

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. PGA-06-43
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**ORDER APPROVING ANNUAL RECONCILIATION FILING AND REQUIRING  
FILING OF REFUND PLAN**

(Issued November 1, 2006)

On October 2, 2006, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed its annual reconciliation of gas costs for the 12-month period ending August 31, 2006, pursuant to 199 IAC 19.10(7). Aquila filed additional support for the reconciliation on October 18 and 20, 2006. Subrule 19.10(7) requires Iowa rate-regulated natural gas utilities to reconcile the actual net invoiced cost of purchased gas for each customer class to the actual revenues collected, net of the prior year's reconciliation amount plus any undistributed refunds.

For the 12-month period ending August 31, 2006, Aquila calculated it had overcollected \$8,112,022 from General Service, Small Volume Interruptible, and Large Volume Interruptible (GS/SVI/LVI) customers. Aquila also indicated it undercollected \$596 from Small Volume Firm and Large Volume Firm (SVF, LVF) customers which will be recovered through the purchased gas adjustment factor.

The Board has reviewed the annual reconciliation filing and finds that it complies with 199 IAC 19.10(7) and adequately supports the overcollection calculation. The amount of the overcollection is above 3 percent and pursuant to

199 IAC 19.10(7)"c"(1), Aquila must refund the overcollection by bill credit or check after the Board approves a refund plan. Aquila indicates it will file a refund plan to accomplish the refund.

The Board will approve the annual reconciliation filed by Aquila on October 2, 2006. Aquila will be required to file a refund plan detailing its proposed plan for refunding of the overcollection to customers.

**IT IS THEREFORE ORDERED:**

1. The annual reconciliation filed by Aquila, Inc., d/b/a Aquila Networks, on October 2, 2006, is approved.
2. Aquila, Inc., d/b/a Aquila Networks, shall file a refund plan on or before November 20, 2006.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Margaret Munson  
Executive Secretary, Deputy

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 1<sup>st</sup> day of November, 2006.