

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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IN RE:  AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RFU-06-1 (PGA-06-43)
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**ORDER APPROVING REFUND PLAN**

(Issued December 14, 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). 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 from General Service, Small Volume Interruptible, and Large Volume Interruptible (GS/SVI/LVI) customers.

On November 1, 2006, the Board issued an order approving the reconciliation and directing Aquila to file a refund plan since the overrecovery was above 3 percent and, pursuant to 199 IAC 19.10(7)"c"(1), Aquila must refund the overcollection by bill credit or check. On November 14, 2006, Aquila filed the refund plan as directed. On December 7, 2006, Aquila filed a revision to the refund amount to reflect an error in the initial calculation.

The revised filing indicates that Aquila overcollected \$8,112,615.49 on total net purchases of \$148,691,756.49. With the interest on the overcollection above 3 percent, the total to be returned to customers is \$8,290,979.47. The amount to be refunded per therm calculates to \$0.05435. For General Service Residential customers using an average of 750 ccf of natural gas, the average refund will be \$40.77. For General Service Commercial/Industrial customers using an average usage of 3,090 ccf, the refund will be \$167.95. For Small Volume Interruptible customers with average usage of 32,090 ccf, the average refund will be \$1,744.20. For Large Volume Interruptible customers with average usage of 56,720 ccf, the average refund will be \$3,083.93.

The Board has reviewed the refund plan, as revised, and finds that the refund amount, the allocation among customer classes, and the method of making the refund are reasonable and consistent with Board rules. The refunds will be made by check or bill credit and will begin in the January billing cycle.

**IT IS THEREFORE ORDERED:**

1. The refund plan filed by Aquila, Inc., d/b/a Aquila Networks, on November 14, 2006, as revised on December 7, 2006, in Docket No. RFU-06-1 is approved.

2. Aquila, Inc., d/b/a Aquila Networks, shall file a refund report within 30 days of the completion of the refund.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 14<sup>th</sup> day of December, 2006.