

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

FILED

APR 28 2004

MISSOURI
PUBLIC SERVICE COMMISSION

Exhibit No. 54
Case No(s) E2-2004-0034
Date 2/23/04 Rptr KF

**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")?

3 A. I am sponsoring the minimum filing requirements of 4 CSR 240-3.030, tariff sheets
4 filed by Aquila in this case, testifying about the across-the-board change in rates, and
5 other tariff sheet updates. The tariff sheets implementing the changes proposed in this
6 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
10 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
13 proposed increase minus the proposed increase to other revenues, divided by the total
14 annualized revenue minus annualized other revenues. The equation is $(\$1,341,986 - \$0)$
15 $/ (\$6,976,802 - \$7,439)$. This is an increase of 19.26%.

16 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
18 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.

