Exhibit No.:
Issues: Revenue Normalization
Witness: Eric L. Watkins
Sponsoring Party: Aquila Networks-MPS & L&P
Case No.: ER-

Before the Public Service Commission
of the State of Missouri

Direct Testimony

of

Eric L. Watkins

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
DIRECT TESTIMONY OF ERIC L. WATKINS
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NO. ER-_____

Q. Please state your name and business address.

A. My name is Eric L. Watkins and my business address is 10700 East 350 Highway, Kansas City, MO, 64138 USA.

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

A. I am employed by Aquila, Inc. ("Aquila" or “Company”) as the Vice President-Commodity Risk Management reporting to the Chief Financial Officer of Aquila.

Q. Please describe your responsibilities in that position.

A. I am responsible for directing Aquila’s risk pricing and structuring activities, middle office controls, fundamental analysis, commodity market research, energy forecasting, and weather normalization of sales, revenues, and system loads for regulatory cases.

Q. Please describe your educational background.

A. I hold a Bachelor of Science degree in Mathematics from the University of Arkansas, and a Master of Business Administration degree in Finance from the University of Missouri-Kansas City.

Q. Please describe your professional work experience.

A. I have been employed by Aquila since June 1991. My experiences since that time have included duties for energy forecasting, weather normalization of sales and revenue for regulatory cases, competitive and industry analysis for merger and acquisition candidates and new business ventures, structure desk analysis, and

accounting and financial management. Before coming to Aquila Inc., I was employed by Burns and McDonnell Engineers-Architects-Consultants from February 1988 to May 1991.

Q. What is the purpose of your direct testimony in this proceeding before the Missouri Public Service Commission ("Commission")?

A. The purpose of my direct testimony in this proceeding is to sponsor and recommend that the Commission adopt the weather normalization adjustment to class sales and revenue for Aquila Networks-MPS ("MPS") and Aquila Networks-L&P ("L&P) shown on Schedules ELW-1 and ELW-2, the customer annualization adjustment shown on Schedules ELW-3 and ELW-4, and the weather normalized system hourly loads shown on Schedules ELW-5 and ELW-6. Aquila witness Jerry Boehm uses these weather normalized system hourly loads in estimating normalized fuel and purchase power costs.

Q. Were these schedules prepared by you or under your direct supervision?

A. Yes.

Q. Do you have a recommendation for the Commission regarding weather normalization of MPS and L&P sales and revenue, customer annualization adjustment, and system hourly loads?

A. I recommend that the Commission adopt the MPS and L&P weather normalized revenue adjustment, unbilled revenue adjustment, leap year adjustment, customer annualization adjustment, large customer load adjustment; as well as the weather normalized system hourly loads, for the 2004 test year, which I am sponsoring in this case.

WEATHER NORMALIZATION OF CLASS SALES AND REVENUE

Q. Please provide a description of the methods and models used to calculate the weather normalization adjustments to class kWh sales for MPS and L&P.

A. Weather normalization adjusts the test year sales and revenue for the impact of weather. Normal weather is based on daily temperatures over a 30-year historical period (1971-2000). A set of statistical models were developed to calculate the weather adjustments to weather sensitive rate class kWh sales for the test year ending December 31, 2004.

The weather sensitive rate classes that were weather normalized are listed below.

For MPS:

Residential (MO860-General Service, MO870-Space Heat)
Small General Service (Combined MO710-No Demand Meter and MO 711-Secondary, MO716-Primary)
Large General Service (MO720-Secondary, MO725-Primary)
Large Power (MO730-Secondary, MO735-Primary)
Schools & Churches (MO740-Secondary)

For L&P:

Residential (MO910,MO911,MO913,MO914,MO915,MO920,MO921,MO922)
Small General Service (MO930,MO931,MO932,MO933,MO941)
Large General Service (MO940)
Large Power (MO944)
Schools & Churches (934)

The Hourly Electric Load Model ("HELM") from Electric Power Research Institute was used to weather normalize rate class sales, based on load research data for the test year ending December 31, 2004. HELM optimizes weather response functions based on daily load profiles by rate classes. The weather response functions are used in HELM's Billing Cycle Analysis tool to estimate kWh sales under predicted actual and

normal weather conditions for the test year by billing cycles for each rate class. Actual and normal daily weather variables, based on 1971-2000 average daily temperature (2-day rolling average) data for Kansas City, Missouri (MCI Airport), were used in each rate class model to estimate kWh sales under predicted actual and normal weather conditions. In order to compute the 2-day rolling average daily temperatures, average daily normal temperatures for 1971-2000 were computed from daily maximum and minimum temperatures, based on temperature data for MCI Airport and a model developed by the Missouri Public Service Commission Staff. The weather adjustment to kWh sales is calculated as the difference between predicted normal minus predicted actual daily kWh sales.

Q. Please describe the results of the weather normalization adjustment to kWh sales for the test year ending December 31, 2004.

A. Schedules ELW-1 and ELW-2 provide the weather normalization adjustment to kWh sales for MPS and L&P, respectively. The total weather normalization adjustment (normal - actual) for weather sensitive retail rate classes is 183,615 MWh for MPS, and 50,920 MWh for L&P for the test year ending December 31, 2004.

Q. Please describe the method for calculating the weather normalization adjustment to revenue for weather sensitive rate classes.

