

Exhibit No.:

Issues: Emission Allowances,

Greenwood Lease

Witness: Susan K. Braun

Sponsoring Party: Aquila Networks-MPS

Case No.: ER-

Before the Public Service Commission
of the State of Missouri

FILED³

MAY 10 2004

Missouri Public
Service Commission

Direct Testimony

of

Susan K. Braun

Exhibit No. 1142
Case No(s). ER-2004-0034
Date 3-1-04 Rptr JTC

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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
DIRECT TESTIMONY OF SUSAN K. BRAUN
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS
CASE NO. ER-_____**

1 Q. Please state your name and business address.

2 A. My name is Susan K. Braun and my business address is 10700 East 350 Highway, Kansas
3 City, Missouri.

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

5 A. I am employed by Aquila, Inc. ("Aquila" or "Company") as a Senior Regulatory Analyst
6 in the Regulatory Services department.

7 Q. Please briefly describe your duties and responsibilities as a Senior Regulatory Analyst for
8 Aquila.

9 A. I am responsible for the preparation of financial and other data in connection with filings
10 before regulatory bodies having jurisdiction over Aquila's operations.

11 Q. Please describe your educational background and professional experience.

12 A. I graduated from Friends University in December 1989 with a Bachelors of Science
13 Degree in Business Administration with a major in Accounting. Prior to employment
14 with Aquila, I held the position of Senior Accountant with Sunflower Electric Power
15 Corporation and as Accountant with IBP, Inc.

16 Q. What is the purpose of your testimony in this proceeding?

17 A. The purpose of my testimony is to present certain schedules and to sponsor working
18 capital, rate base and cost of service accounting adjustments made to Aquila Networks -
19 MPS ("MPS")

1 Q

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4 Q. Please identify the adjustments that you are sponsoring.

5 A. I am sponsoring the following working capital adjustment:

- 6 • WC-40 Emission Allowances (MPS)

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9 In addition to the above-mentioned items, I am sponsoring the following cost of service

10 (operations) adjustments.

- 11 • CS – 20 Greenwood Lease Expense (MPS Only)

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13 Q.

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16 Q.

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EMISSION ALLOWANCES (MPS)

- Q. What are emission allowances?
- A. Emission allowances are held by utilities with generating plants classified by the Environmental Protection Agency (“EPA”) as Phase I or Phase II electric generating plants, and pertain to the sulfur dioxide (“SO2”) emissions from coal-fired units. The Missouri Public Service Commission (“Commission”) has also considered SO2 allowances public utility property. They are recorded in Federal Energy Regulatory Commission (“FERC”) Account 158.1 and are considered by MPS and L&P as inventory. This balance is amortized in FERC Account 509, Allowances, based on the tons of SO2 emissions each month.
- Q. How was the rate case amount for emission allowances computed in this filing?
- A. For emission allowances, the monthly balances of FERC Account 158.1 were averaged for the months of December 2001 through 2002. This account pertains 100% to electric operations.
- Q. Please explain why a thirteen-month average calculation was selected.
- A. The use of a thirteen-month average is a better measurement than any one single month-end since monthly amounts fluctuate and no one-month is representative. The application of thirteen-month averaging has been utilized by both MPS

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GREENWOOD LEASE EXPENSE (MPS ONLY)

Q. Please explain Adjustment No. CS-20 made to Aquila Networks – MPS electric operations.

A. This adjustment eliminates 100% of the Greenwood Lease expense recorded to FERC account 550 during the test year. Adjustment RB-50 includes the transfer of Greenwood Generating Station Units 1, 2, 3, & 4 into MPS’ plant in service balance. Testimony regarding Adjustment RB-50 in further detail, can be found in the testimony of Aquila witness Stephanie A. Murphy.

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16 Q. Does this conclude your testimony?

17 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Aquila, Inc. d/b/a Aquila)
Networks-MPS [REDACTED])
for authority to file tariffs increasing electric)
rates for the service provided to customers in)
the Aquila Networks-MPS [REDACTED])
[REDACTED] area)

Case No. ER-_____

County of Jackson)
State of Missouri)

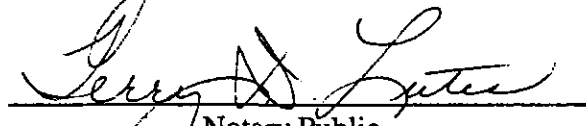
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AFFIDAVIT OF SUSAN K. BRAUN

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


Susan K. Braun

Subscribed and sworn to before me this 26th day of June, 2003.


Notary Public
Terry D. Lutes

My Commission expires:

8-20-2004

