420	184,495,165
4.3 Loss factor weights		84.115%	15.885%
5 Customer Responsibility			
6 Second Interim Total by voltage level	\$ 3,241,153	\$ 2,726,308	\$ 514,845
7 Adjustment for Under / Over recovery for prior periods (C)			
8 Interest (I)	\$ -	\$ -	\$ -
9 Fuel Adjustment Clause	\$ 52,981	\$ -	\$ 10,243
10 Estimated recovery period sales kWh (S _r)	\$ 2,779,289	\$ -	\$ 625,059
11 Current period cost adjustment factor	\$ 1,811,608,578	\$ 349,233,422	\$ -
12 Previous period cost adjustment factor	\$ 0.001534	\$ -	\$ 0.001503
13 Current annual cost adjustment factor	\$ -	\$ -	\$ -
		\$ 0.0015	\$ 0.0015

95%

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

	Source
CIS+ Secondary Customers	900,909,146
CIS+ Primary Customers - MO938	4,562,675
CIS+ Primary Customers - MO939	1,549,579
CIS+ Primary Customers - MO945	114,368,747
CIS+ Primary Customers - MO946	18,949,682
CIS+ Primary Customers - MO947	34,242,365
Total CIS+ (CS5005Y)	1,074,582,194
Total Wholesale Billings (Primary)	-
Total kwh	1,074,582,194

Aquila Networks - MPS

6-months accumulation period ending:

Variable Costs:

	Total 11/30/2007	Secondary	Primary
(F) - 501000 Fuel	\$ 31,956,983		
(E) - 509000 Allowances	\$ 1,556,248		
(F) - 547000 Fuel	\$ 12,668,845		
(F) - 547101 Fuel	\$ 4,619,968		
(P) - 555000 Purchased Power	\$ 44,096,312		
(P) - 555001 Purchased Power	\$ 1,703,651		
(P) - 555101 Purchased Power	\$ (1,535,658)		\$ 44,264,305
1 Total energy cost (F, P and E)	\$ 95,066,349		
2a. Total MPS Sales kwh	3,236,653,743		
2b. Base Energy Rate	\$ 0.02538		
2 Base energy cost (B) * \$0.02538	\$ 82,146,272		
3 First Interim Total	\$ 12,920,077		
4 Base energy (Sa) by voltage level			
4.1 Loss factors (Lv)			
4.2 Sa adjusted for losses			
4.3 Loss factor weights			
5 Customer Responsibility			
6 Second Interim Total by voltage level	95%		
7 Adjustment for Under / Over recovery for prior periods (C)	\$ 12,274,073	\$ 10,699,626	\$ 1,574,447
8 Interest (I)		\$ 226,791	\$ 34,412
9 Fuel Adjustment Clause		\$ 10,926,417	\$ 1,608,659
10 Estimated recovery period sales kwh (Sr)		\$ 5,351,039,650	\$ 808,901,440
11 Current period cost adjustment factor		\$ 0.002050	\$ 0.001989
12 Previous period cost adjustment factor		\$ 0.0020	\$ 0.0020
13 Current annual cost adjustment factor		\$ 0.0020	\$ 0.0020

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	2,810,243,477
CIS+ Primary Customers - MO716	122,735
CIS+ Primary Customers - MO725	16,235,980
CIS+ Primary Customers - MO735	383,933,277
CIS+ Primary Customers - MO737	9,685,984
Total CIS+ (CS6005Y)	3,220,221,453
Total Wholesale Billings (Primary)	16,432,290
Total kwh	3,236,653,743

Calculation supporting the voltage change

Voltage differentiation was settled in case No. ER-2007-0004.

7(A)4

Calculations underlying any seasonal variation in the FAC collection rate

None

WORKPAPERS

Aquila Networks - MPS

6-months accumulation period ending:

Variable Costs:

	Total 11/30/2007	Secondary	Primary
(F) - 501000 Fuel	\$ 31,966,983		
(E) - 509000 Allowances	\$ 1,556,248		
(F) - 547000 Fuel	\$ 12,668,845		
(F) - 547101 Fuel	\$ 4,619,968		
(P) - 555000 Purchased Power	\$ 44,096,312		
(P) - 555001 Purchased Power	\$ 1,703,651		
(P) - 555101 Purchased Power	\$ (1,535,658)		
1 Total energy cost (F, P and E)	\$ 95,066,349		
2a. Total MPS Sales kwh	3,236,653,743		
2b. Base Energy Rate	\$ 0.02538		
2 Base energy cost (B) * \$0.02538	\$ 82,146,272		
3 First Interim Total	\$ 12,920,077		
4 Base energy (Sa) by voltage level			
4.1 Loss factors (LV)			
4.2 Sa adjusted for losses			
4.3 Loss factor weights			
5 Customer Responsibility			
6 Second Interim Total by voltage level	95%		
7 Adjustment for Under / Over recovery for prior periods (C)	\$ 12,274,073	\$ 10,699,626	\$ 1,574,447
8 Interest (I)	\$ -	\$ -	\$ -
9 Fuel Adjustment Clause	\$ 226,791	\$ 34,412	\$ -
10 Estimated recovery period sales kWh (Sr)	\$ 10,926,417	\$ 1,608,859	\$ -
11 Current period cost adjustment factor	5,331,039,560	808,901,440	\$ -
12 Previous period cost adjustment factor	\$ 0.002050	\$ 0.001989	\$ -
13 Current annual cost adjustment factor	\$ -	\$ -	\$ -
	\$ 0.0020	\$ 0.0020	\$ -

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	2,810,243,477
CIS+ Primary Customers - MO716	122,735
CIS+ Primary Customers - MO725	16,235,980
CIS+ Primary Customers - MO735	383,933,277
CIS+ Primary Customers - MO737	9,685,984
Total CIS+ (CS5005Y)	3,220,221,453
Total Wholesale Billings (Primary)	16,432,290
Total kwh	3,236,653,743

Over/Under Accrual - Allocation:			
	MMW Billed	%	(Over)/Under
Residential	214,07.62	42.80%	\$ 531,323.35
Commercial	175,603.34	35.09%	\$ 435,585.69
Industrial	68,583.80	13.71%	\$ 170,219.64
Govt+Other	39,581.73	7.91%	\$ 98,238.76
Total CIs+	497,746.49		\$ 1,235,367.95
Wholesale	2,434.13	0.49%	\$ 6,041.32
Total	500,180.62	100.00%	\$ 1,241,409.27
diff	0		\$ -

Aquila Networks - MPS

Accumulation period ending:

Variable Costs:

(F) - 507000 Fuel	\$ 6,105,962
(E) - 509000 Allowances	\$ 334,625
(F) - 547000 Fuel	\$ 2,389,224
(F) - 547101 Fuel	\$ 1,443,445
(F) - 555000 Purchased Power	\$ 9,276,980
(F) - 555001 Purchased Power	\$ 203,292
(F) - 555101 Purchased Power	\$ 244,316
1 Total energy cost (F, P and E)	\$ 19,997,844
2a. Total MPS Sales kwh	\$ 557,156,105
2b. Base Energy Rate	\$ 0,02538
2 Base energy cost (B) * \$0.02538	\$ 14,140,622
3 First Interim Total	\$ 5,857,222

