Exhibit No.:

Issues:

Class Cost of Service

Witness:

James A. Busch

Sponsoring Party:

MO PSC Staff

Type of Exhibit:

Surrebuttal Testimony

Case No.:

EO-2002-384

Date Testimony Prepared:

October 28, 2005

MISSOURI PUBLIC SERVICE COMMISSION UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

FILED²

JAMES A. BUSCH

DEC 0 7 2005

AQUILA, INC.

Service Commission

CASE NO. EO-2002-0384

Jefferson City, Missouri October 2005

Exhibit No. 15

Case No(s). E 0 - 2002 - 38

Date 1 - 05 - Rptr - 45

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of an Examination of the Class Cost of Service and Rate Design in the Missouri Jurisdictional Electric Service Operations of Aquila, Inc., formerly known as UtiliCorp United, Inc.)) Case No. EO-2002-0384))
AFFIDAVIT OF	JAMES A. BUSCH
STATE OF MISSOURI)) ss COUNTY OF COLE)	
preparation of the following Surrebuttal consisting of pages of Surrebuttal that the answers in the following Surrebuttal	Testimony in question and answer form, Testimony to be presented in the above case, all Testimony were given by him; that he has answers; and that such matters are true to the
Subscribed and sworn to before me this NOTARY SEA MISS My commission expires	Notary Public TONI M. CHAFILTON Notary Public - State of Missouri My Commission Expires December 28, 2008 Cole County Commission #04474301

1 2	SURREBUTTAL TESTIMONY
3	OF
5	JAMES A. BUSCH
6 7	AQUILA, INC.
8 9	CASE NO. EO-2002-0384
10 11	
12 13	Q. Please state your name and business address.
14	A. My name is James A. Busch and my business address is P. O. Box 360,
15	Jefferson City, Missouri 65102.
16	Q. Are you the same James A. Busch that filed Direct and Rebuttal
17	Testimony in this proceeding?
18	A. Yes I am.
19	Q. What is the purpose of your Surrebuttal Testimony?
20	A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal
21	Testimony of Aquila witness David Stowe. Further, I have updated the Staff's Class Cost
22	of Service (CCOS) Studies for Aquila Networks-L&P (L&P) and Aquila Networks-MPS
23	(MPS) due to a change in the Time of Use allocator.
24	I. Response to Witnesses Stowe
25	Q. On pages 23 and 24 of his Rebuttal Testimony, Aquila witness Stowe
26	mentioned some additional concerns with Staff's filed CCOS studies. Has Staff
27	addressed his concerns?
28	A. Yes. The Staff's filed CCOS studies in my Rebuttal Testimony addressed
29	the concerns witness Stowe had regarding the split of FERC Account 368 into primary

Surrebuttal Testimony of James A. Busch

- 1 and secondary components and the assignment of primary distribution costs to the
- 2 lighting class.

3 II. Class Cost of Service Study – Updates

- Q. Has Staff updated its CCOS studies?
- A. Yes it has.
 - Q. What changes has the Staff made to update its CCOS Studies?
- A. Staff updated its Time-of-Use allocator for transmission capacity. This update is discussed in the Surrebuttal Testimony of Staff witness Watkins.
 - Q. Please describe the results of Staff's updated CCOS studies.
- A. The results for MPS are provided in Schedule 1 and for L&P in Schedule 2. Table 1 and Table 2 below summarize those results.

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Table 1 – MPS CCOS Class Revenues

	Tuble 1 Milb CCOb Class Revenues									
	Total	Residential	SGS	LGS	LPS	Other	Lighting			
Revenue Deficiency	\$0	\$5,208,118	(\$2,175,365)	(\$3,969,094)	\$651,854	\$64,583	\$219,904			
%	0.00%	3.06%	-4.04%	-8.98%	1.28%	11.45%	4.26%			

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Table 2 – L&P CCOS Class Revenues

	Total	Residential	SGS	LGS	LPS	Lighting
Revenue Deficiency	\$0	\$1,431,180	(\$1,055,659)	(\$1,624,995)	\$1,144,552	\$105,322
%	0.00%	3.48%	-13.94%	-9.17%	4.99%	4.70%

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For comparison, Table 3 and Table 4 below show the results from Staff's CCOS studies it filed in Rebuttal Testimony.

