

Exhibit No.:
Issues: Revenue Normalization
Witness: Eric L. Watkins
Sponsoring Party: Aquila Networks-MPS
& L&P
Case No.: ER-

Before the Public Service Commission
of the State of Missouri

FILED²

FEB 24 2006

Missouri Public
Service Commission

Direct Testimony

of

Eric L. Watkins

Exhibit No. 12
Case No(s) ER-2005-036
Date 1-09-06 Rptr *5

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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
DIRECT TESTIMONY OF ERIC L. WATKINS
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NO. ER-_____**

1 Q. Please state your name and business address.

2 A. My name is Eric L. Watkins and my business address is 10700 East 350 Highway,
3 Kansas City, MO, 64138 USA.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Aquila, Inc. ("Aquila" or "Company") as the Vice President-
6 Commodity Risk Management reporting to the Chief Financial Officer of Aquila.

7 Q. Please describe your responsibilities in that position.

8 A. I am responsible for directing Aquila's risk pricing and structuring activities, middle
9 office controls, fundamental analysis, commodity market research, energy forecasting,
10 and weather normalization of sales, revenues, and system loads for regulatory cases.

11 Q. Please describe your educational background.

12 A. I hold a Bachelor of Science degree in Mathematics from the University of Arkansas,
13 and a Master of Business Administration degree in Finance from the University of
14 Missouri-Kansas City.

15 Q. Please describe your professional work experience.

16 A. I have been employed by Aquila since June 1991. My experiences since that time
17 have included duties for energy forecasting, weather normalization of sales and
18 revenue for regulatory cases, competitive and industry analysis for merger and
19 acquisition candidates and new business ventures, structure desk analysis, and

1 accounting and financial management. Before coming to Aquila Inc., I was employed
2 by Burns and McDonnell Engineers-Architects-Consultants from February 1988 to
3 May 1991.

4 Q. What is the purpose of your direct testimony in this proceeding before the Missouri
5 Public Service Commission ("Commission")?

6 A. The purpose of my direct testimony in this proceeding is to sponsor and recommend
7 that the Commission adopt the weather normalization adjustment to class sales and
8 revenue for Aquila Networks-MPS ("MPS") and Aquila Networks-L&P ("L&P")
9 shown on Schedules ELW-1 and ELW-2, the customer annualization adjustment
10 shown on Schedules ELW-3 and ELW-4, and the weather normalized system hourly
11 loads shown on Schedules ELW-5 and ELW-6. Aquila witness Jerry Boehm uses
12 these weather normalized system hourly loads in estimating normalized fuel and
13 purchase power costs.

14 Q. Were these schedules prepared by you or under your direct supervision?

15 A. Yes.

16 Q. Do you have a recommendation for the Commission regarding weather normalization
17 of MPS and L&P sales and revenue, customer annualization adjustment, and system
18 hourly loads?

19 A. I recommend that the Commission adopt the MPS and L&P weather normalized
20 revenue adjustment, unbilled revenue adjustment, leap year adjustment, customer
21 annualization adjustment, large customer load adjustment; as well as the weather
22 normalized system hourly loads, for the 2004 test year, which I am sponsoring in this
23 case.

WEATHER NORMALIZATION OF CLASS SALES AND REVENUE

1
2 Q. Please provide a description of the methods and models used to calculate the weather
3 normalization adjustments to class kWh sales for MPS and L&P.

4 A. Weather normalization adjusts the test year sales and revenue for the impact of
5 weather. Normal weather is based on daily temperatures over a 30-year historical
6 period (1971-2000). A set of statistical models were developed to calculate the
7 weather adjustments to weather sensitive rate class kWh sales for the test year ending
8 December 31, 2004.