A. The method used for calculating the weather normalization adjustment for revenue for the test year ending December 31, 2004 for each weather sensitive rate class, is based on actual observed average rates by billing cycle for the test year. Actual average rates, based on revenue associated with kWh usage excluding Interim Energy Charges and Customer Charges, were multiplied by weather normalization adjustments

(normal – actual) kWh sales by billing cycle for each rate class that was weather normalized to compute weather adjustments to revenue. This method assumes that weather normalization affects only the weather sensitive rate class sales, with no effect from customer charges or other fixed charges. Interim Energy Charges were excluded from the weather adjustment to revenue as described in direct testimony of Aquila witness Susan Braun. Actual average rates were normalized for the full test year 2004, considering the base rate increases for MPS and L&P which became effective in April 2004.

Q. Please describe the results of the weather normalization adjustment to revenue for the test year ending December 31, 2004.

A. Schedules ELW-1 and ELW-2 provide the weather normalization adjustment to revenue for MPS and L&P, respectively. The total weather normalization adjustment to revenue for weather sensitive retail rate classes is $12,447,463 for MPS, and $2,796,398 for L&P, as summarized in Schedule SKB-4 included with the direct testimony of Aquila witness Susan Braun.

UNBILLED SALES AND REVENUE ADJUSTMENT

Q. Please describe the unbilled sales and revenue adjustment for the test year ending December 31, 2004.

A. Schedules ELW-1 and ELW-2 provide the unbilled sales and revenue adjustment at the bottom of the sales and revenue schedule for MPS and L&P, respectively. Unbilled sales for the test year is the difference between calendar month weather normalized sales and billing month weather normalized sales for the rate codes that were weather normalized, as calculated in HELM's Billing Cycle Analysis. Unbilled

revenue for the test year is based on average rates for the rate codes that were weather normalized, excluding IEC, customer charges and other fixed charges, multiplied by the monthly unbilled sales. The total 2004 test year unbilled revenue and kWh sales adjustment is $304,086 and (752) MWh for MPS, and $ (81,112) and (4,414) MWh for L&P, as summarized in Schedule SKB-4 included with the direct testimony of Aquila witness Susan Braun.

LEAP YEAR ADJUSTMENT

Q. Please describe the leap year adjustment to sales and revenue for the test year ending December 31, 2004.

A. Schedules ELW-1 and ELW-2 provide the unbilled sales and revenue adjustment at the bottom of the sales and revenue schedules for MPS and L&P, respectively. The leap year adjustment eliminates leap day (February 29) sales from the test year by dividing the calendar month weather normalized sales by -1/366 in order to normalize leap day sales proportionately over the test year. The total 2004 test year leap day adjustment is $(764,577) to revenue and (14,591) MWh to sales for MPS, and $(204,778) to revenue and (5,053) MWh to sales for L&P, as summarized in Schedule SKB-4 included with the direct testimony of Aquila witness Susan Braun.

CUSTOMER ANNUALIZATION ADJUSTMENT

Q. Please describe the method for calculating the customer normalization adjustment to revenue for weather sensitive rate classes for the test year ending December 31, 2004.

A. A customer annualization adjustment to the test year revenue is made to reflect additional sales and revenue that are expected to occur because of projected growth in the number of customers at some future point in time. This method is simple and is

based on dividing the weather normalized test year rate class revenues by average customers, and then multiplying the result by the projected customers as of June 30, 2005 to obtain customer annualized revenues. Customers were projected to June 2005 based on growth from January to June 2004 in historical monthly customers by rate class, except those rate classes which had no significant observable growth which were assumed to remain at December 2004 customer levels or the average level for the test year. Actual customer levels by rate class at June 30, 2005 will be used when available to true up the customer annualization adjustment. The customer annualization adjustment is the difference between the test year weather normalized revenues and the customer annualized revenues projected at June 30, 2005 customer levels.

Q. Please describe the results of the customer annualization adjustment to revenue at June 30, 2005.

A. Schedules ELW-3 and ELW-4 provide the customer annualization adjustment to revenue for MPS and L&P, respectively. The total customer annualization adjustment to revenue for weather sensitive retail rate classes is $5,636,449 for MPS, and $1,237,646 for L&P, based on projected customer levels at June 30, 2005, as summarized in Schedule SKB-4 included with the direct testimony of Aquila witness Susan Braun.

LARGE CUSTOMER LOAD ADJUSTMENT

Q. Please describe the large customer load adjustment to sales and revenue for the test year ending December 31, 2004.

A. Large customer load adjustments are shown at the bottom of schedules ELW-3 and ELW-4 for MPS and L&P, respectively. A large customer adjustment for MPS of 17,520 MWh annualized sales and $772,632 annualized revenue was made for a new St. Luke's Hospital facility in Lee's Summit, MO expected to be constructed by June 2005. A large customer load adjustment for MPS was also made for miscellaneous rate MO730 customers of 5,349 MWh annualized sales and $253,203 annualized revenue. A large customer adjustment for L&P of 8,760 MWh annualized sales and $317,236 annualized revenue was made for an Albaugh Chemical expansion in St. Joseph, MO expected to be constructed by June 2005. A large customer adjustment for L&P of 56,940 MWh annualized sales and $2,062,037 annualized revenue was also made for a Triumph Foods (pork processing) facility in St. Joseph, MO expected to be constructed by June 2005.

