

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RN-05-2
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**ORDER GRANTING EXPEDITED TREATMENT AND APPROVING  
NON-STANDARD NOTICE**

(Issued April 19, 2005)

On April 12, 2005, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed a petition with the Utilities Board (Board) for expedited approval of a non-standard notice pursuant to 199 IAC 7.4(1)"d"(1). Aquila indicates that the non-standard notice contains three significant changes from the standard notice found in subparagraph 199 IAC 7.4(1)"c"(1) of the Board rules. First, the non-standard notice reflects the current provisions for interim rate relief in Iowa Code § 476.6(10) which allows a utility to elect to place temporary rates into effect ten days after filing and without Board review. Aquila indicates it intends to elect to place interim rates into effect under these provisions.

Aquila states that the non-standard notice provides that a customer can obtain a written explanation of all current and proposed rate schedules without charge by calling customer service at a toll free number shown on the notice or by email. This contact information is included in the non-standard notice in place of the standard notice statement that a customer may contact the utility's local business office.

Finally, Aquila states that the non-standard notice utilizes mean averages computed on the basis of class revenue data from the class cost-of-service study Aquila will include in the general rate application, rather than the median averages used in the standard notice. Aquila indicates that other than the three changes described above, the non-standard notice is in general compliance with the standard notice in 199 IAC 7.4(1)"c"(1) and is similar to the non-standard notice approved for Interstate Power and Light Company on March 16, 2005, in Docket No. RN-05-1.

In the April 12, 2005, petition, Aquila requested expedited approval of the non-standard notice as allowed by subparagraph 199 IAC 7.4(1)"d"(1). Aquila indicated that it intended to file the request for a general rate increase in the first week of May and the expedited approval was necessary to allow notice to be sent to customers before that filing.

On April 14, 2005, Aquila filed an amendment to the petition. The amendment provides additional explanation for the use of mean averages rather than the median averages required in the standard notice. Aquila states that it computes the mean average for each class by dividing the total annual revenue requirement allocated to each customer class in Aquila's class cost-of-service study by the total number of customers in the class, and then dividing the result by the 12 months of a year. Aquila states that it is requesting use of the mean averages rather than the medians in order to spare the time, effort, and expense of the special study that would be necessary to compute medians.

Aquila also attached a copy of the format of the actual notice to be sent to customers. Aquila indicated that it must deliver a complete and final customer notice to the mailing company no later than noon on Tuesday April 19, 2005, in order for the notice to be mailed to all of Aquila's customers prior to the date upon which it will file its application for a general rate increase.

Subparagraph 7.4(1)"d"(1) requires a company that proposes to increase rates or charges and that does not propose to use the standard notice found in 7.4(1)"c"(1) to obtain prior approval of the Board for the non-standard notice. Under this subparagraph, the Board may approve the nonstandard notice in less than 30 days for good cause. The Board has reviewed the non-standard notice and finds that it includes all of the information contained in the standard notice found in subparagraph 7.4(1)"c"(1). It is also the Board's understanding that the Consumer Advocate Division of the Department of Justice (Consumer Advocate) has reviewed the non-standard notice attached to the April 14, 2005, amended petition and has no objection.

Based upon the Board's review and the lack of any objection by Consumer Advocate, the Board will approve the non-standard notice as filed by Aquila on April 12, 2005, as shown in the attachment to the April 14, 2005, amended petition. The Board finds there is good cause to approve the non-standard notice on an expedited basis to meet the mailing requirements for notice to customers. Because the Board is expediting approval of this notice before the normal date for objections,

Aquila is at risk for any timely-filed objections which are later found by the Board to invalidate the notice.

**IT IS THEREFORE ORDERED:**

1. The request for expedited approval of a non-standard notice of a general rate application filed by Aquila, Inc., d/b/a Aquila Networks, on April 12, 2005, as amended on April 14, 2005, is granted.

2. The non-standard notice filed by Aquila, Inc., d/b/a Aquila Networks, on April 12, 2005, in the format attached to the April 14, 2005, amended petition, is approved.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 19<sup>th</sup> day of April, 2005.