

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

Aquila, Inc., d/b/a Aquila Networks) NG-0001
(Aquila), Omaha, seeking a general) NG-0002
rate increase for Aquila's Rate) NG-0003
Area One.)
)
Aquila, Inc., d/b/a Aquila Networks)
(Aquila), Omaha, seeking a general)
rate increase for Aquila's Rate) STATEMENT OF COMMISSIONER
Area Two.) ROD JOHNSON
)
Aquila, Inc., d/b/a Aquila Networks)
(Aquila), Omaha, seeking a general)
rate Increase for Aquila's Rate)
Area Three.) Entered: February 18, 2004

BY COMMISSIONER ROD JOHNSON:

I was unable to be present to vote at the Commission's meeting held January 21, 2004, but want to make a statement regarding the Order Approving Settlement Agreement and Tariffs entered in the above-captioned dockets on January 21, 2004 (Order).

I respectfully disagree with the rate increase permitted by the Commission's Order. Aquila had not sought a rate increase for several years in Nebraska. The last rate increase for Rate Area One was 1996, for Rate Area Two was 1999, and for Rate Area Three was 1999. Waiting such a long period of time results in "sticker shock" for ratepayers, who receive a sharper rate hike than they would if rate increases were sought in smaller increments as needed. Aquila should not be rewarded for waiting so long to the detriment of ratepayers. If a rate increase was in order, it should have been of a lesser amount. I recognize the need for a utility to account for increased costs, but urge Aquila in the future to consider the significant financial impact on ratepayers which results from seeking large, infrequent rate increases.

COMMISSIONER ROD JOHNSON
FOURTH DISTRICT