4 Base energy (Se) by voltage level	495,309,045	61,847,060
4.1 Loss factors (Lv)	107.433%	104.187%
4.2 Sa adjusted for losses	532,125,191	64,436,573
4.3 Loss factor weights	89.199%	10.801%

6	Second Interim Total by voltage level
7	Adjustment for Under / Over recovery for prior periods (C)
8	Interest (I)
9	Fuel Adjustment Clause
10	Estimated recovery period sales kWh (Sr)
11	Current period cost adjustment factor
12	Previous period cost adjustment factor
13	Current annual cost adjustment factor

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	495,309,045
CIS+ Primary Customers - MO716	10,000
CIS+ Primary Customers - MO725	2,125,546
CIS+ Primary Customers - MO735	55,237,052
CIS+ Primary Customers - MO737	1,478,602
Total CIS+ (CS6005Y)	554,160,245
Total Wholesale Billings (Primary)	2,995,860
Total kwh	557,156,105

Source

CS 6000	495,309,045
CS 5000	10,000
CS 5001	2,125,546
CS 5002	55,237,052
CS 5003	1,478,602
CS 5004	554,160,245
CS 5005	2,995,860
CS 5006	557,156,105

D Peterson

Total
7/31/2007

Secondary

Primary

Notes

Fuel/Variable
Emissions
Fuel-Variable
Hedge
PP NL
PP NL I/C
8/1/19 Allocation
Total Recoverable Cost

Accrual to A/C 173001

Accrual to A/C 173001

495,309,045	61,847,060
107.433%	104.187%
532,125,191	64,436,573
89.199%	10.801%

Over/Under Accrual - Allocation:

	MMH Billed	%	(Over)/Under	GL ACCT	BAD DEBT
Residential	275,166.39	49.39%	\$ 2,748,108.00	440002	0.560%
Commercial	182,050.55	32.67%	\$ 1,818,153.00	442002	
Industrial	66,441.75	11.93%	\$ 663,559.00	442102	
Gov't-Other	30,501.96	5.47%	\$ 304,621.00	445002	
Total CIS+	554,160.25		\$ 5,534,441.00		
Wholesale	2,995.86	0.54%	\$ 29,920.00	not booked-FERC FCA	
Total	557,156.11	100.00%	\$ 5,564,361.00		
diff			\$ 0.40		

Accumulation period ending:

	Accumulation period ending:			
Variable Costs:		Total	Secondary	Primary
		8/31/2007		
(F) - 501000 Fuel		\$ 5,888,078		Fuel-Variable
(E) - 509000 Allowances		\$ 244,443		Emissions
(F) - 547000 Fuel		\$ 5,803,741		Fuel-Variable
(F) - 547101 Fuel		\$ 2,072,616		Hedge
(P) - 555000 Purchased Power		\$ 13,111,546		PP NL
(P) - 555001 Purchased Power		\$ 226,974		PP NL I/C
(P) - 555101 Purchased Power		\$ (1,299,580)		84/19 Allocation
1 Total energy cost (F, P and E)		\$ 26,047,818		Total Recoverable Cost
2a. Total MPS Sales kWh		\$ 654,975,331		
2b. Base Energy Rate		\$ 0.02538		
2 Base energy cost (B) * \$0.02538		\$ 16,877,074		
3 First Interim Total		\$ 9,170,744		
4 Base energy / (Real buyback rate)				

4.1 Loss factors (L ₁)	107.433%	104.187%
4.2 Sa adjusted for losses	622,024,504	89,587,072
4.3 Loss factor weights	87.411%	12.589%
5 Customer Responsibility		
6		

6	Second Interim Total by voltage level	\$	8,712,207	\$	7,615,399	\$	1,096,808	Accrual to A/C 173001
7	Adjustment for Under / Over recovery for prior periods (c)	\$		\$		\$		
8	Interest (I)	\$		\$		\$		
9	Fuel Adjustment Clause	\$		\$		\$		
10	Estimated recovery period sales kWh (Sr)	\$	7,615,399	\$	1,096,808	\$		
11	Current period cost adjustment factor		0		0			
12	Previous period cost adjustment factor		#DIV/0!		#DIV/0!			
13	Current annual cost adjustment factor		#DIV/0!		#DIV/0!			

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CS+ Secondary Customers	578,988.495	CS 5000
CS+ Primary Customers - M0716	38,620	CS 5006
CS+ Primary Customers - M0725	1,886,832	CS 5006
CS+ Primary Customers - M0735	78,808,888	CS 5006
CS+ Primary Customers - M0737	1,647,746	CS 5006
CS+ Primary Customers - M0738		CS 5006
Total CS+ (CS5005)	661,368,591	CS 5005
Total Wholesale Billings (Primary)	3,606,740	W Payment
Total kWh	664,975,331	

Over/Under Accrual - Allocation:			
	MMW Billed	%	(Over)/Under
Residential	334,745.14	50.34%	\$ 4,385,650.00
Commercial	202,521.29	30.46%	\$ 2,653,343.00
Industrial	71,162.91	10.70%	\$ 932,344.00
Gov't-Other	52,939.25	7.96%	\$ 693,586.00
Total CIs+	661,368.59		\$ 8,664,953.00
Wholesale	3,606.74	0.54%	\$ 47,254.00
Total	664,975.33	100.00%	\$ 8,712,207.00
diff	(9)		\$ (0.20)

	GL ACCT	BAD DEBT
	440002	0.560%
	442002	\$ 8,664,953.00
	442102	\$ 48,524.00
	445002	

not booked-FERC FCA

Aquila Networks - MPS

Accumulation period ending:

Variable Costs:

(F) - 501000 Fuel	\$ 4,968,133
(E) - 509000 Allowances	\$ 323,290
(F) - 547000 Fuel	\$ 2,280,777
(F) - 547101 Fuel	\$ 1,104,004
(F) - 555000 Purchased Power	\$ 4,997,609
(F) - 555001 Purchased Power	\$ 352,883
(F) - 555101 Purchased Power	\$ (35,152)
1 Total energy cost (F, P and E)	\$ 13,997,154
2a. Total MPS Sales kwh	\$ 634,557,870
2b. Base Energy Rate	\$ 0.02538
2 Base energy cost (B) * \$0.02538	\$ 16,105,079
3 First Interim Total	\$ (2,113,535)

4 Base energy (Sa) by voltage level	558,366,877	76,190,993
4.1 Loss factors (Lv)	107.433%	104.187%
4.2 Sa adjusted for losses	589,870,089	79,381,080
4.3 Loss factor weights	88.313%	11.687%

5 Customer Responsibility	
6 Second Interim Total by voltage level	
7 Adjustment for Under / Over recovery for prior periods (C)	
8 Interest (I)	
9 Fuel Adjustment Clause	
10 Estimated recovery period sales kWh (Sr)	
11 Current period cost adjustment factor	
12 Previous period cost adjustment factor	
13 Current annual cost adjustment factor	

