



Aquila

C06-0613

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Aquila Networks - WPC

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April 24, 2006

Advice No. 602

Public Utilities Commission
of the State of Colorado
Attn. Ms. Bonnie Ford
1580 Logan Street
Office Level 2
Denver, CO 80203

The accompanying tariff sheets issued by Aquila, Inc. d/b/a Aquila Networks-WPC ("Aquila") are 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

<u>Colorado P.U.C.</u> <u>Sheet Number</u>	<u>Title of Sheet</u>	<u>Cancels Colorado</u> <u>P.U.C. Sheet Number</u>
First Revised Sheet No. 2	Table of Contents	Original Sheet No. 2
First Revised Sheet No. 4	Table of Contents	Original Sheet No. 4
Original Sheet No. 11.1	General Service Seasonal - Secondary	
Original Sheet No. 11.2	General Service Seasonal - Secondary	
Original Sheet No. 11.3	General Service Seasonal - Secondary	

The purpose of this filing is to submit tariff sheets containing a proposed new General Service Seasonal - Secondary rate. This new rate is necessary to provide relief to a small group of customers who are experiencing significant increases in their electric bills.

In March 2005 Aquila implemented new rates resulting from a Phase II proceeding in accordance with Decision No. C04-1570. One of the objectives of the design of these rates was to provide stronger incentives for non-residential customers to improve their load factors. This was accomplished by adding a load factor blocked energy charge, minimum demand charges and greater billing demand ratchets. However, these incentive mechanisms have had an unintended consequence on a small group of customers with unique load shapes which have been identified as "seasonal customers". These customers have in season demands that can be 200 times greater than their off season demands. In off season months under the new rates this can result in a monthly bill that is 800 times greater than the bill under the old rates. Aquila believes this unintended consequence of the new Phase II rate design is unacceptable and Aquila proposes the new General Service Seasonal rate as an interim solution. During the prior Phase II hearings there was a great deal of testimony and discussion of what constitutes rate shock. These customers are experiencing something beyond any party's definition and their experience is inconsistent with the Commission's desire to avoid serious rate shock to small groups of customers. (See, Decision No. C04-1570, pages 11-12.)

The desired relief is accomplished by creating a new rate nearly identical to the current rate being applied to these customers, but without the minimum billing demand or the demand ratchet. By placing these

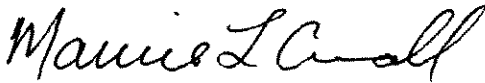
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customers on a separate rate, Aquila will also be able to collect load information sufficient to develop a more appropriate cost based rate for these customers in the next Phase II case filed with the Commission.

Aquila recognizes that this new rate is not a perfect solution as these customers will no longer be under a truly cost based rate. However, this concern cannot be effectively addressed until the next Phase II proceeding and no other customers will be adversely impacted by the creation of this new rate. There will be a minimal loss of revenue until rates are adjusted in the future and Aquila understands and accepts this consequence.

Notice of this tariff filing will be provided pursuant to the requirements of the Public Utilities Law. It is desired that the changed tariff sheets accompanying this advice letter become effective on May 25, 2006.

Cordially,

A handwritten signature in cursive script, reading "Maurice L. Arnall".

Maurice L. Arnall
Director Regulatory Services
Aquila Networks - WPC

Aquila Networks – WPC
105 South Victoria
Pueblo, Colorado 81003-0075

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Colo. PUC No. 7

First Revised Sheet No. 2

Cancels Original Sheet No. 2

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Signature of Issuing Officer <i>Maurice L. Small</i>	Issue Date April 24, 2006	
Title Director - Regulatory Services Aquila, Inc.	Effective Date May 25, 2006	

Aquila Networks – WPC
 105 South Victoria
 Pueblo, Colorado 81003-0075

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**GENERAL SERVICE SEASONAL – SECONDARY
ELECTRIC**

RATE DESIGNATION – GSS-S

RATE CODE – CO715

N

Effective In: All territory served.

Classification: Commercial, Industrial and Institutional customers.

Availability: Available to seasonal customers whose actual demand is greater than fifty (50) kW but less than or equal to two hundred (200) kW. Available for electric service at secondary voltage levels, as herein defined, supplied through one (1) metering point. This rate is also available for customers served at higher voltage levels but not electing to own, operate and maintain distribution facilities beyond Company's point of delivery. No resale permitted.

A seasonal customer shall be a customer whose average in-season billing demand exceeds 75% of the maximum billing demand for the current twelve month period and whose average off-season billing demand does not exceed 25% of the maximum billing demand for the current twelve month period. The in-season period is any period of at least four consecutive months that includes the month of the maximum billing demand for the current twelve month period. The off-season period consists of the remaining months of the current twelve month period, but not less than four months.

Character of Service: Alternating current, 60 Hertz, at any one standard voltage available for the service required.

Monthly Rate: Customer Charge:
Per customer, per month.....\$43.75

Demand Charge:
All kW of billing demand, per kW.....\$13.34

Energy Charge per kWh:
For the first 200 kWh's per actual kW.....\$0.02200
For all over 200 kWh's per actual kW.....\$0.02080

Advice Letter No. 602	Decision or Authority No.	
Signature of Issuing Officer <i>Marcus L. Wall</i>	Issue Date April 24, 2006	
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Aquila Networks – WPC
105 South Victoria
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Original

Sheet No. 11.2

Cancels _____

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**GENERAL SERVICE SEASONAL – SECONDARY (CONTINUED)
ELECTRIC**

RATE DESIGNATION – GSS-S

RATE CODE – C0715

N

Payment and Late
Payment Charge:

Bills for electric service are due and payable within ten (10) days from date of bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge set forth in the Company's rules and regulations.

Minimum Charge:

The monthly minimum charge shall be the customer charge plus the billing demand charge subject to the special terms and conditions hereinafter set forth.

Energy Cost
Adjustment:

This schedule is subject to the energy cost adjustment.

Tax/Fee Adjustment:

This schedule is subject to the tax/fee adjustment.

Auxiliary Service Rider:

This schedule is subject to the auxiliary service rider when applicable.

Demand Side
Management Cost
Adjustment:

This schedule is subject to the demand side management cost adjustment.

General Rate Schedule
Adjustment II:

This schedule is subject to the general rate schedule adjustment II.

Purchase Power Rider:


This schedule is subject to the purchase power rider when applicable.

Determination of Billing
Demand:

The billing demand shall be the highest average kilowatt (kW) load measured during the fifteen (15) consecutive minutes of maximum use during the billing month.

Contract Period:

Not less than one year.

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GENERAL SERVICE SEASONAL – SECONDARY (CONTINUED) ELECTRIC
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RATE DESIGNATION – GSS-SRATE CODE – CO715


N

**Special Terms and
Conditions:**

Service supplied under this schedule is subject to the terms and conditions set forth in the Company's rules and regulations, and extension policy on file with the Public Utilities Commission of the State of Colorado.

For the purposes of this rate, service voltages of less than 4.16 kV line-to-line will be considered secondary voltage levels.

If metering is at other than delivery voltage, the measured demand and energy consumption will be increased or decreased by 1% to compensate for transformer losses.

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