

# EXHIBIT

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Case Number:

Date Testimony Prepared:

Cost of Service

Barbara Meisenheimer

Rebuttal

Public Counsel

ER-2005-0436

November 18, 2005

## REBUTTAL TESTIMONY OF BARBARA MEISENHEIMER

Submitted on Behalf of  
the Office of the Public Counsel

AQUILA, INC.

Case No. ER-2005-0436

November 18, 2005

Exhibit No. 82  
Case No(s) ER-2005-0436  
Date 1-05-06 Rptr KF

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Service Commission

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My commission expires August 10, 2009.

**REBUTTAL TESTIMONY  
OF  
BARBARAMEISENHEIMER**

**AQUILA INC.**

**CASE NO. ER-2005-0436**

1       **Q.     PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2       A.     Barbara A. Meisenheimer, Chief Utility Economist, Office of the Public Counsel,  
3       P. O. 2230, Jefferson City, Missouri 65102.

4       **Q.     HAVE YOU TESTIFIED PREVIOUSLY IN THIS CASE?**

5       A.     Yes, I submitted direct testimony on cost of service and rate design issues on  
6       October 28, 2005.

7       **Q.     WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

8       A.     The purpose of my rebuttal testimony is to present Public Counsel's updated class  
9       cost of service (CCOS) study results and Public Counsel's response to the cost of  
10      services study provided by the Public Service Commission Staff (Staff) and to the  
11      testimony of Brubaker & Associates filed on behalf of the St. Joe Industrial  
12      Group, the Federal Executive Agencies and the Sedalia Industrial Energy Users'  
13      Association (Industrials).

1       **Q.     IN PREPARATION OF YOUR TESTIMONY, WHAT MATERIALS DID YOU REVIEW?**

2       A.     I reviewed the direct testimony of James Busch and James Watkins filed on  
3               behalf of the Staff and the direct testimony of Maurice Brubaker filed on behalf of  
4               the Industrials.

5       **I.     CLASS COST OF SERVICE STUDY AND RATE DESIGN EXAMPLES**

6  
7       **Q.     HAVE YOU UPDATED YOUR CLASS COST STUDY?**

8       A.     Yes. I updated my CCOS studies to reflect testimony provided during the hearing  
9               in EO-2002-384 which followed the filing of direct testimony in this case.

10               The first modification incorporates the Time of Use (TOU) allocators  
11               developed by the Staff in EO-2002-384. My testimony in EO-2002-384  
12               acknowledged that Public Counsel supports the TOU allocation.

13               The second modification changes the allocation factors applied to certain  
14               accounts from the FERC 500 and 900 series as recommended by Maurice  
15               Brubaker in his surrebuttal testimony in EO-2002-384 and consistent with the  
16               allocation factors illustrated in examples contained in the 1992 NARUC Manual.  
17               The cost, usage, and revenue data are the same as those I used in EO-2002-384.

18               The updated CCOS study results are in Schedule BAM RC-REB MPS, on  
19               Page 1 and in Schedule BAM RC-REB LP on Page 1. The changes affected the  
20               CCOS study results. The summaries of the revised study results and rate design  
21               examples are in Schedule BAM RC-REB MPS and Schedule BAM RC-REB LP.  
22               Schedule BAM RC-REB MPS, Page 1, and Schedule BAM RC-REB LP, Page 1,

are based on the assumption that Company's total revenues remain constant. Line 13 of each schedule shows the current revenue percentage by class. Line 15 of each schedule shows the class revenue percentage, assuming equalized rates of return.

For MPS, the result shows that the Residential class is 1.96% below cost. The SGS and LGS classes are above cost by amounts ranging from 4.49% to 5.15%. The SC and LP classes, on the other hand, are below cost of service at 15.07% (SC) and 2.63% (LP).

For the L&P system, the Residential class is only .45% below cost while the SGS and LGS classes are significantly above cost at approximately 17.25% for SGS and 5.51% for LGS. The LP class is below cost of service by over 9%.

Tables 1 and 2 below summarize each class's current percent of revenue as well as the amount and percentage change from current revenues required to equalize the rates of return.

