EXHIBIT

Exhibit No.: ____________
Issue(s): 20 West 9th Headquarters/Annex; Regional Transmission Organization; Accounting Authority Orders; St. Joseph Light & Power Merger; South Harper Plant Addition; Chapter 100 Fees; SO_2 Emission Allowances; SFAS 106 Postretirement Benefits Other Than Pensions
Witness: Ted Robertson
Type of Exhibit: Direct
Sponsoring Party: Public Counsel
Case Number: ER-2005-0436
Date Testimony Prepared: October 14, 2005

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Missouri Public Service Commission

DIRECT TESTIMONY

OF

TED ROBERTSON

Submitted on Behalf of
the Office of the Public Counsel

AQUILA, INC.

Case No. ER-2005-0436

Exhibit No. 79
Case No(s). ER-2005-0436
Date 1-08-06 Rptr KF

October 14, 2005

**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 Electric Service Provided to Customers in its MPS and L&P Missouri Service Areas.	))))	Case No. ER-2005-0436

AFFIDAVIT OF TED ROBERTSON

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Ted Robertson, of lawful age and being first duly sworn, deposes and states:

1. My name is Ted Robertson. I am a Public Utility Accountant for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my direct testimony consisting of pages 1 through 39 and Schedule TJR-1.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Ted Robertson, C.P.A.
Public Utility Accountant III

Subscribed and sworn to me this 14th day of October 2005.

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

JERENE A. BUCKMAN
My Commission Expires
August 10, 2009
Cole County
Commission #05754036

Jerene A. Buckman
Notary Public

My commission expires August 10, 2009.

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DIRECT TESTIMONY
OF
TED ROBERTSON

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

CASE NO. ER-2005-0436

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Ted Robertson, PO Box 2230, Jefferson City, Missouri 65102-2230.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Office of the Public Counsel of the State of Missouri ("OPC" or "Public Counsel") as a Public Utility Accountant III.

Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES AT THE OPC?

A. Under the direction of the OPC Chief Public Utility Accountant, Mr. Russell W. Trippensee, I am responsible for performing audits and examinations of the books and records of public utilities operating within the State of Missouri.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OTHER QUALIFICATIONS.

A. I graduated in May, 1988, from Southwest Missouri State University in Springfield, Missouri, with a Bachelor of Science Degree in Accounting. In November of 1988, I passed the Uniform Certified Public Accountant ("CPA") Examination, and I obtained CPA certification from the State of Missouri in 1989. My CPA license number is 2004012798.

Q. HAVE YOU RECEIVED SPECIALIZED TRAINING RELATED TO PUBLIC UTILITY ACCOUNTING?

A. Yes. In addition to being employed by the Office of the Public Counsel for over fifteen years, I have attended the NARUC Annual Regulatory Studies Program at Michigan State University, and I have also participated in numerous training seminars relating to this specific area of accounting study.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION ("COMMISSION" OR "MPSC")?

A. Yes. In the fifteen years that I've been employed with the Public Counsel I have testified on numerous issues before this Commission. Please refer to Schedule TJR-1, attached to this testimony, for a listing of cases in which I have previously submitted testimony.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of this testimony is to express the Public Counsel's recommendations regarding the ratemaking treatment of various costs associated with the electric operations of Aquila Networks - MPS ("MPS") and Aquila Networks - L&P ("L&P" or

"SJLP"), both of which are operating divisions of Aquila Inc. ("Aquila" or "Company"). The issues I intend to address include, 1) Aquila headquarters and annex building/operation costs, 2) Regional Transmission Organization ("RTO") costs, 3) Accounting Authority Order ("AAO") costs, 4) St. Joseph Light & Power merger costs, 5) South Harper plant addition and related transmission site construction costs, 6) payments made by Aquila to facilitate the South Harper construction project ("Chapter 100 Fees"), and 7) SFAS 106 - Postretirement Benefits Other Than Pensions costs and contributions.

II. EXHIBIT ORGANIZATION

Q. PLEASE DESCRIBE HOW YOUR DIRECT TESTIMONY AND EXHIBITS HAVE BEEN ORGANIZED.

A. OPC has developed its recommended cost of service utilizing a test year of twelve months ending December 31, 2004, updated for certain known and measurable changes in costs through June 30, 2005. I am proposing a number of rate base and income statement adjustments to the cost of service of both MPS and L&P. Thus, I have included a separate set of exhibits that support the OPC proposed cost of service for both MPS and L&P, respectively. When presenting the adjustments I have used as my starting point the Company's updated "as adjusted" 12/31/2004 rate base and operating income results.

Q PLEASE DESCRIBE YOUR EXHIBITS?

A. Schedules A of the exhibits is the OPC proposed revenue requirement for MPS and L&P. On column (b), one can observe the Company's proposed increase in Missouri retail rates. Columns (c) and (d) of Schedules A contain the revenue requirement adjustments and the summary of rate base, operating income and return requirements being proposed by OPC.

Schedules B of the exhibits is the rate base summary schedule for MPS and L&P. It too begins with the Company's proposed Missouri retail jurisdictional rate base. Columns (c) and (d) of Schedules B contain the rate base adjustments and summary rate base being proposed by OPC. Each of the rate base adjustments posted on Schedules B are supported by calculations contained on the ensuing schedules labeled as Schedules B-1, Schedules B-2, etc.

Schedules C of the exhibits is the operating income summary for MPS and L&P. Similar to the rate base summary schedule, column (b) is the Company's proposed Missouri retail jurisdictional operating income while columns (c) and (d) contain the OPC proposed adjustments and operating income summary. Each of the OPC operating income adjustments is supported by an individual schedule labeled as Schedules C-1, Schedules C-2, etc.

The last schedules (i.e., Schedules D) reflect the Company and OPC proposed capital structure and cost rates for MPS and L&P. Schedules D include the cost rates for each capital component within the proposed capital structures. The OPC capital structure and related cost rates are based upon the recommendations of Ben Johnson, consulting economist and president of Ben Johnson and Associates Inc. Mr. Johnson accepts the Company's long term debt costs rates and recommends that the cost of common equity be established at 9.95% for both MPS and L&P. His recommended overall cost of capital for MPS and L&P is 7.76% and 8.61%, respectively.

Q. DID YOU OR BEN JOHNSON UNDERTAKE A REVIEW OF ALL ASPECTS OF THE MPS AND L&P PROPOSED JURISDICTIONAL COST OF SERVICE?

A. No. Obviously, due to the small number of OPC staff assigned to audit this case, along with other resource limitations, it was not possible for OPC to perform detailed discovery and analysis of each potential cost within the structure of Aquila or the MPS and L&P divisions. The OPC proposed rate increase shown on the Robertson MPS and L&P Exhibits, Schedules A, calculate an increase that was determined without consideration of many other issues that may be presented by the MPSC Staff and/or other intervenors in their respective testimonies. It is OPC's intention that we will review the other parties' testimony on the various issues and will consider adopting and/or supporting proposed adjustments we believe reasonable.

III. MPS AND L&P COST OF SERVICE

A. 20 WEST 9TH HEADQUARTERS/ANNEX

Q. WHAT IS THE ISSUE?

A. The issue pertains to investment and operating costs associated with Aquila's headquarters campus (i.e., 20 West 9th headquarters, 850 Main annex and 800 Main parking garage) buildings. It is the Public Counsel's position that the costs associated with maintaining and operating the complex have been inappropriately allocated to Aquila's Missouri regulated utilities.

Q. PLEASE CONTINUE.

A. As shown on the attached MPS Schedules B-1 and C-1, I am proposing to eliminate a portion of the cost of Aquila's corporate headquarters campus located in downtown Kansas City, Missouri. The discontinuation of Aquila's energy trading operations in conjunction with the sale of many of its unregulated and all of its international business operations has left the Company with significant excess office space at its corporate headquarters campus. The adjustments I am proposing will eliminate the cost of the excess office capacity that was allocated to the MPS and L&P electric operations.

Q. WHAT IS THE LEVEL OF EXCESS CAPACITY AT THE HEADQUARTERS COMPLEX?

A. I have calculated that approximately 57.87% of the headquarters campus cost is excessive. Thus, I propose to eliminate 57.87% of net plant, plant operating costs and plant depreciation expense that was allocated to the MPS retail electric operations.

Q. HOW DID YOU ARRIVE AT THE EXCESS CAPACITY PERCENTAGE?

A. In OPC Data Request No. 1016 I asked Company for the employee capacity of the headquarters campus as well as the current employee occupancy. In its response Company stated that the buildings currently have 457 stations (i.e., employee workstations), but that as August 2005 only 332 employees were working in the buildings..

Q. ARE THE 457 WORKSTATIONS THE PLANNED EMPLOYEE CAPACITY FOR THE HEADQUARTERS CAMPUS?

A. No. Company apparently intends to reduce the employee capacity of the headquarters campus even further than the current usage. In its response to OPC Data Request No. 1055 Company states that the planned capacity is now 448 employee spaces, a reduction of 9 workstations from that expressed in its response to OPC Data Request No. 1016.

Q. DOES PUBLIC COUNSEL BELIEVE THAT THE 457 OR 448 STATIONS IS A VALID NUMBER FOR THE EMPLOYEE CAPACITY OF THE BUILDINGS?

A. No. Public Counsel believes that the Company's response to OPC Data Request Nos. 1016 and 1055 has understated the actual "planned employee capacity" of the headquarters complex. In its response to OPC Data Request No. 865, in Aquila, Inc., Case No. ER-2004-0034, Company responded that the total planned employee capacity of the complex was actually 847 workstations. The current workstation number of 457 is 53.96% of the planned employee capacity of 847 while the current employee occupancy of 332 is only 39.20%. It is quite clear that the employee reductions that occurred due to Aquila's exit of its merchant trading business along with its international and other unregulated businesses has had a dramatic effect on the need for and utilization of the headquarters campus.

Q. PLEASE EXPLAIN HOW THE ADJUSTMENTS THAT YOU PROPOSE WERE DETERMINED.

A. As shown on the attached Robertson MPS and L&P Exhibits, Schedules B-1 and C-1, I calculated the unused capacity of the building by starting with the actual planned employee capacity of 847 for the buildings as indicated by the Company in its response to OPC Data Request No. 865. I then adjusted the planned capacity by a vacancy rate of 7%. The resulting occupancy rate (i.e., 93%) I then multiplied by the 847 to arrive at an expected normal occupancy for the complex of 788. I then subtracted the August 2005 actual occupancy of 332 people from the normal occupancy number to determine that there are currently 456 unused workstations when compared to the original design capacity of the buildings. Dividing the 456 unused workstation spaces into the expected 788 occupied workstations yields an excess capacity factor of 57.87%. I then reduced associated rate base and operating costs allocated to the MPS regulated retail operations by the excess capacity factor of 57.87%. The 57.87% is conservative considering I did not reduce the actual planned employee capacity of 847 for an occupancy/vacancy rate adjustment.

Q. WHAT IS THE SOURCE FOR THE VACANCY RATE YOU UTILIZED IN YOUR ANALYSIS?

A. Company's response to OPC Data Request No. 1039 provided me access to various headquarter cost benchmarking studies prepared by the International Facilities Management Association ("IFMA"). The IFMA Study #23 listed that the headquarters vacancy rate was 7%. Thus, for purposes of this calculation I have employed a 93%

occupancy rate to recognize that at any given time there will likely be some unused office space due to normal employee turnover and/or other reorganizations.

Q. WHY DID YOU USE THE ORIGINAL PLANNED EMPLOYEE CAPACITY OF THE COMPLEX RATHER THAN THE CURRENT EMPLOYEE CAPACITY IN CALCULATING YOUR PROPOSED UNUSED CAPACITY FACTOR?

A. As the Commission is aware, Aquila has eliminated hundreds of employees in the last several years. The employee reductions occurred primarily as a result of its failed energy trading business as well as subsequent liquidations of other properties stemming from the financial crisis of its energy trading as well as other non-regulated business failures. The end result is that the Company's headquarters campus now houses less than 40% of the planned employee capacity for the buildings.

Q. HAVE YOU RECENTLY TOURED THE HEADQUARTERS CAMPUS?

A. Yes. On August 11, 2005 I toured the campus with Company personnel in order to verify that the employee occupancy was as stated.

