



Aquila

Scott Keith
 Manager-Kansas/Colorado
 Regulatory Services

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 10700 East 350 Highway
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 Kansas City, MO 64138
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November 25, 2003

Ms. Sandy Potter
 Public Utilities Commission
 of Colorado
 1580 Logan Street
 Office Level 2
 Denver, CO 80203

Re: Advice Letter No. 586-Aquila, Inc.

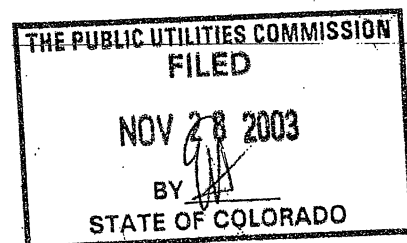
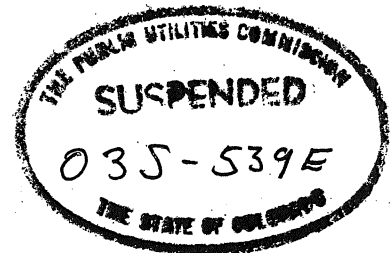
Dear Ms. Potter:

Enclosed are an original and fifteen copies of the revised Aquila Networks-WPC tariff book P.U.C. No. 7, tariff sheets No. 1 through No. 68, Rules and Regulations sheets R1 through R50, an original and 15 copies of Advice letter No. 586, and 15 copies of supporting information. The supporting information includes testimony and supporting exhibits. As indicated in the attached Advice letter Aquila, is requesting an effective date of January 1, 2004 for the revised Tariff and revised Rules and Regulations. Please stamp one copy of the advice letter, the tariff sheets, rules and regulations and supporting information for my files and return it to me at the above address using the pre-addressed UPS air bill. If you have any questions concerning this letter or the filing, please contact me at your earliest convenience.

Sincerely,

W. Scott Keith
 Regulatory Services

Cc: Mr. Gary Stone
 Mr. Steve Denman
 Mr. William H. McEwan
 Mr. Rick Fanyo
 Mr. Steve Southwick
 Mr. John J. Roberts





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December 1, 2003

Advice No. 586

ORIGINAL

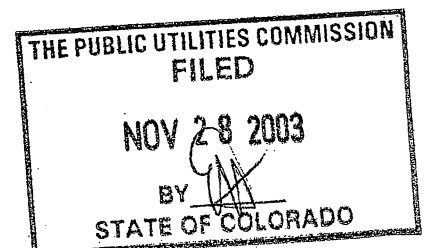
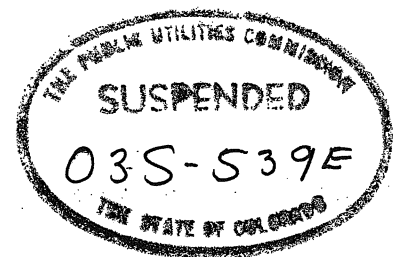
Public Utilities Commission
of the State of Colorado
1580 Logan Street
Office Level 2
Denver, CO 80203

The accompanying tariff sheet (s) issued by Aquila, Inc., doing business as Aquila Networks-WPC ("Aquila"), is sent to you for filing in compliance with the requirements of the Public Utilities Law and the following sheets are attached:

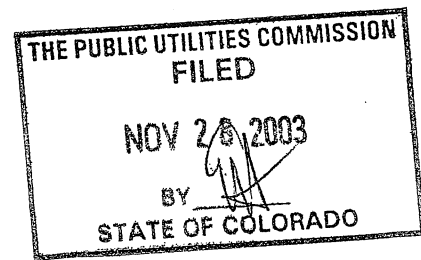
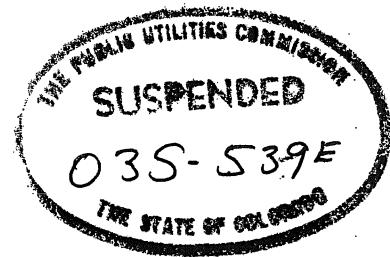
COLORADO P.U.C. NO. 7

Cancels all tariff sheets in
Colorado P.U.C. No. 6

<u>Colorado P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
Original Sheet No. 1	Schedule of Rates
Original Sheet No. 2	Table of Contents
Original Sheet No. 3	Table of Contents
Original Sheet No. 4	Rate Schedules
Original Sheet No. 5	Rate Schedules
Original Sheet No. 6	Residential Electric Service
Original Sheet No. 7	Residential Electric Service
Original Sheet No. 8	Small General Service-Non-Demand
Original Sheet No. 9	Small General Service-Non-Demand
Original Sheet No. 10	Small General Service-Demand
Original Sheet No. 11	Small General Service-Demand
Original Sheet No. 12	Large General Service-Secondary
Original Sheet No. 13	Large General Service-Secondary
Original Sheet No. 14	Large General Service-Primary
Original Sheet No. 15	Large General Service-Primary
Original Sheet No. 16	Large Power Service-Secondary
Original Sheet No. 17	Large Power Service-Secondary
Original Sheet No. 18	Large Power Service-Primary
Original Sheet No. 19	Large Power Service-Primary
Original Sheet No. 20	Large Power Service-Primary
Original Sheet No. 21	Irrigation Pumping
Original Sheet No. 22	Irrigation Pumping
Original Sheet No. 23	Irrigation Pumping
Original Sheet No. 24	Cogeneration & Small Power Production
Original Sheet No. 25	Cogeneration & Small Power Production
Original Sheet No. 26	Private Area Lighting
Original Sheet No. 27	Private Area Lighting
Original Sheet No. 28	Street & Highway Lighting
Original Sheet No. 29	Street & Highway Lighting
Original Sheet No. 30	Street & Highway Lighting
Original Sheet No. 31	Street & Highway Lighting
Original Sheet No. 32	Traffic Signal Lighting