9 The weather sensitive rate classes that were weather normalized are listed below.

10 For MPS:

11 Residential (MO860-General Service, MO870-Space Heat)
12 Small General Service (Combined MO710-No Demand Meter and MO 711-
13 Secondary, MO716-Primary)
14 Large General Service (MO720-Secondary, MO725-Primary)
15 Large Power (MO730-Secondary, MO735-Primary)
16 Schools & Churches (MO740-Secondary)
17

18 For L&P:

19
20 Residential (MO910,MO911,MO913,MO914,MO915,MO920,MO921,MO922)
21 Small General Service (MO930,MO931,MO932,MO933,MO941)
22 Large General Service (MO940)
23 Large Power (MO944)
24 Schools & Churches (934)
25

26 The Hourly Electric Load Model ("HELM") from Electric Power Research Institute
27 was used to weather normalize rate class sales, based on load research data for the test
28 year ending December 31, 2004. HELM optimizes weather response functions based
29 on daily load profiles by rate classes. The weather response functions are used in
30 HELM's Billing Cycle Analysis tool to estimate kWh sales under predicted actual and

1 normal weather conditions for the test year by billing cycles for each rate class. Actual
2 and normal daily weather variables, based on 1971-2000 average daily temperature
3 (2-day rolling average) data for Kansas City, Missouri (MCI Airport), were used in
4 each rate class model to estimate kWh sales under predicted actual and normal
5 weather conditions. In order to compute the 2-day rolling average daily
6 temperatures, average daily normal temperatures for 1971-2000 were computed from
7 daily maximum and minimum temperatures, based on temperature data for MCI
8 Airport and a model developed by the Missouri Public Service Commission Staff.
9 The weather adjustment to kWh sales is calculated as the difference between
10 predicted normal minus predicted actual daily kWh sales.

11 Q. Please describe the results of the weather normalization adjustment to kWh sales for
12 the test year ending December 31, 2004.

13 A. Schedules ELW-1 and ELW-2 provide the weather normalization adjustment to kWh
14 sales for MPS and L&P, respectively. The total weather normalization adjustment
15 (normal - actual) for weather sensitive retail rate classes is 183,615 MWh for MPS,
16 and 50,920 MWh for L&P for the test year ending December 31, 2004.

17 Q. Please describe the method for calculating the weather normalization adjustment to
18 revenue for weather sensitive rate classes.

19 A. The method used for calculating the weather normalization adjustment for revenue for
20 the test year ending December 31, 2004 for each weather sensitive rate class, is based
21 on actual observed average rates by billing cycle for the test year. Actual average
22 rates, based on revenue associated with kWh usage excluding Interim Energy Charges
23 and Customer Charges, were multiplied by weather normalization adjustments

1 (normal – actual) kWh sales by billing cycle for each rate class that was weather
2 normalized to compute weather adjustments to revenue. This method assumes that
3 weather normalization affects only the weather sensitive rate class sales, with no
4 effect from customer charges or other fixed charges. Interim Energy Charges were
5 excluded from the weather adjustment to revenue as described in direct testimony of
6 Aquila witness Susan Braun. Actual average rates were normalized for the full test
7 year 2004, considering the base rate increases for MPS and L&P which became
8 effective in April 2004.

9 Q. Please describe the results of the weather normalization adjustment to revenue for the
10 test year ending December 31, 2004.

11 A. Schedules ELW-1 and ELW-2 provide the weather normalization adjustment to
12 revenue for MPS and L&P, respectively. The total weather normalization adjustment
13 to revenue for weather sensitive retail rate classes is \$12,447,463 for MPS, and
14 \$2,796,398 for L&P, as summarized in Schedule SKB-4 included with the direct
15 testimony of Aquila witness Susan Braun.

16 **UNBILLED SALES AND REVENUE ADJUSTMENT**

17 Q. Please describe the unbilled sales and revenue adjustment for the test year ending
18 December 31, 2004.

19 A. Schedules ELW-1 and ELW-2 provide the unbilled sales and revenue adjustment at
20 the bottom of the sales and revenue schedule for MPS and L&P, respectively.
21 Unbilled sales for the test year is the difference between calendar month weather
22 normalized sales and billing month weather normalized sales for the rate codes that
23 were weather normalized, as calculated in HELM's Billing Cycle Analysis. Unbilled

1 revenue for the test year is based on average rates for the rate codes that were weather
2 normalized, excluding IEC, customer charges and other fixed charges, multiplied by
3 the monthly unbilled sales. The total 2004 test year unbilled revenue and kWh sales
4 adjustment is \$304,086 and (752) MWh for MPS, and \$ (81,112) and (4,414) MWh
5 for L&P, as summarized in Schedule SKB-4 included with the direct testimony of
6 Aquila witness Susan Braun.