Q. WHAT DID YOU OBSERVE WHILE ON THE TOUR OF THE HEADQUARTERS CAMPUS?

A. During the tour I noticed that on just about every floor of the headquarters building there were many empty cubicles and work spaces (as identified by the lack of an employee name tag attached to the cubicle entry, and employee activity or visible work product within the areas). In addition, on several floors, though furniture and fixtures were in place, there were entire areas that were not staffed and utilized. For example, most of the west side of the 3rd floor was completely empty of employees. While on the 4th, 7th, 8th and 10th floors large sections of the building were also empty of employees and activity.

Q. WHAT DID YOU OBSERVE WHILE TOURING THE ANNEX BUILDING OF THE HEADQUARTERS CAMPUS?

A. The Annex Building consists of 2 1/2 floors of office space. The bottom floor consists of the corporate records storage area and it appeared to be occupied. The 1st floor also appeared to be filled with approximately 1/2 of the floor space being occupied by the remaining non-regulated Merchant Services personnel. One-half of the 2nd floor consisted of a large computer training room and a NERC Transmission backup area while the other half of the floor was, except for a couple of cubicles, completely lacking of any employees and employee activity. It is my understanding that this area was a former Merchant Services area utilized in the downsizing after other downtown buildings were abandoned by the Merchant Services personnel and prior to further downsizing wherein the remaining Merchant Services personnel ended up on the 1st floor of the Annex Building.

Q. PLEASE SUMMARIZE THE PUBLIC COUNSEL'S POSITION ON THIS ISSUE.

A. It's the Public Counsel's position that the headquarters campus costs allocated to the MPS and L&P Missouri-regulated operations is excessive due to the fact that the buildings are being underutilized and in fact were designed primarily to be utilized by Aquila in the development and operation of the non-regulated and international operations that have been exited by the Company. The headquarters campus was built by Aquila in Kansas City, Missouri, outside of any of its Missouri-regulated service territories, to facilitate its growth and image as an expanding international energy company. Aquila saw itself as an international energy company with interests stretching from the Missouri heartland to Canada, England, New Zealand and Australia. However, Aquila is no longer rapidly expanding, it has and to continues to downsize and is repositioning itself back to its roots as a regulated energy provider. It has exited all of its international business operations and most of its domestic non-regulated operations. A high cost facility located outside of any of its service territories, while perhaps desirable for achieving the image it sought for the business plan in force at the time the building was acquired and renovated, has little appeal and is not economic for the core regulated mid-west utility business it now seeks to retain.

The adjustments that I propose on the Robertson MPS and L&P Exhibits, Schedules B-1 and C-1, are conservative in that Missouri ratepayers will more than likely still be excessively charged for one of the few remaining fixed cost obligations incurred by the Company in a different era that had a totally different business plan. My proposed adjustments attempt to remove from the Missouri regulated operations the excess office capacity costs that were incurred by Aquila to support the former vision it held of itself as a growing non-regulated international energy company.

B. REGIONAL TRANSMISSION ORGANIZATION

Q. WHAT IS THE ISSUE?

A. The Company has made an adjustment to increase the annualized Regional Transmission Organization ("RTO") costs it expects to pay from full membership in the organization. However, in its response to OPC Data Request No. 1070, it indicates that the increase in costs did not occur as of June 30, 2005, the end of the known and measurable period for the instant case. The OPC proposed adjustment that I have included on the Robertson MPS and L&P Exhibits, Schedules C-2, lowers the Company proposed annualization adjustment to the level of costs it actually incurred for the twelve months-ended June 30, 2005.

C. ACCOUNTING AUTHORITY ORDERS

Q. WHAT IS THE ISSUE?

A. Pursuant to Commission order, Company has booked costs associated with several Accounting Authority Orders ("AAO") during the test year. The Company was authorized to defer depreciation expenses, property taxes, and carrying costs associated with the capacity life extension and western coal conversion projects at its Sibley generating station ("SCLE/WC"). Approval to defer and recover those costs was made pursuant to the Commission's Accounting Authority Orders in Case Nos. EO-90-114 and ER-90-101, and subsequent reauthorization was provided in Case Nos. EO-91-358 and ER-93-37. Company was also granted authority to defer and amortize costs incurred due to an ice storm in its former Missouri Public Service area in January 2002. Approval to defer and recover those costs was made pursuant to the Commission's Order Granting Accounting Authority Order in Case No. EU-2002-1053.

Q. WHAT DOES THE TERM DEFERRED REPRESENT?

A. For purposes of this issue when a cost (expense/expenditure) has been deferred it is not recognized on the income statement as an expense in the current period. The costs are instead booked to a balance sheet account and ratably amortized to an income statement expense account over some period of time. For example, in the case of the ice storm AAO, the Commission Order stated:

> A. Aquila is authorized to defer actual incremental operation and maintenance expenses incurred as a direct result of the January 2002 ice storm to Uniform System of Accounts Account 182.3.

And,

> C. Aquila shall ratably amortize the amount deferred to Account 182.3 over a five-year period beginning February 1, 2002.

Q. OVER WHAT PERIOD OF TIME IS COMPANY AUTHORIZED TO AMORTIZE THE COSTS ASSOCIATED WITH THE SIBLEY GENERATING STATION CAPACITY LIFE EXTENSION AND WESTERN COAL CONVERSION PROJECTS?

A. It is my understanding that the Company is, pursuant to Commission authorization, amortizing the Sibley and Western Coal Conversion deferred balances over twenty years.

Q. IS THE PUBLIC COUNSEL RECOMMENDING ANY ADJUSTMENT TO THE AAO's ANNUAL EXPENSE AMORTIZATION AMOUNTS?

A. No.

Q. WHAT ARE THE BALANCES REMAINING FOR THE UNAMORTIZED AAO COSTS OF CASE NOS. EO-90-114 CASE NOS. EO-91-358?

A. The remaining unamortized balances at 12/31/2004 are $1,149,863 and $1,239,512, respectively.

Q. WHAT IS THE PUBLIC COUNSEL'S RECOMMENDATION REGARDING THE AAO UNAMORTIZED COST BALANCES?

A. It is the Public Counsel's recommendation that the remaining unamortized deferred balances not be included as an addition in the determination of the MPS rate base.

Q. DOES PUBLIC COUNSEL RECOMMEND NO RATE BASE TREATMENT FOR ALL COSTS ASSOCIATED WITH THE ACCOUNTING AUTHORITY ORDERS?

A. No. Public Counsel's recommendation is that the AAO unamortized deferred balances not be included as an addition to Company's cost of service rate base; however, the deferred income tax balances associated with the AAO deferred costs should be included as a reduction to rate base because they are associated with the interaction of the actual expensing of the deferred costs on the income statement for income tax verses regulatory purposes.

Q. DOES THE PUBLIC COUNSEL KNOW THE AMOUNT OF THE DEFERRED INCOME TAXES THAT SHOULD BE INCLUDED IN RATE BASE?

A. Company alleges not to have recorded any deferred taxes associated with these two AAOs. Its response to OPC DR Nos. 1023 and 1030 states that deferred taxes associated with EO-

90-114 and EO-91-358 AAOs has been flowed through for ratemaking purposes and as such no deferred income tax offset amount have been included for these items. However, it is Public Counsel's belief, base on my review of the filings, testimony and orders in those cases, that the Company did not obtain Commission approval to deviate from the usual tax normalization process thus, deferred taxes should have been developed and booked in conjunction with the book/tax expensing and amortization of the costs.

Q. HAS THE PUBLIC COUNSEL CALCULATED AN APPROPRIATE AMOUNT OF DEFERRED INCOME TAXES ASSOCIATED WITH THE TWO AAOs?

A. Yes. Since the Company did not appropriately determine and record the costs, Public Counsel has developed estimates of the remaining deferred income taxes associated with the two AAOs. The deferred income tax balances are $917,288 and $475,833, respectively. I determined the balances by multiply the remaining unamortized AAO balances by a Federal tax rate of 33.18% and a State tax rate of 5.21% and then by the 2004 jurisdiction factors utilized to allocate the respective plant/expense balances.

To be fair, it is likely that the tax and jurisdictional rates would have varied somewhat over the years that the AAO amortizations have actually occurred; possibly resulting in deferred income tax balances differing slightly from those I have calculated. However, I believe that had the Company maintained the appropriate records the balances they would show would not be materially different from those that I have calculated due to the fact that AAOs are well over halfway to being fully amortized and any associated deferred taxes would be expected to completely reverse by the time that they are fully amortized.

Q. IS IT THE PUBLIC COUNSEL'S RECOMMENDATION THAT THE BALANCES IT CALCULATED FOR THE AAO DEFERRED INCOME TAXES BE INCLUDED AS AN OFFSET TO THE UNAMORTIZED AAO BALANCES IN THE MPS RATE BASE?

A. Yes.

Q. WHY DOES THE PUBLIC COUNSEL BELIEVE THAT THE AAO UNAMORTIZED DEFERRED BALANCES SHOULD NOT BE ALLOWED IN THE DETERMINATION OF RATE BASE?

A. The Public Counsel's position on this issue is based on our belief that MPS is being given what essentially amounts to a guaranteed "return of" the deferrals associated with the SCLE/WC projects; therefore, it should not be also provided with a "return on" those same amounts.

Q. PLEASE EXPLAIN THE TERMS "RETURN OF" AND "RETURN ON."

A. If an expenditure is recorded on the income statement as an expense it is compared dollar for dollar to revenues. This comparison is referred to as a "return of" because a dollar of expense is matched by a dollar of revenue. A "return on" occurs when an expenditure is capitalized with the balance sheet and then included in the calculation of rate base. This calculation is a preliminary step in determining the earnings a company achieves on its total regulatory investment.

Q. WHAT IS THE EFFECT OF THE COMPANY'S ACCOUNTING AUTHORITY ORDERS?

A. The Commission's authorization of AAO treatment insulates MPS shareholders from the risks associated with regulatory lag that occurred when the SCLE/WC construction projects were completed, and placed in service, before the operation of law date of a general rate increase case.

Q. PLEASE EXPLAIN THE CONCEPT OF REGULATORY LAG.

A. This concept is based on a difference in the timing of a decision by management and the Commission's recognition of that decision and its effect on the rate base rate of return relationship in the determination of a utility's revenue requirement. Management decisions that reduce or increase the cost of service without a matching change in revenues result in a change in the rate base rate of return relationship. This change either increases or decreases the profitability of the utility in the short-run until such time as the Commission reestablishes rates to properly match revenues with the new level of service cost. Companies are allowed to retain cost savings (i.e., excess profits during the lag period between rate cases) and are required to absorb cost increases. When faced with escalating costs regulatory lag places pressure on management to minimize the change in the relationship because it cannot be recognized in a rate increase until the Commission approves such in a general rate proceeding.

Q. HAS THIS COMMISSION RULED THAT IT IS NOT REASONABLE TO PROVIDE SUCH PROTECTION TO SHAREHOLDERS?

A. Yes, it has. In Missouri Public Service Co., Case Nos. EO-91-358 & EO-91-360, the Commission stated:

> Lessening the effect of regulatory lag by deferring costs is beneficial to a company but not particularly beneficial to ratepayers. Companies do not propose to defer profits to subsequent rate cases to lessen the effects of regulatory lag, but insist it is a benefit to defer costs. Regulatory lag is a part of the regulatory process and can be a benefit as well as a detriment. Lessening regulatory lag by deferring costs is not a reasonable goal unless the costs are associated with an extraordinary event.
>
> Maintaining the financial integrity of a utility is also a reasonable goal. The deferral of costs to maintain current financial integrity, though, is of questionable benefit. If a utility's financial integrity is threatened by high costs so that its ability to provide service is threatened, then it should seek interim rate relief. If maintaining financial integrity means sustaining a specific return on equity, this is not the purpose of regulation. It is not reasonable to defer costs to insulate shareholders from any risks. 1 Mo. P.S.C. 3d 200, 207 (1991).

Q. DID THE COMMISSION MAKE A DETERMINATION THAT THE COMPANY'S ACCOUNTING AUTHORITY ORDERS WERE RELATED TO EXTRAORDINARY EVENTS?

