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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

Docket No. 04P-291G

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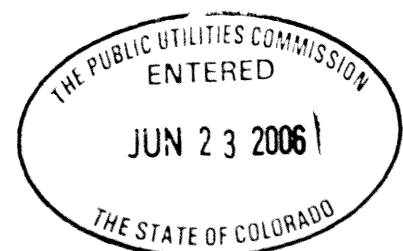
STIPULATED MOTION TO DISMISS PRUDENCE REVIEW DOCKET

**IN THE MATTER OF GAS PURCHASE PLANS AND GAS PURCHASE REPORTS
FOR AQUILA, INC., DOING BUSINESS AS AQUILA NETWORKS-PNG, FOR THE
GAS PURCHASE YEAR FROM JULY 1, 2004 THROUGH JUNE 30, 2005.**

Aquila, Inc., doing business as Aquila Networks-PNG ("Aquila"), and the Trial Staff of the Commission ("Staff"), pursuant to Rules 1400 and 1407(a) of the Commission's Rules of Practice and Procedure, 4 *Colo. Code Regs.* 723-1, herewith file this Stipulated Motion to Dismiss this Docket, requesting that the Commission dismiss this prudence review docket with prejudice. In support of this Stipulated Motion to Dismiss, Aquila and Staff state as follows:

1. This docket was commenced by Decision No. C05-1525, mailed on December 30, 2005, which established this prudence review proceeding to review Aquila's natural gas purchases and gas costs for the period of July 1, 2004 to June 30, 2005 and the results of the Asset Optimization Program ("AOP") for that Gas Purchase Year.

2. The Staff was made a party to this docket by Decision No. C05-1525 and Staff entered its appearance by its counsel on January 27, 2006. On January 25, 2006, the Colorado Office of Consumer Counsel ("OCC") filed its Notice of Intervention of Right and Entry of Appearance of its counsel.



3. By Decision No. R06-0111-I, dated February 8, 2006, Administrative Law Judge G. Harris Adams entered the procedural order in this docket, adopting the procedural schedule negotiated by the parties and setting a prudence review hearing for August 11, 2006.

4. On May 26, 2006, Aquila timely filed the direct testimony and exhibits of Shawn Gillespie.

5. Staff conducted a thorough audit *inter alia* of Aquila's natural gas purchases and gas costs for the period of July 1, 2004 to June 30, 2005, its hedging transactions and costs, and the results of Aquila's Asset Optimization Program ("AOP") for that Gas Purchase Year. Aquila provided all documents and information requested by Staff and answered all questions to Staff's satisfaction. Additionally, Staff has reviewed the direct testimony and exhibits of Shawn Gillespie filed by Aquila on May 26, 2006. As a result, Staff has no remaining concerns about Aquila's GPR about the reasonableness or prudence of Aquila's gas purchases, upstream costs, or the AOP during the 2004-2005 Gas Purchase Year, in the instant Docket and believes that this prudence review in Docket No. 04P-291G should be dismissed.

6. If this Stipulated Motion to Dismiss is granted and this prudence review docket is dismissed, Aquila is willing to provide to Staff the following information in future Gas Purchase Reports filed after the effective date of dismissal of this docket: a summary of the results of any hedging instruments Aquila used during the relevant Gas Purchase Year, as well as the results of those hedges including dates of hedges, amounts of natural gas hedged, costs of hedging and the total number of dollars saved or lost as a result of these hedges.

7. Staff has no objections to a finding by the Commission in dismissing this prudence review docket that Aquila's gas purchases, operation of the AOP, actual gas

commodity costs, and upstream service costs during the July 1, 2004 to June 30, 2005 Gas Purchase Year were reasonable and prudent.

8. Counsel for Aquila has discussed this Stipulated Motion to Dismiss with counsel for the OCC, and we are authorized to state herein that the OCC has no objections to the Commission granting this motion and dismissing this prudence review docket with prejudice.

9. Aquila and Staff also request that all further procedural requirements and the hearing scheduled for August 11, 2006 in this docket be vacated, and that this docket be closed.

WHEREFORE, Aquila and the Staff respectfully request that the Commission enter an Order granting this Stipulated Motion to Dismiss, dismissing this prudence review docket with prejudice, vacating all further procedural requirements and the hearing scheduled for August 11, 2006, and closing this docket.

DATED this 12th day of June, 2006.

ABEL BAND, CHARTERED

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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of June 2006, a true and correct copy of the foregoing **STIPULATED MOTION TO DISMISS PRUDENCE REVIEW DOCKET** was served via e-mail and by U.S. mail, postage pre-paid, addressed to the following:

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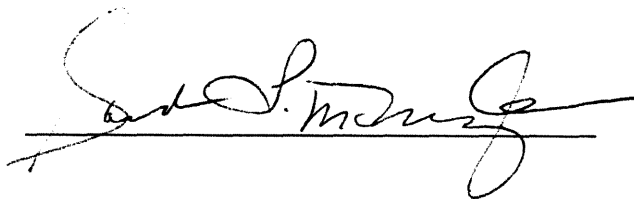
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A handwritten signature in black ink, appearing to read "G. Harris Adams", is written over a horizontal line.