Table 1. CCOS Results Aquila Systems -MPS

	Residential	SGS	LGS	LPS	SC
Class Revenue %	53.19%	16.83%	13.81%	15.99%	0.18%
Revenue Neutral Shift	\$3,382,298	(\$2,816,311)	(\$2,016,701)	\$1,364,064	\$86,650
% Change	1.96%	-5.15%	-4.49%	2.63%	15.07%

Table 2. CCOS Results Aquila Systems -LP

	Residential	SGS	LGS	LPS
Class Revenue %	46.02%	8.44%	19.82%	25.72%
Revenue Neutral Shift	\$189,619	(\$1,331,991)	(\$998,599)	\$2,140,970
% Change	0.45%	-17.25%	-5.51%	9.10%

**Q. DID YOU PROVIDE UPDATED EXAMPLES OF THE RATE DESIGN METHOD DESCRIBED IN YOUR DIRECT TESTIMONY?**

**A.** Yes. Schedule BAM Direct MPS Page 2 and Schedule BAM Direct LP Page 2 illustrate the general rate design method I recommended in direct testimony. Generally, I recommended that the Commission adopt a rate design that balances movement toward cost of service with rate impact and affordability considerations. In this case the existing revenue structure departs greatly from the class cost of service. To reach the balance, I recommended that the Commission, at a maximum, impose class revenue shifts equal to one half of the "revenue neutral shifts" indicated by Public Counsel's Class Cost of Service studies. Revenue neutral shifts are shifts that hold overall company revenue at the existing level, but allow for the share attributed to each class to be adjusted to reflect the cost responsibility of the class. In addition to moving half way to the revenue neutral shifts, I recommended that if the Commission determines that an overall increase in revenue requirement is necessary, then no customer class should receive a net decrease as the combined result of: (1) the revenue neutral shift that is applied to that class, and (2) the share of the total revenue increase that is

1 applied to that class. Likewise, if the Commission determines that an overall  
2 decrease in revenue requirement is necessary, then no customer class should  
3 receive a net increase as the combined result of: (1) the revenue neutral shift that  
4 is applied to that class, and (2) the share of the total revenue decrease that is  
5 applied to that class.

6 Line 9 on Page 2 of Schedule BAM RC-REB MPS and Schedule BAM  
7 RC-REB LP show half the revenue neutral shifts indicated by my updated CCOS  
8 study. On each schedule, lines 13 to 32 show examples of the combined impact of  
9 spreading among the classes either an increase or a decrease in revenue  
10 requirement and half the revenue neutral shift indicated by my CCOS studies.  
11 Line 26 shows the adjustment that insures that no class either receives an increase  
12 when others are receiving a decrease or receives a decrease when others receive  
13 an increase. This method promotes movement toward cost of service while  
14 avoiding unnecessary adverse impacts on any particular customer class.

15 **II. COMPARISON OF CLASS COST OF SERVICE STUDIES**

16 **Q. PLEASE COMPARE THE RESULTS OF THE PARTIES' CLASS COST STUDIES.**

17 **A.** Tables 3 and Table 4 provide a comparison by district of each party's revenue  
18 neutral increase or decrease as a percentage of Staff's current revenue.  
19  
20  
21  
22

Table 3. L&P Comparison of Revenue Neutral  
Rate Revenue Increase/Decrease Percentages

	RES	SGS	LGS	LPS	Lights
OPC ER-2005-0436	.45%	-17.25%	-5.51%	9.10%	
Staff EO-2002-384	3.48%	-13.94%	-9.17%	4.99%	4.70%
Staff ER-2005-0436	6.21	-11.13	-8.14	-1.78	10.83
Aquila EO-2002-384	6.88%	-12.34%	-7.76%	-1.48%	-8.79%
Industrials EO-2002-384	13.56%	-14.69%	-13.67%	-8.89%	

Table 4. MPS Comparison of Revenue Neutral  
Rate Revenue Increase/Decrease Percentages

	RES	SGS	LGS	LPS	Lights	Modine Therm
OPC ER-2005-0436	1.96%	-5.15%	-4.49%	2.63%		15.07%
Staff EO-2002-384	3.06%	-4.04%	-8.98%	1.28%	4.26%	11.45%
Staff ER-2005-0436	-1.61	1.42	-3.01	4.87	14.91	32.62
Aquila EO-2002-384	8.22%	-9.66%	-14.91%	-6.86%	24.45%	7.82%
Industrials EO-2002-384	9.27%	-10.13%	-13.51%	-8.56%		*14.16%

\*The Industrials percentage is for Modine only.

Staff's results from EO-2002-384 are from page 17 of the direct testimony of James Busch in that case. The Staff's results for the new study performed in ER-2005-0436 appear on Schedules 3 and 4 of the direct testimony of James Busch in this case. The Industrials' results appear in Schedule 5 of the direct testimony of



1 Maurice Brubaker in EO-2002-384. Aquila's results were derived by grouping  
2 the revenue neutral adjustments shown on Schedule DLS-3 and Schedule DLS-7  
3 of David Stowe's direct testimony in EO-2002-384 into the classes used by Staff  
4 and then dividing those totals by Staff's reported class rate revenues. The OPC  
5 results appear slightly different than those presented in my testimony because the  
6 percentages shown in my testimony are based on rate revenues provided by the  
7 Company instead of the Staff's reported class rate revenues I used for this  
8 comparison.