A. Yes. The Commission, however, has more recently refined how an extraordinary event is identified when it stated on page thirteen of its Report and Order in St. Louis County Water Company, Case No. WR-96-263:

> As both the OPC and the Staff point out, the Commission has to date, granted AAO accounting treatment exclusively for one-time outlays or capital caused by unpredictable events, acts of government, and other matters outside the control of the utility or the Commission. It is also pointed out that the terms "infrequent, unusual and extraordinary" connote <u>occurrences which are unpredictable in nature</u>.
>
> (Emphasis added by OPC)

Q. HAS THE COMMISSION DENIED THE INCLUSION IN RATE BASE OF UNAMORTIZED DEFERRED BALANCES ASSOCIATED WITH AN ACCOUNTING AUTHORITY ORDER?

A. Yes, it has. In Missouri Gas Energy, Case No. GR-98-140, the Commission ordered that the unamortized deferred balances associated with the Company's gas safety line replacement program would not be included in the determination of the Company's rate base. On page nineteen of the Order in Case No. GR-98-140, it states:

> The Commission finds that the unamortized balance of SLRP deferrals should not be included in the rate base for MGE. The AAOs issued by the Commission authorize the Company to book and defer the amount requested but do not approve any ratemaking treatment of amounts from the deferred and booked balances. AAOs are not intended to eliminate regulatory lag but are intended to mitigate the cost incurred by the Company because of regulatory lag.

Continuing on page twenty, it states:

> All of the parties agree that it is the purpose of the AAO to lessen the effect of the regulatory lag, not to eliminate it nor to protect the Company completely from risk. Without the inclusion of the unamortized balance of the AAO account included in the rate base, MGE will still recover the amounts booked and deferred, including the cost of carrying these SLRP deferral costs, property taxes and depreciation expenses through the true-up period ending May 31, 1998. The Commission finds that OPC's position on this issue is just and reasonable and is supported by competent and substantial evidence in the record.

Q. SINCE THE COMMISSION DECISION IN CASE NO. GR-98-140 HAS THE COMMISSION TREATED THIS ISSUE CONSISTENTLY?

A. Yes, it is my understanding that it has.

Q. PLEASE CONTINUE.

A. The purpose of the accounting variance is to protect MPS from adverse financial impact, caused by regulatory lag, by providing it with a vehicle that allows it the opportunity to capture and recover costs it normally would not have had the opportunity to recover. The accounting variance should not be used to place the Company in a better position than it would have been in had plant investment and rate synchronization been achieved. Just as it would be unfair to deny MPS recovery of its reasonable and prudent investment due to regulatory delays which the Company could not control, it would be unfair if MPS were allowed to reap a windfall, at ratepayer expense, due to a regulatory delay that ratepayers could not control. Public Counsel's position is that issues caused by regulatory lag must be treated in a fair manner for both ratepayers and MPS.

Q. WHAT IS THE PUBLIC COUNSEL'S RECOMMENDATION REGARDING THE ICE STORM ACCOUNTING AUTHORITY ORDER?

A. Public Counsel recommends no change in the annual expense amortization amount booked by the Company; however, for the same reasons as I explained above for the Sibley and Western Coal Conversion AAOs, the remaining Ice Storm AAO unamortized deferred balance of $3,436,029 should not be included as an addition in the determination of the MPS rate base.

Q. SHOULD THERE ALSO BE INCLUDED IN THE RATE BASE A DEFERRED INCOME TAX OFFSET ASSOCIATED WITH THE ICE STORM AAO UNAMORTIZED BALANCE?

A. Yes. Company's response to OPC DR No. 1023 states:

> Company believes that to the extent AAO's are included in rate base and flow through treatment has not been provided, the associated deferred income taxes should be offset against that rate base item. <u>Company has inadvertently not included the deferred income tax offset amount associated with the 2002 ice storm AAO</u>.
>
> (Emphasis added by OPC.)

Though the Company does not believe that an deferred income tax offset should occur if the AAO's unamortized balance is not included in rate base, it does recognize that the associated deferred income taxes have been determined and booked. Company added that the deferred income taxes associated with the 2002 Ice Storm AAO are approximately $1,319,091 and $1,002,508 for the periods ending December 31, 2004 and June 30, 2005, respectively.

D. ST. JOSEPH LIGHT & POWER MERGER

Q. WHAT IS THE ISSUE?

A. Company proposes to include in the determination of the MPS and L&P cost of service certain costs that it has characterized as transaction and transition costs related to Aquila's purchase of the St. Joseph Light & Power Company.

Q. WHAT IS THE PUBLIC COUNSEL'S POSITION ON THIS ISSUE?

A. Public Counsel's position is that no portion of the SJLP purchase premium or the purchase transaction costs associated with the merger should ever be recovered by the Company from rates paid by MPS or L&P customers. Any premium and transaction costs Company incurred should be treated below-the-line in the determination of rates for this and all future MPS and L&P rate cases, whereas costs associated with the actual transition (sometimes called "costs to achieve") should only be allowed if they can be proven to truly benefit ratepayers.

Q. WHY HAS THE PUBLIC COUNSEL TAKEN THIS POSITION?

A. Public Counsel believes that the SJLP purchase premium, and purchase transaction costs, were incurred with the sole intention of enhancing the financial interests of shareholders of the two companies. From SJLP's perspective the sale was enacted to allow its shareholders to acquire an increase in the shareholder value of their stock above that which existed if SJLP remained a stand-alone utility company. However, it was Aquila's shareholders who were most likely to receive the benefits, if any, associated with the increasing size and economies of scale of a larger company. One example would be possible access to lower costs of investment capital which would benefit the entire Aquila organization. Another example is the possibility of achieving better purchase terms and prices from the various suppliers of Aquila due to the aggregation of requirements of a larger company. Also, Aquila has stated that it sought to acquire SJLP to strengthen its position going into what it viewed was a competitive (i.e., deregulated) market (see Robertson Rebuttal Testimony, Case No. EM-2000-292, page forty-four, lines one through eleven).

Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY ON THE APPROPRIATE RATEMAKING TREATMENT OF THE SJLP PURCHASE PREMIUM AND PURCHASE TRANSACTION COSTS?

A. Yes, I have. In UtiliCorp United Inc.; St. Joseph Light & Power Company, Case No. EM-2000-292, I testified in my rebuttal testimony (page sixty-three, lines eight through ten) that it is never appropriate to allow a utility rate recovery of an acquisition adjustment. The acquisition adjustment is merely an accounting entry that consists of the purchase premium and the purchase transaction costs.

Q. WHAT SUPPORT DID THE PUBLIC COUNSEL RELY ON TO REACH THE POSITION IT HAS TAKEN RELATING TO THESE COSTS?

A. There are a multitude of reasons why purchase premiums and purchase transaction costs should not be reimbursed by ratepayers. For example, as I discussed in my rebuttal testimony (in Case No. EM-2000-292), the reasons to place the purchase premium and purchase transaction costs below-the-line include the following:

1. The acquisition premium and transaction costs consist of nothing more than costs associated with a financial transaction that valued the excess purchased cost over and above the net original book cost of the SJLP properties.

2. The Commission should not be required to make a determination that the acquisition premium and transaction costs associated with the merger are reasonable. That is, the Commission should not be put in the position of having to determine the appropriate price at which utilities should acquire other utilities.

3. The Commission has consistently endorsed the "original cost" concept for valuing utility property. Purchases at above book cost are recorded at historical costs for regulatory ratemaking. Utilities

benefit from the consistent treatment of acquisition adjustments. Positive acquisition adjustments are not allowed in rates, and historically neither are negative acquisition adjustments.

4. Shareholders own the properties purchased. Any gains on the sale of utility properties are retained entirely by shareholders. Ratepayers should not be required to fund the excess over book costs of utilities purchased.

5. Aquila purchased SJLP to enhance the competitive position of its shareholders going into what it viewed would be a deregulated market. Ratepayers' interests were secondary, if considered at all.

6. The generation assets of SJLP had an appraised market value that far exceeded its booked cost. Aquila knew this when it purchased SJLP. Any sale of the generation assets could possibly yield Aquila with a return that far exceeds the SJLP purchase premium and purchase transaction costs.

7. UCU proposed in Case No. EM-2000-292 to net merger savings with the merger costs but it has no way to effectively identify and track merger savings.

Q. YOU STATED EARLIER THAT TRANSITION COSTS SHOULD ONLY BE ALLOWED IN RATES TO THE EXTENT THEY PROVE A BENEFIT TO RATEPAYERS. HAS COMPANY PROVIDED ANY EVIDENCE OF SUCH BENEFITS TO SUPPORT ITS PROPOSAL?

A. Company has alleged some synergy savings. Public Counsel sent the Company OPC Data Request No. 1093 which sought information to substantiate any alleged benefits. Company's response to that data request states:

> Cost/benefit estimates and information were provided in conjunction with Case No. EM-2000-292; Case No. ER-01-672; and Case No. ER-2004-0034, in particular the direct testimony of Vern Siemek. This information is still relevant and has not been updated for this case.

The response also provided a spreadsheet wherein Company alleges a joint dispatch synergy savings relating from the ability to share MPS and SJLP capacity and production capability.

Q. DOES THE COMPANY'S RESPONSE TO OPC DATA REQUEST NO. 1093 SATISFY THE REQUIREMENTS NECESSARY TO IDENTIFY AND TRACK COST BENEFIT SAVINGS ON A GOING FORWARD BASIS?

A. No. Company has not sufficiently identified in the instant case whether or not the benefits, if any, associated with its purchase of the SJLP operations outweigh the costs it seeks to recover. It is my belief, that the Company cannot identify those costs because it has not developed or implemented a methodology or system whereby the costs and alleged benefits can be identified, tracked and compared on a going-forward basis. Interestingly, the Company admits in the response to OPC Data Request No. 1093 that, though it has filed cost/benefit testimony relating to the SJLP merger in prior cases, it has not updated the information in the instant case.

Public Counsel asserts that updated cost/benefit information is extremely relevant to developing any decision in the instant case due to the dynamic nature of a large utility such as Aquila. It's operations and cost structure changes on a year-to-year basis, and the changes that occur would most certainly impact any costs and/or benefits that may have been incurred due to the merger. For example, if employee and/or other costs were reduced in the interim period between rate cases since the merger was consummated, the benefits Company received from those cost reductions may have already allowed it to recover the merger transition costs it incurred.

Q. DID COMPANY ATTEMPT TO RECOVER THESE SAME MERGER COSTS IN ITS LAST GENERAL RATE INCREASE CASE?

A. No. Company's response to OPC Data Request No. 1014 states:

> No amortization of the costs to achieve the synergies was included in the calculation of the revenue requirements for the case.

However, in its response to OPC Data Request No. 1093, Company adds that although it did not seek to recover the costs in the filed cost of service of the last general rate increase case, it did seek a synergies sharing arrangement that it did not achieve.

Q. PLEASE SUMMARIZE THE PUBLIC COUNSEL'S POSITION AND PROPOSED ADJUSTMENTS ON THIS ISSUE.

A. Public Counsel has not changed its position from that first filed in UtiliCorp United Inc.; St. Joseph Light & Power Company, Case No. EM-2000-292, with regard to the SJLP merger purchase premium and purchase transaction costs. OPC believes that the costs were incurred to benefit the shareholders of SJLP and Aquila. Therefore, it is the Public Counsel's recommendation that they be accorded below-the-line treatment for ratemaking purposes. Furthermore, the alleged transition costs included in the Company's proposal have not been shown to provide any benefits to ratepayers thus, they too should not be allowed in the cost of service for ratemaking purposes. Therefore, as shown on the

Robertson MPS and L&P Exhibits, Schedules C-4, I have adjusted the SJLP merger costs amortizations proposed by the Company so that they are excluded from the determination of the respective MPS and L&P cost of service.

E. SOUTH HARPER PLANT ADDITION

Q. WHAT IS THE ISSUE?

A. This issue pertains to the appropriate amount of costs to include in the MPS cost of service for the recent South Harper plant addition. Company included a budgeted amount of plant cost, and related depreciation, in its filing. However, in Aquila, Inc., Case No. EO-2005-0156, Aquila, the MPSC Staff and the Public Counsel reached a settlement agreement whereby the cost associated with the combustion turbines, transformers and breakers (as identified in the settlement agreement in Case No. EO-2005-0156) was set at an amount less than what the Company has included in the instant case. In addition, Public Counsel has identified certain other costs Company booked to the construction of the plant addition that should also be disallowed.

