

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RPU-05-2 (TF-05-143 TF-05-144)
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**ORDER DOCKETING TARIFF, ESTABLISHING PROCEDURAL SCHEDULE, AND
APPROVING CORPORATE UNDERTAKING**

(Issued May 27, 2005)

On May 2, 2005, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed with the Utilities Board (Board) proposed gas tariffs identified as TF-05-143 and TF-05-144. In TF-05-143, Aquila is proposing to increase its lowa gas rates to produce a permanent annual revenue increase of approximately \$4,082,132, or an overall annual revenue increase of 2.6 percent. This represents an average increase of 2.7 percent for residential customers. In TF-05-144, Aquila filed proposed gas tariffs designed to produce additional annual revenue of approximately \$1,656,132, or 1.0 percent, on a temporary basis. The temporary gas tariffs became effective May 13, 2005, pursuant to Iowa Code § 476.6(10).

On May 24, 2005, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to the application for increased rates and a request that the application be docketed and a procedural schedule established. Consumer Advocate states that the issues raised by the application are complex and the establishment of a procedural schedule will allow it and other

interested parties the opportunity to make a full investigation into the proposed rate increase.

To allow the Board time to fully consider the proposed permanent increase in gas rates, the Board will suspend the proposed tariff in TF-05-143. The formal proceeding to consider the rate increase has been identified as Docket No. RPU-05-2. In its application, Aquila requests the Board allow electronic filings in a different format than prescribed by 199 IAC 7.2(12). Aquila requests permission to file Excel and Word files instead of ASCII and Lotus 1-2-3 formatted files. Aquila states that the request is consistent with the request it made in the last rate case that was approved by the Board. The Board finds the request reasonable and will allow Aquila to make electronic filings in Excel and Word format.

CORPORATE UNDERTAKING

In conjunction with TF-05-144 implementing temporary rates, Aquila filed a corporate undertaking in which it agreed to refund any excess revenues it collects as temporary rates, up to \$1,656,132 (plus interest), that exceed the revenues that would have been produced by the final rates ultimately approved by the Board. The Board finds that this corporate undertaking is sufficient to ensure payment of any required refund and it will be approved.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. An investigation is instituted to determine the reasonableness of the proposed rate increase filed by Aquila, Inc., d/b/a Aquila Networks, identified as TF-05-143 and TF-05-144. This matter will be identified as Docket No. RPU-05-2, a formal contested case proceeding. The expenses reasonably attributable to this investigation shall be assessed to Aquila, Inc., d/b/a Aquila Networks, in accordance with Iowa Code § 476.10.

2. Tariff filing TF-05-144 became effective on May 13, 2005, pursuant to Iowa Code § 476.6(10).

3. Proposed tariff filing TF-05-143 is suspended.

4. The following procedural schedule is established:

a. Applications to intervene shall be filed on or before June 21, 2005.

b. The parties shall notify the Utilities Board prior to September 19, 2005, if they desire a prehearing conference.

c. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) and any intervenors shall file prepared direct testimony, with the underlying workpapers and exhibits, on or before August 2, 2005. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.

d. If Consumer Advocate and any intervenors find it necessary to file testimony in rebuttal to each other's direct testimony, they may file rebuttal testimony on or before August 31, 2005.

e. Aquila, Inc., d/b/a Aquila Networks, shall file its rebuttal testimony, with underlying workpapers and exhibits, on or before September 15, 2005.

f. Consumer Advocate and any intervenor shall file rebuttal testimony on any issue raised initially in that party's direct testimony and responded to by another party on or before September 29, 2005.

g. The parties shall file a joint statement of the issues on or before October 17, 2005.

h. Any parties that choose to file a prehearing brief may do so on or before October 28, 2005.

i. A hearing shall be held beginning at 10 a.m. on November 7, 2005, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the Utilities Board's Hearing Room, 350 Maple Street, Des Moines, Iowa. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

j. The parties may file simultaneous initial briefs on or before December 5, 2005.

k. All parties who file initial briefs may file reply briefs on or before December 20, 2005.

5. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

6. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination, which have not been previously filed, shall become a part of the evidentiary record of these proceedings. The party making reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

7. The request of Aquila, Inc., d/b/a Aquila Networks, to file electronic filings in a different format than required in 199 IAC 7.2(12) is granted.

8. The corporate undertaking filed by Aquila, Inc., d/b/a Aquila Networks, is approved.

UTILITIES BOARD

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 27th day of May, 2005.