

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RN-08-3
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**ORDER GRANTING EXPEDITED TREATMENT
AND APPROVING NON-STANDARD CUSTOMER NOTICE**

(Issued May 22, 2008)

On May 16, 2008, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed a petition with the Utilities Board (Board) for expedited approval of a non-standard customer notice pursuant to 199 IAC 26.5(1)"d"(1). Aquila states that the standard notice in 199 IAC 26.5(1)"c"(1) does not appear to reflect the amendment to Iowa Code § 476.6(10) that allows a utility to place temporary rates into effect ten days after filing and without Board review or approval. Aquila indicates that it will place temporary rates into effect ten days after it files its application for a general rate increase and requests approval of the non-standard notice. The non-standard notice also includes a paragraph that notifies customers that Aquila is also seeking approval of two proposed mechanisms for the automatic adjustment of Aquila's natural gas rates and charges which, if approved, would result in increases in rates beyond those reflected in the tables in the non-standard notice.

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.

Aquila indicates 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 its general rate application, rather than the median averages used in the standard notice. Aquila states that the Board approved a similar non-standard notice, except for the paragraph addressing the automatic adjustments, in Docket No. RN-05-2. Aquila indicates it intends to file the general rate case application during the first week of June 2008.

Aquila is requesting approval of the non-standard notice form on an expedited basis (in fewer than the 30 days provided for prior approval in 199 IAC 26.5(1)"d"(1)) to meet the June target. Aquila asserts that the Board has good cause to approve the non-standard notice on an expedited basis because the standard form has not been amended to reflect the statutory change to Iowa Code § 476.6(10) that allows the utility to implement without Board approval temporary rates within ten days of the filing of the general rate application. Aquila also attached a copy of the actual notice to be sent to customers.

Paragraph 26.5(1)"d" requires a company that proposes to increase rates or charges and that does not propose to use the standard notice found in 199 IAC 26.5(1)"c"(1) to obtain prior approval of the Board for the non-standard notice. Under

this subparagraph, the Board may approve the non-standard 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 26.5(1)"c"(1) and also includes notice of the two automatic adjustment mechanisms.

The Board finds there is good cause to approve the non-standard notice as filed by Aquila on May 16, 2008, in less than 30 days. The notice is similar to the notice approved in Docket No. RN-05-2 prior to Aquila's last general rate case application, except for the paragraph indicating that Aquila will be seeking two automatic adjustments in the general rate case proceeding, and approval will allow Aquila to give notice of the general rate increase application and make the filing as intended. Aquila has indicated that it will be placing temporary rates into effect within ten days of the filing pursuant to Iowa Code § 476.6(10).

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 customer notice of a general rate application filed by Aquila, Inc., d/b/a Aquila Networks, on May 16, 2008, is granted.

2. The non-standard notice filed by Aquila, Inc., d/b/a Aquila Networks, on May 16, 2008, is approved as described in this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 22nd day of May, 2008.