Total large customer load adjustment to revenue for MPS is $1,025,835, and L&P is $2,379,273, as summarized in Schedule SKB-4 included with the direct testimony of Aquila witness Susan Braun.

WEATHER NORMALIZATION OF SYSTEM HOURLY LOADS

Q. Please describe the method and data sources used for weather normalizing system hourly loads for MPS and L&P for the test year ending December 31, 2004.

A. System hourly loads in kW represent the hourly electric demand requirements for MPS and L&P electric customers, including transmission and distribution losses. Actual system hourly loads for 2004 were weather normalized using HELM from Electric Power Research Institute with methods and data sources consistent with the

weather normalization of class sales, as previously described in my testimony. Weather response functions for MPS and L&P were optimized in HELM using actual daily weather variables (2-day average daily temperature) for MCI Airport (Kansas City, MO). Based on these weather response functions, hourly loads were weather normalized using 1971-2000 normal (2-day weighted) average daily temperatures, consistent with the weather normalization of rate class sales, as previously described in my testimony. MPS and L&P weather normalized hourly loads for 2004 were then adjusted to reflect the change in level of test year sales due to the unbilled sales adjustment, leap day adjustment, customer annualization adjustment, and large customer load adjustment.

Q. Please describe the results of the MPS and L&P weather normalized system hourly loads for the test year ending December 31, 2004.

A. Schedules ELW-5 and ELW-6 provide a summary of the 2004 weather normalized system hourly loads for MPS and L&P, respectively.

The MPS weather normalized 2004 net energy for load is 5,984,353 MWh, as adjusted, and the weather normalized peak demand is 1400 MW, as shown on line 38 of schedule ELW-5. The L&P weather normalized 2004 net energy for load is 2,086,643 MWh, as adjusted, and the weather normalized peak demand is 410 MW, as shown on line 38 of schedule ELW-6. Weather normalized system hourly loads, as adjusted for MPS and L&P, are used by Aquila witness Jerry Boehm for normalizing fuel and purchased energy costs for the 2004 test year.

RECOMMENDATION

Q. What is your recommendation to the Commission?

A. My recommendation to the Commission is that it should adopt the MPS and L&P weather normalized revenue adjustment, unbilled revenue adjustment, leap year adjustment, customer annualization adjustment, and large customer load adjustment; as well as the weather normalized system hourly loads, for the 2004 test year, which I am sponsoring in my direct testimony.

Q. Does this conclude your direct testimony?

A. Yes, it does.

Schedule ELW-1

ELECTRIC — **Aquila Networks, Missouri Public Service Division** — **ELW - 1**
Weather Normalization Adjustment — **Page 1 of 2**
Test Year Ending 12/31/04

MWh Sales Adjustment (Normal - Actual)
Billed WN Adj.

Rate Class	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
MO860	4,073	(324)	1,359	1,643	(6,355)	1,210	34,199	36,066	23,041	(368)	1,664	3,384	99,592
MO870	7,176	(694)	2,028	5,182	(527)	1,012	8,666	9,603	6,673	(849)	7,905	6,489	52,665
MO711	828	(254)	(63)	42	(2,063)	(507)	5,768	6,315	3,450	(516)	1,450	1,015	15,465
MO716	1	(0)	1	(1)	(3)	1	5	5	2	(0)	1	2	12
MO720	792	(68)	295	(44)	(1,449)	45	3,320	3,430	1,863	(111)	56	670	8,799
MO725	(8)	(2)	(14)	(27)	(53)	(4)	188	106	91	(2)	(45)	(4)	228
MO730	12	(40)	(46)	(356)	(936)	414	1,769	1,941	591	78	(777)	199	2,849
MO735	15	(24)	(9)	(416)	(1,129)	643	1,826	2,007	492	120	(723)	14	2,814
MO740	104	(12)	26	38	(72)	0	376	359	273	15	2	83	1,192
Billed WN Adj.	12,992	(1,419)	3,577	6,061	(12,586)	2,815	56,116	59,832	36,475	(1,633)	9,534	11,851	183,615
Unbilled Adj.	(20,946)	(42,412)	7,446	(17,150)	19,210	43,107	42,506	9,175	(77,866)	(17,158)	20,557	32,777	(752)
Leap Year Adj.	(1,229)	(1,119)	(1,111)	(944)	(1,045)	(1,317)	(1,648)	(1,557)	(1,205)	(1,035)	(1,065)	(1,313)	(14,591)

ELECTRIC — **Aquila Networks, Missouri Public Service Division** — **ELW - 1**
Weather Normalization Adjustment — **Page 2 of 2**
Test Year Ending 12/31/04

Note: Revenue excludes IEC, demand, and customer charges. Base rate increase of 4.671% (effective. Apr-04) reflected for full 2004 test year WNA to revenue.

$ Revenue Adjustment (Normal - Actual)
Billed WN Adj.