Q. HAS THE COMMISSION APPROVED THE SETTLEMENT AGREEMENT REACHED BY THE PARTIES IN AQUILA, INC., EO-2005-0156?

A. As of the date that I prepared this testimony, the Commission has not approved the settlement agreement.

Q. ARE THERE OTHER ISSUES WHICH MAY IMPACT THE DETERMINATION OF THE COST OF THE PLANT ADDITION AND WHETHER OR NOT IT SHOULD BE INCLUDED IN THE MPS COST OF SERVICE?

A. Yes. As the parties are aware, there is ongoing litigation concerning the plant addition that could ultimately result in it being completely dismantled.

Q. DOES THE PUBLIC COUNSEL KNOW WHEN THE LITIGATION CONCERNING THE SOUTH HARPER PLANT WILL BE FINAL?

A. No.

Q. IF THE OUTCOME OF THE LITIGATION REQUIRES AQUILA TO DISMANTLE THE SOUTH HARPER PLANT ADDITION, SHOULD THE COSTS OF ITS CONSTRUCTION, OR DISMANTLING, BE RECOVERED FROM RATEPAYERS?

A. No. It is the Public Counsel's belief that all costs the Commission allows in the MPS cost of service that are related to the construction and operation of the South Harper plant addition should not be recovered from ratepayers if the outcome of the litigation requires it to be removed from service. In order to protect ratepayers in the event dismantling of the plant addition is required, it is the Public Counsel's recommendation that all costs associated with the South Harper plant addition and its operations be ordered implemented as interim subject to refund.

Q. PLEASE EXPLAIN THE PUBLIC COUNSEL'S ADJUSTMENTS IN THE EVENT THE SOUTH HARPER PLANT ADDITION IS ALLOWED RECOVERY IN THE MPS COST OF SERVICE.

A. Schedules B-2 and C-7 of the Robertson MPS Exhibit identify the Public Counsel's recommended plant and depreciation costs of the plant addition as of June 30, 2005, the end of the Commission ordered known and measurable period for the instant case. Line 1, Column C, of Schedule B-2 shows the Company's actual plant addition costs as of June 30, 2005. Lines 3 through 9 show the adjustment necessary to achieve the cost of the combustion turbines/transformers/breakers reached in the settlement agreement of Aquila, Inc., Case No. EO-2005-0156. Lines 11, 13 and 15 show OPC construction, transmission and allowance for funds used during construction ("AFUDC") cost adjustments that reduce the plant addition costs for items related to the settlement agreement plant cost reduction and other costs OPC recommends be disallowed. Line 25 shows the OPC recommended plant addition adjustment after comparing the OPC recommended plant addition cost, as of June 30, 2005, with the budgeted plant addition costs Company included in the instant case. The amount shown on line 25 was then carried over as a plant adjustment to the Robertson MPS Exhibit, Schedule B - Jurisdictional Rate Base.

Schedule C-7, lines 1 through 9, show a comparison of the OPC recommended annualized depreciation, based on the OPC recommended plant addition as of June 30, 2005, with the budgeted plant addition annualized depreciation costs the Company included in the instant case. Line 9 shows the OPC annualized depreciation adjustment which I included as a depreciation expense adjustment to the Robertson MPS Exhibit, Schedule C - Jurisdictional Income Statement.

Q. WILL THE PLANT ADDITION COSTS YOU DESCRIBE ABOVE REQUIRE TRUE-UP?

A. Yes. In the Commission's Order Concerning Test Year And True-Up And Adopting Procedural Schedule, Aquila, Inc., Case No. ER-2005-0436, beginning on page 9 it states:

> 2. That there shall be a true-up audit and hearing as recommended by the Staff of the Missouri Public Service Commission. The true-up shall include all major changes to revenue, expenses, rate base, and capital structure occurring through October 31, 2005.

Public Counsel recognizes that the Company continued to booked significant costs beyond June 30, 2005 related to the construction of the plant addition; therefore, a true-up of the plant addition costs through October 31, 2005 will be necessary. In addition, Public Counsel has several data requests currently outstanding regarding clarification of the purpose and necessity of the various construction and transmission costs OPC recommends be disallowed. Company's responses to those data requests may or may not provide information that would initiate an adjustment of the construction and transmission cost disallowances proposed by the Public Counsel.

F. CHAPTER 100 FEES

Q. WHAT IS THE ISSUE?

A. The issue is whether or not certain costs Company has incurred that are related to its South Harper generation construction project financing should be reimbursed by ratepayers. On or about December 29, 2004 Company booked several accruals totaling $925,000 to MPS FERC Account No. 186. The accruals represent a deferral of certain costs the Company has classified as Chapter 100 Fees. The "Fees" are composed of three items, 1) the City of Peculiar required and received a $700,000 issuance fee for the Chapter 100 bonds, 2) under the terms of the agreement Aquila paid the cost of the City's bond counsel (Gilmore and Bell) of which Company has been billed $95,000 as of 12/31/04, and 3) under the terms of the agreement Aquila paid the cost of the City's financial advisor (McLiney and Company) $130,000. It is my understanding that the agreement referenced is the Economic Development Agreement associated with the financing of the South Harper project.

Q. WHAT IS THE PUBLIC COUNSEL'S POSITION ON THE REIMBURSEMENT OF THESE COSTS BY COMPANY'S RATEPAYERS?

A. Public Counsel recommends that the "Fees" not be allowed either a return of or a return on in the instant case. The costs Company paid for the City of Peculiar to enter into the financing agreement were incurred solely for the benefit of that community and its citizens. The costs should have either not been incurred or paid by the City of Peculiar, not by Aquila. While it is accurate that the proposed financing of the South Harper project should decrease the total amount of property taxes paid and distributed within the entire Aquila Missouri regulated jurisdiction, Aquila's gratuity towards the City of Peculiar should not imply that the other ratepayers of Aquila should be required to pay for the extra benefits the City of Peculiar garnered in the transaction. For example, though it is expected that property taxes will not be incurred on the South Harper project, the City of Peculiar will receive, in addition to the $700,000 issuance fee it received, a significant amount of payments in lieu of property taxes ("PILOT") for several years into the future. OPC believes that the PILOT payments alone are a significant reason or justification enough for the payment of the Chapter 100 Fees by the City of Peculiar, and not the other ratepayers within the MPS jurisdiction.

Q. WHAT IS THE PUBLIC COUNSEL'S RECOMMENDATION REGARDING THIS ISSUE?

A. Public Counsel recommends that Aquila not be allowed to recover either a return of or return on the Chapter 100 Fees. Thus, Public Counsel recommends that Company's proposal to include the jurisdictional amounts of $919,987 in rate base and a 30-year expense amortization of $30,666 in FERC Account No. 923 be disallowed. Schedules B-5 and C-5 of the Robertson MPS Exhibit reflect the proposed disallowances.

G. SO_2 EMISSION ALLOWANCES

Q. WHAT IS THE ISSUE?

A. The issue concerns the determination of the appropriate amount of SO_2 emission allowances investment and expense to include in the MPS and L&P cost service. Company witness, Ms. Susan Braun, has made an inventory adjustment to the MPS and L&P rate bases (i.e., WC-40) to represent the amount of SO_2 emission allowance inventory investment upon which a return should be earned by Aquila. On the expense side, Company witness, Mr. Ronald A. Klote, has made a fuel cost adjustment to the MPS and L&P income statements (i.e., FPP-17) to represent the amount of annual SO_2 emission allowance expense which should be recovered by Aquila.

Q. HAS THE PUBLIC COUNSEL MADE ADDITIONAL ADJUSTMENTS TO THE COMPANY'S SO_2 INVENTORY AND EXPENSE RECOMENDATIONS?

A. Yes.

Q. PLEASE DESCRIBE THE PUBLIC COUNSEL'S PROPOSED SO_2 EMISSION ALLOWANCES INVENTORY AND EXPENSE ADJUSTMENTS.

A. As shown on the Robertson MPS and L&P Exhibits, Schedules B-6 and C-6 for MPS, and Schedule B-2 for L&P (no adjustment was made to Company's proposed SO_2 emission allowance annual expense for L&P), I propose adjustments to the Company's test year SO_2 emission allowances investment and expense costs so that the cost of inventory included in rate base and the annual expense cost are based upon the actual level of annual SO_2 emission allowances required by the utilities.

The Robertson MPS and L&P Exhibits, Schedules B-6 and B-2, respectively, show the OPC recommended level of SO_2 emissions allowances inventory to include in rate base. Columns (a) through (e) of the Schedules show the annual emission allowances required (after subtracting the Environmental Protection Agency ("EPA") free allocations) multiplied by the $700 per emission allowance cost proposed by the Company. The resulting amount is then divided by 12 months to show the assignment of the purchase and use of the emission allowances ratably over the course of one year. The monthly cost is then adjusted for the appropriate electric jurisdictional factor and compared to the Company's proposed inventory cost amount to determine the OPC adjustment. The amounts shown on line 19 of Schedules MPS B-6 and L&P B-2 are then shown as an adjustment to the SO_2 inventory costs on the Robertson MPS and L&P Exhibits, Schedules B - Jurisdictional Rate Base Summary.

The Robertson MPS Exhibit, Schedule C-6, shows the OPC recommended level of SO_2 emissions allowances expense to include in the cost of service. Columns (a) through (e) show the required annual emission allowances (<u>after subtracting the EPA free allocations</u>) multiplied by the $700 per emission allowance cost proposed by the Company. The result is compared to the expense amount recorded on the Company's books for the test year and then adjusted for the appropriate electric jurisdictional factor. Lastly, the OPC proposed electric jurisdictional amount is compared to the Company's proposed expense adjustment to determine the OPC adjustment shown on line 19. The amount shown on line 19 of Schedule C-6 is then shown as an expense adjustment on the Robertson MPS Exhibit, Schedule C - Jurisdictional Income Statement.

Q. ARE THE INVENTORY COSTS PROPOSED BY OPC BASED ON AN ACTUAL ANNUAL LEVEL OF SO_2 EMISSION ALLOWANCES REQUIRED RATHER THAN THE RECORDED BOOK COSTS?

A. Yes. For L&P I utilized the same number of SO_2 emission allowances proposed by the Company. However, for MPS, I made an adjustment that reduced the actual 2004 SO_2

emission allowances required for Sibley plant (after reduction for the EPA free allowances) down from the Company 2005 forecast of 7,576 to 3,068.

Q. DID OPC ALSO FACTOR IN THE SIBLEY SO_2 EMISSION ALLOWANCE REDUCTION FOR ITS MPS SO_2 EMISSION ALLOWANCE EXPENSE ADJUSTMENT?

A. Yes.

Q. WHY DID PUBLIC COUNSEL UTILIZE A DIFFERENT NUMBER OF REQUIRED SO_2 EMISSION ALLOWANCES FOR THE SIBLEY PLANT IN THE DETERMINATION OF ITS MPS INVENTORY AND EXPENSE ADJUSTMENTS?

A. Company's response to MPSC Staff Data Request No. 272 indicated that the required number of 2005 emission allowances for the Sibley plant are expected to increase significantly. Company attributes the large increase due to a force majeure declaration from one of its coal suppliers of high BTU low sulfur blend coal. The response to MPSC Data Request No. 272 states:

> The continued use of high sulfur coal has been projected to impact allowance use in the future for Sibley at an estimated rate of 29.55% higher than what the actual use was in 2004.

The response also states:

> As a result of burning the higher sulfur coal, Sibley is projected to use approximately 1,000 additional allowances in 2004 than what was originally forecasted.

Public Counsel's adjustment of the required number of Sibley plant SO_2 emission allowances takes into consideration that the actual level of SO_2 emission allowances utilized in 2004 was approximately 1,000 more than necessary due to the failure of the supplier to supply Company with high BTU low sulfur blend coal. Furthermore, it is my understanding that the Company has filed suit to recover the damages (the increased costs) from the supplier; therefore, any increase in SO_2 emission allowances and potential recovery of the costs of that increase at the Sibley plant that are due to the default of the supplier should not be collected from the Company's ratepayers. The OPC MPS SO_2 emission allowance adjustments are based on an actual known and measurable level of Sibley SO_2 emission allowances for year 2004 less costs related to the contract dispute that is in litigation.

