

Exhibit No.:
Issues: Class Cost of Service
Rate Design
Witness: James C. Watkins
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No.: ER-2007-0004
Date Testimony Prepared: January 25, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

JAMES C. WATKINS

**AQUILA, INC.
d/b/a AQUILA NETWORKS-MPS
AND AQUILA NETWORKS-L&P**

CASE NO. ER-2007-0004

**Jefferson City, Missouri
January 2007**

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

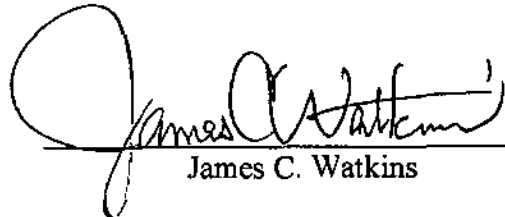
In the matter of Aquila, Inc. d/b/a Aquila)
Networks-MPS and Aquila Networks-)
L&P, for authority to file tariffs increasing)
electric rates for the service provided to)
customers in the Aquila Networks-MPS)
and Aquila Networks-L&P service area.)

Case No. ER-2007-0004

AFFIDAVIT OF JAMES C. WATKINS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James C. Watkins, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 2 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.


James C. Watkins

Subscribed and sworn to before me this 22nd day of January, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10

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Q. Please state your name and business address.

A. My name is James C. Watkins and my business address is Missouri Public Service Commission, 200 Madison Street, P. O. Box 360, Jefferson City, Missouri 65102.

Q. Who is your employer and what is your present position?

A. I am employed by the Missouri Public Service Commission (Commission) and my title is Manager, Economic Analysis, Energy Department, Operations Division.

Q. What is your educational background and work experience?

A. I have a Bachelor of Arts Degree in Economics from William Jewell College, a year of graduate study at the University of California at Los Angeles in the Masters Degree Program, and have completed all requirements except my dissertation for a Ph.D. in Economics from the University of Missouri-Columbia. My previous work experience has been as an Instructor of Economics at Columbia College, the University of Missouri-Rolla, and William Jewell College. I have been on the Staff of the Missouri Public Service Commission (Staff) since August 1, 1982. A list of the major cases in which I have filed testimony before the Commission is shown on Schedule 1.

Q. What is the purpose of your direct testimony?

A. My name is James C. Watkins and my business address is Missouri Public Service Commission, 200 Madison Street, P. O. Box 360, Jefferson City, Missouri 65102.

A. I am employed by the Missouri Public Service Commission (Commission) and my title is Manager, Economic Analysis, Energy Department, Operations Division.

A. I have a Bachelor of Arts Degree in Economics from William Jewell College, a year of graduate study at the University of California at Los Angeles in the Masters Degree Program, and have completed all requirements except my dissertation for a Ph.D. in Economics from the University of Missouri-Columbia. My previous work experience has been as an Instructor of Economics at Columbia College, the University of Missouri-Rolla, and William Jewell College. I have been on the Staff of the Missouri Public Service Commission (Staff) since August 1, 1982. A list of the major cases in which I have filed testimony before the Commission is shown on Schedule 1.

Q. What is the purpose of your direct testimony?

Direct Testimony of
James C. Watkins

1 A. The purpose of my testimony is to present the Staff's position on class cost of
2 service and rate design. The Staff is not recommending any changes to Aquila's rate
3 structures or any interclass revenue responsibility shifts at this time. The Staff supports the
4 Nonunanimous Stipulation And Agreement approved by the Commission in Case No. ER-
5 2005-0436. Paragraph 3 of that agreement states in part, "In Aquila's next general electric
6 rate case, no Signatory Party will seek any interclass revenue responsibility shifts and any rate
7 change that may result in that case will be implemented on an equal percentage basis." The
8 Staff was a Signatory Party to that agreement.

9 Q. Do you have any further testimony at this time?

10 A. No.

CASE LIST

1.	The Empire District Electric Company	Case No. ER-83-42
2.	Kansas City Power & Light Company	Case No. ER-83-49
3.	Union Electric Company	Case No. ER-83-163
4.	Arkansas Power & Light Company	Case No. ER-83-206
5.	The Empire District Electric Company	Case No. ER-83-364
6.	Kansas City Power & Light Company	Case No. EO-84-4
7.	Union Electric Company	Case No. EO-85-17
8.	Arkansas Power & Light Company	Case No. ER-85-20
9.	Arkansas Power & Light Company	Case No. EO-85-146
10.	Union Electric Company	Case No. ER-85-160
11.	Kansas City Power & Light Company	Case Nos. ER-85-128 & EO-85-185
12.	Arkansas Power & Light Company	Case Nos. ER-85-265 & ER-86-4
13.	Union Electric Company	Case Nos. EC-87-114 & EC-87-115
14.	St. Joseph Light & Power Company	Case No. HR-88-116
15.	Union Electric Company	Case No. EO-87-175
16.	Missouri Public Service	Case No. ER-90-101
17.	The Empire District Electric Company	Case No. ER-90-138
18.	Kansas City Power & Light Company	Case No. EM-91-16
19.	St. Joseph Light & Power Company	Case No. EO-88-158
20.	The Empire District Electric Company	Case No. EO-91-74
21.	Missouri Public Service	Case No. EO-91-245
22.	Missouri Public Service	Case No. EO-93-37
23.	St. Joseph Light & Power Company	Case No. ER-93-41
24.	St. Joseph Light & Power Company	Case No. EO-93-351
25.	St. Joseph Light & Power Company	Case No. ER-94-163
26.	The Empire District Electric Company	Case No. ER-94-117
27.	Citizens' Electric Corporation	Case No. ER-97-286
28.	The Empire District Electric Company	Case No. ER-97-81
29.	The Empire District Electric Company	Case No. ER-97-491
30.	Missouri Public Service	Case Nos. ER-97-394 & ET-98-103
31.	St. Joseph Light & Power Company	Case Nos. EC-98-573 & ER-99-247
32.	Citizens' Electric Corporation	Case No. ET-99-113
33.	Union Electric Company	Case No. EO-96-15
34.	Union Electric Company	Case No. EO-2000-580
35.	The Empire District Electric Company	Case No. ER-2001-299
36.	Missouri Public Service	Case No. ER-2001-672 & EC-2002-265
37.	Union Electric Company	Case No. EC-2002-1
38.	Citizens' Electric Corporation	Case No. ER-2002-217
39.	The Empire District Electric Company	Case No. ER-2001-1074 (ER-2001-425)
40.	The Empire District Electric Company	Case No. ER-2002-424
41.	Aquila, Inc. (MPS & L&P)	Case Nos. ER-2004-0034 & HR-2004-0024
42.	The Empire District Electric Company	Case No. ER-2004-0570
43.	Union Electric Company	Case No. EA-2005-0180
44.	Aquila, Inc. (MPS & L&P)	Case No. EO-2002-384
45.	Aquila, Inc. (MPS & L&P)	Case Nos. ER-2005-0436 & HR-2005-0450