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	558,366,877	Source
CIS+ Primary Customers - MO716	25,080	CS 50001
CIS+ Primary Customers - MO725	4,356,738	CS 50001
CIS+ Primary Customers - MO735	68,112,573	CS 50001
CIS+ Primary Customers - MO737	793,662	CS 50001
Total CIS+ (CS50051)	631,654,930	CS 50001
Total Wholesale Billings (Primary)	2,902,940	CS 50001
Total kWh	634,557,870	CS 50001

Total
9/30/2007

Secondary

Primary

Notes

Fuel-Variable
Emissions
Fuel-Variable
Hedge
PP NL
PP NL I/C
81/19 Allocation
Total Recoverable Cost

Accrual to A/C 173001

558,366,877	76,190,993
107.433%	104.187%
589,870,089	79,381,080
88.313%	11.687%

Over/Under Accrual - Allocation:

	MMH Billed	%	(Over)/Under	GL ACCT	BAD DEBT
Residential	316,740.23	49.92%	\$ (1,002,225.00)	440002	0.560%
Commercial	199,332.68	31.41%	\$ (630,725.00)	442002	
Industrial	71,020.70	11.19%	\$ (224,723.00)	442102	
Gov't-Other	44,561.33	7.02%	\$ (141,000.00)	445002	
Total CIS+	631,654.93		\$ (1,998,673.00)		
Wholesale	2,902.94	0.46%	\$ (9,185.00)		
Total	634,557.87	100.00%	\$ (2,007,858.00)		
Diff			\$ 0.20		

not booked-FERC FCA

Aquila Networks - MPS

Accumulation period ending:

Variable Costs:

	Total	Secondary	Primary	Notes
(F) - 501000 Fuel	\$ 5,241,766			Fuel-Variable
(E) - 509000 Allowances	\$ 272,402			Emissions
(F) - 547000 Fuel	\$ 1,373,792			Fuel-Variable
(F) - 547101 Fuel	\$ 812,137			Hedge
(P) - 555000 Purchased Power	\$ 2,790,283			PP NL
(P) - 555001 Purchased Power	\$ 355,183			PP NL I/C
(P) - 555101 Purchased Power	\$ 89,930			81/19 Allocation
1 Total energy cost (F, P and E)	\$ 10,915,494			Total Recoverable Cost
2a. Total MPS Sales kWh	\$ 471,737,146			
2b. Base Energy Rate	\$ 0.02538			
2 Base energy cost (B) * \$0.02538	\$ 11,972,689			
3 First Interim Total	\$ (1,057,195)			
4 Base energy (Sa) by voltage level				
4.1 Loss factors (Lv)				
4.2 Sa adjusted for losses				
4.3 Loss factor weights				
5 Customer Responsibility				
6 Second Interim Total by voltage level	\$ (1,004,336)			
7 Adjustment for Under / Over recovery for prior periods (C)	\$ (862,630)			
8 Interest (I)	\$ (141,705)			
9 Fuel Adjustment Clause	\$ (862,630)			
10 Estimated recovery period sales kWh (Sr)	\$ (141,705)			
11 Current period cost adjustment factor	\$ 0			
12 Previous period cost adjustment factor	\$ #DIV/0!			
13 Current annual cost adjustment factor	\$ #DIV/0!			

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	403,404,981	CS 50000	Source
CIS+ Primary Customers - MO716	20,360	CS 50000	
CIS+ Primary Customers - MO725	3,476,845	CS 50000	
CIS+ Primary Customers - MO735	60,072,127	CS 50000	
CIS+ Primary Customers - MO737	2,498,093	CS 50000	
Total CIS+ (CS5005V)	469,472,426	CS 5005V	
Total Wholesale Billings (Primary)	2,264,720	D. Peterson	
Total kWh	471,737,146		

Over/Under Accrual - Allocation:			
	MMH Billed	%	(Over)/Under
Residential	199,125.86	42.21%	\$ (423,942.00)
Commercial	167,955.13	35.60%	\$ (357,579.00)
Industrial	64,996.22	13.78%	\$ (138,378.00)
Govt-Other	37,395.22	7.93%	\$ (79,615.00)
Total CIS+	469,472.43		\$ (999,514.00)
Wholesale	2,264.72	0.48%	\$ (4,822.00)
Total	471,737.15	100.00%	\$ (1,004,336.00)
diff	-		\$ (1.02)

GL ACCT
440002
442002
442102
445002
BAD DEBT
0.560%
\$ (999,514.00)
\$ (5,597.00)

Aquila Networks - MPS

Accumulation period ending:

Variable Costs:

	Total	Secondary	Primary	Notes
(F) - 501000 Fuel	\$ 3,622,797			Fuel-Variable
(E) - 509000 Allowances	\$ 18,503			Emissions
(F) - 547000 Fuel	\$ 182,541			Fuel-Variable
(F) - 547101 Fuel	\$ (1,521,190)			Hedge
(P) - 555000 Purchased Power	\$ 7,933,154			PP NL
(P) - 555001 Purchased Power	\$ 376,511			PP NL I/C
(P) - 555101 Purchased Power	\$ (499,999)			81/19 Allocation
1 Total energy cost (F,P and E)	\$ 10,112,318			Total Recoverable Cost
2a. Total MPS Sales kwh	\$ 408,046,668			
2b. Base Energy Rate	\$ 0.02538			
2 Base energy cost (B) * \$0.02538	\$ 10,356,224			
3 First Interim Total	\$ (243,907)			
4 Base energy (Sa) by voltage level				
4.1 Loss factors (Lv)				
4.2 Sa adjusted for losses				
4.3 Loss factor weights				
5 Customer Responsibility				
6 Second Interim Total by voltage level				
7 Adjustment for Under / Over recovery for prior periods (C)	\$ (231,711)	\$ (197,180)	\$ (34,531)	Accrual to A/C 173001
8 Interest (I)	\$	\$	\$	
9 Fuel Adjustment Clause	\$ (197,180)	\$	\$ (34,531)	Accrual to A/C 173001
10 Estimated recovery period sales kwh (Sr)	\$	\$	\$	
11 Current period cost adjustment factor	#DIV/0!	#DIV/0!	#DIV/0!	
12 Previous period cost adjustment factor	#DIV/0!	#DIV/0!	#DIV/0!	
13 Current annual cost adjustment factor	#DIV/0!	#DIV/0!	#DIV/0!	