Q. WHY DID YOU REDUCE THE ANNUAL SO_2 EMISSION ALLOWANCES REQUIRED FOR THE FREE EPA ALLOWANCES?

A. The EPA allocates a certain number of free SO_2 emission allowances to the Company each year; therefore, it is the Public Counsel's position that since the Company has incurred no cost to obtain the allowances their cost should be set at zero in the utilities cost of service.

H. SFAS 106 - POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Q. WHAT IS THE ISSUE?

A. It is the Public Counsel's belief that the Company has violated the requirements of Missouri Revised Statutes Chapter 386.315 regarding the funding of SFAS 106 costs recovered in rates. According to Company's response to MPSC Staff Data Request No. 263.1, Aquila intentionally failed to provide funding that matches its SFAS 106 expense during the years 2003, 2004 and 2005 for MPS and four of five years of the 2001 to 2005 period for L&P. The Company has provided OPC with information that states the contributions not paid into the SFAS 106 plan approximate $8.4 million.

Q. WHAT IS THE RELEVANCE OF MISSOURI REVISED STATUTE CHAPTER 386.315?

A. The language of this statute states that a utility may file one set of tariffs modifying its rates to reflect the revenue requirement associated with the utility's expenses for postretirement employee benefits other than pensions, as determined by Financial Accounting Standard 106, if such utility is funding the full extent of its Financial Accounting Standard 106 obligation at the time such tariffs are filed. Company's admission in its response to MPSC Data Request No. 263.1 that it is not funding the FAS 106 expense indicates that the Company has intentionally not met the requirements of the statute. In its entirety Chapter 386.315 states:

A. Chapter 386
Public Service Commission
Section 386.315

August 28, 2004

Commission shall not change terms of employment subject to collective bargaining or certain accounting standards--use of accounting standard by utility, requirements--tariff filing allowed, conditions--examination of tariffs, review period.

1. In establishing public utility rates, the commission shall not reduce or otherwise change any wage rate, benefit, working condition, or other term or condition of employment that is the subject of a collective bargaining agreement between the public utility and a labor organization. Additionally, the commission shall not disallow or refuse to recognize the actual level of expenses the utility is required by Financial Accounting Standard 106 to record for postretirement employee benefits for all the utility's employees, including retirees, if the assumptions and estimates used by a public utility in determining the Financial Accounting Standard 106 expenses have been reviewed and approved by the commission, and such review and approval shall be based on sound actuarial principles.

2. **A public utility which uses Financial Accounting Standard 106 shall be required to use an independent external funding mechanism that restricts disbursements only for qualified retiree benefits.** In no event shall any funds remaining in such funding mechanism revert to the utility after all qualified benefits have been paid; rather, the funding mechanism shall include terms which require all funds to be used for employee or retiree benefits. This section shall not in any manner be construed to limit the authority of the commission to set rates for any service rendered or to be rendered that are just and reasonable pursuant to sections 392.240, 393.140 and 393.150, RSMo.

3. **Any public utility which was the subject of a rate proceeding resulting in the issuance of a report and order subsequent to January 1, 1993, and prior to August 28, 1994, directing or permitting the establishment of new rates by such utility, may file one set of tariffs modifying its rates to reflect the revenue requirement associated with the utility's expenses for postretirement employee benefits other than pensions, as determined by Financial Accounting Standard 106, including the utility's transition benefit obligation, regardless of whether the deferral or immediate expense recognition method was used, if such utility is funding the full extent of its Financial Accounting Standard 106 obligation at the time such tariffs are filed.** The tariffs shall reflect the annual level of expenses as determined in accordance with Financial Accounting Standard 106. The commission may suspend such tariffs for no longer than one hundred fifty days to examine the assumptions and estimates used and to review and approve

> the expenses required by Financial Accounting Standard 106, including an amortization of the transition benefit obligation over no greater amortization period than twenty years based upon sound actuarial principles, and to address any rate design issues associated with the utility's Financial Accounting Standard 106-based revenue requirement. The commission shall not examine any other revenue requirement issues.
>
> (Emphasis added by OPC.)

Q. DOES THE PUBLIC COUNSEL PROPOSE ANY ADJUSTMENT TO ACCOUNT FOR THE EFFECTS THAT THE LACK OF FUNDING HAS HAD ON THE SFAS 106 EXPENSE LEVEL OF MPS AND L&P?

A. Public Counsel does believe that an adjustment may be appropriate, however, as of the date I am writing this testimony we have several data requests outstanding for information that is required in order to calculate such an adjustment. Public Counsel will provide the Commission with its proposed adjustment, if an adjustment is applicable, at a later date after we have received and had time to analyze the responses to those data requests. However, it is readily apparent that the Company should be required to fully fund the SFAS 106 plan for the contributions it intentionally eliminated.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

CASE PARTICIPATION
OF
TED ROBERTSON

Company Name	Case No.
Missouri Public Service Company	GR-90-198
United Telephone Company of Missouri	TR-90-273
Choctaw Telephone Company	TR-91-86
Missouri Cities Water Company	WR-91-172
United Cities Gas Company	GR-91-249
St. Louis County Water Company	WR-91-361
Missouri Cities Water Company	WR-92-207
Imperial Utility Corporation	SR-92-290
Expanded Calling Scopes	TO-92-306
United Cities Gas Company	GR-93-47
Missouri Public Service Company	GR-93-172
Southwestern Bell Telephone Company	TO-93-192
Missouri-American Water Company	WR-93-212
Southwestern Bell Telephone Company	TC-93-224
Imperial Utility Corporation	SR-94-16
St. Joseph Light & Power Company	ER-94-163
Raytown Water Company	WR-94-211
Capital City Water Company	WR-94-297
Raytown Water Company	WR-94-300
St. Louis County Water Company	WR-95-145
United Cities Gas Company	GR-95-160
Missouri-American Water Company	WR-95-205
Laclede Gas Company	GR-96-193
Imperial Utility Corporation	SC-96-427
Missouri Gas Energy	GR-96-285
Union Electric Company	EO-96-14
Union Electric Company	EM-96-149
Missouri-American Water Company	WR-97-237
St. Louis County Water Company	WR-97-382
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GR-98-374
United Water Missouri Inc.	WR-99-326
Laclede Gas Company	GR-99-315
Missouri Gas Energy	GO-99-258
Missouri-American Water Company	WM-2000-222
Atmos Energy Corporation	WM-2000-312
UtiliCorp/St. Joseph Merger	EM-2000-292
UtiliCorp/Empire Merger	EM-2000-369
Union Electric Company	GR-2000-512
St. Louis County Water Company	WR-2000-844
Missouri Gas Energy	GR-2001-292
UtiliCorp United, Inc.	ER-2001-672
Union Electric Company	EC-2002-1
Empire District Electric Company	ER-2002-424

CASE PARTICIPATION
OF
TED ROBERTSON

Company Name	Case No.
Missouri Gas Energy	GM-2003-0238
Aquila Inc.	EF-2003-0465
Aquila Inc.	ER-2004-0034
Empire District Electric Company	ER-2004-0570
Aquila Inc.	EO-2005-0156
Aquila, Inc.	ER-2005-0436

Schedule A
Page 1 of 1

Aquila Networks - MPS
OPC Proposed Revenue Requirement
Test Year Ended December 31, 2004

Line No.	Description	As Proposed By Aquila (Mid))	OPC Adjustments	As Proposed by OPC
	(a)	(b)	(c)	(d)
1	Rate Base	$ 833,704,949	$ (46,662,827)	$ 787,042,122
2				
3	Return Requirement	9.01%	-1.25%	7.76%
4				
5	Net Operating Income Required	$ 75,138,492	$ (14,042,380)	$ 61,096,112
6				
7	NOI @ Existing Rates	23,728,259	6,991,768	30,720,027
8				
9	Net Operating Deficiency	$ 51,410,233	$ (21,034,148)	$ 30,376,085
10				
11	Tax Conversion Factor	1.623110	1.623110	1.623110
12				
13	Jurisdictional Revenue Deficiency	$ 83,444,464	$ (34,140,736)	$ 49,303,728

Schedule B
Page 1 of 2

Aquila Networks - MPS
Jurisdictional Rate Base
Test Year Ended December 31, 2004

Line No.	Description	As Proposed By Aquila	OPC Adjustments	As Proposed by OPC
	(a)	(b)	(c)	(d)
1	**Plant in Service**			
2	Gross Plant in Service	$ 1,442,576,420	$ (37,737,215)	$ 1,404,839,205
3				
4	Less: Accumulated Depreciation	(537,151,523)	929,298	(536,222,225)
5				
6	Net Plant in Service	$ 905,424,897	$ (36,807,916)	$ 868,616,981
7				
8	**Other Rate Base**			
9	Cash Working Capital	$ (8,860,583)	$ -	$ (8,860,583)
10	Materials & Supplies	20,110,170	-	20,110,170
11	SO2 Emission Allowances	1,090,518	(873,141)	217,377
12	Prepayments	11,936,049	-	11,936,049
13	Fuel Inventory - Oil	2,003,310	-	2,003,310
14	Fuel Inventory - Coal	9,287,816	-	9,287,816
15	Fuel Inventory - Coke	-	-	-
16	AAO Def Sibley & WC 1990	1,149,863	(1,149,863)	-
17	AAO Def Sibley & WC 1992	1,239,512	(1,239,512)	-
18	AAO Ice Storm 1992	3,436,029	(3,436,029)	-
19	Chapter 100 Fees (South Harper)	919,987	(919,987)	1
20	Customer Advances for Constr.	(7,638,702)	-	(7,638,702)
21	Customer Deposits	(3,681,854)	-	(3,681,854)
22	Accum. Def. Income Taxes	(101,687,827)	-	(101,687,827)
23	Accum. Def. Inc. Taxes AAO	-	(2,236,379)	(2,236,379)
24	Unamortized ITC	-	-	-
25	Reg. Liab. - ERISA Min. Tracker	(1,024,236)	-	(1,024,236)
26	Subtotal Other Rate Base	$ (71,719,948)	$ (9,854,911)	$ (81,574,859)
27				
28	Total Rate Base	$ 833,704,949	$ (46,662,827)	$ 787,042,122

Schedule B
Page 2 of 2

Aquila Networks - MPS
Jurisdictional Rate Base
Test Year Ended December 31, 2004

Line No.	Description	Headquarters Plant & Accum. Depr. (Sch. B-1)	South Harper (Sch. B-2)	AAO (Sch. B-3)	AAO DIT (Sch. B-4)	Chp. 100 Fees (Sch. B-5)	SO2 Emission Allowances (Sch. B-6)	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Plant in Service**							
2	Gross Plant in Service	$ (7,362,349)	$(30,374,866)	$ -	$ -	$ -	$ -	$ (37,737,215)
3								
4	Less: Accumulated Depreciation	929,298	-	-	-	-	-	929,298
5								
6	Net Plant in Service	$ (6,433,050)	$(30,374,866)	$ -	$ -	$ -	$ -	$ (36,807,916)
7								
8	**Other Rate Base**							
9	Cash Working Capital							$ -
10	Materials & Supplies							-
11	SO2 Emission Allowances						(873,141)	(873,141)
12	Prepayments							-
13	Fuel Inventory - Oil							-
14	Fuel Inventory - Coal							-
15	Fuel Inventory - Coke							-
16	AAO Def Sibley & WC 1990			(1,149,863)				(1,149,863)
17	AAO Def Sibley & WC 1992			(1,239,512)				(1,239,512)
18	AAO Ice Storm 1992			(3,436,029)				(3,436,029)
19	Chapter 100 Fees (South Harper)					(919,987)		(919,987)
20	Customer Advances for Constr.							-
21	Customer Deposits							-
22	Accum. Def. Income Taxes							-
23	Accum. Def. Inc. Taxes AAO				(2,236,379)			(2,236,379)
24	Unamortized ITC							-
25	Reg. Liab. - ERISA Min. Tracker							-
26	Subtotal Other Rate Base	$ -	$ -	$(5,825,404)	$(2,236,379)	$ (919,987)	$(873,141)	$ (9,854,911)
27								
28	Total Rate Base	$ (6,433,050)	$(30,374,866)	$(5,825,404)	$(2,236,379)	$ (919,987)	$(873,141)	$ (46,662,827)

