

Exhibit No.: 1,117
Issues: Fuel Expenses

Witness: David W. Elliott
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2004-0034

Date Testimony Prepared: January 26, 2004 as modified February 27, 2004

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

DAVID W. ELLIOTT

FILED

FEB 27 2004

Missouri Public
Service Commission

AQUILA, INC. D/B/A AQUILA NETWORKS MPS

CASE NO. ER-2004-0034

**Jefferson City, Missouri
January 2004**

****Denotes Highly Confidential Information****

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

In The Matter Of Aquila, Inc. D/B/A Aquila)
 Networks L&P And Aquila Networks MPS)
 To Implement A General Rate Increase In) Case No. ER-2004-0034
 Electricity)

AFFIDAVIT OF DAVID W. ELLIOTT

STATE OF MISSOURI)
) ss
 COUNTY OF COLE)

David W. Elliott, of lawful age, on his oath states: that he has participated in the preparation of the following written testimony, as modified, in question and answer form, consisting of 3 pages of testimony to be presented in the above case, that the answers in the attached written 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.

David W. Elliott
 David W. Elliott

Subscribed and sworn to before me this 27th day of February 2004.

DAWN L. HAKE
 Notary Public - State of Missouri
 County of Cole
 My Commission Expires Jan 9, 2005

Dawn L. Hake
 Notary Public

My commission expires _____

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REBUTTAL TESTIMONY
OF
DAVID W. ELLIOTT
AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS

CASE NO. ER-2004-0034

Q. Please state your name.

A. David W. Elliott.

Q. Are you the same David W. Elliott who has previously filed direct testimony in this case?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to provide the Staff's revised production cost simulation results reflecting three changes made by the Staff following the pre-hearing conference, and to explain why those changes were made.

Q. What are the results of the revised production cost simulations?

A. The results of the revised electric and steam production cost simulations are shown in Schedule 1. These results indicate that the appropriate level of annual fuel and purchased power cost for Aquila, Inc. (Aquila) is ** HC ** for electric joint dispatch _____ **. When allocated as described in my

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Rebuttal Testimony of
David W. Elliott

1 direct testimony, the annual fuel expense for Aquila Networks-MPS is ** HC _____ **

2 _____ **.

3 Q. What was the first change made to the production cost simulation results?

4 A. The first change was made in order to correct an error in the available

5 capacity of the Aries contract in the simulation. This increased fuel costs by

6 ** HC _____ ** for electric joint dispatch _____ **.

7 Q. Why was this change made?

8 A. During the pre-hearing meetings with Aquila, it was determined that the

9 available capacity for the months of January through March was incorrect. Staff reduced

10 the amount of capacity for those months and re-ran the simulation.

11 Q. What was the second change made?

12 A. The Aquila Networks-MPS net system loads increased. This resulted in

13 an increase in fuel costs of ** HC _____ ** for electric joint dispatch

14 ** _____ **. Staff witness Richard Campbell provided these new loads

15 and explains how the loads changed in his rebuttal testimony. Staff witness Amanda

16 McMellen explains why the loads changed in her rebuttal testimony.

17 Q. What was the third change made?

18 A. The coal price supplied by Staff witness Graham Vesely for Jeffrey

19 Energy Center increased. This increased fuel costs by ** HC _____ ** for electric joint

20 dispatch _____ **. Mr. Vesely explains the reason for the increase

21 in the Jeffrey Energy Center coal price in his rebuttal testimony.

22 Q. Did any party raise any other issues regarding fuel modeling during the

23 prehearing conference?

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Rebuttal Testimony of
David W. Elliott

1 A. No.

2 Q. Does this conclude your rebuttal testimony?

3 A. Yes, it does.

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Schedule 1 Has Been Deemed

Highly Confidential

In Its Entirety