Rate Class	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
MO860	254,351	(20,455)	88,240	108,567	(409,864)	90,098	2,561,096	2,700,248	1,719,810	(23,429)	110,170	206,293	7,385,124
MO870	321,221	(30,514)	96,363	272,145	(28,865)	75,760	650,734	720,847	499,568	(47,151)	447,218	287,358	3,264,685
MO711	38,654	(11,817)	(3,006)	2,086	(98,740)	(31,872)	359,899	398,506	217,341	(23,902)	70,870	45,863	963,883
MO716	33	(14)	31	(25)	(137)	51	307	278	90	(5)	31	73	712
MO720	31,074	(2,646)	11,737	(1,773)	(56,115)	2,406	177,191	186,085	101,098	(4,309)	2,216	24,564	471,528
MO725	(320)	(69)	(571)	(1,008)	(1,924)	(180)	9,790	5,608	5,002	(46)	(1,692)	(145)	14,445
MO730	376	(1,253)	(1,447)	(11,172)	(29,025)	16,392	71,915	77,805	23,831	2,430	(24,171)	6,250	131,932
MO735	457	(746)	(271)	(12,765)	(34,376)	24,978	71,522	77,911	19,135	3,712	(21,984)	424	127,998
MO740	5,510	(649)	1,433	2,215	(4,111)	12	28,850	27,567	20,998	819	100	4,413	87,156
Billed WN Adj.	651,356	(68,164)	192,508	358,270	(663,156)	177,645	3,931,305	4,194,855	2,606,873	(91,882)	582,758	575,095	12,447,463
Unbilled Adj.	(941,808)	(1,871,068)	337,765	(792,140)	898,457	2,637,423	2,671,911	578,695	(4,859,907)	(816,055)	981,979	1,478,835	304,086
Leap Year Adj.	(55,263)	(49,373)	(50,386)	(43,607)	(48,895)	(80,607)	(103,616)	(98,230)	(75,237)	(49,237)	(50,880)	(59,247)	(764,577)
Avg.RevKwh ($)	$ 0.04496	$ 0.04412	$ 0.04536	$ 0.04619	$ 0.04677	$ 0.06118	$ 0.06286	$ 0.06307	$ 0.06241	$ 0.04756	$ 0.04777	$ 0.04512	$ 0.05234

Aquila Networks, Missouri Public Service Division
Weather Data at MCI Airport, Kansas City, MO
Test Year Ending 12/31/04

HDD65 (MCI):	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
Actual-Cal.Mo.	1,158	980	540	267	85	5	0	4	10	237	539	938	4,763
Actual-2MoAvg.	1,064	1,069	760	404	176	45	3	2	7	124	388	739	4,779
Normal71-00	1,182	897	658	331	124	8	0	7	58	269	668	1,047	5,249
Deviation(N-A)	24	(83)	118	64	39	3	0	3	48	32	129	109	486
% Deviation	2%	-9%	18%	19%	31%		0%	43%	83%	12%	19%	10%	9%

CDD65 (MCI):	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
Actual-Cal.Mo.	0	0	0	32	164	178	316	244	166	18	0	0	1,118
Actual-2MoAvg.	0	0	0	16	98	171	247	280	205	92	9	0	1,118
Normal71-00	0	0	0	12	101	264	418	367	151	12	0	0	1,325
Deviation (N-A)	0	0	0	(20)	(63)	86	102	123	(15)	(6)	0	0	207
% Deviation	0%	0%	0%	-167%	-62%	33%	24%	34%	-10%		0%	0%	16%

Schedule ELW-2

ELECTRIC — **Aquila Networks, St. Joseph Light & Power Division** — **ELW - 2**
Weather Normalization Adjustment — **Page 1 of 2**
Test Year Ending 12/31/04

MWh Sales Adjustment (Normal - Actual)
Billed WN Adj.

Rate Class	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
MO910	850	(73)	174	172	(1,666)	(877)	5,669	6,774	4,326	(361)	1,016	924	16,927
MO911	5	(2)	4	(0)	(20)	7	51	50	27	(3)	9	7	136
MO913	308	(22)	92	181	(259)	(102)	1,046	1,173	785	(20)	400	328	3,909
MO914	0	0	0	0	(0)	(0)	1	1	1	(0)	0	0	3
MO915	23	(0)	3	8	(9)	(8)	38	48	63	(2)	38	30	232
MO920	3,216	(442)	1,052	2,129	(375)	(33)	2,356	2,529	1,681	150	3,577	3,199	19,037
MO921	64	1	14	58	2	(10)	48	55	41	6	71	73	423
MO922	6	(1)	2	3	(1)	0	4	4	3	0	5	5	31
MO930	78	(7)	29	35	(56)	(21)	153	156	86	(12)	97	76	613
MO931	135	(14)	52	67	(127)	(61)	356	382	223	(36)	195	138	1,309
MO932	17	(2)	7	5	(9)	(3)	21	23	12	(2)	14	14	97
MO933	80	(10)	32	36	(55)	(14)	133	137	77	(13)	83	80	565
MO934	15	(1)	4	8	(9)	(7)	32	39	23	(5)	16	14	130
MO940	511	(70)	215	52	(633)	78	2,061	2,271	1,005	(131)	311	359	6,029
MO941	6	(1)	2	1	(3)	0	9	9	6	(1)	2	4	34
MO944	61	(66)	(43)	(251)	(520)	340	1,128	1,126	280	35	(584)	(60)	1,445
Billed WN Adj.	5,375	(711)	1,639	2,503	(3,741)	(712)	13,106	14,778	8,637	(396)	5,251	5,190	50,920
Unbilled Adj.	(8,564)	(10,339)	(3,576)	(4,491)	2,511	10,619	5,583	3,719	(16,193)	(2,663)	8,829	10,152	(4,414)
Leap Year Adj.	(455)	(434)	(408)	(349)	(361)	(422)	(501)	(494)	(404)	(368)	(386)	(471)	(5,053)

ELECTRIC — **Aquila Networks, St. Joseph Light & Power Division** — **ELW - 2**
Weather Normalization Adjustment — **Page 2 of 2**
Test Year Ending 12/31/04

Note: Revenue excludes IEC, demand, and customer charges. Base rate increase of 3.685% (eff. Apr-04) reflected for full 2004 test year.

