ROBERT K. ANGSTEAD ROBERT J. BRUNDAGE MARK W. COMLEY LANETTE R. GOOCH CATHLEEN A. MARTIN NEWMAN, COMLEY & RUTH P.C. ATTORNEYS AND COUNSELORS AT LAW 601 MONROE STREET, SUITE 301 P.O. BOX 537 JEFFERSON CITY, MISSOURI 65102-0537 TELEPHONE: (573) 634-2266 FACSIMILE: (573) 636-3306 www.nerpe.com

January 10, 2006

MARTIN A. MILLER STEPHEN G. NEWMAN THOMAS R. O'TOOLE JOHN A. RUTH ALICIA EMBLEY TURNER

FILED⁴

JAN 1 0 2006

Missouri Public Service Commission

The Honorable Colleen M. Dale Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102-0360

Case No. ER-2005-0436 Re:

Dear Judge Dale:

Please find enclosed for filing in the referenced matter the original and five copies of the Prehearing Brief of the City of Kansas City, Missouri.

Would you please bring this filing to the attention of the appropriate Commission personnel.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

Comley

Mark W. Comley

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Enclosure

Office of Public Counsel cc: General Counsel's Office James C. Swearengen John Coffman Paul DeFord Stuart Conrad

Jeffrey A. Keevil **Craig Paulson** Shelley Woods William Steinmeier William D. Geary

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of Aquila, Inc. d/b/a Aquila Networks - MPS and Aquila Networks - L&P for Authority to File Tariffs Increasing Electric Rates for the Service Provided to Customers in the Aquila Networks - MPS and Aquila Networks - L&P Areas

Missouri Public Service Commission

JAN 1 0 2006

Case No. ER-2005-0436

PREHEARING BRIEF OF THE CITY OF KANSAS CITY

Over the span of five years or more, the City of Kansas City (the City) has been a party to cases before this Commission involving the rates to be charged and the practices followed by electric and gas companies operating in and around the metropolitan area.¹ One of the purposes for the City's appearance in those cases, as in this one, was and is to advance and preserve the low income weatherization program that the City administers in a unique civic partnership with public utilities, and departments and agencies of the state and federal governments. As the history of the footnoted cases will attest, the low income weatherization program administered by the City through its Neighborhood and Community Services Department² has grown more popular with citizens, ratepayers and utilities. The program is effective and efficient; it accomplishes its objectives with accountability; it can stand on a record of success; and, it is still a powerful way to assist low income consumers in the management of their energy needs and their means of payment.

¹In the Matter of Tariff Revisions of Missouri Gas Energy, a division of Southern Union Company, Designed to Increase Rates for Natural Gas Service to Customers in the Missouri Service Area of the Company, Case No. GR-2001-292; In the Matter of Aquila, Inc., d/b/a Aquila Networks L&P and Aquila Networks MPS Application to Implement a General Rate Increase in Electricity, Case No. ER-2004-0034; In the Matter of Aquila, Inc., d/b/a Aquila Networks – MPS and Aquila Networks – L&P, Natural Gas General Rate Increase Case No. GR-2004-0072.

² Formerly the Department of Housing and Community Development.

The City has sponsored Robert T. Jackson as its only witness. He has filed surrebuttal testimony. Mr. Jackson is the Weatherization Program Administrator within the City's Neighborhoods and Community Services Department.

As Mr. Jackson reports in his surrebuttal testimony, on March 16, 2004, the parties to Aquila's previous rate case, Case Number ER-2004-0034 filed a Unanimous Stipulation and Agreement addressing issues related to the case. The stipulation was approved by the Commission effective April 22, 2004. In that stipulation Aquila agreed to fund through shareholder funds, on an annual basis and until the next general rate proceeding involving its Missouri electric rates, \$93,500 that may be used for a low-income weatherization program that is consistent with federal weatherization assistance program guidelines. This was a groundbreaking moment for Aquila.

Aquila implemented the program and Mr. Jackson could account for only two problems it has encountered; one, that Aquila should be more active in the application process for the program, and the other, its low funding. Otherwise, Aquila's low income weatherization assistance program is effective, and in Mr. Jackson's words, "[c]ontinuation of this program is most important." [emphasis added].³ He joins other parties in his support of this program, but emphasizes the need for an increase in weatherization funds.

Ms. Anita Randolph, Director of the Missouri Energy Center within the Missouri Department of Natural Resources recommended in her direct testimony a continuation of Aquila's program but at higher levels. She has proposed that Aquila commit \$108,000 in annual

³If permitted this supplement to this testimony at hearing, Mr. Jackson would state that the City has exhausted all funds that were available under its latest contract with Aquila (Contract ID 11070) and has asked Aquila for additional funding to meet present demand.

funding for low income weatherization. The administration of the program under federal guidelines would not change. (Randolph Direct at page 16) Ms. Lena Mantle, Manager of the Energy Department, Missouri Public Service Commission, testifies in support of Ms. Randolph's recommendation further adding that the costs of the program should be divided between Aquila's shareholders and ratepayers. (Mantle Rebuttal, page 2-3)

The City is in agreement with Ms. Randolph and Ms. Mantle.

In summary, the City requests that the Commission approve and direct that Aquila continue the low income weatherization program at an annual funding level of \$108,000 the costs of which to be shared equally by the company's shareholders and ratepayers.

Respectfully submitted,

Mark W. Comley #28847 NEWMAN, COMLEY & RUTH P.C. 601 Monroe Street, Suite 301 P.O. Box 537 Jefferson City, MO 65102-0537 (573) 634-2266 (573) 636-3306 (FAX)

Attorneys for Intervener, City of Kansas City, Missouri

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, on this 10th day of January, 2006, to:

James C. Swearengen Brydon, Swearengen & England P.O. Box 456 Jefferson City, MO 65102

John Coffman 871 Tuxedo Blvd. St. Louis, MO 63119

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William Steinmeier PO Box 104595 Jefferson City, MO 65110

Shelley Woods P.O. Box 899 Jefferson City, MO 65102-0899 Office of Public Counsel P.O. Box 2230 Jefferson City, MO 65102

Stu Conrad 3100 Broadway, Suite 1209 Kansas City, MO 64111

Jeffrey Keevil 4603 John Garry Dr., Suite 11 Columbia, MO 65203 General Counsel's Office Public Service Commission P.O. Box 360 Jefferson City, MO 65102

Paul DeFord 2345 Grand Blvd. Kansas City, MO 64106-2684

Major Craig Paulson 139 Barnes Dr. Tyndall Air Force Base, FL 32403

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