7 **LEAP YEAR ADJUSTMENT**

8 Q. Please describe the leap year adjustment to sales and revenue for the test year ending
9 December 31, 2004.

10 A. Schedules ELW-1 and ELW-2 provide the unbilled sales and revenue adjustment at
11 the bottom of the sales and revenue schedules for MPS and L&P, respectively. The
12 leap year adjustment eliminates leap day (February 29) sales from the test year by
13 dividing the calendar month weather normalized sales by $-1/366$ in order to normalize
14 leap day sales proportionately over the test year. The total 2004 test year leap day
15 adjustment is \$(764,577) to revenue and (14,591) MWh to sales for MPS, and
16 \$(204,778) to revenue and (5,053) MWh to sales for L&P, as summarized in
17 Schedule SKB-4 included with the direct testimony of Aquila witness Susan Braun.

18 **CUSTOMER ANNUALIZATION ADJUSTMENT**

19 Q. Please describe the method for calculating the customer normalization adjustment to
20 revenue for weather sensitive rate classes for the test year ending December 31, 2004.

21 A. A customer annualization adjustment to the test year revenue is made to reflect
22 additional sales and revenue that are expected to occur because of projected growth in
23 the number of customers at some future point in time. This method is simple and is

1 based on dividing the weather normalized test year rate class revenues by average
2 customers, and then multiplying the result by the projected customers as of June 30,
3 2005 to obtain customer annualized revenues. Customers were projected to June
4 2005 based on growth from January to June 2004 in historical monthly customers by
5 rate class, except those rate classes which had no significant observable growth which
6 were assumed to remain at December 2004 customer levels or the average level for
7 the test year. Actual customer levels by rate class at June 30, 2005 will be used when
8 available to true up the customer annualization adjustment. The customer
9 annualization adjustment is the difference between the test year weather normalized
10 revenues and the customer annualized revenues projected at June 30, 2005 customer
11 levels.

12 Q. Please describe the results of the customer annualization adjustment to revenue at
13 June 30, 2005.

14 A. Schedules ELW-3 and ELW-4 provide the customer annualization adjustment to
15 revenue for MPS and L&P, respectively. The total customer annualization adjustment
16 to revenue for weather sensitive retail rate classes is \$5,636,449 for MPS, and
17 \$1,237,646 for L&P, based on projected customer levels at June 30, 2005, as
18 summarized in Schedule SKB-4 included with the direct testimony of Aquila witness
19 Susan Braun.

20 **LARGE CUSTOMER LOAD ADJUSTMENT**

21 Q. Please describe the large customer load adjustment to sales and revenue for the test
22 year ending December 31, 2004.

1 A. Large customer load adjustments are shown at the bottom of schedules ELW-3 and
2 ELW-4 for MPS and L&P, respectively. A large customer adjustment for MPS of
3 17,520 MWh annualized sales and \$772,632 annualized revenue was made for a new
4 St. Luke's Hospital facility in Lee's Summit, MO expected to be constructed by June
5 2005. A large customer load adjustment for MPS was also made for miscellaneous
6 rate MO730 customers of 5,349 MWh annualized sales and \$253,203 annualized
7 revenue. A large customer adjustment for L&P of 8,760 MWh annualized sales and
8 \$317,236 annualized revenue was made for an Albaugh Chemical expansion in St.
9 Joseph, MO expected to be constructed by June 2005. A large customer adjustment
10 for L&P of 56,940 MWh annualized sales and \$2,062,037 annualized revenue was
11 also made for a Triumph Foods (pork processing) facility in St. Joseph, MO expected
12 to be constructed by June 2005.

13 Total large customer load adjustment to revenue for MPS is \$1,025,835, and
14 L&P is \$2,379,273, as summarized in Schedule SKB-4 included with the direct
15 testimony of Aquila witness Susan Braun.

16 **WEATHER NORMALIZATION OF**
17 **SYSTEM HOURLY LOADS**

18 Q. Please describe the method and data sources used for weather normalizing system
19 hourly loads for MPS and L&P for the test year ending December 31, 2004.