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Table 3 – MPS CCOS Class Revenues

	Total	Residential	SGS	LGS	LPS	Other	Lighting
Revenue Deficiency	\$0	\$4,533,994	(\$2,245,612)	(\$3,738,907)	\$1,103,191	\$69,555	\$277,779
%	0.00%	2.67%	-4.17%	-8.46%	2.16%	12.33%	5.38%

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Table 4 – L&P CCOS Class Revenues

	Total	Residential	SGS	LGS	LPS	Lighting	
Revenue Deficiency	\$0	\$2,066,124	(\$989,163)	(\$1,704,135)	\$569,029	\$58,144	
%	0.00%	5.03%	-13.06%	-9.61%	2.48%	2.60%	

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Q. Does this conclude your Surrebuttal Testimony?

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A. Yes.

STAFF CLASS COST-OF-SERVICE RESULTS

(At Revenue Neutral ROR 8.62%) AQUILA NETWORKS - MPS CASE NO. EO-2002-0384

			CASE NO. EO-20	VE 000.					
	FUNCTIONAL CATEGOR	Υ	RES	SGS	LGS	LPS	Other	Lighting	TOTAL
PRODUCTION	CAPACITY		\$52,578,063	\$16,618,423	\$15,318,103	\$20,752,525	\$241,481	\$432,674	\$105,941,26
PRODUCTION	ENERGY		\$47,510,360	\$15,789,899	\$15,880,523	\$22,900,632	\$258,781	\$762,800	\$103,102,99
TRANSMISSION	CAPACITY		\$14,071,282	\$4,474,107	\$4,170,299	\$5,767,621	\$65,523	\$139,319	\$28,688,15
DISTRIBUTION	SUBSTATIONS	DEMAND	\$5,942,571	\$1,738,603	\$1,361,226	\$1,605,774	\$24,039	\$79,599	\$10,751,81
DISTRIBUTION	POLES AND CONDUCTORS	PRI. FEEDER - DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$
DISTRIBUTION	POLES AND CONDUCTORS	PRI. TAP -CUSTOMER	\$6,681,107	\$2,891,270	\$232,601	\$46,130	\$0	\$467,837	\$10,318,94
DISTRIBUTION	POLES AND CONDUCTORS	SEC. CUSTOMER	\$5,699,911	\$2,466,007	\$194,191	\$29,932	\$308	\$0	\$8,390,35
DISTRIBUTION	POLES AND CONDUCTORS	PRI. TAP - DEMAND	\$ 10,351,575	\$3,028,535	\$2,371,168	\$2,797,155	\$41,874	\$138,656	\$18,728,96
DISTRIBUTION	POLES AND CONDUCTORS	SEC. DEMAND	\$4,794,269	\$1,400,745	\$1,057,921	\$628,086	\$19,394	\$0	\$7,900.41
DISTRIBUTION	TRANSFORMERS	SEC. CUSTOMER	\$11,342,584	\$2,150,908	\$909,554	\$479,938	\$13,833	\$0	\$14,896,81
