

Exhibit No.:
Issues: Fuel and Purchased Power
Witness: David W. Elliott
Sponsoring Party: MO PSC Staff
Type of Exhibit: Supplemental Direct
Testimony
Case No.: ER-2007-0004
Date Testimony Prepared: February 27, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SUPPLEMENTAL DIRECT TESTIMONY

OF

DAVID W. ELLIOTT

**AQUILA, INC.
d/b/a AQUILA NETWORKS-MPS
AND AQUILA NETWORKS-L&P**

CASE NO. ER-2007-0004

**Jefferson City, Missouri
February**

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

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

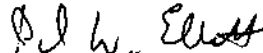
In the matter of Aquila, Inc. d/b/a Aquila)
Networks-MPS and Aquila Networks-)
L&P, for authority to file tariffs increasing)
electric rates for the service provided to)
customers in the Aquila Networks-MPS)
and Aquila Networks-L&P service areas.)

Case No. ER-2007-0004

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 Supplemental Direct Testimony in question and answer form, consisting of 3 pages of Supplemental Direct Testimony to be presented in the above case, that the answers in the following Supplemental Direct 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 26th day of February, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10

PRODUCTION COST MODEL CHANGES

Q. Why did Staff modify the capacity of the Iatan generating unit to decrease the capacity?

A. During the prehearing discussions with Aquila, Staff learned that in February of 2006, the majority owner of Iatan (Kansas City Power & Light Company) made a decision to reduce the normal capacity rating of the unit in order ** _____

_____ ** Based on its review of the 2006 actual operating data of Iatan, as well as support documentation, Staff reduced the capacity from ** _____ ** MW in the production cost model.

Q. Why did Staff modify the Jeffrey Energy Center unit capacity to increase the amount of its annual generation?

A. During prehearing discussions with Aquila, Staff agreed to look at the capacity and the MWh output of the Jeffrey Energy Center (JEC) units. Based on its review of the last six (6) years of historical generation data, the Staff adjusted the capacity of each of the three units from ** _____ ** in the production cost model. Even though this capacity is greater than the contracted amount, the capacity of the JEC units in the model was changed in order to increase the amount of JEC MWhs generation by the model so as to better match historical generation levels of MWhs. Please refer to schedule 2. Staff is willing to have further discussions with Aquila and will review any additional information to determine whether further modification of JEC capacity is warranted.

Q. Why did Staff update the spot purchased power?

Supplemental Direct Testimony of
David W. Elliott.

1 A. The Commission ordered that the case be updated through December 31, 2006.
2 I have updated the annual spot purchased power prices and MWs using the October 2006,
3 November 2006, and December 2006, data.

4 Q. Why did Staff update fuel prices?

5 A. Please refer to Staff witness, Charles R. Hyneman's supplemental direct
6 testimony for an explanation.

7 Q. Why did Staff update the steam loads?

8 A. Please refer to Staff witness David C. Roos's supplemental direct testimony for
9 an explanation.

10 Q. Why did Staff update the hourly electric loads?

11 A. Please refer to Staff witness, Shawn E. Lange's supplemental direct testimony
12 for an explanation.

13 Q. Does this conclude your supplemental direct testimony?

14 A. Yes, it does.

Schedules 1 & 2

Are Deemed

Highly Confidential

In Their

Entirety