20 A. System hourly loads in kW represent the hourly electric demand requirements for
21 MPS and L&P electric customers, including transmission and distribution losses.
22 Actual system hourly loads for 2004 were weather normalized using HELM from
23 Electric Power Research Institute with methods and data sources consistent with the

1 weather normalization of class sales, as previously described in my testimony.

2 Weather response functions for MPS and L&P were optimized in HELM using actual
3 daily weather variables (2-day average daily temperature) for MCI Airport (Kansas
4 City, MO). Based on these weather response functions, hourly loads were weather
5 normalized using 1971-2000 normal (2-day weighted) average daily temperatures,
6 consistent with the weather normalization of rate class sales, as previously described
7 in my testimony. MPS and L&P weather normalized hourly loads for 2004 were then
8 adjusted to reflect the change in level of test year sales due to the unbilled sales
9 adjustment, leap day adjustment, customer annualization adjustment, and large
10 customer load adjustment.

11 Q. Please describe the results of the MPS and L&P weather normalized system hourly
12 loads for the test year ending December 31, 2004.

13 A. Schedules ELW-5 and ELW-6 provide a summary of the 2004 weather normalized
14 system hourly loads for MPS and L&P, respectively.

15 The MPS weather normalized 2004 net energy for load is 5,984,353 MWh, as
16 adjusted, and the weather normalized peak demand is 1400 MW, as shown on line 38
17 of schedule ELW-5. The L&P weather normalized 2004 net energy for load is
18 2,086,643 MWh, as adjusted, and the weather normalized peak demand is 410 MW,
19 as shown on line 38 of schedule ELW-6. Weather normalized system hourly loads,
20 as adjusted for MPS and L&P, are used by Aquila witness Jerry Boehm for
21 normalizing fuel and purchased energy costs for the 2004 test year.

22 **RECOMMENDATION**

23 Q. What is your recommendation to the Commission?

Direct Testimony:
Eric L. Watkins

- 1 A. My recommendation to the Commission is that it should adopt the MPS and L&P
2 weather normalized revenue adjustment, unbilled revenue adjustment, leap year
3 adjustment, customer annualization adjustment, and large customer load adjustment;
4 as well as the weather normalized system hourly loads, for the 2004 test year, which I
5 am sponsoring in my direct testimony.
- 6 Q. Does this conclude your direct testimony?
- 7 A. Yes, it does.

1 Schedule ELW-1

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ELECTRIC

Aquila Networks, Missouri Public Service Division

Weather Normalization Adjustment

Test Year Ending 12/31/04

ELW - 1

Page 1 of 2

MWh Sales Adjustment (Normal - Actual)

Billed WN Adj.

Rate Class

Jan-04

Feb-04

Mar-04

Apr-04

May-04

Jun-04

Jul-04

Aug-04

Sep-04

Oct-04

Nov-04

Dec-04

Annual

MO860

4,073

(324)

1,358

1,543

(6,355)

1,210

34,199

36,066

23,041

(369)

1,684

3,384

99,592

MO870

7,176

(694)

2,028

5,182

(527)

1,012

8,666

9,603

6,873

(849)

7,905

6,489

52,665

MO711

828

(254)

(63)

42

(2,063)

(507)

5,768

6,315

3,450

(516)

1,450

1,015

15,465

MO716

1

(0)

1

(1)

(3)

1

5

5

2

(0)

1

2

12

MO720

792

(68)

295

(44)

(1,449)

45

3,320

3,430

1,863

(111)

56

670

8,799

MO725

(8)

(2)

(14)

(27)

(53)

(4)

188

106

91

(2)

(45)

(4)

228

MO730

12

(40)

(46)

(358)

(836)

414

1,769

1,941

581

78

(777)

199

2,849

MO735

15

(24)

(9)

(416)

(1,129)

643

1,826

2,007

492

120

(723)

14

2,814

MO740

104

(12)

26

38

(72)

0

376

358

273

15

2

83

1,192

Billed WN Adj.

12,992

(1,419)

3,577

6,061

(12,566)

2,815

56,116

59,832

36,475

(1,633)

9,534

11,651

183,615

Unbilled Adj.

(20,946)

(42,412)

7,446

(17,150)

19,210

43,107

42,506

9,175

(77,866)

(17,158)

20,557

32,777

(752)

Leap Year Adj.

