

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

JAMES A. BUSCH

AQUILA, INC.

CASE NO. EO-2002-0384

**Jefferson City, Missouri
October 2005**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

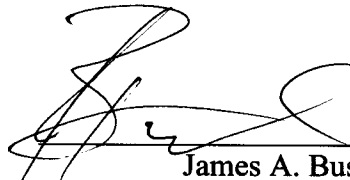
In the Matter of an Examination of the)
Class Cost of Service and Rate Design in)
the Missouri Jurisdictional Electric)
Service Operations of Aquila, Inc.,)
formerly known as UtiliCorp United, Inc.)

Case No. EO-2002-0384

AFFIDAVIT OF JAMES A. BUSCH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

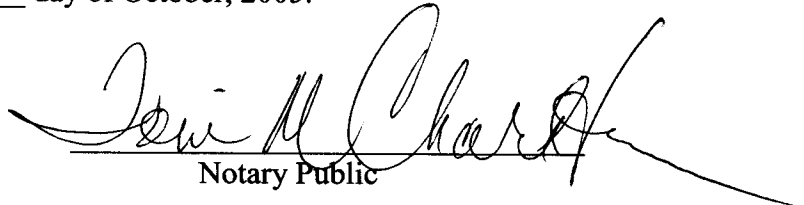
James A. Busch, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 3 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony 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 A. Busch

Subscribed and sworn to before me this 27th day of October, 2005.





Notary Public

TONI M. CHARLTON
Notary Public - State of Missouri
My Commission Expires December 28, 2008
Cole County
Commission #04474301

My commission expires _____

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

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.

Table 1 – MPS CCOS 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%

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%

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

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%

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%

Q. Does this conclude your Surrebuttal Testimony?

A. Yes.

STAFF CLASS COST-OF-SERVICE RESULTS

(At Revenue Neutral ROR 8.62%)

AQUILA NETWORKS - MPS

CASE NO. EO-2002-0384

FUNCTIONAL CATEGORY			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	\$105,941,269
PRODUCTION	ENERGY		\$47,510,360	\$15,789,899	\$15,880,523	\$22,900,632	\$258,781	\$762,800	\$103,102,997
TRANSMISSION	CAPACITY		\$14,071,282	\$4,474,107	\$4,170,299	\$5,767,621	\$65,523	\$139,319	\$28,688,150
DISTRIBUTION	SUBSTATIONS	DEMAND	\$5,942,571	\$1,738,603	\$1,361,226	\$1,605,774	\$24,039	\$79,599	\$10,751,813
DISTRIBUTION	POLES AND CONDUCTORS	PRI. FEEDER - DEMAND	\$0	\$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	\$10,318,945
DISTRIBUTION	POLES AND CONDUCTORS	SEC. CUSTOMER	\$5,699,911	\$2,466,007	\$194,191	\$29,932	\$308	\$0	\$8,390,350
DISTRIBUTION	POLES AND CONDUCTORS	PRI. TAP - DEMAND	\$10,351,575	\$3,028,535	\$2,371,168	\$2,797,155	\$41,874	\$138,656	\$18,728,964
DISTRIBUTION	POLES AND CONDUCTORS	SEC. DEMAND	\$4,794,269	\$1,400,745	\$1,057,921	\$628,086	\$19,394	\$0	\$7,900,415
DISTRIBUTION	TRANSFORMERS	SEC. CUSTOMER	\$11,342,584	\$2,150,908	\$909,554	\$479,938	\$13,833	\$0	\$14,896,817
DISTRIBUTION	TRANSFORMERS	DEMAND	\$504,949	\$134,304	\$94,654	\$51,219	\$1,554	\$0	\$786,681
DISTRIBUTION	CUSTOMER INSTALLATIONS		\$1,508,470	\$217,541	\$8,565	\$880	\$16	\$0	\$1,735,474
DISTRIBUTION	SERVICES		\$5,860,242	\$845,346	\$116,973	\$39,923	\$324	\$410,357	\$7,273,165
DISTRIBUTION	METERS		\$3,974,736	\$573,360	\$79,338	\$27,078	\$220	\$278,326	\$4,933,058
	CUSTOMER DEPOSITS		(\$256,936)	(\$37,063)	(\$1,491)	(\$197)	(\$3)	(\$17,992)	(\$313,682)
	METER READING		\$1,165,033	\$504,172	\$40,560	\$8,044	\$63	\$81,580	\$1,799,452
	BILLING, SALES, SERVICE		\$5,623,677	\$811,221	\$32,631	\$4,314	\$61	\$393,792	\$6,865,696
	ASSIGNED LGS/LPS/SC		\$0	\$0	\$1,035,337	\$136,888	\$1,928	\$0	\$1,174,153
	ASSIGNED RES/SGS		\$7,349,251	\$1,060,137	\$0	\$0	\$0	\$0	\$8,409,388
	Assigned Lighting		\$0	\$0	\$0	\$0	\$0	\$2,342,925	\$2,342,925
TOTAL			\$184,701,144	\$54,667,515	\$42,902,153	\$55,275,945	\$669,397	\$5,509,874	\$343,726,028
TOTAL COST OF SERVICE			\$184,701,144	\$54,667,515	\$42,902,153	\$55,275,945	\$669,397	\$5,509,874	\$343,726,028
%			53.73%	15.90%	12.48%	16.08%	0.19%	1.60%	100%
RATE REVENUE			\$170,064,667	\$53,861,537	\$44,188,703	\$51,095,135	\$564,116	\$5,167,156	\$324,941,314
NON RATE REVENUE			\$2,034,732	\$644,424	\$528,694	\$611,326	\$6,749	\$61,822	\$3,887,748
Interruptible Credit			\$0	\$0	\$0	\$0	\$0	\$0	\$0
OffSystem Revenue			\$7,386,948	\$2,334,803	\$2,152,115	\$2,915,623	\$33,927	\$60,788	\$14,884,205
Excess Facility Revenue			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interdepartmental Sales			\$6,679	\$2,115	\$1,735	\$2,007	\$22	\$203	\$12,761
TOTAL REVENUE			\$179,493,026	\$56,842,880	\$46,871,247	\$54,624,091	\$604,814	\$5,289,970	\$343,726,028
%			52.22%	16.54%	13.64%	15.89%	0.18%	1.54%	100%
REVENUE DEFICIENCY			\$5,208,118	(\$2,175,365)	(\$3,969,094)	\$651,854	\$64,583	\$219,904	\$0
% CHANGE			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

