

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

In the Matter of the Tariff Filing of Aquila, Inc.,	)	
to Implement a General Rate Increase for Retail	)	Case No. ER-2005-0436
Electric Service Provided to Customers in its	)	
MPS and L&P Missouri Service Areas.	)	

**PUBLIC COUNSEL’S RESPONSE TO AQUILA’S TEST YEAR PROPOSAL  
AND REQUEST FOR TRUE-UP**

COMES NOW the Office of the Public Counsel (“Public Counsel”) and for its Response to Aquila’s Test Year Proposal and Request for True-up states as follows:

1. On June 7, 2005 Aquila, Inc. filed a pleading recommending an “historical testyear ending December 31, 2004 adjusted and updated for any known and measurable changes through June 30, 2005.”
2. Public Counsel concurs in Aquila’s test year proposal.
3. On June 7, 2005 Aquila, Inc. requested a true-up through November 30, 2005. Aquila requests that the following items be included in the true-up: plant and reserve; revenues; cost of fuel and purchased power; payroll and payroll taxes; depreciation expense; and corporate allocations.
4. The true-up is designed to capture in rate base the gas-fired generation station currently under construction near Peculiar, Missouri. On June 21, 2005, the Missouri Court of Appeals, Western District, in Case No. WD 64985, affirmed a permanent injunction against Aquila from constructing the plant. Absent a showing from Aquila that it plans to seek inclusion of the plant in rate base despite the Western District Court’s ruling, or that it expects significant

post-test-year changes in the other items it proposes to true up, Public Counsel opposes Aquila's true-up proposal.

WHEREFORE, Public Counsel respectfully requests that the Commission issue an order adopting Aquila's proposed test year and rejecting its proposal for a true-up.

Respectfully submitted,

OFFICE OF THE Public Counsel

**/s/ Lewis R. Mills, Jr.**

By: \_\_\_\_\_

Lewis R. Mills, Jr. (#35275)

Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-1304

(573) 751-5562 FAX

[lewis.mills@ded.mo.gov](mailto:lewis.mills@ded.mo.gov)

#### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 23rd day of June 2005:

**/s/ Lewis R. Mills, Jr.**

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