

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. RPU-08-3 (TF-08-83 TF-08-84)
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**ORDER DOCKETING TARIFF, ESTABLISHING PROCEDURAL SCHEDULE,
AND APPROVING CORPORATE UNDERTAKING**

(Issued June 30, 2008)

On June 2, 2008, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed with the Utilities Board (Board) proposed gas tariffs identified as TF-08-83 and TF-08-84 pursuant to Iowa Code chapter 476 (2007). In TF-08-83, Aquila is proposing to increase its Iowa gas rates to produce a permanent annual revenue increase of approximately \$13,560,000, or an overall annual revenue increase of 7.63 percent. This represents an average increase of 10.3 percent for residential customers. In TF-08-84, Aquila filed proposed gas tariffs designed to produce additional annual revenue of approximately \$9,469,173 on a temporary basis. The temporary gas tariffs became effective June 13, 2008, pursuant to Iowa Code § 476.6(10).

To allow the Board time to fully consider the proposed permanent increase in gas rates, the Board will suspend the proposed tariff in TF-08-83. The formal proceeding to consider the rate increase is identified as Docket No. RPU-08-3. The issues in this proceeding will involve matters within the Board's jurisdiction pursuant to chapter 476, as they may develop during the course of the proceedings.

CORPORATE UNDERTAKING

On June 2, 2008, in conjunction with TF-08-84 implementing temporary rates, Aquila filed a corporate undertaking in which it agreed to refund any excess revenues, plus interest, it collects as temporary rates that are over and above the final rates approved by the Board in Docket No. RPU-08-3. On June 20, 2008, Aquila filed a withdrawal of the June 2, 2008, corporate undertaking and a motion to approve a corporate undertaking in the principal sum of \$9,469,173, which Aquila states is equal to the amount of the interim rate relief that went into effect on June 13, 2008. Aquila indicates that the principal amount in the June 2, 2008, corporate undertaking was incorrectly stated.

The Board finds that the corporate undertaking filed on June 20, 2008, by Aquila is sufficient to ensure payment of any refund required 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-08-83, pursuant to Iowa Code chapter 476. This matter will be identified as Docket No. RPU-08-3, 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. The tariff implementing temporary rates, TF-08-84, became effective on June 13, 2008, pursuant to Iowa Code § 476.6(10).

3. The proposed tariff designed to implement a permanent rate increase, TF-08-83, is suspended.

4. The following procedural schedule is established:

a. Applications to intervene shall be filed on or before July 16, 2008.

b. The parties shall notify the Board prior to August 1, 2008, 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 underlying workpapers and exhibits, on or before September 3, 2008. 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 that rebuttal testimony on or before September 30, 2008.

e. Aquila, Inc., d/b/a Aquila Networks, shall file its rebuttal testimony, with underlying workpapers and exhibits, on or before October 15, 2008.

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 October 29, 2008.

g. The parties shall file a joint statement of the issues on or before November 17, 2008.

h. Any parties that choose to file a prehearing brief may do so on or before November 25, 2008.

i. A hearing shall be held beginning at 10 a.m. on December 2, 2008, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the 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 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 January 5, 2009.

k. All parties who file initial briefs may file reply briefs on or before January 30, 2009.

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 corporate undertaking filed by Aquila, Inc., d/b/a Aquila Networks, on June 20, 2008, is approved.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper

Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 30th day of June, 2008.