$ Revenue Adjustment (Normal - Actual)
Billed WN Adj.

Rate Class	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
MO910	45,319	(3,913)	9,510	9,620	(91,412)	(58,281)	376,468	449,792	287,261	(19,573)	56,764	49,969	1,111,525
MO911	311	(102)	223	(6)	(1,193)	437	3,390	3,331	1,824	(167)	544	424	9,014
MO913	13,823	(977)	4,282	8,700	(12,334)	(6,776)	69,523	77,973	52,113	(961)	19,424	15,089	239,878
MO914	11	1	1	7	(7)	(9)	66	74	52	(2)	14	11	220
MO915	1,611	(32)	210	574	(600)	(757)	3,707	4,640	6,029	(139)	2,695	2,103	20,039
MO920	113,636	(15,496)	38,034	81,852	(14,732)	(2,207)	156,363	167,947	111,617	6,016	142,648	116,948	902,627
MO921	2,567	49	580	2,512	72	(695)	3,218	3,662	2,750	245	3,099	3,095	21,154
MO922	214	(43)	78	110	(23)	18	288	286	184	5	186	192	1,495
MO930	4,998	(477)	1,893	2,222	(3,526)	(1,879)	13,586	13,879	7,658	(794)	6,266	4,876	48,704
MO931	6,219	(652)	2,423	3,123	(5,964)	(4,110)	23,650	25,637	14,874	(1,709)	9,272	6,436	79,198
MO932	1,115	(156)	441	303	(544)	(224)	1,843	2,041	1,046	(102)	912	879	7,556
MO933	3,356	(416)	1,367	1,636	(2,414)	(925)	8,852	9,238	5,132	(590)	3,700	3,407	32,344
MO934	971	(39)	252	491	(575)	(668)	2,862	3,499	2,091	(294)	1,011	931	10,532
MO940	16,784	(2,332)	7,122	1,732	(20,763)	3,409	89,020	105,502	43,886	(4,369)	10,404	11,858	262,253
MO941	232	(41)	83	18	(114)	5	811	839	500	(34)	73	131	2,502
MO944	1,544	(1,665)	(1,100)	(6,390)	(13,080)	9,997	32,730	32,670	8,105	877	(14,809)	(1,521)	47,357
Billed WN Adj.	212,710	(26,291)	65,399	106,507	(167,209)	(62,665)	786,378	901,008	545,122	(21,591)	242,201	214,829	2,796,398
Unbilled Adj.	(300,147)	(360,111)	(125,024)	(157,144)	88,674	513,065	275,041	187,343	(799,070)	(96,429)	322,724	369,966	(81,112)
Leap Year Adj.	(15,957)	(15,109)	(14,253)	(12,221)	(12,732)	(20,389)	(24,667)	(24,888)	(19,950)	(13,307)	(14,125)	(17,181)	(204,778)
Avg.RevKwh ($)	$ 0.03505	$ 0.03483	$ 0.03496	$ 0.03499	$ 0.03531	$ 0.04832	$ 0.04926	$ 0.05037	$ 0.04935	$ 0.03620	$ 0.03655	$ 0.03644	$ 0.04047

Aquila Networks, St. Joseph Light & Power Division
Weather Data at MCI Airport, Kansas City, MO
Test Year Ending 12/31/04

HDD65 (MCI):	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
Actual-Calendar	1,158	980	540	267	85	5	0	4	10	237	539	938	4,763
Actual-2Mo.Avg.	1,064	1,069	760	404	176	45	3	2	7	124	388	739	4,779
Normal71-00	1,182	897	658	331	124	8	0	7	58	269	668	1,047	5,249
Deviation(N-A)	24	(83)	118	64	39	3	0	3	48	32	129	109	486
% Deviation	2%	-9%	18%	19%	31%		0%	43%	83%	12%	19%	10%	9%

CDD65 (MCI):	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual
Actual-Calendar	0	0	0	32	164	178	316	244	166	18	0	0	1,118
Actual-2Mo.Avg.	0	0	0	16	98	171	247	280	205	92	9	0	1,118
Normal71-00	0	0	0	12	101	264	418	367	151	12	0	0	1,325
Deviation (N-A)	0	0	0	(20)	(63)	86	102	123	(15)	(6)	0	0	207
% Deviation	0%	0%	0%	-167%	-62%	33%	24%	34%	-10%		0%	0%	16%

Schedule ELW-3

ELECTRIC — Aquila Networks, Missouri Public Service Division — ELW - 3
Customer Annualization Adjustment
Test Year Ending 12/31/04

Note: Revenue excludes IEC. Base rate increase of 4.671% (effective Apr-04) reflected for full 2004 test year WNA to revenue.

