Exhibit No.:

Issues: Rate Design

Witness: J. Matt Tracy

Sponsoring Party: Aquila Networks-L&P

Case No.: HR-

Before the Public Service Commission of the State of Missouri

Direct Testimony

of

J. Matt Tracy

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APR 2 8 2000

Exhibit No. Case No(s). F2-2004-0034

Date 2 (23/04 Rptr 4F

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI DIRECT TESTIMONY OF J. MATT TRACY ON BEHALF OF AQUILA, INC. D/B/A AQUILA NETWORKS-L&P CASE NO. HR-_____

1	Q.	Please state your name and business address.
2	A.	My name is J. Matt Tracy and my business address is 10700 East 350 Highway, Kansas
3		City, Missouri, 64138.
4	Q.	By whom are you employed and in what capacity?
5	A.	I am employed by Aquila, Inc. ("Aquila") as a Senior Regulatory Analyst in the
6		Regulatory Services Department.
7	Q.	What are your duties and responsibilities at Aquila?
8	A.	I am responsible for the collection and analysis of load research, tariff page filings,
9		supporting cost-of-service studies, and other analyses as needed.
10	Q.	Please state your educational background and experience.
11	A.	I have an M.A. in Economics from the University of Missouri - Kansas City and a B.A.
12		in Psychology and Religion from William Jewell College. From 1985 to 1996, I
13		worked in load research at Missouri Public Service ("MPS") a division of Aquila, (then
14		UtiliCorp United Inc.), and at Aquila. Duties during that time included load research
15		sample design and analysis, cost-of-service preparation, load forecasting, and weather
16		normalization. In 1996, I accepted a position in the analytical section of UtiliCorp's
17		Regulatory Services. In 2002, I was again given responsibility for load research.

- 1 Q. What is the purpose of your testimony in this case before the Missouri Public Service
- 2 Commission ("Commission")?

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- 3 A. I am sponsoring the minimum filing requirements of 4 CSR 240-3.030, tariff sheets
- filed by Aquila in this case, testifying about the across-the-board change in rates, and
- other tariff sheet updates. The tariff sheets implementing the changes proposed in this
- filing are included in the minimum filing requirements.
- 7 Q. Have the minimum filing requirements for a general rate increase under 4 CSR 240-
- 8 3.030 been filed?
- 9 A. Yes. On July 3, 2003, an application for a general rate increase along with the
- minimum filing requirements were filed and are made a part of this case by reference.
- 11 Q. How do the tariff sheets implement the proposed increase in revenue?
- 12 A. All tariff charges, other than as described below, were multiplied by the ratio of the total
- proposed increase minus the proposed increase to other revenues, divided by the total
- annualized revenue minus annualized other revenues. The equation is (\$1,341,986 \$0)
- /(\$6,976,802 \$7,439). This is an increase of 19.26%.
- Q. Were any items increased, but not at the across-the-board rate?
- 17 A. Yes. On sheet 9, the late payment charge changed from 1.25% to 1.50% to better reflect
- the cost of collecting late payments, and to coincide with the values included in other
- 19 Aquila Networks tariffs in Missouri.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of Aquila, Inc. d/b/a Aquila Networks-L&P, for authority to file tariffs Increasing steam rates for the service provided)) Case No. HR		
To customers in the Aquila Networks-L&P area)			
County of Jackson)) ss State of Missouri)			
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AFFIDAVIT OF J	. MATT TRACY		
J. Matt Tracy, being first duly sworn, sponsors the accompanying testimony entitled testimony was prepared by him and under his made as to the facts in said testimony and schedules are information, and belief.	direction and supervision; that if inquiries were lules, he would respond as therein set forth; and		
Subscribed and sworn to before me this 2/2/20	J. Matt Tracy J. Matt Tracy And J. Matt Tracy J. Motary Public Terry D. Lutes		
My Commission expires:			
/			
8-20-2004	TERRY D LITTE		

TERRY D. LUTES
Jackson County
My Commission Expires
August 20, 2004