Original Sheet No. R19	Rules and Regulations
Original Sheet No. R20	Rules and Regulations
Original Sheet No. R21	Rules and Regulations
Original Sheet No. R22	Rules and Regulations
Original Sheet No. R23	Rules and Regulations
Original Sheet No. R24	Rules and Regulations
Original Sheet No. R25	Rules and Regulations
Original Sheet No. R26	Rules and Regulations
Original Sheet No. R27	Rules and Regulations
Original Sheet No. R28	Rules and Regulations
Original Sheet No. R29	Rules and Regulations
Original Sheet No. R31	Rules and Regulations
Original Sheet No. R32	Rules and Regulations
Original Sheet No. R33	Rules and Regulations
Original Sheet No. R34	Rules and Regulations
Original Sheet No. R35	Rules and Regulations
Original Sheet No. R36	Rules and Regulations
Original Sheet No. R37	Rules and Regulations
Original Sheet No. R38	Rules and Regulations
Original Sheet No. R39	Rules and Regulations
Original Sheet No. R40	Rules and Regulations
Original Sheet No. R41	Rules and Regulations
Original Sheet No. R42	Rules and Regulations
Original Sheet No. R43	Rules and Regulations
Original Sheet No. R44	Rules and Regulations
Original Sheet No. R45	Rules and Regulations
Original Sheet No. R46	Rules and Regulations
Original Sheet No. R47	Rules and Regulations
Original Sheet No. R48	Rules and Regulations
Original Sheet No. R49	Rules and Regulations
Original Sheet No. R50	Rules and Regulations



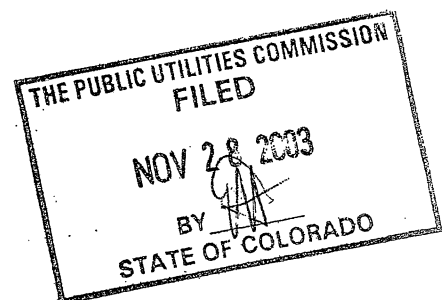
This Phase II rate case is being filed pursuant to Decision Nos C03-0697 in Docket No. 02S-594E. The principal purpose of this filing is to redesign the existing base electric rates so that they are based more closely to the cost to serve each of the customer classes. These proposed rates also incorporate the general rate increase of \$16,000,000 authorized by the Commission in Decision No. C03-0697 in Docket No. 02S-594E. In addition, the attached Incentive Cost Adjustment tariff includes the base cost of energy authorized by the Commission in Decision No. C03-0697 of \$0.02243 per kilowatt-hour.

The proposed proposed tariffs will produce \$118,890,870, or the overall level of revenue authorized by the Commission in Decision No. C03-0697, and result in an annual increase in the Company's base electric rates of approximately \$16,000,000 based upon the revenue requirement established in Docket No. 02S-594E.

Due to the extensive tariff changes proposed in this filing, Aquila has elected to file an entirely new set of tariffs under P.U.C. No. 7 rather than attempt to revise the individual tariffs sheets included in its P.U.C. 6 tariffs. These proposed tariffs are included in Appendix A. In addition to the proposed changes in base electric rates, Aquila is also proposing changes to its existing Rules and Regulations. The proposed changes to the rules and regulations are included in Appendix C.

In total this filing, if approved by the Public Utilities Commission, will increase the Company's overall base electric rates by approximately \$16,000,000 or 15.6 percent. The Company has filed direct testimony and exhibits in support of its proposed tariffs, including schedules that display the Company's class cost of service study. As indicated in the Company's class cost of service study and other supporting