95%

345,631,535	62,415,133
107.433%	104.187%
371,322,204	65,028,431
85.097%	14.903%

Input values	
Fixed values	
Calculations	

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

Source	
CIS+ Secondary Customers	345,631,535
CIS+ Primary Customers - MO716	11,799
CIS+ Primary Customers - MO725	2,696,304
CIS+ Primary Customers - MO735	55,853,989
CIS+ Primary Customers - MO737	1,625,141
Total CIS+ (CS6005Y)	405,818,768
Total Wholesale Billings (Primary)	2,227,900
Total kwh	408,046,668
D Peterson	

Over/Under Accrual - Allocation:				
	MMH Billed	%	(Over)/Under	GL ACCT
Residential	164,090.51	40.21%	\$ (93,180.00)	440002
Commercial	145,727.82	35.71%	\$ (82,752.00)	442002
Industrial	64,121.46	15.71%	\$ (36,412.00)	442102
Gov't-Other	31,878.98	7.81%	\$ (18,103.00)	445002
Total CIS+	405,818.77		\$ (230,447.00)	
Wholesale	2,227.90	0.55%	\$ (1,265.00)	
Total	408,046.67	100.00%	\$ (231,712.00)	
diff	-		\$ (0.80)	

not booked-FERC FCA
BAD DEBT
0.560%
\$ (230,447.00)
\$ (1,291.00)
NO JE

MISSOURI PUBLIC SERVICE
FAC BALANCE BY RECOVERY PERIOD & INTEREST CALCULATION

OPEN ITEM-RTF20072												
Accumulation period												
Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
CUM (Over)/Under Accrued	1,235,368	5,534,441	8,684,953	-1,998,673	-899,514							
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	1,235,368	6,799,809	15,434,762	13,436,089	12,536,575	12,206,128	12,206,128	12,206,128	12,206,128	12,206,128	12,206,128	12,206,128
Monthly/STD Rate		0.54%	0.58%	0.53%	0.50%	0.53%						
CUM Accrued Interest		6,681.00	38,039.00	82,190.00	67,068.00	66,225.00						
CUMM Accrued Interest Balance		6,681	45,720	127,910	194,978	261,203	261,203	261,203	261,203	261,203	261,203	261,203
Annual True-up												
OPEN ITEM BALANCE	1,235,368	6,776,490	15,480,482	13,563,969	12,531,553	12,467,331						
OPEN ITEM-RTF20081												
Accumulation period												
Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Recovery Period												
Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Recovery Period												
Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
CUM (Over)/Under Accrued												
CUM (Over)/Under Recovery												
CUMM (Over)/Under Balance	0	0	0	0	0	0	0	0	0	0	0	0
Monthly/STD Rate												
CUM Accrued Interest												
CUMM Accrued Interest Balance	0	0	0	0	0	0	0	0	0	0	0	0
Annual True-up												
Filing and Approval												
Jan-23	Feb-23	Mar-23	Apr									

WORKPAPERS

Aquila Networks - L&P

6-months accumulation period ending:

Variable Costs:

	Total 11/30/2007	Secondary	Primary
(F) - 507000 Fuel	\$ 13,485,681		
(F) - 504100 Steam Transfer-Fuel	\$ (4,784,425)		
(E) - 509000 Allowances	\$ 1,892,702		
(F) - 547000 Fuel	\$ 319,140		
(P) - 555000 Purchased Power	\$ 6,368,161		
(P) - 555001 Purchased Power	\$ 3,926,558		
(P) - 555101 Purchased Power	\$ 1,535,658		
1 Total energy cost (F, P and E)	\$ 22,743,474		
2a. Total SUIP Sales kwh	\$ 1,074,582,194		
2b. Base Energy Rate	\$ 0.01799		
2 Base energy cost (B) * \$0.01799	\$ 19,331,734		
3 First Interim Total	\$ 3,411,740		
4 Base energy (Sa) by voltage level			
4.1 Loss factors (Lv)			
4.2 Sa adjusted for losses			
4.3 Loss factor weights			
5 Customer Responsibility			
6 Second Interim Total by voltage level			
7 Adjustment for Under / Over recovery for prior periods (C)	\$ 3,241,153	\$ 2,726,308	\$ 514,845
8 Interest (I)			
9 Fuel Adjustment Clause			
10 Estimated recovery period sales KWh (Sr)			
11 Current period cost adjustment factor			
12 Previous period cost adjustment factor			
13 Current annual cost adjustment factor			

95%

900,909,146 173,673,048
108.443% 106.231%
976,974,420 184,495,165
84.115% 15.885%

Input values
Fixed values
Calculations

\$ 52,981	\$ 10,213
\$ 2,779,289	\$ 525,059
\$ 1,811,608,578	\$ 349,233,422
\$ 0.001534	\$ 0.001503
\$ -	\$ -
\$ 0.0015	\$ 0.0015

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	900,909,146	CS 50000
CIS+ Primary Customers - MO938	4,582,675	CS 50000
CIS+ Primary Customers - MO939	1,549,579	CS 50000
CIS+ Primary Customers - MO945	114,368,747	CS 50000
CIS+ Primary Customers - MO946	18,949,682	CS 50000
CIS+ Primary Customers - MO947	34,242,365	CS 50000
Total CIS+ (CS5005Y)	1,074,582,194	CS 50000
Total Wholesale Billings (Primary)	-	CS 50000
Total kwh	1,074,582,194	

Aquila Networks - L&P

Accumulation period ending:

Variable Costs:

	Total	Secondary	Primary	Notes
(F) - 501000 Fuel	2,216,897			Fuel-Variable
(F) - 504100 Steam Transfer-Fuel	(754,533)			Fuel-Variable (Transfer between electric and industrial steam)
(E) - 509000 Allowances	329,401			Emissions
(F) - 547000 Fuel	26,619			Fuel-Variable
(P) - 555000 Purchased Power	875,398			PP NL
(P) - 555001 Purchased Power	653,289			PP NL I/C
(P) - 555101 Purchased Power	15,173			81/19 Allocation
1 Total energy cost (F, P and E)	3,382,221			Total Recoverable Cost
2a. Base Energy Rate	169,091,500			
2b. Base energy cost (B) * \$0.01799	0.01799			
3 First Interim Total	3,041,956			
4 Base energy (Ss) by voltage level	320,265			
4.1 Loss factors (LW)				
4.2 Ss adjusted for losses				
4.3 Loss factor weights				
5 Customer Responsibility				
6 Second Interim Total by voltage level				
7 Adjustment for Under / Over recovery for prior periods (C)	95%			
8 Interest (I)	\$ 304,251	\$ 255,311	\$ 48,941	Accrual to A/C 173001
9 Fuel Adjustment Clause	\$ -	\$ -	\$ -	Accrual to A/C 173001
10 Estimated recovery period sales KWh (Sr)	\$ -	\$ -	\$ -	
11 Current period cost adjustment factor	\$ -	\$ -	\$ -	
12 Previous period cost adjustment factor	\$ -	\$ -	\$ -	
13 Current annual cost adjustment factor	\$ -	\$ -	\$ -	

141,418,533	27,672,967
108.443%	106.231%
153,358,738	29,397,357
83.914%	16.086%

Input values	
Fixed values	
Calculations	
#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	141,418,533	CS 50001
CIS+ Primary Customers - MO938	795,615	CS 50001
CIS+ Primary Customers - MO939	143,998	CS 50001
CIS+ Primary Customers - MO945	18,322,095	CS 50001
CIS+ Primary Customers - MO946	2,437,646	CS 50001
CIS+ Primary Customers - MO947	5,973,613	CS 50001
Total CIS+ (CS5005Y)	169,091,500	CS 50001
Total Wholesale Billings (Primary)	169,091,500	CS 5005Y

