BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Tariff Filing of Aquila, Inc., to) Implement a General Rate Increase for Retail) Electric Service Provided to Customers in its) Aquila Networks—MPS and Aquila Networks—) L&P Missouri Service Areas.)

Case No. ER-2007-0004 Tariff No. YE-2007-0001

<u>RESPONSE TO STAFF'S RECOMMENDATION TO APPROVE</u> <u>CERTAIN TARIFF SHEETS</u>

COMES NOW the Office of the Public Counsel and for its Response to Staff's Recommendation o Approve Certain Tariff Sheets¹ states as follows:

1. On May 17, 2007^2 the Commission issued its Report and Order, in which

it, *inter alia*, rejected the tariff sheets requesting a general rate increase filed by Aquila, Inc. to initiate this case. The Commission also ordered Aquila to file – before midnight on May 20 – new tariff sheets that would produce a very substantial increase, albeit somewhat less than Aquila originally requested.

2. On May 18, Aquila filed new tariff sheets that bear an effective date of May 31. On May 21, Aquila filed new tariff sheets that bear an effective date of June 20. The May 21 tariff sheets necessarily supersede and replace the May 18 tariffs. On May 23 at 4:31 P.M., Aquila filed a third set of tariffs intended to comply with the

¹ The full caption of Staff's pleading is "STAFF'S RECOMMENDATION TO APPROVE CERTAIN TARIFF SHEETS FILED BY AQUILA TO COMPLY WITH THE COMMISSION'S APRIL 12, 2007 ORDER APPROVING STIPULATION AND AGREEMENT AS TO CERTAIN ISSUES AND THE COMMISSION'S MAY 17, 2007 REPORT AND ORDER"

² Unless otherwise noted, all dates refer to calendar year 2007.

Commission's Report and Order. Neither the second nor the third tariff filings comply with the Commission's order which required filing by midnight on May 20.

3. On May 23 at 5:41 P.M. the Staff filed a recommendation to approve a portion of the third set of tariffs. Staff's recommendation was filed barely an hour after the tariffs were filed.

4. Staff's recommendation states that, with respect to only a portion of the tariff filing, "Aquila is **substantially** in compliance with the Commission's Report and Order." [Emphasis added.] Because of the headlong pace at which the Commission is intent on approving some tariffs – any tariffs – the parties apparently will not have an opportunity to inquire as to what that qualifier means. However, it certainly seems to imply that the tariffs do not completely and totally comply with the Report and Order.

5. Staff's recommendation finds that only a portion of the tariff filing complies with the Report and Order, and Staff recommends that the Commission pick and choose which pages out of the filing to approve and reject. The Commission has always taken the position that it cannot, or at least should not, approve part and reject part of a tariff. The Commission has always treated a tariff filing as an indivisible whole, and it has always approved, suspended or rejected the entire filing. If a tariff filing includes increases in certain charges on one page and decreases in other charges on another, can the Commission decide to approve only one or the other? If the Commission can approve only certain pages, can it approve only certain lines or certain paragraphs? In its rush to approve Aquila's tariff sheets in this case, it seems unlikely the Commission has considered the ramifications of this significant change in policy and procedure.

WHEREFORE, Public Counsel respectfully requests that the Commission reject

2

Staff's recommendation to approve a portion of Aquila's May 23 tariff filing.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By:____

Lewis R. Mills, Jr. (#35275) Public Counsel P O Box 2230 Jefferson City, MO 65102 (573) 751-1304 (573) 751-5562 FAX <u>lewis.mills@ded.mo.gov</u>

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties this 24th day of May 2007.

Office General Counsel Missouri Public Service Commission 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 GenCounsel@psc.mo.gov

John B Coffman AARP 871 Tuxedo Blvd. St. Louis, MO 63119-2044 john@johncoffman.net

Stuart Conrad AG Processing, Inc 3100 Broadway, Suite 1209 Kansas City, MO 64111 stucon@fcplaw.com Nathan Williams Missouri Public Service Commission 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 Nathan.Williams@psc.mo.gov

David Woodsmall AG Processing, Inc 428 E. Capitol Ave., Suite 300 Jefferson City, MO 65102 dwoodsmall@fcplaw.com

James B Lowery AmerenUE 111 South Ninth St., Suite 200 P.O. Box 918 Columbia, MO 65202-0918 lowery@smithlewis.com Thomas M Byrne AmerenUE 1901 Chouteau Avenue P.O. Box 66149 (MC 1310) St. Louis, MO 63166-6149 tbyrne@ameren.com

Dean L Cooper Aquila Networks 312 East Capitol P.O. Box 456 Jefferson City, MO 65102 dcooper@brydonlaw.com

James C Swearengen Aquila Networks 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 LRackers@brydonlaw.com

Russell L Mitten Aquila Networks 312 E. Capitol Ave P.O. Box 456 Jefferson City, MO 65102 rmitten@brydonlaw.com

Mary Ann Young City of St. Joseph, Missouri 2031 Tower Drive P.O. Box 104595 Jefferson City, MO 65110-4595 myoung0654@aol.com

Jeremiah D Finnegan County of Jackson, Missouri 3100 Broadway, Suite 1209 Kansas City, MO 64111 jfinnegan@fcplaw.com Renee Parsons Aquila Networks 20 West 9th Street Kansas City, MO 64105 renee.parsons@aquila.com

Diana C Carter Aquila Networks 312 E. Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 DCarter@brydonlaw.com

Paul A Boudreau Aquila Networks 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 PaulB@brydonlaw.com

Mark W Comley City of Kansas City, Missouri 601 Monroe Street., Suite 301 P.O. Box 537 Jefferson City, MO 65102-0537 comleym@ncrpc.com

William D Steinmeier City of St. Joseph, Missouri 2031 Tower Drive P.O. Box 104595 Jefferson City, MO 65110-4595 wds@wdspc.com

Capt Frank Hollifield Federal Executive Agencies AFCESA/ULT 139 Barnes Drive, Suite 1 Tyndall Air Force Base, FL 32403-5319 frank.hollifield@tyndall.af.mil Shelley A Woods Missouri Department of Natural Resources P.O. Box 899 Jefferson City, MO 65102-0899 shelley.woods@ago.mo.gov

Stuart Conrad Sedalia Industrial Energy Users Association 3100 Broadway, Suite 1209 Kansas City, MO 64111 stucon@fcplaw.com

Rick D Chamberlain The Commercial Group 6 NE 63rd Street, Ste. 400 Oklahoma City, OK 73105 rdc_law@swbell.net David Woodsmall Sedalia Industrial Energy Users Association 428 E. Capitol Ave., Suite 300 Jefferson City, MO 65102 dwoodsmall@fcplaw.com

Koriambanya S Carew The Commercial Group 2400 Pershing Road, Suite 500 Crown Center Kansas City, MO 64108 carew@bscr-law.com

/s/ Lewis R. Mills, Jr.

By:_____