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Aquila Networks - MPS
Headquarters Office Building Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	Description		Amount	Reference/ Source
	(a)		(b)	(c)
1	MPS Allocated Portion of Gross Plant In Service			
2	20 West 9th HQ Building		$ 8,156,327	OPC 1017, 1052 & 1060
3	850 Main Annex		2,823,280	OPC 1017, 1052 & 1060
4	800 Main Parking Garage		1,811,943	OPC 1017, 1052 & 1060
5	Office Furniture & Equipment		1,893,260	OPC 1104
6	Total Gross Plant In Service		$ 12,791,550	Sum L. 2 - 4
7				
8	MPS Allocated Portion Of Accumulated Depreciation			
9	20 West 9th HQ Building		$ 1,120,150	OPC 1017, 1052 & 1060
10	850 Main Annex		253,518	OPC 1017, 1052 & 1060
11	800 Main Parking Garage		240,921	OPC 1017, 1052 & 1060
12	Office Furniture & Equipment		363,313	OPC 1104
13	Total Accum. Depreciation Reserve		$ 1,614,589	Sum L. 8 - 10
14				
15	MPS Allocated Portion Of Net Plant In Service			
16	20 West 9th HQ Building		$ 7,036,177	L. 2 - L. 8
17	850 Main Annex		2,569,762	L. 3 - L. 9
18	800 Main Parking Garage		1,571,022	L. 4 - L. 10
19	Office Furniture & Equipment		1,529,946	L. 5 - L. 12
20	Total Net Allocated Plant In Service		$ 11,176,961	Sum L. 14 - 16
21				
22	Original Design Capacity Of 20 West			
23	9th Building And Annex	847		OPC 865
24				
25	Occupancy Rate For Energy Utility			Vacancy Rate P. 29
26	Headquarters Per IMFA Study	93.0%		IFMA Study #23
27				
28	Expected Normal Occupancy Of			
29	Building	788		L. 20 X L. 23
30				
31	Current Occupancy	332		OPC 1016
32				
33	Vacancies In Excess Of Expected	456		L. 26 - L. 28
34				
35	Unusued capacity percentage		57.87%	L. 30 / L. 26
36				
37	Adjustment To Remove Unused Aquila			
38	Headquarters Costs Allocated to MPS:			
39	Gross Plant In Service		$ (7,402,470)	L. 5 X L. 32
40	Accumulated Depreciation		(934,363)	L. 11 X L. 32
41	Net Plant In Service		$ (6,468,107)	L. 36 - L 37
42				
43	Jurisdictional Allocation Factor		99.458%	Co. W/P Sch. 3a & 5
44				
45	Jurisdictional Adjustment To Remove			
46	Unused Aquila Headquarter Costs			
47	Gross Plant In Service		$ (7,362,349)	L. 36 X L. 40
48	Accumulated Depreciation		(929,298)	L. 37 X L. 40
49	Net Plant In Service		$ (6,433,050)	L. 44 - L. 45

Aquila Networks - MPS
South Harper Plant Addition Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Amount	Reference/ Source
	(a)	(b)	(c)	(d)
1	Actual Plant Addition June 2005		$ 131,168,828	OPC DR No. 1038
2				
3	Settlement CT/Trans/Breaker Transfer Cost	$ 66,760,000		Case EO-2005-0156
4				
5	Book CT/Trans/Breaker Transferer Cost	70,796,850		OPC DR No. 1038
6				
7			(4,036,850)	L. 3 - L. 5
8				
9	Subtotal		$ 127,131,978	L. 1 + L. 7
10				
11	OPC Gen. Construction Cost Disallowance		(1,710,137)	OPC Gen. Const. W/P
12				
13	OPC Transmission Cost Disallowance		(242,901)	OPC Trans. W/P
14				
15	OPC Plant Addition AFUDC Disallowance		(1,242,168)	OPC AFUDC W/P
16				
17	Subtotal		$ 123,936,772	L. 9 + L. 11 + L. 13
18				
19	Juris Factor (Demand)		99.483%	Co. W/P RB-10-1
20				
21	OPC Plant Addition June 2005 Elec-Juris		$ 123,296,019	L. 15 X L. 17
22				
23	Budgeted Plant Addition Elec-Juris		153,670,885	Co. W/P RB-10-1
24				
25	OPC Adjustment		$ (30,374,866)	L. 19 - L. 21

Aquila Networks - MPS
Accounting Autority Orders Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	Description	12/31/2004 Total Co.	12/31/2004 Electric	12/31/2004 Elec. Juris.	Reference/ Source
	(a)	(b)	(c)	(d)	(e)
1	Elec Def aft 9/90	$ 91,041	$ 91,041	$ 86,850	Co. W/P RB-40
2					
3	Sibley Rebuild & WC 1990	1,111,968	1,111,968	1,063,013	Co. W/P RB-40
4					
5	Total AAO Def Sibley Rebuild & Western Coal 1990	$ 1,203,009	$ 1,149,863	$ 1,149,863	Co. W/P RB-40
6					
7	OPC Adjustment 1990			(1,149,863)	
8					
9	Net			$ -	L. 5 +_ L. 7
10					
11	AAO Def Sibley Rebuild & Western Coal 1992	$ 1,245,673	$ 1,245,673	$ 1,239,512	Co. W/P RB-40
12					
13	OPC Adjustment 1992			(1,239,512)	
14					
15	Net			$ -	L. 11 + L. 13
16					
17	AAO Ice Storm	$ 3,436,029	$ 3,436,029	$ 3,436,029	Co. W/P RB-40
18					
19	OPC Adjustment Ice Storm			(3,436,029)	
20					
21	Net			$ -	L. 17 + L. 19

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Aquila Networks - MPS
AAO Deferred Income Taxes Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	AAO Description	Total Beginning Balance	Total Amortized	Total Balance 12/31/04	Tax Rate**	12/31/2004 Def. Tax	Jurisdiction Factor	12/31/2004 Juris Def. Tax	Reference/ Source
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Elec Def Aft 9/90	$213,239	$122,198	$91,041	38.39%	$34,951	95.400%	$33,343	*
2									
3	Sibley & WC 90	3,837,080	2,725,112	1,111,968	38.39%	426,885	95.600%	408,102	*
4									
5	Total 1990	$4,050,319	$2,847,310	$1,203,009	38.39%	$461,835		$441,445	Sum L. 1, 3
6									
7	Sibley & WC 92	$2,931,059	$1,685,394	$1,245,665	38.39%	$478,211	99.505%	$475,844	*
8									
9	Ice Storm***	$8,244,893	$4,808,865	$3,436,028	38.39%	$1,319,091	100.000%	$1,319,091	*
10									
11	Total AAO DIT							$2,236,379	Sum L. 5, 7,9

* Sources: RB-40, OPC 1023, 1025, 1030, 1068, and MPSC 283
** Tax Rate Per OPC DR No. 1030 Fed 33.185 and St 5.21%.
*** Per OPC DR No. 1023 and 1030 Ice Storm Def. Tax inadvertently not included.

Aquila Networks - MPS
Chapter 100 Fees Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount		Reference/ Source
	(a)		(b)	(c)
1	South Harper Chapter 100 Fees	$	925,000	Co. W/P CS-101
2				
3	Jurisdictional Factor (Plant)		99.458%	Co. W/P CS-101
4				
5	Total Electric Jurisdictional	$	919,987	Co. W/P CS-101
6				
7	OPC Adjustment		(919,987)	
8				
9	Net	$	-	L. 5 + L. 7

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Aquila Networks - MPS
SO2 Emissions Allowances Inventory Adjustment
Test Year Ended December 31, 2004

Line No.	Plant	Emissions Less Allocation	Forecast* Price	Amount	Reference/ Source
	(a)	(b)	(c)	(d)	(e)
1	Sibley 2004	3,068	$ 700	$ 2,147,600	MPSC DR No. 341 W/
2					2004 Less 1,000 Per
3					MPSC DR 272
4					
5	JEC (MPS Portion)	677	$ 700	$ 473,900	Co. W/P FPP 17-2
6					
7	Subtotal	3,745		$ 2,621,500	L. 1 + L. 5
8					
9	Months			12	
10					
11	Subtotal			$ 218,458	L. 7 / L. 9
12					
13	Juris Factor #4			99.505%	Co. W/P WC-40
14					
15	OPC Proposed (Elec-Juris)			$ 217,377	L. 11 X L. 13
16					
17	Company Adjustment (Elec-Juris)			1,090,518	Co. W/P WC-40
18					
19	OPC Adjustment			$ (873,141)	L. 15 - L. 17
					FERC Account 158.1

* Forcast Price Co. W/P FPP-17

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Aquila Networks - MPS
Jurisdictional Income Statement
Test Year Ended December 31, 2004

Line No.	Description	As Proposed By Aquila	OPC Adjustments	As Proposed by OPC
	(a)	(b)	(c)	(d)
1	**Operating Revenues:**			
2	Sales of Electricity	$ 371,738,826	-	$ 371,738,826
3	Total Operating Revenues	$ 371,738,826	$ -	$ 371,738,826
4				
5	**O&M Expenses:**			
6	Production	$ 214,063,450	$ (3,140,085)	$ 210,923,365
7	Transmission	11,897,413	(1,598,185)	10,299,228
8	Distribution	18,130,256	-	18,130,256
9	Customer Accounting	9,308,730	-	9,308,730
10	Customer Services	434,379	-	434,379
11	Sales	200,966	-	200,966
12	A&G Expenses	33,666,651	(1,458,233)	32,208,418
13	Depreciation	48,741,190	(1,055,035)	47,686,155
14	Amortization	2,014,130	-	2,014,130
15	Taxes Other Than Income Tax	14,063,443	-	14,063,443
16	Income Taxes	(3,720,903)	259,770	(3,461,133)
17	Income Taxes Deferred	(8,412)	-	(8,412)
18	ITC	(780,726)	-	(780,726)
19	Total Operating Expenses:	$ 348,010,567	$ (6,991,768)	$ 341,018,799
20				
21	**Net Operating Income**	$ 23,728,259	$ 6,991,768	$ 30,720,027

Aquila Networks - MPS
Jurisdictional Net Operating Income
Test Year Ended December 31, 2004

Line No.	Description	Headquarters Expense (Sch. C-1)	RTO Membership Fees (Sch. C-2)	Interest Synch. (Sch. C-3)	St. Joseph Merger Costs (Sch. C-4)	Chp. 100 Fees (Sch. C-5)	SO2 Emission Allowances (Sch. C-6)	S. Harper Depr. Expense (Sch. C-7)	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	**Operating Revenues:**								
2	Sales of Electricity								$ -
4	Total Operating Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5									
6	**Operating Expenses:**								
7	Production						$ (3,140,085)		$ (3,140,085)
8	Transmission		(1,598,185)						(1,598,185)
9	Distribution								-
10	Customer Accounting								-
11	Customer Services								-
12	Sales								-
13	A&G Expenses	(925,772)			(501,795)	(30,666)			(1,458,233)
14	Depreciation							(1,055,035)	(1,055,035)
15	Amortization								
16	Taxes Other Than Income								-
17	Income Taxes 37.6889%	348,913	602,339	(2,473,255)	189,121	11,558	1,183,463	397,631	259,770
18	Income Taxes Deferred								
19	ITC								-
20	Total Operating Expenses:	$ (576,859)	$ (995,847)	$ (2,473,255)	$ (312,674)	$ (19,108)	$ (1,956,621)	$ (657,404)	$ (6,991,768)
21									
22	**Net Operating Income**	$ 576,859	$ 995,847	$ 2,473,255	$ 312,674	$ 19,108	$ 1,956,621	$ 657,404	$ 6,991,768

Aquila Networks - MPS
MPS Allocated Portion of Unused Headquarters Office Adjustment
Test Year Ended December 31, 2004

