

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RPU-05-2
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ORDER GRANTING JOINT MOTION TO EXCUSE WITNESSES

(Issued October 31, 2005)

On September 9, 2005, Aquila, Inc., d/b/a Aquila Networks (Aquila), and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed with the Utilities Board (Board) a joint motion for approval of a non-unanimous settlement agreement that proposed to resolve the revenue requirement issues in this docket. The settlement agreement would establish Aquila's natural gas rate base at \$69,122,678 and the overall rate of return for Aquila's rate base at 8.879 percent. The agreement would also establish an annual natural gas revenue increase for Aquila in Iowa of \$2,600,576 and a total revenue requirement of \$162,171,097. The agreed-to increase would be adjusted for rate case expense that would be amortized over a three-year period.

The settlement agreement proposed that the only remaining issues to be litigated by the parties would be the Capital Additions Tracker (CAT) and rate design. On September 15, 2005, Aquila filed testimony on the issues to be litigated. On September 29, 2005, Consumer Advocate filed rebuttal testimony.

On October 24, 2005, the Board issued an order denying a request by Iowa Joint Utility Management Program, Inc., to include another issue in the hearing and limiting the hearing to two issues, the CAT and rate design. The Board also indicated that the proposed settlement would be addressed in a separate order.

On October 21, 2005, Aquila and Consumer Advocate filed a joint motion to excuse witnesses. The witnesses prefiled testimony concerning the revenue requirement issues that were resolved through the settlement. The witnesses for Aquila are L.W. Loos, Dr. Donald Murray, Richard G. Petersen, Dr. Ronald White, and Jon Empson. The witnesses for Consumer Advocate are Fasil Kebede, Gregory Vitale, and Dr. John W. Wilson.

The Board will grant the motion to excuse the witnesses with one caveat. The Board may have questions at the hearing concerning how the parties evaluated the issue of the return on equity in the revenue requirements settlement based upon the possible approval of the CAT and the rate design proposal. Aquila and Consumer Advocate should determine if the witnesses that are scheduled to testify on the two litigated issues can respond to questions on this issue. If not Aquila and Consumer Advocate should have a witness available at the hearing or by telephone to respond to the Board's questions.

IT IS THEREFORE ORDERED:

The joint motion to excuse witnesses filed by Aquila, Inc., d/b/a Aquila Networks, and the Consumer Advocate Division of the Department of Justice on October 21, 2005, is granted, with the caveat described in this order.

UTILITIES BOARD

/s/ John R. Norris

ATTEST:

/s/ Sharon Mayer
Executive Secretary, Assistant to

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 31st day of October, 2005.