Original Sheet No. 33	Street/Security Lighting
Original Sheet No. 34	Street/Security Lighting
Original Sheet No. 35	Street/Security Lighting
Original Sheet No. 36	Street/Security Lighting
Original Sheet No. 37	Street/Security Lighting
Original Sheet No. 38	Street/Security Lighting
Original Sheet No. 39	Street/Security Lighting
Original Sheet No. 40	Incentive Cost Adjustment
Original Sheet No. 41	Incentive Cost Adjustment
Original Sheet No. 42	Incentive Cost Adjustment
Original Sheet No. 43	Tax/Fee Adjustment
Original Sheet No. 44	Auxiliary Service
Original Sheet No. 45	Demand Side Management Cost Adj.
Original Sheet No. 46	Demand Side Management Cost Adj.
Original Sheet No. 47	Demand Side Management Cost Adj.
Original Sheet No. 48	Demand Side Management Cost Adj.
Original Sheet No. 49	Voluntary Load Curtailment Rider
Original Sheet No. 50	Voluntary Load Curtailment Rider
Original Sheet No. 51	Voluntary Load Curtailment Rider
Original Sheet No. 52	Voluntary Load Curtailment Rider
Original Sheet No. 53	Voluntary Load Curtailment Rider
Original Sheet No. 54	Voluntary Load Curtailment Rider
Original Sheet No. 55	Municipal Underground Cost Recovery
Original Sheet No. 56	Municipal Underground Cost Recovery
Original Sheet No. 57	Municipal Underground Cost Recovery
Original Sheet No. 58	Form Contract for Electric Service
Original Sheet No. 59	Form Contract for Electric Service
Original Sheet No. 60	Form Contract for Electric Service
Original Sheet No. 61	Form Contract for Electric Service
Original Sheet No. 62	Form Contract for Electric Service
Original Sheet No. 63	Form Contract for Electric Service
Original Sheet No. 64	Form Contract for Electric Service
Original Sheet No. 65	Form Contract for Electric Service
Original Sheet No. 66	Form Contract for Electric Service
Original Sheet No. 67	Form Contract for Electric Service
Original Sheet No. 68	Purchased Power Rider
Original Sheet No. R1	Rules and Regulations
Original Sheet No. R2	Rules and Regulations
Original Sheet No. R3	Rules and Regulations
Original Sheet No. R4	Rules and Regulations
Original Sheet No. R5	Rules and Regulations
Original Sheet No. R6	Rules and Regulations
Original Sheet No. R7	Rules and Regulations
Original Sheet No. R8	Rules and Regulations
Original Sheet No. R9	Rules and Regulations
Original Sheet No. R10	Rules and Regulations
Original Sheet No. R11	Rules and Regulations
Original Sheet No. R12	Rules and Regulations
Original Sheet No. R13	Rules and Regulations
Original Sheet No. R14	Rules and Regulations
Original Sheet No. R15	Rules and Regulations
Original Sheet No. R16	Rules and Regulations
Original Sheet No. R17	Rules and Regulations
Original Sheet No. R18	Rules and Regulations



documentation, the proposed tariffs will result in the following changes in electric revenue by customer class:

Customer Class	Revenue Prior to July 2003 Increase	Proposed Revenue	Proposed Change	Proposed Percentage Change	July 2003 Authorized Percentage Change	Increase/ (Decrease)
Residential	\$39,378,126	\$46,674,825	\$7,296,699	18.41%	15.60%	2.81%
Small Gen. Ser.	18,226,451	20,901,673	2,675,222	14.60%	15.60%	(1.00)%
Large Gen. Ser.	20,785,717	23,228,393	2,442,676	11.67%	15.60%	(3.93)%
Large Pow. Ser	20,634,941	23,395,372	2,760,431	13.31%	15.60%	(2.29)%
Lighting	2,436,837	2,897,125	460,288	18.81%	15.60%	3.21%
Irrigation	490,310	566,535	76,225	15.55%	15.60%	(0.5%)
Unbilled	601,284	601,284	0	0%	15.60%	0%
Total Sales	102,553,666	117,663,923	15,711,541			
Misc. Fees	364,632	625,663	261,031	71.59%	0%	71.59%
Total Revenue	\$102,918,298	\$118,289,586	\$15,972,572	15.52%	15.60%	(0.0008)%

As indicated above, while the rates proposed in this filing produce revenues essentially equivalent to those authorized in Decision No. C03-0697 in Docket No. 02S-594E, the increase by individual rate classification is different. For example, the rates to the residential customers were increased by 15.6 percent in July 2003. Under the proposal in this filing the residential rates will increase by an additional 2.81 percent, while the small general service and large power customers will see an overall decrease from the authorized surcharge rates that were effective July 1, 2003.

Customers of the Company will be notified of the this filing pursuant to the requirements of the Public Utilities Law, and by general notice published in the Pueblo Chieftain, Canon City Daily Record, and The Rocky Ford Daily Gazette, newspapers of the general circulation in the Aquila electric service territory. A copy of the official notice is attached hereto as Appendix B.

It is desired that the proposed tariffs and the proposed Rules and Regulations accompanying this advice letter become effective on 30 days' notice, or on January 1, 2004. Finally, if the Commission decides to set these tariffs for hearing and to suspend their effective date, Aquila requests that in its suspension order the Commission schedule a pre-hearing conference in this matter for a date after the close of the intervention period, so that the parties may establish a procedural schedule and hearing dates that are agreeable to all parties. During the running of the notice period, Aquila commits to work with the Commission's administrative staff in scheduling the prehearing conference for a date on which both the Commission's calendar and Aquila's representatives are available.

Sincerely,



W. Scott Keith
Aquila, Inc.