Rate Class	Test Year 2004 Avg. Customers	Forecast Jun-05 Customers	Revenue Per Customer	Forecast Jun-05 Revenue	Test Year 12/31/04 WN Revenue	Forecast Jun-05 Cust Adj.Rev.	Forecast Jun-05 CustAdj.MWh
MO860	146,981	146,981	$ 846	$ 124,372,587	$ 124,372,587	$ -	-
MO870	49,462	53,500	$ 1,061	$ 56,743,436	$ 52,397,219	$ 4,346,218	73,914
MO711	26,735	26,866	$ 1,840	$ 49,434,686	$ 49,317,855	$ 116,831	3,082
MO716	7	7	$ 10,077	$ 70,536	$ 70,536	$ -	-
MO720	1,108	1,108	$ 36,749	$ 40,699,790	$ 40,699,790	$ -	-
MO725	24	24	$ 74,425	$ 1,755,188	$ 1,755,188	$ -	-
MO730	109	109	$ 246,136	$ 26,767,271	$ 26,767,271	$ -	-
MO735	34	36	$ 720,256	$ 25,929,219	$ 24,755,818	$ 1,173,401	30,144
MO740	804	804	$ 2,448	$ 1,968,844	$ 1,968,844	$ -	-
Total	225,264	229,435	$ 1,428	$ 327,741,557	$ 322,105,108	$ 5,636,449	107,141

Large Load Adjustments (Normalized 2005):

Rate Class	Customer Name	Opr. Date	Revenue	Avg RevKwh$	LF%	Peak MW	Annual MWh
MO730	St.Lukes Hosp. (Lees Summit)	Jun-05	$ 772,632	$ 0.0441	50%	4	17,520
MO730	Annualize specific customers	Dec04	$ 253,203	$ 0.0473	50%	1	5,349
Total			$ 1,025,835			5	22,869

Schedule ELW- 4

ELECTRIC — Aquila Networks, St. Joseph Light & Power Division — ELW - 4
Customer Annualization Adjustment
Test Year Ending 12/31/04

Note: Revenue excludes IEC, demand, and customer charges. Base rate increase of 3.685% (eff. Apr-04) reflected for full 2004 test year.

Rate Class	Test Year 2004 Avg. Customers	Forecast Jun-05 Customers	Revenue Per Customer	Forecast Jun-05 Revenue	Test Year 12/31/2004 WN Revenue	Forecast Jun-05 Cust Adj.Rev.	Actual Jun-05 CustAdj.MWh
MO910	32,647	32,647	$ 638	$ 20,836,123	$ 20,832,033	$ 4,090	37
MO911	79	79	$ 2,458	$ 193,378	$ 192,645	$ 733	9
MO913	6,936	6,936	$ 747	$ 5,180,105	$ 5,179,123	$ 982	(8)
MO914	5	5	$ 1,043	$ 4,782	$ 4,695	$ 86	1
MO915	1,642	1,715	$ 327	$ 561,418	$ 538,124	$ 23,294	238
MO920	15,268	16,076	$ 968	$ 15,569,605	$ 14,769,274	$ 800,331	17,698
MO921	58	58	$ 6,797	$ 390,815	$ 389,560	$ 1,256	52
MO922	91	92	$ 285	$ 26,177	$ 26,007	$ 170	2
MO930	3,194	3,206	$ 654	$ 2,096,849	$ 2,091,005	$ 5,843	80
MO931	1,491	1,527	$ 2,247	$ 3,431,802	$ 3,353,892	$ 77,910	1,155
MO932	281	282	$ 1,130	$ 318,698	$ 317,474	$ 1,225	16
MO933	623	637	$ 2,277	$ 1,450,226	$ 1,419,013	$ 31,213	509
MO934	315	316	$ 1,197	$ 378,380	$ 377,099	$ 1,281	15
MO940	1,095	1,108	$ 17,038	$ 18,877,986	$ 18,643,781	$ 234,205	4,803
MO941	105	105	$ 1,338	$ 139,928	$ 140,135	$ (206)	(15)
MO944	60	60	$ 406,361	$ 24,246,200	$ 24,190,969	$ 55,232	1,028
Total	63,888	64,847	$ 1,445	$ 93,702,472	$ 92,464,826	$ 1,237,646	25,621

Large Load Adjustments (Normalized 2005):

Rate Class	Customer Name	Opr. Date	Revenue	Avg RevKwh$	LF%	Peak MW	Annual MWh
MO944	Albaugh Chemical	Jun-05	$ 317,236	$ 0.0362	50%	2	8,760
MO944	Triumph Foods (Pork)	Jun-05	$ 2,062,037	$ 0.0362	50%	13	56,940
Total			$ 2,379,273	$ 0.0362	50%	15	65,700

Schedule ELW-5

Aquila Networks-Missouri, Missouri Public Service (MPS) — **ELW - 5**

2004 Actual and Weather Normalized System Hourly Loads

MPS-System Net Load (Actual)