(1,229)

(1,119)

(1,111)

(944)

(1,045)

(1,317)

(1,648)

(1,557)

(1,205)

(1,035)

(1,065)

(1,313)

(14,591)

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Direct Testimony:
Eric L. Watkins

Schedule ELW-2

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ELW-2
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Aquila Networks, St. Joseph Light & Power Division
Weather Normalization Adjustment
Test Year Ending 12/31/04

MWH Sales Adjustment (Normal - Actual)												
Billed WN Adj.	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Rate Class	850	850	174	172	(1,865)	(877)	5,689	5,774	4,328	(367)	1,018	924
MO810	5	5	4	(6)	(20)	7	51	50	27	(3)	9	7
MO811	308	308	52	181	(259)	(102)	1,046	1,173	785	(20)	400	328
MO813	0	0	0	0	(6)	(0)	1	1	0	(0)	0	0
MO814	23	23	0	3	(9)	(8)	38	48	63	(2)	38	30
MO815	3,216	3,216	1,852	2,129	(375)	(33)	2,356	2,529	1,891	150	3,577	3,199
MO820	64	64	1	14	58	2	(10)	48	41	6	71	73
MO821	6	6	(1)	2	(1)	0	4	4	3	0	5	5
MO822	78	78	(7)	35	(56)	(21)	153	156	86	(12)	97	76
MO830	135	135	(14)	52	(127)	(61)	356	382	223	(36)	195	138
MO831	17	17	(2)	7	(9)	(3)	21	23	12	(2)	14	14
MO832	80	80	(10)	32	(55)	(14)	133	137	77	(13)	83	80
MO833	15	15	(1)	4	(6)	(7)	32	39	23	(5)	16	14
MO834	511	511	(70)	215	(633)	78	2,061	2,271	1,005	(131)	311	359
MO840	6	6	(1)	2	(3)	0	8	8	6	(1)	2	4
MO841	61	61	(68)	(43)	(520)	340	1,128	1,126	280	35	(584)	(60)
MO844	5,375	5,375	(711)	1,539	(2,503)	(712)	13,108	14,778	8,537	(360)	5,251	5,190
Billed WN Adj.	(8,594)	(8,594)	(3,576)	(4,497)	2,511	10,619	5,583	3,719	(16,189)	(2,663)	8,828	10,152
Unbilled Adj.	(455)	(455)	(409)	(349)	(381)	(422)	(501)	(494)	(404)	(389)	(389)	(471)
Leap Year Adj.												

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30 ELECTRIC
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Aquila Networks, St. Joseph Light & Power Division
Weather Normalization Adjustment
Test Year Ending 12/31/04

ELW-2
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\$ Revenue Adjustment (Normal - Actual)												
Billed WN Adj.	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Rate Class	43,319	(3,913)	9,510	9,620	(91,412)	(58,281)	376,468	449,782	287,261	(19,572)	56,784	49,969
MO810	311	(102)	223	(6)	(1,183)	437	3,380	3,331	1,824	(167)	544	424
MO811	13,823	(977)	4,282	8,700	(12,334)	(6,776)	69,523	77,873	52,113	(961)	19,424	15,089
MO814	11	1	1	7	(7)	(8)	66	74	52	(2)	14	11
MO815	1,611	(32)	210	574	(800)	(757)	3,707	4,640	8,029	(139)	2,595	2,103
MO820	113,636	(15,496)	38,034	81,852	(14,732)	(2,207)	156,363	167,947	111,617	8,016	142,648	116,948
MO821	2,587	49	560	2,512	72	(893)	3,218	3,862	2,750	245	3,098	3,095
MO822	214	(43)	76	110	(23)	18	288	286	184	5	186	182
MO830	4,988	(477)	1,893	2,222	(3,526)	(1,879)	13,588	13,878	7,838	(794)	6,266	4,876
MO831	6,219	(652)	2,423	3,123	(5,964)	(4,110)	23,650	25,637	14,874	(1,709)	9,272	6,436
MO832	1,115	(156)	441	303	(544)	(224)	1,843	2,041	1,046	(102)	912	878
MO833	3,356	(416)	1,367	1,836	(2,414)	(925)	8,852	9,238	5,132	(590)	3,700	3,407
MO834	971	(39)	252	491	(575)	(988)	2,862	3,459	2,091	(294)	1,011	931
MO840	16,784	(2,332)	7,122	1,732	(20,763)	3,409	89,020	105,502	43,886	(4,369)	10,404	11,858
MO841	232	(41)	83	18	(114)	5	811	839	500	(34)	73	131
MO844	1,544	(1,895)	(1,100)	(5,390)	(13,080)	9,897	32,730	32,670	8,105	877	(14,590)	(1,521)
Billed WN Adj.	212,110	(25,291)	85,389	106,507	(187,209)	(62,655)	786,378	801,006	545,122	(21,591)	242,201	214,629
Unbilled Adj.	(300,747)	(360,111)	(125,024)	(157,144)	88,674	513,065	275,041	187,343	(799,070)	(96,429)	322,724	369,966
Leap Year Adj.	(15,957)	(15,109)	(14,253)	(12,221)	(12,732)	(20,389)	(24,567)	(24,889)	(19,950)	(13,307)	(14,125)	(17,181)
Avg. Rev/Kwh (\$)	0.03605	0.03443	0.03486	0.03409	0.03531	0.04432	0.04826	0.05037	0.04935	0.03820	0.03855	0.03844
												0.04047