CASE NO. EO-2002-0384

FUNCTIONAL CATEGORY			RES	SGS	LGS	LPS	Other	Lighting	TOTAL
PRODUCTION	CAPACITY		\$13,381,300	\$1,917,658	\$6,738,333	\$11,054,315	\$0	\$322,884	\$33,414,490
PRODUCTION	ENERGY		\$9,996,674	\$1,445,844	\$5,134,745	\$8,610,374	\$0	\$301,949	\$25,489,586
TRANSMISSION	CAPACITY		\$2,992,227	\$428,812	\$1,506,776	\$2,471,884	\$0	\$72,201	\$7,471,900
DISTRIBUTION	SUBSTATIONS	DEMAND	\$2,253,555	\$322,524	\$930,131	\$1,207,822	\$0	\$60,506	\$4,774,537
DISTRIBUTION	POLES AND CONDUCTORS	PRI. FEEDER - DEMAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DISTRIBUTION	POLES AND CONDUCTORS	PRI. TAP - CUSTOMER	\$1,121,743	\$358,564	\$130,169	\$10,267	\$0	\$138,394	\$1,759,136
DISTRIBUTION	POLES AND CONDUCTORS	SEC. CUSTOMER	\$1,203,193	\$384,599	\$138,976	\$10,240	\$0	\$0	\$1,737,008
DISTRIBUTION	POLES AND CONDUCTORS	PRI. TAP - DEMAND	\$2,795,642	\$400,106	\$1,153,872	\$1,498,360	\$0	\$75,060	\$5,923,041
DISTRIBUTION	POLES AND CONDUCTORS	SEC. DEMAND	\$679,928	\$97,310	\$279,113	\$309,054	\$0	\$0	\$1,365,404
DISTRIBUTION	TRANSFORMERS	SEC. CUSTOMER	\$2,166,549	\$365,091	\$395,139	\$296,729	\$0	\$0	\$3,223,509
DISTRIBUTION	TRANSFORMERS	DEMAND	\$95,440	\$13,869	\$33,751	\$40,937	\$0	\$0	\$183,997
DISTRIBUTION	CUSTOMER INSTALLATIONS		\$79,136	\$51,083	\$123,805	\$126,867	\$0	\$0	\$380,890
DISTRIBUTION	SERVICES		\$1,201,251	\$218,868	\$99,203	\$6,255	\$0	\$148,203	\$1,673,780
DISTRIBUTION	METERS		\$982,065	\$178,932	\$81,102	\$5,113	\$0	\$121,161	\$1,368,373
	CUSTOMER DEPOSITS		(\$29,124)	(\$3,103)	(\$563)	(\$30)	\$0	(\$3,593)	(\$36,413)
	METER READING		\$305,668	\$97,706	\$35,470	\$2,798	\$0	\$37,711	\$479,353
	BILLING, SALES, SERVICE		\$2,737,730	\$291,704	\$52,948	\$2,784	\$0	\$337,765	\$3,422,931
	ASSIGNED LGS/LPS/SC		\$0	\$0	\$373,081	\$19,618	\$0	\$0	\$392,698
	ASSIGNED RES/SGS		\$2,759,041	\$293,975	\$0	\$0	\$0	\$0	\$3,053,016
	Assigned 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
TOTAL COST OF SERVICE			\$0	\$0	\$0	\$0	\$0	\$0	\$0
%			44.72%	7.08%	17.76%	26.50%	0.00%	2.50%	100%
RATE REVENUE			\$41,106,120	\$7,575,521	\$17,728,841	\$22,910,401	\$0	\$2,238,976	\$91,559,859
NON RATE REVENUE			\$746,413	\$137,558	\$382,853	\$442,966	\$0	\$40,656	\$1,750,446
Interruptible Credit			\$0	\$0	(\$4,927)	(\$12,317)	\$0	\$0	(\$17,244)
OffSystem Revenue			\$1,438,304	\$206,122	\$724,277	\$1,188,185	\$0	\$34,706	\$3,591,593
Excess Facility Revenue			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interdepartmental Sales			\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE			\$43,290,837	\$7,919,200	\$18,831,044	\$24,529,235	\$0	\$2,314,337	\$96,884,654
%			44.68%	8.17%	19.44%	25.32%	0.00%	2.39%	100%
REVENUE DEFICIENCY			\$1,431,180	(\$1,055,659)	(\$1,624,995)	\$1,144,152	\$0	\$105,322	\$0
% CHANGE			3.48%	-13.94%	-9.17%	4.99%		4.70%	0.00%