Line No.	Description		Amount	Reference/ Source
	(a)		(b)	(c)
1	Total Corporate Services 20W9th Operating Cost - Dept. 4010		$ 6,838,723	Co. W/P CS-20.38
2				
3	Less:			
4	Depreciation Charge (403)		1,719,436	OPC 1018
5	Subtotal Corporate Services 20W9th Operating Costs		$ 5,119,287	L. 1 - L. 4
6				
7	Calculation of Depreciable Gross Plant In Service:			
8	Total Gross Buildings in Service:			
9	20 West 9th HQ Building		$ 34,414,881	OPC 1052 &1060
10	850 Main Annex		11,912,572	OPC 1052 &1060
11	800 Main Parking Garage		7,645,331	OPC 1052 &1060
12	Subtotal Buildings In Service		$ 53,972,784	Sum L. 9 - L. 11
13	Less Land:			
14	20 West 9th HQ Building		157,000	OPC 1060
15	800 Main Parking Garage		450,000	OPC 1060
16	Net Depreciable Buildings Plant In Service		$ 53,365,784	L.12 - L. 14 - L. 15
17	Buildings Depreciation Rate		2.36%	Co. W/P Sch. 4a
18	Buildings Depreciation Expense		$ 1,259,433	L. 16 X L. 17
19				
20	Gross Office Furniture & Equipment		$ 1,893,260	OPC 1104
21	Office Furniture & Equipment Depreciation Rate		5.57%	Co. W/P Sch. 4a
22	Office Furniture & Equipment Depreciation Expense		$ 105,455	L. 20 X L. 21
23				
24	Total Company Operating Costs & Depr.			
25	Expense Associated With Headquarters		$ 6,484,174	L. 5 + L. 18 + L. 22
26				
27	Unused Capacity Percentage		57.87%	OPC Sch. B-1
28				
29	Total Company Adjustment		$ 3,752,392	L. 25 X L. 27
30				
31	Test Year Allocation of Corporate Services 20W9th Costs			
32	MPS Allocated Portion (w/S. Harper)	$ 1,696,411		Co. W/P CS-20.37/OPC DR 1101/1102
33	Total Company Operating Costs	6,838,723		Co. W/P CS-20.37
34	MPS Electric Percentage		24.806%	L. 32 / L. 33
35				
36	Adjustment to Eliminate MPS Allocated Portion			
37	Of Unused Headquarters Building Costs		$ (930,817)	L. 290 X L. 34
38				
39	Jurisdictional Allocation Percentage		99.458%	Co. W/P Sch. 3a & 5
40				
41	Jurisdictional Adjustment to Eliminate Cost Of			
42	Unused Headquarters Building Costs		$ (925,772)	L. 37 X L. 39

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Aquila Networks - MPS
RTO Transmission Membership Dues Adjustment
Test Year Ended December 31, 2004

Line No.	Description	12 Mths Ended 12/31/2004	12 Mths Ended 6/30/2005	Reference/ Source
	(a)	(b)	(c)	(d)
1	Power Pool Fees & Dues	$62,530	$64,419	OPC DR No. 1070
2	Security Coordination - MISO	281,435	292,148	OPC DR No. 1070
3	RTO Admin Fees	29,930	32,166	OPC DR No. 1070
4				
5	Total MPS	$ 373,895	$ 388,733	OPC DR No. 1070
6				
7	Projected Increase	1,621,329		Co. W/P CS-76
8				
9	Projected Total	$ 1,995,224		Co. W/P CS-76
10				
11	Actual 6/30/2005	388,733		OPC DR No. 1070
12				
13	Projected Increase Not Known & Measurable	$ 1,606,491		L. 9 Less L. 11
14				
15	Jurisdictional Transmission Factor #8	99.483%		Co. W/P CS-76
16				
17	OPC Adjustment	($1,598,185)		

Aquila Networks - MPS
Income Tax Expense Interest Synchronization Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Reference/ Source
	(a)	(b)	(c)
1	OPC Proposed Juris. Rate Base	$ 787,042,122	Sch. B
2			
3	OPC Proposed Weighted Cost of Debt	4.51%	Sch. D
4			
5	Annualized Interest Deduction	$ 35,488,516	L. 1 X L. 3
6			
7	MPS Interest Deduction	28,926,227	Co. Tax Sch. 8
8			
9	OPC Additional Interest deduction	$ 6,562,289	L. 5 - L. 7
10			
11	Composite Federal/State Income Tax Rate	37.6889%	Rev. Req. Mid
12			
13	OPC Adjustment	$ (2,473,255)	L. 9 X L. 11

Aquila Networks - MPS
St. Joseph Merger Costs Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Reference/ Source
	(a)	(b)	(c)
1	St. Joseph Light & Power Merger Costs	$ 501,795	Co. W/P CS-84
2			
3	OPC Adjustment	(501,795)	
4			
5	Net	$ -	L. 1 + L. 3

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Aquila Networks - MPS
Chapter 100 Fees Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Reference/ Source
	(a)	(b)	(c)
1	South Harper Chapter 100 Fees	$925,000	Co. W/P CS-101
2			
3	Amortization Period	30	Co. W/P CS-101
4			
5	Annual Amortization	$ 30,833	Co. W/P CS-101
6			
7	Jurisdictional Factor (Plant)	99.458%	Co. W/P CS-101
8			
9	Company Adjustmen (Elec-Juris)	$ 30,666	Co. W/P CS-101
10			
11	OPC Adjustment	(30,666)	
12			
13	Net	$ -	L. 9 + L. 11

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Aquila Networks - MPS
SO2 Emissions Allowances Expense Adjustment
Test Year Ended December 31, 2004

Line No.	Plant	Emissions Less Allocation	Forecast* Price	Amount	Reference/ Source
	(a)	(b)	(c)	(d)	(e)
1	Sibley 2004	3,068	$ 700	$ 2,147,600	MPSC DR No. 341 W/
2					2004 Less 1,000 Per
3					MPSC DR 272
4					
5	JEC (MPS Portion)	677	$ 700	473,900	Co. W/P FPP 17-2
6					
7	Subtotal	3,745	$ 700	$ 2,621,500	L. 1 + L. 5
8					
9	Per Books			2,776,309	Co. W/P FPP 17-1
10					
11	Subtotal			$ (154,809)	L. 7 - L. 9
12					
13	Juris Factor #4			99.505%	Co. W/P FPP 17-1
14					
15	OPC Proposed Cost (Elec-Juris)			$ (154,043)	L. 11 * L. 13
16					
17	Co. Adjustment (Elec-Juris)			2,986,042	Co. W/P FPP 17-1
18					
19	OPC Adjustment			$ (3,140,085)	L. 15 - L. 17
					FERC Acct. 509

* Forecast Price Co. W/P FPP-17

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Aquila Networks - MPS
South Harper Annualized Depreciation Expense Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Reference/ Source
	(a)	(b)	(c)
1	OPC Annualized Depreciation	$ 4,770,791	OPC Depr. W/P
2			
3	Budgeted Annualized Depreciation	5,831,576	Co. W/P CS-95
4			
5	Subtotal	$ (1,060,784)	L. 1 - L. 3
6			
7	Juris Factor # 7 (Plant)	99.458%	Co. W/P CS-95
8			
9	OPC Adjustment	$ (1,055,035)	L. 5 * L. 7

Aquila Networks - MPS
Cost of Capital
Test Year Ended December 31, 2004

Mid As Proposed by Aquila:

Line No.	Description	Capitalization Ratio	Cost Rate	Weighted Cost	Tax Factor	Before Tax COC
	(a)	(b)	(c)	(d)	(e)	(f)
1	Long-Term Debt	51.80%	6.70%	3.47%		3.47%
2	Common Equity	48.20%	11.50%	5.54%	62.3111%	8.90%
3	Total	100.00%		9.01%		12.37%

As Proposed by OPC:

Line No.	Description	Capitalization Ratio	Cost Rate	Weighted Cost	Tax Factor	Before Tax COC
4	Long-Term Debt	67.30%	6.70%	4.51%		4.51%
5	Common Equity	32.70%	9.95%	3.25%	62.3111%	5.22%
6	Total	100.00%		7.76%		9.73%

Aquila Networks - L&P
OPC Proposed Revenue Requirement
Test Year Ended December 31, 2004

Line No.	Description	As Proposed By Aquila (Mid))	OPC Adjustments	As Proposed by OPC
	(a)	(b)	(c)	(d)
1	Rate Base	$ 187,595,276	$ (2,671,714)	$ 184,923,562
2				
3	Return Requirement	9.67%	-1.06%	8.61%
4				
5	Net Operating Income Required	$ 18,136,336	$ (2,213,067)	$ 15,923,269
6				
7	NOI @ Existing Rates	12,592,683	1,446,924	14,039,607
8				
9	Net Operating Deficiency	$ 5,543,653	$ (3,659,991)	$ 1,883,662
10				
11	Tax Conversion Factor	1.623100	1.623100	1.623100
12				
13	Jurisdictional Revenue Deficiency	$ 8,997,903	$ (5,940,532)	$ 3,057,371

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Aquila Networks - L&P
Jurisdictional Rate Base Summary
Test Year Ended December 31, 2004

Line No.	Description	As Proposed By Aquila	OPC Adjustments	As Proposed by OPC
	(a)	(b)	(c)	(d)
1	**Plant in Service**			
2	Gross Plant in Service	$ 364,235,975	$(2,717,363)	$ 361,518,612
3				
4	Less: Accumulated Depreciation	(193,571,063)	342,994	(193,228,069)
5				
6	Net Plant in Service	$ 170,664,912	$(2,374,369)	$ 168,290,543
7				
8	**Other Rate Base**			
9	Cash Working Capital	$ (1,949,185)	$ -	$ (1,949,185)
10	Materials & Supplies	6,874,297	-	6,874,297
11	SO2 Emission Allowances	573,845	(297,345)	276,500
12	Prepayments	31,527,801	-	31,527,801
13	Fuel Inventory - Oil & Propane	560,463	-	560,463
14	Fuel Inventory - Coal	2,726,173	-	2,726,173
20	Customer Advances for Constr.	(3,600)	-	(3,600)
21	Customer Deposits	(631,009)	-	(631,009)
22	Accum. Def. Income Taxes	(22,742,792)	-	(22,742,792)
25	Reg. Liab. - ERISA Min. Tracker	(5,629)	-	(5,629)
26	Subtotal Other Rate Base	$ 16,930,364	$ (297,345)	$ 16,633,019
27				
28	Total Rate Base	$ 187,595,276	$(2,671,714)	$ 184,923,562

Aquila Networks - L&P
Jurisdictional Rate Base
Test Year Ended December 31, 2004

Line No.	Description	Headquarters Plant & Accum. Depr. (Sch. B-1)	SO2 Emission Allowances (Sch. B-2)	(Sch. B-3)	(Sch. B-4)	(Sch. B-5)	(Sch. B-6)	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Plant in Service**							
2	Gross Plant in Service	$ (2,717,363)						$(2,717,363)
3								
4	Less: Accumulated Depreciation	342,994						342,994
5								
6	Net Plant in Service	$ (2,374,369)	$ -	$ -	$ -	$ -	$ -	$(2,374,369)
7								
8	**Other Rate Base**							
9	Cash Working Capital							$ -
10	Materials & Supplies							-
11	SO2 Emission Allowances		(297,345)					(297,345)
12	Prepayments							-
13	Fuel Inventory - Oil							-
14	Fuel Inventory - Coal							-
20	Customer Advances for Constr.							-
21	Customer Deposits							-
22	Accum. Def. Income Taxes							-
23	Accum. Def. Inc. Taxes AAO							-
24	Unamortized ITC							-
25	Reg. Liab. - ERISA Min. Tracker							-
26	Subtotal Other Rate Base	$ -	$ (297,345)	$ -	$ -	$ -	$ -	$ (297,345)
27								
28	Total Rate Base	$ (2,374,369)	$ (297,345)	$ -	$ -	$ -	$ -	$(2,671,714)

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Aquila Networks - L&P
Headquarters Office Building Rate Base Adjustment
Test Year Ended December 31, 2004