Aquila Networks, St. Joseph Light & Power Division
Weather Data at MCI Airport, Kansas City, MO
Test Year Ending 12/31/04

HDD65 (MCI)												
Actual-Calendar	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Actual-2Mo Avg.	1,158	980	540	287	85	5	0	4	10	237	539	938
Normal71-90	1,084	1,089	750	404	176	45	3	2	7	124	388	739
% Deviation	2%	-9%	18%	19%	31%		0%	43%	83%	12%	19%	10%
CDD65 (MCI)												
Actual-Calendar	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Actual-2Mo Avg.	0	0	0	0	32	164	316	244	168	18	0	0
Normal71-90	0	0	0	0	16	98	171	247	280	82	8	0
% Deviation	0%	0%	0%	0%	-167%	-82%	33%	34%	-10%	0%	0%	0%

Direct Testimony:
Eric L. Watkins

Schedule ELW-3

1	B	C	D	E	F	G	H	I	J	K	L
2	ELECTRIC					Aquila Networks, Missouri Public Service Division					ELW - 3
3						Customer Annualization Adjustment					
4						Test Year Ending 12/31/04					
5	Note: Revenue excludes IEC. Base rate increase of 4.671% (effective Apr-04) reflected for full 2004 test year WNA to revenue.										
6	Rate Class	Test Year 2004 Avg. Customers	Forecast Jun-05 Customers		Revenue Per Customer	Forecast Jun-05 Revenue		Test Year 12/31/04 WN Revenue		Forecast Jun-05 Cust Adj. Rev.	Forecast Jun-05 Cust Adj. MWh
9	MO860	146,981	146,981		\$ 846	\$ 124,372,587		\$ 124,372,587		\$ -	-
10	MO870	49,462	53,500		\$ 1,061	\$ 56,743,436		\$ 52,397,219		\$ 4,346,218	73,914
11	MO711	26,735	26,866		\$ 1,840	\$ 49,434,686		\$ 49,317,855		\$ 116,831	3,082
12	MO716	7	7		\$ 10,077	\$ 70,536		\$ 70,536		\$ -	-
13	MO720	1,108	1,108		\$ 36,749	\$ 40,699,790		\$ 40,699,790		\$ -	-
14	MO725	24	24		\$ 74,425	\$ 1,755,188		\$ 1,755,188		\$ -	-
15	MO730	109	109		\$ 246,136	\$ 26,767,271		\$ 26,767,271		\$ -	-
16	MO735	34	36		\$ 720,256	\$ 25,929,219		\$ 24,755,818		\$ 1,173,401	30,144
17	MO740	804	804		\$ 2,448	\$ 1,968,844		\$ 1,968,844		\$ -	-
25	Total	225,264	229,435		\$ 1,428	\$ 327,741,557		\$ 322,105,108		\$ 5,636,449	107,141
27	Large Load Adjustments (Normalized 2005):										
28	Rate Class	Customer Name		Op. Date	Revenue		Avg RevKwh\$	LF%	Peak MW	Annual MWh	
29	MO730	St. Lukes Hosp. (Lees Summit)		Jun-05	\$ 772,632		\$ 0.0441	50%	4	17,520	
30	MO730	Annualize specific customers		Dec-04	\$ 253,203		\$ 0.0473	50%	1	5,349	
31	Total				\$ 1,025,835				5	22,869	