Over/Under Accrual - Allocation:			
	KWH Billed	%	Over/Under GL ACCT
Residential	53,460,378	31.62%	\$ 96,192.88
Commercial	63,959,737	37.83%	\$ 115,064.69
Industrial	50,794,358	30.04%	\$ 91,395.83
Govt/Other	877,027	0.52%	\$ 1,578.06
Total CIS+	169,091,500		
Wholesale	0	0.00%	\$ -
Total	169,091,500	100.00%	\$ 304,251.46
Diff			\$ -
			not booked-FERC FCA
			BAD DEBT
			0.460%
			\$ 304,251.46
			\$ 1,399.56

DEBT
0.460%
330.306
6.119

Aquila Networks - L&P

Accumulation period ending:

Variable Costs:

	Total	Secondary	Primary	Notes
(F) - 501000 Fuel	\$ 1,860,961			Fuel/Variable
(F) - 504100 Steam Transfer-Fuel	\$ (782,019)			Fuel/Variable (Transfer between electric and industrial steam)
(E) - 509000 Allowances	\$ 299,288			Emissions
(F) - 547000 Fuel	\$ 10,867			Fuel/Variable
(P) - 555000 Purchased Power	\$ 1,451,157			PP NL
(P) - 555001 Purchased Power	\$ 371,251			PP NL IJC
(P) - 555101 Purchased Power	\$ 35,152			87/19 Allocation
1 Total energy cost (F-P and E)	\$ 3,246,458			Total Recoverable Cost
2a. Total SLP Sales kwh	\$ 198,692,965			
2b. Base Energy Rate	\$ 0.01799			
2 Base energy cost (B) * \$0.01799	\$ 3,574,486			
3 First Interim Total	\$ (328,020)			
4 Base energy (Ss) by voltage level				
4.1 Loss factors (Lx)				
4.2 Ss adjusted for losses				
4.3 Loss factor weights				
5 Customer Responsibility				
6 Second Interim Total by voltage level				
7 Adjustment for Under / Over recovery for prior periods (C)	\$ (311,627)	\$ (264,739)	\$ (46,888)	Accrual to A/C 173001
8 Interest (I)				
9 Fuel Adjustment Clause				
10 Estimated recovery period sales kWh (S)				Accrual to A/C 173001
11 Current period cost adjustment factor				
12 Previous period cost adjustment factor				
13 Current annual cost adjustment factor				

95%

198,269,792	30,423,173
182,477,094	108,231%
84,954%	15,046%

\$ (264,739)	\$ (46,888)
\$ (264,739)	\$ (46,888)
#DIV/0!	#DIV/0!
\$	\$
#DIV/0!	#DIV/0!

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	168,269,792	Source
CIS+ Primary Customers - MO938	863,190	CS 50001
CIS+ Primary Customers - MO939	298,877	CS 50006
CIS+ Primary Customers - MO945	20,091,838	CS 50008
CIS+ Primary Customers - MO946	2,932,140	CS 50009
CIS+ Primary Customers - MO947	6,237,128	CS 50006
Total CIS+ (CS9005Y)	198,692,965	CS 50009
Total Wholesale Billings (Primary)	-	CS 5005Y
Total kwh	198,692,965	

Over/Under Accrual - Allocation:

	KWH Billed	%	Over/Under	GL ACCT	BAD DEBT
Residential	75,261,052	37.89%	\$ (118,039)	440002	0.460%
Commercial	69,297,037	34.88%	\$ (108,664)	442002	
Industrial	53,249,185	26.80%	\$ (93,515)	442102	
Govt/Other	885,691	0.45%	\$ (1,389)	445002	
Total CIS+	198,692,965				
Wholesale	0	0.00%	\$ -		
Total	198,692,965	100.00%	\$ (311,627)		
			\$ (0)		

not booked-FERC FCA

Aquila Networks - L&P

Accumulation period ending:

Variable Costs:

	Total	Secondary	Primary	Notes
(F) - 501000 Fuel	\$ 2,201,810			Fuel-Variable
(F) - 504100 Steam Transfer-Fuel	\$ (932,345)			Fuel-Variable (Transfer between electric and industrial steam)
(E) - 509000 Allowances	\$ 333,359			Emissions
(F) - 547000 Fuel	\$ 4,103			Fuel-Variable
(P) - 555000 Purchased Power	\$ 985,680			PP NL
(P) - 555101 Purchased Power	\$ 116,708			PP NL I/C
1 Total energy cost (F, P and E)	\$ 2,639,385			81/19 Allocation
2a. Base Energy Rate	\$ 158,367,122			Total Recoverable Cost
2 Base energy cost (B) * \$0.01799	\$ 0,01799			
3 First Interim Total	\$ 2,849,025			
4 Base energy (Sa) by voltage level	\$ (209,639)			
4.1 Loss factors (Lv)				
4.2 Sa adjusted for losses				
4.3 Loss factor weights				
5 Customer Responsibility				
6 Second Interim Total by voltage level				
7 Adjustment for Under / Over recovery for prior periods (C)	\$ (199,157)	\$ (164,027)	\$ (35,130)	Accrual to A/C 173001
8 Interest (I)				
9 Fuel Adjustment Clause				
10 Estimated recovery period sales KWh (Sr)				
11 Current period cost adjustment factor				
12 Previous period cost adjustment factor				
13 Current annual cost adjustment factor				

129,955,058	28,412,064		
108,443%	106,231%		
140,927,382	30,182,510		
82.361%	17.639%		

Accrual to A/C 173001			
Accrual to A/C 173001			

Input values
Fixed values
Calculations

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	129,955,058	Source
CIS+ Primary Customers - MO938	654,803	C/S E000
CIS+ Primary Customers - MO939	315,374	C/S S000
CIS+ Primary Customers - MO945	18,128,843	C/S S000
CIS+ Primary Customers - MO946	4,138,351	C/S S000
CIS+ Primary Customers - MO947	5,174,693	C/S S000
Total CIS+ (CS5005V)	158,367,122	C/S S000
Total Wholesale Billings (Primary)	158,367,122	C/S S000

129,955,058	28,412,064		
108,443%	106,231%		
140,927,382	30,182,510		
82.361%	17.639%		

Accrual to A/C 173001			
Accrual to A/C 173001			

Accrual to A/C 173001			
Accrual to A/C 173001			

Over/Under Accrual - Allocation:	KWH Billed	%	Over/Under	GL ACCT
Residential	47,827,905	30.20%	\$ (60,147)	440002
Commercial	59,189,861	37.36%	\$ (74,435)	442002
Industrial	50,461,066	31.86%	\$ (63,459)	442102
Gov't/Other	886,270	0.56%	\$ (1,117)	445002
Total CIS+	158,367,122	0.00%	\$ -	
Wholesale	0	0.00%	\$ -	
Total	158,367,122	100.00%	\$ (199,157)	

diff	158,367,122	100.00%	\$ (199,157)	
			\$ (0)	