Coincident with System Actual Peak						Coincident with System Normal Peak						(Normal-Actual)		WNA % Actual	
DatePeak	Month	NEL_MWh	PeakMW	Day	Hour	DatePeak	Month	NEL_MWh	PeakMW	Day	Hour	NEL_Mwh	PeakMW	NEL_Mwh	PeakMW
01/05/04	1	513,600	951	5	19	01/30/04	1	519,001	973	30	19	5,401	22	1.1%	2.4%
02/02/04	2	459,190	890	2	19	02/13/04	2	453,082	852	13	19	(6,108)	(38)	-1.3%	-4.3%
03/04/04	3	427,767	735	4	19	03/22/04	3	436,732	782	22	20	8,965	47	2.1%	6.4%
04/19/04	4	386,359	682	19	21	04/01/04	4	388,117	689	1	21	1,758	7	0.5%	1.0%
05/20/04	5	468,836	1,064	20	18	05/21/04	5	430,412	1,010	21	18	(38,424)	(54)	-8.2%	-5.0%
06/14/04	6	497,125	1,171	14	17	06/08/04	6	538,667	1,291	8	18	41,542	120	8.4%	10.3%
07/13/04	**7**	**581,011**	**1,344**	**13**	**17**	**07/13/04**	**7**	**643,653**	**1,374**	**13**	**17**	**62,642**	**30**	**10.8%**	**2.3%**
08/03/04	8	545,734	1,335	3	17	08/03/04	8	612,439	1,360	3	17	66,705	25	12.2%	1.8%
09/14/04	9	491,001	1,133	14	17	09/14/04	9	481,872	1,207	14	17	(9,129)	74	-1.9%	6.5%
10/28/04	10	409,628	727	28	20	10/21/04	10	411,133	718	21	20	1,505	(9)	0.4%	-1.3%
11/30/04	11	425,352	864	30	18	11/24/04	11	438,565	809	24	20	13,213	(55)	3.1%	-6.4%
12/22/04	12	501,829	957	22	19	12/13/04	12	514,614	946	13	20	12,785	(11)	2.5%	-1.2%
Year	**2004**	**5,707,432**	**1,344**			**Year**	**2004**	**5,868,287**	**1,374**			**160,855**	**30**	**2.8%**	**2.3%**
Load Factor			**48.34%**			**Load Factor**			**48.61%**						

2004 Scaled WN System Hourly Loads with Customer Annualization and Large Load Adjustments

MPS-System Net Load (Actual)

Coincident with System Actual Peak						Coincident with System Normal Peak						(Normal-Actual)		% Actual	
DatePeak	Month	NEL_MWh	PeakMW	Day	Hour	DatePeak	Month	NEL_MWh	PeakMW	Day	Hour	NEL_Mwh	PeakMW	NEL_Mwh	PeakMW
01/05/04	1	513,600	951	5	19	01/30/04	1	529,291	993	30	19	15,691	42	3.1%	4.4%
02/02/04	2	459,190	890	2	19	02/13/04	2	462,430	869	13	19	3,240	(21)	0.7%	-2.3%
03/04/04	3	427,767	735	4	19	03/22/04	3	445,702	798	22	20	17,935	63	4.2%	8.6%
04/19/04	4	386,359	682	19	21	04/01/04	4	396,001	703	1	21	9,642	21	2.5%	3.1%
05/20/04	5	468,836	1,064	20	18	05/21/04	5	438,732	1,030	21	18	(30,104)	(34)	-6.4%	-3.2%
06/14/04	6	497,125	1,171	14	17	06/08/04	6	548,167	1,314	8	18	51,042	143	10.3%	12.2%
07/13/04	**7**	**581,011**	**1,344**	**13**	**17**	**07/13/04**	**7**	**655,336**	**1,400**	**13**	**17**	**74,325**	**56**	**12.8%**	**4.2%**
08/03/04	8	545,734	1,335	3	17	08/03/04	8	624,210	1,386	3	17	78,476	51	14.4%	3.8%
09/14/04	9	491,001	1,133	14	17	09/14/04	9	493,088	1,235	14	17	2,087	102	0.4%	9.0%
10/28/04	10	409,628	727	28	20	10/21/04	10	420,118	733	21	20	10,490	6	2.6%	0.9%
11/30/04	11	425,352	864	30	18	11/24/04	11	446,917	824	24	20	21,565	(40)	5.1%	-4.6%
12/22/04	12	501,829	957	22	19	12/13/04	12	524,360	964	13	20	22,531	7	4.5%	0.7%
Year	**2004**	**5,707,432**	**1,344**			**Year**	**2004**	**5,984,353**	**1,400**			**276,921**	**56**	**4.9%**	**4.2%**
Load Factor			**48.34%**			**Load Factor**			**48.65%**						
Change (L38-L19)		**0**	**0**			**Change (L38-L19)**		**116,066**	**26**			**116,066**	**26**	**2.0%**	**1.9%**

Schedule ELW-6

Aquila Networks-Missouri, St. Joseph Light & Power (SJD) — **ELW - 6**

2004 Actual and Weather Normalized System Hourly Loads

SJD-System Net Load (Actual)