Schedule ELW-4

1	B	C	D	E	F	G	H	I	J	K	L
2	ELECTRIC					Aquila Networks, St. Joseph Light & Power Division					ELW - 4
3						Customer Annualization Adjustment					
4						Test Year Ending 12/31/04					
5	Note: Revenue excludes IEC, demand, and customer charges. Base rate increase of 3.685% (eff. Apr-04) reflected for full 2004 test year.										
6	Rate Class	Test Year 2004 Avg. Customers	Forecast Jun-05 Customers		Revenue Per Customer	Forecast Jun-05 Revenue		Test Year 12/31/2004 WN Revenue		Forecast Jun-05 Cust Adj. Rev.	Actual Jun-05 Cust Adj. MWh
9	MO910	32,647	32,647		\$ 638	\$ 20,836,123		\$ 20,832,033		\$ 4,090	37
10	MO911	79	79		\$ 2,458	\$ 193,378		\$ 192,645		\$ 733	9
11	MO913	6,936	6,936		\$ 747	\$ 5,180,105		\$ 5,179,123		\$ 982	(8)
12	MO914	5	5		\$ 1,043	\$ 4,782		\$ 4,695		\$ 86	1
13	MO915	1,642	1,715		\$ 327	\$ 561,418		\$ 538,124		\$ 23,294	238
14	MO920	15,268	16,076		\$ 968	\$ 15,569,605		\$ 14,769,274		\$ 800,331	17,698
15	MO921	58	58		\$ 6,797	\$ 390,815		\$ 389,560		\$ 1,256	52
16	MO922	91	92		\$ 285	\$ 26,177		\$ 26,007		\$ 170	2
17	MO930	3,194	3,206		\$ 654	\$ 2,096,849		\$ 2,091,005		\$ 5,843	80
18	MO931	1,491	1,527		\$ 2,247	\$ 3,431,802		\$ 3,353,892		\$ 77,910	1,155
19	MO932	281	282		\$ 1,130	\$ 318,698		\$ 317,474		\$ 1,225	16
20	MO933	623	637		\$ 2,277	\$ 1,450,226		\$ 1,419,013		\$ 31,213	509
21	MO934	315	316		\$ 1,197	\$ 378,380		\$ 377,099		\$ 1,281	15
22	MO940	1,095	1,108		\$ 17,038	\$ 18,877,986		\$ 18,643,781		\$ 234,205	4,803
23	MO941	105	105		\$ 1,338	\$ 139,928		\$ 140,135		\$ (206)	(15)
24	MO944	60	60		\$ 406,361	\$ 24,246,200		\$ 24,190,969		\$ 55,232	1,028
25	Total	63,888	64,847		\$ 1,445	\$ 93,702,472		\$ 92,464,826		\$ 1,237,646	25,621
27	Large Load Adjustments (Normalized 2005):										
28	Rate Class	Customer Name		Op. Date	Revenue		Avg RevKwh\$	LF%	Peak MW	Annual MWh	
29	MO944	Albaugh Chemical		Jun-05	\$ 317,236		\$ 0.0362	50%	2	8,760	
30	MO944	Triumph Foods (Pork)		Jun-05	\$ 2,062,037		\$ 0.0362	50%	13	56,940	
31	Total				\$ 2,379,273		\$ 0.0362	50%	15	65,700	

Schedule ELW-5

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Direct Testimony:
Eric L. Watkins

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In the matter of Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P, for authority to file tariffs increasing electric rates for the service provided to customers in the Aquila Networks-MPS and Aquila Networks-L&P area

County of Jackson)
) ss
State of Missouri)

Eric L. Watkins, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Eric L. Watkins;" that said testimony was prepared by him and under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

Enl Watte

Subscribed and sworn to before me this 18 day of MAY, 2005.


Notary Public
Terry D. Lutes

8-20-2008



TERRY D. LUTES
Jackson County
My Commission Expires
August 20, 2008