DISTRIBUTION	TRANSFORMERS	DEMAND	\$504,949	\$134,304	\$ 94,654	\$51,219	\$1,554	\$0	\$786,68
DISTRIBUTION	CUSTOMER INSTALLATIONS		\$1,508,470	\$217,541	\$8,565	\$880	\$16	\$0	\$1,735,47
DISTRIBUTION	SERVICES		\$5,860,242	\$845,346	\$116,973	\$39,923	\$324	\$410,357	\$7,273,16
DISTRIBUTION	METERS		\$3,974,736	\$573,360	\$79,338	\$27,078	\$220	\$278,326	\$4,933,05
	CUSTOMER DEPOSITS		(\$256,936)	(\$37,063)	(\$1,491)	(\$197)	(\$3)	(\$17,992)	(\$313,68
	METER READING		\$1,165,033	\$504,172	\$40,560	\$8,044	\$63	\$81,580	\$1,799,45
	BILLING, SALES, SERVICE		\$5,623,677	\$811,221	\$32,631	\$ 4,314	\$61	\$393,792	\$6,865,69
	ASSIGNED LGS/LPS/SC		\$0	\$0	\$1,035,337	\$136,888	\$1,928	\$0	\$1,174,15
	ASSIGNED RES/SGS		\$7,349,251	\$1,060,137	\$0	\$0	\$0	\$0	\$8,409,38
	Assigned Lighting		\$0	\$0	\$0	\$0	\$0	\$2,342,925	\$2,342,92
	TOTAL		\$184,701,144	\$54,667,515	\$42,902,153	\$55,275,945	\$669,397	\$5,509,874	\$343,726,02
					*** *** ***	4 07- 04-	#000 00 7	* = = 0 = 0.7.4	6 0.40.700.00
	OTAL COST OF SERVICE		\$184,701,144	\$54,667,515	\$42,902,153	\$55,275,945	\$669,397	\$5,509,874	\$343,726,02
%			53.73%	15.90%	12.48%	16.08%	0.19%	1.60%	10
	RATE REVENUE		\$170,064,667	\$53,861,537	\$44,188,703	\$51,095,135	\$564,116	\$5,167,156	\$324,941,31
			\$2,034,732	\$644,424	\$528,694	\$611,326	\$6,749	\$61,822	\$3,887,7
	ION RATE REVENUE sterruptible Credit		\$2,U34,732 \$0	\$044,424 \$0	\$320,094	\$0	\$0,749	\$01,022	45,007,7
	offSystem Revenue		\$7,386,948	\$2,334,803	\$2,152,115	\$2,915,623	\$33,927	\$60,788	\$14,884,2
	xcess Facility Revenue		\$0	\$0	\$0	\$0	\$0	\$0	
in	terdepartmental Sales		\$ 8,679	\$2 ,115	\$1,735	\$2,007	\$22	\$203	\$12,7
			£470.400.000 l	\$56,842,880	\$46,871,247	\$54,624,091	\$604,814	\$5,289,970	\$343,726,02
	TOTAL REVENUE		\$179,493,026 52.22%	\$56,842,880 [18.54%	13.64%	\$54,024,091 15.89%	0.18%	\$5,289,970 <u>1</u>	\$343,726,02 10
			\$5,208,118	(\$2,175,365)	(\$3,969,094)	\$651,854	\$64,583	\$219,904	
R	REVENUE DEFICIENCY		დე,∠∪ი, 110	(\$2,170,300)]					
			3.06%	-4.04%	-8.98%	1.28%	11.45%	4.26%	0.00

