

Exhibit No.:

Issues: Rate Design

Witness: Gary M. Denny

Sponsoring Party: Aquila Networks-L&P

Case No.: HR-

Before the Public Service Commission  
of the State of Missouri

Direct Testimony

of

Gary M. Denny

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI  
DIRECT TESTIMONY OF GARY M. DENNY  
ON BEHALF OF AQUILA, INC.  
D/B/A AQUILA NETWORKS-L&P  
CASE NO. HR-\_\_\_\_\_**

1 Q. Please state your name and business address.

2 A. My name is Gary M. Denny and my business address is 10700 East 350 Highway,  
3 Kansas City, Missouri, 64138.

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

5 A. I am employed by Aquila, Inc. (“Aquila” or “Company”) as a Senior Regulatory Analyst  
6 in the Regulatory Services Department.

7 Q. What are your duties and responsibilities at Aquila?

8 A. I am responsible for tariff filings, changes to rules and regulations, affiliate filings and  
9 various other analyses as needed.

10 Q. Please state your educational background and experience.

11 A. I have an M.B.A. from Rockhurst University and a B.S. in Business Administration  
12 with a major in Accounting from Central Missouri State University. I have held various  
13 positions in Aquila including positions in Accounting, Customer Service, Marketing  
14 and Financial Management. In 2002, I accepted a position in the analytical section of  
15 Aquila’s Regulatory Services.

16 Q. What is the purpose of your testimony in this case before the Missouri Public Service  
17 Commission (“Commission”)?

18 A. I am sponsoring the Minimum Filing Requirements (“MFR”) of 4 CSR 240-3.030.

1 Q. Have the MFR for a general rate increase under 4 CSR 240-3.030 been included as a  
2 part of the Company's filing?

3 A. Yes.

4 Q. Are revised tariffs also filed?

5 A. Yes. Revised steam P.S.C. MO. No. 1 tariffs have been filed.

6 Q. How do the tariff sheets implement the proposed increase in revenue?

7 A. All tariff charges were multiplied by the ratio of the total proposed increase minus the  
8 proposed increase to other revenues, divided by the total annualized revenue minus  
9 annualized other revenues. The equation is  $(\$5,029,944 - \$0) / (\$11,356,018 - \$601)$ .

10 This is an increase of 44.3%.

11 Q. Does this conclude your testimony?

12 A. Yes it does.

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

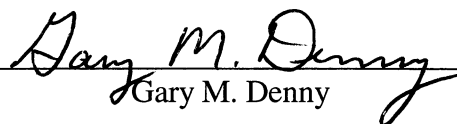
In the matter of Aquila, Inc. d/b/a Aquila                     )  
Networks-L&P, for authority to file tariffs                     )  
Increasing steam rates for the service provided                     )  
To customers in the Aquila Networks-L&P area                     )

Case No. HR-\_\_\_\_\_

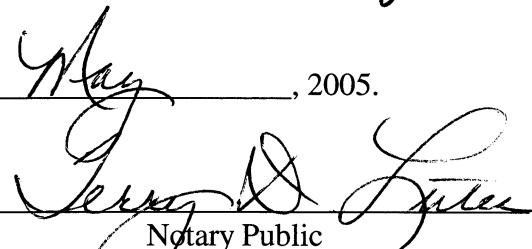
County of Jackson        )  
                                      )  
State of Missouri        )           ss

**AFFIDAVIT OF GARY M. DENNY**

Gary M. Denny, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Gary M. Denny;" 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.

  
\_\_\_\_\_  
Gary M. Denny

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

  
\_\_\_\_\_  
Notary Public  
Terry D. Lutes

My Commission expires:

8-20-2008



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