BAD DEBT	0.460%
	\$ (199,157)
	\$ -

not booked-FERC FCA	
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<u>BAD DEBT</u>	
0.460%	
\$ 160,660	
<u>\$ 739</u>	

**ST. JOSEPH LIGHT&POWER
FAC BALANCE BY RECOVERY PERIOD & INTEREST CALCULATION**

[illegible]

MISSOURI PUBLIC SERVICE
12 Months Ended 9/30/07
Per Books
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
RATE BASE AND RATE OF RETURN

<u>Total Company Rate Base</u>		<u>Measurement Basis</u>		12 Months Ended 9/30/2007
Plant in Service				
	Intangible	End of Period		251
	Production - Steam	End of Period		370,411
	Production - Other	End of Period		191,272
	Transmission	End of Period		231,435
	Distribution	End of Period		695,987
	General	End of Period		<u>124,660</u>
	Total Plant in Service			\$ 1,614,018
Reserve for Depreciation				
	Intangible	End of Period		234
	Production - Steam	End of Period		218,483
	Production - Other	End of Period		36,397
	Transmission	End of Period		74,552
	Distribution	End of Period		257,837
	General	End of Period		<u>47,170</u>
	Total Reserve for Depreciation			<u>634,672</u>
Net Plant				979,346
Add				
	Materials & Supplies	13 Mo Avg		25,778
	Cash	From prior rate case including offsets	CWC	(18,558)
	Fuel Inventory	13 Mo Avg		27,322
	Prepayments	13 Mo Avg		2,105
	Other Regulatory Assets	End of Period		4,371
Less				
	Customer Deposits	13 Mo Avg		(4,848)
	Customer Advances	13 Mo Avg		(9,547)
	Accumulated Deferred Income Taxes	End of Period		(108,288)
	Other Regulatory Liabilities	End of Period		(2,724)
Other Items from Prior Rate Case		Per Rate Case method		<u>-</u>
Total Rate Base				<u>\$ 894,958</u>
Net Operating Income				58,725
Return on Rate Base				6.56%

MISSOURI PUBLIC SERVICE
12 Months Ended 9/30/07
Per Books
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
CAPITAL STRUCTURE AND RATE OF RETURN

Overall Cost of Capital

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 492,512,083	51.64%	6.51%	3.36%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	-	0.00%		0.00%
Other	-	0.00%		0.00%
Common Equity	461,149,621	48.36%	10.25%	4.96%
Total Overall Cost of Capital	<u>\$ 953,661,704</u>	<u>100.00%</u>		8.32%

Based on Rate Case Rate of Return on Equity

Actual Earned Return on Equity

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 492,512,083	51.64%	6.51%	3.36%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	-	0.00%		0.00%
Other	-	0.00%		0.00%
Common Equity	461,149,621	48.36%	6.62%	3.20%
Total Overall Cost of Capital	<u>\$ 953,661,704</u>	<u>100.00%</u>		6.56%

Actual Rate of Return on Equity

Missouri Public Service
Quarter Ended and 12 Months Ended
Per Books
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
OPERATING INCOME STATEMENT

	Quarter Ended As of Qtr3	12 Months Ended As of September 2007
Operating Revenues:		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ 99,074	\$ 246,002
Commercial	48,083	132,747
Industrial	13,163	38,322
Total of Sales to Residential, Commercial, & Industrial Customers	\$ 160,320	\$ 417,072
Other Sales to Ultimate Customers	10,366	29,516
Sales for Resale		
Off-System Sales	17,536	63,285
Other Sales for Resale	473	1,514
Provision for Refunds	-	-
Other Operating Revenues	2,612	9,066
Total Operating Revenues	\$ 191,308	\$ 520,453
Operating & Maintenance Expenses:		
Production Expenses		
Fuel Expense		
Native Load	35,571	108,406
Off-System Sales	877	3,142
Other Production-Operations	3,237	12,850
Other Production-Maintenance	4,616	17,607
Purchased Power-Energy		
Native Load	27,079	76,553
Off-System Sales	14,881	51,894
Purchased Power-Capacity	5,488	10,785
Total Production Expenses	91,749	281,237
Transmission Expenses	6,634	24,228
Distribution Expenses	5,632	20,841
Customer Accounts Expense	2,807	11,079
Customer Service & Informational Expenses	53	272
Sales Expenses	100	419
Administrative & General Expenses	13,041	48,955
Total Operating & Maintenance Expenses	\$ 120,015	\$ 387,032
Depreciation & Amortization Expense:		
Depreciation Expense	11,851	47,740
Amortization Expense	82	834
Decommissioning Expense	-	-
Other	-	-
Total Depreciation & Amortization Expense	11,933	48,575
Taxes Other than Income Taxes	3,182	12,914
Operating Income Before Income Tax	56,178	71,934
Income Taxes	18,833	13,208
Net Operating Income	\$ 37,345	\$ 58,725
Actual Cooling Degree Days	1,175	1,657
Normal Cooling Degree Days	936	1,325
Actual Heating Degree Days	28	4,694
Normal Heating Degree Days	65	5,249

MISSOURI PUBLIC SERVICE
12 Months Ended 9/30/07
Per Books
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
Missouri Jurisdictional Allocation Factors

<u>Description</u>	<u>Allocation Factor</u>
Plant in Service	
Intangible	99.433%
Production - Steam	99.463%
Production - Other	99.463%
Transmission	99.463%
Distribution	99.433%
General	99.448%
Total Plant in Service	99.449%
Reserve for Depreciation	
Intangible	99.433%
Production - Steam	99.463%
Production - Other	99.463%
Transmission	99.463%
Distribution	99.433%
General	99.448%
Total Reserve for Depreciation	99.450%
Net Plant	
Materials & Supplies	99.453%
Cash	
Fuel Inventory	99.485%
Prepayments	99.448%
Other Regulatory Assets	99.385%
Customer Deposits	100.000%
Customer Advances	100.000%
Accumulated Deferred Income Taxes	99.448%
Other Regulatory Liabilities	99.454%
Other Items from Prior Rate Case	n/a
Operating Revenues	100.000%
Intercompany Revenues	100.000%
Production Expenses	
Fuel Expense	
Native Load	99.485%
Off System Sales	99.463%
Other Production Operations	99.484%
Other Production Maintenance	99.463%
Purchased Power-Energy	99.485%
Native Load	99.485%
Off System Sales	99.485%
Purchased Power-Capacity	99.463%
Total Production Expenses	99.482%
Transmission Expenses	99.463%
Distribution Expenses	99.433%
Customer Accounts Expense	100.000%
Customer Serv & Info Expense	100.000%
Sales Expense	100.000%
Administrative & General Expense	99.467%
Depreciation Expense	
Depreciation Expense	99.448%
Amortization Expense	99.448%
Taxes Other than Income Taxes	99.449%
Income Taxes	100.000%
Other Items	99.448%