STAFF CLASS COST-OF-SERVICE RESULTS

(At Revenue Neutral ROR 8.62%)
AQUILA NETWORKS - L&P

PRODUCTION PRODUCTION PRODUCTION TRANSMISSION DISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION CUSTON DISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION CUSTON BILLINI ASSIG	UNCTIONAL CATEGOR CAPACITY ENERGY CAPACITY SUBSTATIONS	Y	RES \$13,381,300	SGS	LGS	LPS	Other	11.14	
PRODUCTION TRANSMISSION DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION POLES DISTRIBUTION POLES POLES POLES POLES POLES DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION DISTRIBUTION CUSTON BILLING ASSIG	ENERGY CAPACITY		\$13,381,300			LF3	Other	Lighting	TOTAL
TRANSMISSION DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION THE DISTRIBUTION DISTRIBUTI	CAPACITY			\$1,917,658	\$6,738,333	\$11,054,315	\$0	\$322,884	\$33,414,49
DISTRIBUTION CUSTON MI BILLINI ASSIG			\$9,996,674	\$ 1,445,844	\$5,134,745	\$8,610,374	\$ 0	\$301,949	\$25,489,58
DISTRIBUTION POLES POLES DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION TE DISTRIBUTION ASSIGNATION	SINGTATIONS		\$2,992,227	\$428,812	\$1,506,776	\$2,471,884	\$0	\$72,201	\$7,471,900
DISTRIBUTION POLES	COUNTRICIO	DEMAND	\$2,253,555	\$322,524	\$930,131	\$1,207,822	\$0	\$60,506	\$4,774,537
DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION POLES DISTRIBUTION TR DISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION ASSIG	AND CONDUCTORS	PRI. FEEDER - DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISTRIBUTION POLES POLES DISTRIBUTION TR DISTRIBUTION TR DISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION DISTRIBUTION CUSTON MI BILLING ASSIG	AND CONDUCTORS	PRI. TAP -CUSTOMER	\$1,121,743	\$358,564	\$130,169	\$ 10,267	\$0	\$138,394	\$1,759,136
DISTRIBUTION POLES DISTRIBUTION TE DISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION CUSTON MIT MIT MARKET MAR	AND CONDUCTORS	SEC. CUSTOMER	\$1,203,193	\$384,599	\$138,976	\$10,240	\$0	\$0	\$1,737,008
DISTRIBUTION TEDISTRIBUTION CUSTON DISTRIBUTION DISTRIBUTION CUSTON MIRE BILLING ASSIGNATION	AND CONDUCTORS	PRI. TAP - DEMAND	\$2,795,642	\$400,106	\$1,153,872	\$1,498,360	\$0	\$75,060	\$5,923,041
DISTRIBUTION TO CUSTON DISTRIBUTION DISTRIBUTION CUSTON MI BILLING ASSIG	AND CONDUCTORS	SEC. DEMAND	\$679,928	\$97,310	\$279,113	\$309,054	\$0	\$0	\$1,365,404
DISTRIBUTION CUSTON DISTRIBUTION CUSTON MIRE BILLING	RANSFORMERS	SEC. CUSTOMER	\$2,166,549	\$365,091	\$395,139	\$296,729	\$0	\$0	\$3,223,509
DISTRIBUTION DISTRIBUTION CUST MI BILLINI ASSIG	RANSFORMERS	DEMAND	\$95,440	\$13,869	\$33,751	\$40,937	\$0	\$0	\$183,997
DISTRIBUTION CUST ME BILLINI ASSIG	MER INSTALLATIONS		\$79,136	\$51,083	\$123,805	\$126,867	\$0	\$0	\$380,890
CUST ME BILLIN ASSIG	SERVICES		\$1,201,251	\$218,868	\$99,203	\$6,255	\$ 0	\$148,203	\$1,673,780
ME BILLINI ASSK	METERS		\$982,065	\$178,932	\$81,102	\$5,113	\$ 0	\$121,161	\$1,368,373
BILLIN ASSI	TOMER DEPOSITS		(\$29,124)	(\$3,103)	(\$563)	(\$30)	\$0	(\$3,593)	(\$38,413
ASSI	ETER READING		\$305,668	\$97,706	\$35,470	\$2,798	\$0	\$37,711	\$479,353
	G, SALES, SERVICE		\$2,737,730	\$291,704	\$52,948	\$2,784	\$0	\$337,765	\$3,422,931
	GNED LGS/LPS/SC		\$0	\$0	\$373,081	\$19,618	\$0	\$0	\$392,698
ASS	SIGNED RES/SGS		\$2,759,041	\$293,975	\$0	\$0	\$0	\$0	\$3,053,016
A:	ssigned Lighting		\$0	\$0	\$0	\$0	\$0	\$807,417	\$807,417
	TOTAL		\$44,722,018	\$6,863,541	\$17,206,049	\$25,673,387	\$0	\$2,419,659	\$96,884,654
			\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COST	FOF SERVICE		\$44,722,018	\$6,863,541	\$17,206,049	\$25,673,387	\$0	\$2,419,659	\$96,884,654
%			46.16%	7.08%	17.76%	26.50%	0.00%	2.50%	100%
R/I	TE REVENUE		\$41,106,120	\$7,575,521	\$17,728,841	\$22,910,401	\$0	\$2,238,976	\$91,559,859
			\$0	\$0	\$0	\$0	\$0	\$0	\$0
NON RATE R	EVENUE		\$746,413	\$137,558	\$382,853	\$442,966	\$0	\$40,656	\$1,750,446
Interruptible C			\$0	\$0	(\$4,927)	(\$12,317)	\$0	\$0	(\$17,244
OffSystem Re			\$1,438,304	\$206,122	\$724,277	\$1,188,185	\$0	\$34,706	\$3,591,593
Excess Facilit	y Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interdepartme	intal Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0
			\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TAL DEVENUE		\$43,290,837	\$7,919,200	\$18,831,044	\$24,529,235	\$0	\$2,314,337	\$96,884,654
%	IAL REVENUE		44.68%	8.17%	19.44%	25.32%	0.00%	2.39%	100%
DEVENII	TAL REVENUE		44.0070						
INE VEHOL				(\$1,055,659)	(\$1.624.995)	\$1 144 152	50	\$105.322	•0
% CHANG	E DEFICIENCY		\$1,431,180	(\$1,055,659)	(\$1,624,995)	\$1,144,152	\$0	\$105,322	\$0