

Exhibit No.:

Issues: Fuel Expenses

Witness: David W. Elliott

Sponsoring Party: MO PSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: ER-2004-0034

& HR-2004-024

Date Testimony Prepared: January 26, 2004

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**DAVID W. ELLIOTT**

**AQUILA, INC. D/B/A AQUILA NETWORKS L&P  
AND AGUILA NETWORKS MPS**

**CASE NO. ER-2004-0034**

**Jefferson City, Missouri**

**January 2004**

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

**NP**

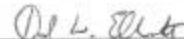
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In The Matter Of Aquila, Inc. D/B/A Aquila )  
Networks L&P And Aquila Networks MPS ) Case No. ER-2004-0034 &  
To Implement A General Rate Increase In ) HR-2004-0024 (Consolidated)  
Electricity )

**AFFIDAVIT OF DAVID W. ELLIOTT**

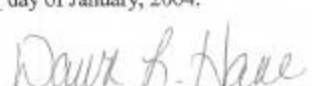
STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

David W. Elliott, of lawful age, on his oath states: that he has participated in the preparation of the following written testimony 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

Subscribed and sworn to before me this 23<sup>rd</sup> day of January, 2004.

  
DAWN L. HAKE  
Notary Public - State of Missouri  
County of Cole  
My commission expires 14th Commission Expires Jan 9, 2005

  
\_\_\_\_\_  
Notary Public

1 **REBUTTAL TESTIMONY**  
2 **OF**  
3 **DAVID W. ELLIOTT**  
4 **AQUILA, INC.**  
5 **D/B/A AQUILA NETWORKS-MPS**  
6 **AND AQUILA NETWORKS-L&P**  
7 **CASE NOS. ER-2004-0034 and HR-2004-0024**  
8 **(CONSOLIDATED)**  
9

10 Q. Please state your name.

11 A. David W. Elliott.

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

14 A. Yes, I am.

15 Q. What is the purpose of your rebuttal testimony?

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

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

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

**NP**

Rebuttal Testimony of  
David W. Elliott

1 direct testimony, the annual fuel expense for Aquila Networks-MPS is \*\* HC \*\*  
2 and for Aquila Networks-L&P is \*\* HC \*\*.

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, and \*\* HC \*\* for steam sales.

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, and  
14 \*\* HC \*\* for steam sales. 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, and \*\* HC \*\* for steam sales. 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?

**NP**

Rebuttal Testimony of  
David W. Elliott

1

A. No.

2

Q. Does this conclude your rebuttal testimony?

3

A. Yes, it does.

**NP**