Line No.	Description		Amount	Reference/ Source
	(a)		(b)	(c)
1	L&P Allocated Portion Of Gross Plant In Service			
2	20 West 9th HQ Building		$ 2,994,095	OPC 1017, 1052 & 1060
3	850 Main Annex		1,036,394	OPC 1017, 1052 & 1060
4	800 Main Parking Garage		665,144	OPC 1017, 1052 & 1060
5	Office Furniture & Equipment		694,667	OPC 1104
6	Total Gross Plant in Service		$ 4,695,633	Sum L. 2 - 5
7				
8	L&P Allocated Portion Of Accumulated Depreciation			
9	20 West 9th HQ Building		$ 411,194	OPC 1017, 1052 & 1060
10	850 Main Annex		93,064	OPC 1017, 1052 & 1060
11	800 Main Parking Garage		88,439	OPC 1017, 1052 & 1060
12	Office Furniture & Equipment		23,686	OPC 1104
13	Total Accum. Depreciation Reserve		$ 592,697	Sum L. 8 - 12
14				
15	L&P Allocated Portion Of Net Plant In Service			
16	20 West 9th HQ Building		$ 2,582,901	L. 2 - L. 8
17	850 Main Annex		943,330	L. 3 - L. 9
18	800 Main Parking Garage		576,705	L. 4 - L. 10
19	Office Furniture & Equipment		670,981	L. 5 - L. 12
20	Total Net Depreciated Plant In Service		$ 4,102,936	Sum L. 14 - 16
21				
22	Original Design Capacity Of 20 West			
23	9th Building And Annex	847		OPC 865
24				
25	Occupancy Rate For Energy Utility			Vacancy Rate P. 29
26	Headquarters per IMFA Study	93.0%		IFMA Report #23
27				
28	Expected Normal Occupancy Of			
29	Building	788		L. 20 X L. 23
30				
31	Current Occupancy	332		OPC 1016
32				
33	Vacancies In Excess Of Expected	456		L. 26 - L. 28
34				
35	Unusued Capacity Percentage		57.87%	L. 30 / L. 26
36				
37	Adjustment to Remove Unused Aquila			
38	Headquarters Costs Allocated To L&P:			
39	Gross Plant In Service		$(2,717,363)	L. 5 X L. 32
40	Accumulated Depreciation		(342,994)	L. 11 X L. 32
41	Net Plant In Service		$(2,374,369)	L. 36 - L 37
42				
43	Jurisdictional Allocation Factor		100.00%	Co. W/P Sch. 3a & 5
44				
45	Jurisdictional Adjustment To Remove			
46	Unused Aquila Headquarter Costs			
47	Gross Plant In Service		$(2,717,363)	L. 36 X L. 40
48	Accumulated Depreciation		(342,994)	L. 37 X L. 40
49	Net Plant In Service		$(2,374,369)	L. 44 - L. 45

Schedule B-2
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Aquila Networks - L&P
SO2 Emissions Allowances Inventory Adjustment
Test Year Ended December 31, 2004

Line No.	Plant	Emissions Less Allocation	Forecast Price	Amount	Reference/ Source
	(a)	(b)	(c)	(d)	(e)
1	Lake Road	1,765	$ 700	$ 1,235,500	Co. W/P FPP 17-2
2					
3	Iatan	560	$ 700	392,000	Co. W/P FPP 17-2
4					
5	NPPD	2,415	$ 700	1,690,500	Co. W/P FPP 17-2
6					
7	Subtotal	4,740	$ 700	$ 3,318,000	Co. W/P FPP 17-2
8					
9	Months			12	
10					
11	Subtotal			$ 276,500	L. 7 / L. 9
12					
13	Juris Factor #1			100.000%	Co. W/P WC-40
14					
15	OPC Proposed (Elec-Juris)			$ 276,500	L. 11 X L. 13
16					
17	Company Adjustment (Elec-Juris)			573,845	Co. W/P WC-40
18					
19	OPC Adjustment			$ (297,345)	L. 15 - L. 17 FERC Account 158.1

Aquila Networks - L&P
Jurisdictional Income Statement
Test Year Ended December 31, 2004

Line No.	Description	As Proposed By Aquila	OPC Adjustments	As Proposed by OPC
	(a)	(b)	(c)	(d)
1	**Operating Revenues**			
2	Sales of Electricity	$ 112,261,308	$ -	$ 112,261,308
3	Total Operating Revenues	$ 112,261,308	$ -	$ 112,261,308
4				
5	**O&M Expenses**			
6	Production	$ 51,746,436	$ -	$ 51,746,436
7	Transmission	6,119,747	(533,853)	5,585,894
8	Distribution	6,022,365	-	6,022,365
9	Customer Accounting	3,024,715	-	3,024,715
10	Customer Services	190,981	-	190,981
11	Sales	59,456	-	59,456
12	A&G Expenses	13,811,322	(476,562)	13,334,760
13	Depreciation	11,608,675	-	11,608,675
14	Amortization	87,885	-	87,885
15	Taxes Other Than Income Tax	4,808,754	-	4,808,754
16	Income Taxes	2,934,275	(436,508)	2,497,767
17	Income Taxes Deferred	(367,361)	-	(367,361)
18	ITC	(378,625)	-	(378,625)
19	Total Operating Expenses	$ 99,668,625	$ (1,446,924)	$ 98,221,701
20				
21	**Net Operating Income**	$ 12,592,683	$ 1,446,924	$ 14,039,607

Schedule C
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Aquila Networks - L&P
Jurisdictional Net Operating Income
Test Year Ended December 31, 2004

Line No.	Description		Headquarters Expense (Sch. C-1)	RTO Membership Fees (Sch. C-2)	Interest Synch. (Sch. C-3)	St. Joseph Merger Costs (Sch. C-4)	(Sch. C-5)	(Sch. C-6)	Total
	(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Operating Revenues:**								
2	Sales of Electricity								$ -
4	Total Operating Revenues		$ -	$ -	$ -	$ -	$ -	$ -	$ -
5									
6	**Operating Expenses:**								
7	Production								$ -
8	Transmission			(533,853)					(533,853)
9	Distribution								-
10	Customer Accounting								-
11	Customer Services								-
12	Sales								-
13	A&G Expenses		(307,327)			(169,235)			(476,562)
14	Depreciation								-
15	Amortization								
16	Taxes Other Than Income								-
17	Income Taxes	37.6899%	115,831	201,209	(817,333)	63,785	-	-	(436,508)
18	Income Taxes Deferred								
19	ITC								-
20	Total Operating Expenses:		$ (191,496)	$ (332,644)	$ (817,333)	$ (105,450)	$ -	$ -	$(1,446,924)
21									
22	**Net Operating Income**		$ 191,496	$ 332,644	$ 817,333	$ 105,450	$ -	$ -	$ 1,446,924

Schedule C-1
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Aquila Networks - L&P
L&P Allocated Portion of Unused Headquarters Office Adjustment
Test Year Ended December 31, 2004

Line No.	Description (a)			Amount (b)	Reference/ Source (c)
1	Total Corporate Services 20W9th Operating Cost - Dept. 4010			$ 6,838,723	Co. W/P CS-20.38
2					
3	Less:				
4	Depreciation Charge (403)			1,719,436	OPC 1018
5	Subtotal Corporate Services 20W9th Operating Cost			$ 5,119,287	L. 1 - L. 4
6					
7	Calculation Of Depreciable Gross Plant In Service:				
8	Total Gross Buildings in Service:				
9	20 West 9th HQ Building			$ 34,414,881	OPC 1052 &1060
10	850 Main Annex			11,912,572	OPC 1052 &1060
11	800 Main Parking Garage			7,645,331	OPC 1052 &1060
12	Subtotal Buildings In Service			$ 53,972,784	Sum L. 9 - L. 11
13	Less Land:				
14	20 West 9th HQ Building			157,000	OPC 1060
15	800 Main Parking Garage			450,000	OPC 1060
16	Net Depreciable Buildings In Service			$ 53,365,784	L.12 - L. 14 - L. 15
17	Buildings Depreciation Rate			2.36%	Co. W/P Sch. 4a
18	Buildings Depreciation Expense			$ 1,259,433	L. 16 X L. 17
19					
20	Gross Office Furniture & Equipment			$ 694,667	OPC 1104
21	Office Furniture & Equipment Depreciation Rate			5.57%	Co. W/P Sch. 4a
22	Office Furniture & Equipment Deprecistion Expense			$ 38,693	L. 20 X L. 21
23					
24	Total Company Operating Costs & Depr.				
25	Expense Associated With Headquarters			$ 6,417,412	L. 5 + L. 18 + L. 22
26					
27	Unused Capacity Percentage			57.87%	OPC Sch. B-1
28					
29	Total Company Adjusted			$ 3,713,757	L. 25 X L. 27
30					
31	L&P Test Year Allocation Of Corporate Services Cost				
32	L&P Allocated Portion (w/S. Harper)		$ 588,271		Co. W/P CS-20.37/OPC DR 1101/1102
33	Less - Steam Allocation	3.798%	(22,341)		OPC 1018
34	Total L&P Electric		565,930		
35					
36	Total Company Operating Costs		6,838,723		Co. W/P CS-20.37
37	L&P Electric Percentage			8.275%	L. 34 / L. 36
38					
39	Adjustment To Eliminate L&P Allocated				
40	Portion of Unused Headquarters Building Costs			$ (307,327)	L. 29 X L. 37
41					
42	Jurisdictional Allocation Percentage			100.00%	Co. W/P Sch. 3a & 5
43					
44	Jurisdictional Adjustment To Eliminate Cost Of				
45	Unused Headquarters Building Costs			$ (307,327)	L. 40 X L. 42

Aquila Networks - L&P
RTO Transmission Membership Dues Adjustment
Test Year Ended December 31, 2004

Line No.	Description	12 Mths Ended 12/31/2004	12 Mths Ended 6/30/2005	Reference/ Source
	(a)	(b)	(c)	(d)
1	Power Pool Fees & Dues	$24,459	$26,914	OPC DR No. 1070
2	Security Coordination - MISO	104,376	101,068	OPC DR No. 1070
3	RTO Admin Fees	29,332	34,449	OPC DR No. 1070
4	Total MPS	$ 158,167	$ 162,431	OPC DR No. 1070
5				
6	Projected Increase	538,118		Co. W/P CS-76
7				
8	Projected Total	$ 696,284		Co. W/P CS-76
9				
10	Actual 6/30/2005	162,431		OPC DR No. 1070
11				
12	Projected Increase Not Known & Measurable	$ 533,853		L. 8 Less L. 10
13				
14	Jurisdictional Transmission Factor #1	100.000%		Co. W/P CS-76
15				
16	OPC Adjustment	($533,853)		

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Aquila Networks - L&P
Income Tax Expense Interest Synchronization Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Reference/ Source
	(a)	(b)	(c)
1	OPC Proposed Juris. Rate Base	$ 184,923,562	Sch. B
2			
3	OPC Proposed Weighted Cost of Debt	5.36%	Sch. D
4			
5	Annualized Interest Deduction	$ 9,906,503	L. 1 X L. 2
6			
7	MPS Interest Deduction	7,737,930	Tax Schedule 8
8			
9	OPC Additional Interest deduction	$ 2,168,573	L. 3 - L. 7
10			
11	Composite Federal/State Income Tax Rate	37.6899%	Rev. Req. Mid
12			
13	OPC Adjustment	$ (817,333)	L. 9 X L. 10

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Aquila Networks - L&P
St. Joseph Merger Costs Adjustment
Test Year Ended December 31, 2004

Line No.	Description	Amount	Reference/ Source
	(a)	(b)	(c)
1	St. Joseph Light & Power Merger Costs	$ 169,235	Co. W/P CS-84
2			
3	OPC Adjustment	(169,235)	OPC Reversal Adj.
4			
5	Net	$ -	L. 1 + L. 3

Schedule D
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Aquila Networks - L&P
Cost of Capital
Test Year Ended December 31, 2004

As Proposed by Aquila (Mid):

Line No.	Description	Capitalization Ratio	Cost Rate	Weighted Cost	Tax Factor	Before Tax COC
	(a)	(b)	(c)	(d)	(e)	(f)
1	Long-Term Debt	51.80%	7.96%	4.12%		4.12%
2	Common Equity	48.20%	11.50%	5.54%	62.3111%	8.90%
3	Total	100.00%		9.67%		13.02%

As Proposed by OPC:

Line No.	Description	Capitalization Ratio	Cost Rate	Weighted Cost	Tax Factor	Before Tax COC
4	Long-Term Debt	67.30%	7.96%	5.36%		5.36%
5	Common Equity	32.70%	9.95%	3.25%	62.3111%	5.22%
6	Total	100.00%		8.61%		10.58%