MISSOURI PUBLIC SERVICE
Quarter Ended and 12 Months Ended 9/30/07
Per Books
FINANCIAL SURVEILLANCE MONITORING REPORT

NOTES TO FINANCIAL SURVEILLANCE REPORT

ST. JOSEPH LIGHT & POWER
12 Months Ended 9/30/07
Per Books \$(000)
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
RATE BASE AND RATE OF RETURN

<u>Total Company Rate Base</u>	<u>Measurement Basis</u>	<u>12 Months Ended 9/30/2007</u>
Plant in Service		
Intangible	End of Period	75
Production - Steam	End of Period	155,008
Production - Other	End of Period	17,282
Transmission	End of Period	31,905
Distribution	End of Period	170,479
General	End of Period	<u>41,932</u>
Total Plant in Service		\$ 416,680
Reserve for Depreciation		
Intangible	End of Period	-
Production - Steam	End of Period	96,195
Production - Other	End of Period	16,740
Transmission	End of Period	19,275
Distribution	End of Period	74,488
General	End of Period	<u>15,095</u>
Total Reserve for Depreciation		<u>221,793</u>
Net Plant		194,887
Add		
Materials & Supplies	13 Mo Avg	7,453
Cash	From prior rate case including offsets	(8,102)
Fuel Inventory	13 Mo Avg	9,352
Prepayments	13 Mo Avg	1,235
Other Regulatory Assets	End of Period	20,317
Less		
Customer Deposits	13 Mo Avg	(951)
Customer Advances	13 Mo Avg	(126)
Accumulated Deferred Income Taxes	End of Period	(14,088)
Other Regulatory Liabilities	End of Period	-
Other Items from Prior Rate Case	Per Rate Case method	<u>-</u>
Total Rate Base		<u>\$ 209,977</u>
Net Operating Income		8,150
Return on Rate Base		3.88%

ST. JOSEPH LIGHT & POWER
12 Months Ended 9/30/07
Per Books
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
CAPITAL STRUCTURE AND RATE OF RETURN

Overall Cost of Capital

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 162,511,000	52.89%	7.75%	4.10%
Short-Term Debt	-	0.00%	0.00%	0.00%
Preferred Stock	-	0.00%	0.00%	0.00%
Other	-	0.00%	0.00%	0.00%
Common Equity	144,772,941	47.11%	10.25%	4.83%
Total Overall Cost of Capital	<u>\$ 307,283,941</u>	<u>100.00%</u>		8.93%

Based on Rate Case Rate of Return on Equity

Actual Earned Return on Equity

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 162,511,000	52.89%	7.75%	4.10%
Short-Term Debt		0.00%	0.00%	0.00%
Preferred Stock	-		0.00%	0.00%
Other	-		0.00%	0.00%
Common Equity	144,772,941	47.11%	-0.46%	-0.21%
Total Overall Cost of Capital	<u>\$ 307,283,941</u>	<u>100.00%</u>		3.88%

Actual Rate of Return on Equity

St. Joseph Light Power
Quarter Ended and 12 Months Ended
Per Books
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
OPERATING INCOME STATEMENT

	Quarter Ended As of Qtr3	12 Months Ended As of September 2007
Operating Revenues:		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ 20,147	\$ 53,578
Commercial	13,762	39,819
Industrial	8,284	25,004
Total of Sales to Residential, Commercial, & Industrial Customers	\$ 42,192	\$ 118,401
Other Sales to Ultimate Customers	361	1,416
Sales for Resale		
Off-System Sales	1,916	6,224
Other Sales for Resale	-	-
Provision for Refunds	-	-
Other Operating Revenues	5,048	19,897
Total Operating Revenues	\$ 49,517	\$ 145,939
Operating & Maintenance Expenses:		
Production Expenses		
Fuel Expense		
Native Load	8,399	30,675
Off-System Sales	544	1,725
Other Production-Operations	2,318	8,664
Other Production-Maintenance	1,651	7,717
Purchased Power-Energy		
Native Load	7,996	35,129
Off-System Sales	823	2,317
Purchased Power-Capacity	2,403	7,159
Total Production Expenses	24,134	93,386
Transmission Expenses	1,693	6,374
Distribution Expenses	1,523	5,584
Customer Accounts Expense	667	2,733
Customer Service & Informational Expenses	31	148
Sales Expenses	20	93
Administrative & General Expenses	4,356	17,410
Total Operating & Maintenance Expenses	\$ 32,423	\$ 125,708
Depreciation & Amortization Expense:		
Depreciation Expense	2,913	11,889
Amortization Expense	14	46
Decommissioning Expense	-	-
Other	-	-
Total Depreciation & Amortization Expense	2,927	11,935
Taxes Other than Income Taxes	958	3,937
Operating Income Before Income Tax	13,209	4,359
Income Taxes	5,123	(3,791)
Net Operating Income	\$ 8,086	\$ 8,150
Actual Cooling Degree Days	1,175	1,657
Normal Cooling Degree Days	936	1,325
Actual Heating Degree Days	28	4,694
Normal Heating Degree Days	65	5,249

ST. JOSEPH LIGHT & POWER
12 Months Ended 9/30/07
FINANCIAL SURVEILLANCE MONITORING REPORT
Missouri Jurisdictional Allocation Factors

<u>Description</u>	<u>Allocation Factor</u>
Plant in Service	
Intangible	100.000%
Production - Steam	100.000%
Production - Other	100.000%
Transmission	100.000%
Distribution	100.000%
General	100.000%
Total Plant in Service	100.000%
Reserve for Depreciation	100.000%
Intangible	100.000%
Production - Steam	100.000%
Production - Other	100.000%
Transmission	100.000%
Distribution	100.000%
General	100.000%
Total Reserve for Depreciation	100.000%
Net Plant	100.000%
Materials & Supplies	100.000%
Cash	100.000%
Fuel Inventory	100.000%
Prepayments	100.000%
Other Regulatory Assets	100.000%
Customer Deposits	100.000%
Customer Advances	100.000%
Accumulated Deferred Income Taxes	100.000%
Other Regulatory Liabilities	100.000%
Other Items from Prior Rate Case	100.000%
Operating Revenues	100.000%
Intercompany Revenues	100.000%
Production Expenses	100.000%
Fuel Expense	100.000%
Native Load	100.000%
Off System Sales	100.000%
Other Production Operations	100.000%
Other Production Maintenance	100.000%
Purchased Power-Energy	100.000%
Native Load	100.000%
Off System Sales	100.000%
Purchased Power-Capacity	100.000%
Total Production Expenses	100.000%
Transmission Expenses	100.000%
Distribution Expenses	100.000%
Customer Accounts Expense	100.000%
Customer Serv & Info Expense	100.000%
Sales Expense	100.000%
Administrative & General Expense	100.000%
Depreciation Expense	
Depreciation Expense	100.000%
Amortization Expense	100.000%
Taxes Other than Income Taxes	100.000%
Income Taxes	100.000%
Other Items	100.000%

ST. JOSEPH LIGHT & POWER
Quarter Ended and 12 Months Ended 9/30/07
Per Books
FINANCIAL SURVEILLANCE MONITORING REPORT

NOTES TO FINANCIAL SURVEILLANCE REPORT

**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 Required)	Case No. _____
by 4 CSR 240-20.090(4) and the Company's)	
Approved Fuel and Purchased Power Cost)	
Recovery Mechanism)	

MOTION FOR WAIVER

Aquila, Inc., d/b/a Aquila Networks – MPS and Aquila Networks – L&P (“Aquila” or “Company”), by and through its undersigned counsel, and pursuant to and in accordance with 4 CSR 240-2.015, hereby moves the Missouri Public Service Commission (“Commission”) for an order granting the Company a waiver of certain of the requirements of 4 CSR 240-3.161(5). In support of its motion, Aquila states as follows:

1. Contemporaneously with this motion, Aquila has filed rate schedules that, if approved by the Commission, will allow the Company to implement rate adjustments that are required by 4 CSR 240-20.090(4) as well as by the terms of the Company's own fuel adjustment clause (“FAC”), which was approved by the Commission in Case No. ER-2007-0004.