Coincident with System Actual Peak						
DatePeak	Month	NEL_MWh	PeakMW	Day	Hour	
01/06/04	1	190,393	357	6	9	
02/13/04	2	170,388	333	13	8	
03/12/04	3	154,480	268	12	8	
04/01/04	4	136,128	242	1	8	
05/28/04	5	153,318	332	28	16	
06/07/04	6	159,829	337	7	17	
07/20/04	7	181,798	398	20	17	
08/03/04	**8**	**172,487**	**399**	**3**	**17**	
09/14/04	9	159,117	341	14	17	
10/29/04	10	142,432	240	29	14	
11/29/04	11	149,879	284	29	18	
12/22/04	12	178,995	329	22	18	
Year	**2004**	**1,949,244**	**398**			
Load Factor			**55.76%**			

SJD-System Net Load (Weather Normal, MCI 1971-00)

Coincident with System Normal Peak					
DatePeak	Month	NEL_MWh	PeakMW	Day	Hour
01/30/04	1	192,772	366	30	8
02/13/04	2	167,585	327	13	8
03/16/04	3	158,690	294	16	8
04/01/04	4	137,205	243	1	19
05/21/04	5	141,435	305	21	17
06/08/04	6	171,055	370	8	17
07/13/04	**7**	**196,794**	**393**	**13**	**17**
08/03/04	8	189,121	388	3	17
09/14/04	9	157,041	334	14	17
10/27/04	10	144,049	246	27	19
11/09/04	11	155,761	284	9	8
12/13/04	12	184,298	343	13	9
Year	**2004**	**1,995,806**	**393**		
Load Factor			**57.79%**		

SJD-Weather Normal Adjustment (WNA)

(Normal-Actual)		WNA % Actual	
NEL_Mwh	PeakMW	NEL_Mwh	PeakMW
2,379	9	1.2%	2.6%
(2,803)	(6)	-1.6%	-1.8%
4,210	26	2.7%	9.7%
1,077	1	0.8%	0.2%
(11,883)	(27)	-7.8%	-8.1%
11,226	33	7.0%	9.8%
14,996	**(5)**	**8.2%**	**-1.2%**
16,634	(11)	9.6%	-2.8%
(2,076)	(7)	-1.3%	-2.0%
1,617	6	1.1%	2.3%
5,882	0	3.9%	0.0%
5,303	14	3.0%	4.4%
46,562	**(5)**	**2.4%**	**-1.2%**

2004 Scaled WN System Hourly Loads with Customer Annualization and Large Load Adjustments

SJD-System Net Load (Actual)

Coincident with System Actual Peak						
DatePeak	Month	NEL_MWh	PeakMW	Day	Hour	
01/06/04	1	190,393	357	6	9	
02/13/04	2	170,388	333	13	8	
03/12/04	3	154,480	268	12	8	
04/01/04	4	136,128	242	1	8	
05/28/04	5	153,318	332	28	16	
06/07/04	6	159,829	337	7	17	
07/20/04	7	181,798	398	20	17	
08/03/04	**8**	**172,487**	**399**	**3**	**17**	
09/14/04	9	159,117	341	14	17	
10/29/04	10	142,432	240	29	14	
11/29/04	11	149,879	284	29	18	
12/22/04	12	178,995	329	22	18	
Year	**2004**	**1,949,244**	**398**			
Load Factor			**55.76%**			
Change (L38-L19)		**0**	**0**			

SJD-System Net Load (WN w/CustAnn/Large Load Adj.)

Coincident with System Normal Peak					
DatePeak	Month	NEL_MWh	PeakMW	Day	Hour
01/30/04	1	200,690	381	30	8
02/13/04	2	175,056	341	13	8
03/16/04	3	166,346	308	16	8
04/01/04	4	144,444	255	1	19
05/21/04	5	148,815	321	21	17
06/08/04	6	178,380	386	8	17
07/13/04	**7**	**204,702**	**410**	**13**	**17**
08/03/04	8	197,027	404	3	17
09/14/04	9	164,666	350	14	17
10/27/04	10	151,529	258	27	19
11/09/04	11	162,967	297	9	8
12/13/04	12	192,022	358	13	9
Year	**2004**	**2,086,643**	**410**		
Load Factor			**57.95%**		
Change (L38-L19)		**90,837**	**17**		

SJD-WN Adj, Cust.Ann.Adj, Large Load Adj.

(Normal-Actual)		% Actual	
NEL_Mwh	PeakMW	NEL_Mwh	PeakMW
10,297	24	5.4%	6.8%
4,668	8	2.7%	2.6%
11,866	40	7.7%	15.0%
8,316	13	6.1%	5.5%
(4,503)	(11)	-2.9%	-3.3%
18,551	49	11.6%	14.5%
22,904	**12**	**12.6%**	**3.0%**
24,540	5	14.2%	1.2%
5,549	9	3.5%	2.7%
9,097	18	6.4%	7.6%
13,088	13	8.7%	4.7%
13,027	29	7.3%	8.8%
137,399	**12**	**7.0%**	**3.0%**
90,837	**17**	**4.7%**	**4.2%**

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 area	))))))	Case No. ER-_____

County of Jackson)
) ss
State of Missouri)

AFFIDAVIT OF ERIC L. WATKINS

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

Eric L. Watkins

Subscribed and sworn to before me this 18 day of MAY, 2005.

Notary Public
Terry D. Lutes

My Commission expires:

8-20-2008

Notary Public Notary Seal State of Missouri

TERRY D. LUTES
Jackson County
My Commission Expires
August 20, 2008