

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RPU-02-5
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**ORDER REQUESTING ADDITIONAL INFORMATION**

(Issued August 9, 2002)

On June 3, 2002, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed with the Utilities Board (Board) an application for temporary and permanent rate increases. Also on June 3, 2002, Aquila filed proposed tariffs, identified as Docket Nos. TF-02-238 and TF-02-239, proposing a temporary rate increase of approximately \$8.1 million and a permanent annual revenue increase of approximately \$9.3 million. On June 28, 2002, the Board docketed Aquila's application and tariffs as a formal proceeding identified as Docket No. RPU-02-5.

On July 5, 2002, the Board issued an "Order Requesting Additional Information" in this docket, requesting Aquila provide additional information regarding the financial effects for Iowa customers of recent Aquila employee layoffs. Aquila filed a response to this request on July 15, 2002. The Board has reviewed the response and finds that additional information is necessary.

In its response, Aquila discussed Iowa specific positions and allocated Iowa central staffing positions as well as severance payments, Des Moines area office

space costs, and employee relocation costs. However, Aquila did not state whether the Iowa specific position amounts include amounts already reported for service center consolidations. Therefore, the Board is requesting the following additional information about Aquila's employee layoffs and their impact on costs.

The Board requests Aquila provide the following:

1. A list of each position from which an Aquila employee has been laid off since March 22, 2002, and anticipated employee layoffs through the date of this order. With respect to this information, the Board requests Aquila provide the following:

- a. Segregate the list into sections for Iowa specific positions and allocated Iowa central staffing positions;
- b. For allocated Iowa central staffing positions, provide the allocation factors that could be used to duplicate any allocations of costs to the Iowa jurisdiction. Cross-reference Aquila's approved cost allocation manual;
- c. Provide the date of separation;
- d. Separately list the monthly salary or hourly wage and related benefit costs for each position as of the date of separation;
- e. Annualize each amount;
- f. Provide subtotals;
- g. Separately itemize income tax effects, if any, of wage/salary and benefit expense reductions shown in the subtotal;

- h. Provide data regarding any separation costs, including how long the separation costs will be paid.
  2. Provide a prioritized list of the goals Aquila expects to achieve through the layoffs and verify by submitting all Aquila Board of Directors or management meeting minutes and other internal documents discussing same, including, but not limited to the following:
    - a. Total number of position reductions;
    - b. Total reduction in wages and salaries;
    - c. Total reductions in benefit costs;
    - d. Total reductions in annual post-retirement benefit fundings.
  3. Provide respective workpapers and sponsoring witnesses for all information provided.

The Board reminds Aquila that it has a continuing obligation under 199 IAC 7.4(6)"e"(10) to update this information throughout the case. It appears that Aquila has provided only portions of certain reports. Aquila will be required to supplement the reports as follows:

1. PGA/ECA Revenue Statistics, January, 2001 - March, 2002; the report includes only the Iowa jurisdiction and should include total company information.
2. Total Number of Customers, January, 2001 – March, 2002; total company information is needed.

3. Active Employees, January 2001 – April 2002; only employees directly assigned to Iowa utility operations are included. Total company information should be submitted.

4. Earnings Before Interest and Taxes (EBIT), January 2001 – March 2002; only top sheets have been supplied for the Iowa jurisdiction.

Therefore, the Board is requesting that Aquila submit the above-mentioned reports in their entirety.

**IT IS THEREFORE ORDERED:**

Aquila, Inc., d/b/a Aquila Networks, shall file the additional information described in this order within ten days of the date of this order.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 9<sup>th</sup> day of August, 2002.