2. The Commission's rules governing the administration of approved FACs require Aquila to periodically submit certain information specified in those rules. The provisions of 4 CSR 240-3.161(6) require that the Company submit Surveillance Monitoring Reports quarterly, and the report for the quarter ending September 2007 accompanies the rate schedules that Aquila is filing in this case. In addition, 4 CSR 240-

3.161(5) requires the Company to submit monthly reports that include a range of financial information specified in that rule. Those reports are to be submitted no later than sixty days after the end of the month being reported; however, because 4 CSR 240-3.161(5)(A) calls for information regarding “revenues billed pursuant to the RAM by rate class and voltage level,” Aquila believed that its first monthly report did not have to be submitted until after the Company’s initial, FAC-related rate adjustment had occurred.

3. As it prepared to file the rate schedules required to adjust its FAC-related rates, the Company became concerned that its interpretation of 4 CSR 240-3.161(5)(A) was incorrect. Therefore, in an abundance of caution, on December 10, 2007, Aquila submitted financial reports for the months of June, July, August, and September 2007 as well as a report for October 2007, the latest month for which the required financial data are available. In accordance with the Commission’s rules, the Company submitted copies of these reports to the Commission Staff, the Office of the Public Counsel, as well as to each party to Aquila’s last general rate case, Case No. ER-2007-0004.

4. Because 4 CSR 240-090(4) requires, *inter alia*, that a company seeking to adjust rates in accordance with its approved FAC be current on the submission of both its quarterly Surveillance Monitoring Reports as well as all monthly reports required by 4 CSR 240-3.161(5), Aquila believes a waiver of the Commission’s rules may be required to remedy the Company’s confusion about when submission of the monthly reports was to commence, which delayed the filing of the reports for June through September 2007 beyond the sixty days specified in the rule. If a waiver is required, good cause exists for that waiver because ambiguity in the Commission’s rule caused Aquila reasonably to conclude that its obligation to submit monthly reports did not commence until after its

initial, FAC-related rate adjustment. Moreover, delaying the filing of the monthly financial reports for June through September 2007 until December 10th did not significantly disadvantage or create hardship for the Commission Staff, the Office of the Public Counsel, or any of the other parties that received copies of those reports. Even with the delayed filings, each of these parties will have ample time to review the reports in conjunction with the rate schedules and supporting data that are being filed concurrently with this motion and to then make their views known to the Commission on the rate adjustment that Aquila is requesting.

WHEREFORE, for the reasons stated above, if the Commission determines that 4 CSR 240-3.161(5) requires that monthly financial reports be submitted commencing with the first month following the approval of the Company's FAC, then Aquila requests the Commission grant the Company's request for a waiver of the requirement that the monthly financial reports for the months of June, July, August, and September 2007 be submitted within sixty days of the end of the month being reported.

Respectfully submitted,



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ATTORNEYS FOR AQUILA, INC.

CERTIFICATE OF SERVICE

I hereby certify that the undersigned has caused a complete copy of the attached document to be electronically filed and served on the Commission's Office of General Counsel (at gencounsel@psc.mo.gov) and on the Office of Public Counsel (at opcservice@ded.mo.gov) and also to be served electronically or by U.S. Mail on the following counsel of record on this 28th day of December, 2007.

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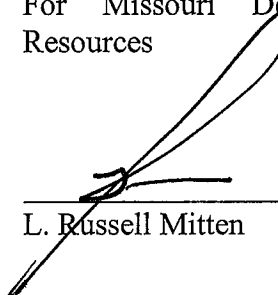
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For Missouri Department of Natural Resources



L. Russell Mitten

**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 Required)	Case No. _____
by 4 CSR 240-20.090(4) and the Company's)	
Approved Fuel and Purchased Power Cost)	
Recovery Mechanism)	

MOTION FOR PROTECTIVE ORDER

Aquila, Inc., d/b/a Aquila Networks – MPS and Aquila Networks – L&P (“Aquila” or “Company”), by and through its undersigned counsel, hereby moves the Missouri Public Service Commission (“Commission”) for protective order pursuant to 4 CSR 240-2.085. In support of its motion, Aquila states as follows:

1. Contemporaneously with this motion, Aquila has filed rate schedules that, if approved by the Commission, will allow the Company to implement rate adjustments that are required by 4 CSR 240-20.090(4) as well as by the terms of the Company's own fuel adjustment clause (“FAC”), which was approved by the Commission in Case No. ER-2007-0004. In support of these rate schedules, the Company is required to file information specified in 4 CSR 240-3.161(7), which includes some information that is highly confidential and/or proprietary.

2. In addition, Aquila anticipates that during the course of the Commission's consideration of these FAC-related rate schedules other parties likely will undertake discovery that require the Company to disclose information that is highly confidential, proprietary, or both.

3. In view of the foregoing, Aquila desires that the Commission issue a protective order in this case that will cover all information that is designated either "Highly Confidential" or "Proprietary." When that occurs, the Company will file the information required by 4 CSR 240-3.161(7) that has been designated "Highly Confidential" or "Proprietary" and will provide copies of that information to the Commission's General Counsel, the Office of the Public Counsel, and all other parties to Aquila's most recent general rate case, Case No. ER-2007-0004.

WHEREFORE, Aquila moves the Commission to issue the protective order requested in this motion.

Respectfully submitted,



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ATTORNEYS FOR AQUILA, INC.

CERTIFICATE OF SERVICE

I hereby certify that the undersigned has caused a complete copy of the attached document to be electronically filed and served on the Commission's Office of General Counsel (at gencounsel@psc.mo.gov) and on the Office of Public Counsel (at opcservice@ded.mo.gov) and also to be served electronically or by U.S. Mail on the following counsel of record on this 28th day of December, 2007.

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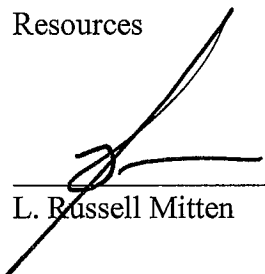
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