9 **Q. DO YOU HAVE ANY RESPONSE AT THIS TIME TO THE STAFF'S NEW CCOS STUDY**  
10 **RESULTS?**

11 **A.** Not at this time. The direct testimony of James Watkins made no specific revenue  
12 neutral shift recommendations based on the CCOS study that the Staff presented  
13 in its direct testimony in this case. He indicated that the Staff is evaluating the  
14 differences between the new study results and those obtained from the study the  
15 Staff submitted in EO-2002-384.

16 **Q. DO YOU AGREE WITH MR. BRUBAKER'S PROPOSAL THAT AN ACROSS THE BOARD**  
17 **INCREASE SHOULD APPLY TO ANY INTERIM ENERGY CHARGE?**

18 **A.** No. Like other fuel costs, the expected cost that underlie an interim energy charge  
19 are energy related and should be apportioned based on an allocator that reflects  
20 energy use. This is consistent with the 1992 NARUC Manual's treatment of fuel  
21 and purchased power costs recorded in FERC accounts 501 and 547 as energy  
22 related and account 555 as energy and demand related. To do otherwise would  
23 disproportionately allocate these costs to Residential customers.  
24

1       **Q.     HAVE YOU ESTIMATED THE IMPACT OF MR. BRUBAKER'S PROPOSAL TO SPREAD**  
2       **IEC COSTS ACROSS THE BOARD IN CONJUNCTION WITH THE POTENTIAL REVENUE**  
3       **REQUIREMENT INCREASES PROPOSED BY THE STAFF AND COMPANY IN THIS**  
4       **CASE?**

5       **A.     Yes. It appears that allocating the IEC related costs on class cost of service**  
6       **creates an allocation of these costs that is approximately six percent higher than if**  
7       **the incremental costs were based on energy. For both the Company and Staff**  
8       **revenue requirements, Schedules BAM RC-REB MPS and BAM RC-REB LP,**  
9       **page 3, illustrate the results of applying Mr. Brubaker's across the board**  
10      **approach. I believe it would be more reasonable to allocate the incremental fuel**  
11      **and purchase power costs based on energy.**

12      **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

13      **A.     Yes.**

**Aquila Networks-MPS**  
**ER-2005-0436**  
**Summary of OPC Class Cost of Service Study Results**

	TOTAL	Residential	Small GS	Large GS	LPS	SC Modine/Thermal
1 O & M EXPENSES	\$ 222,063,207	\$ 116,357,939	\$ 35,049,700	\$ 30,866,356	\$ 39,323,127	\$ 466,085
2 DEPREC. & AMORT. EXPENSE	\$ 34,727,256	\$ 20,003,758	\$ 5,580,945	\$ 4,145,886	\$ 4,930,337	\$ 66,330
3 TAXES	\$ 29,783,319	\$ 16,919,374	\$ 4,862,294	\$ 3,610,508	\$ 4,333,026	\$ 58,117
4 Subtotal - Expenses and Taxes	\$ 286,573,782	\$ 153,281,070	\$ 45,492,939	\$ 38,622,750	\$ 48,586,490	\$ 590,532
5 TOTAL RATE BASE	\$ 663,236,221	\$ 376,362,960	\$ 108,841,876	\$ 80,545,700	\$ 96,187,243	\$ 1,298,442
6 IMPLICIT RATE OF RETURN	8.62%					
7 REQUIRED OPERATING INCOME TO EQUALIZE CLASS RATES OF RETURN	\$ 57,139,483	\$ 32,424,624	\$ 9,377,004	\$ 6,939,216	\$ 8,286,775	\$ 111,864
8 Non-rate rev (except off-sys.)	\$ 3,887,748	\$ 2,067,917	\$ 654,307	\$ 536,974	\$ 621,673	\$ 6,877
9 Off-system sales rev.	\$ 14,884,205	\$ 7,417,241	\$ 2,344,378	\$ 2,160,940	\$ 2,927,580	\$ 34,066
10 OFFSETTING REVENUES	\$ 18,771,953	\$ 9,485,157	\$ 2,998,685	\$ 2,697,914	\$ 3,549,253	\$ 40,943
11 REQ. OPER. INCOME LESS OFFSETTING REV.	\$ 38,367,530	\$ 22,939,466	\$ 6,378,319	\$ 4,241,302	\$ 4,737,522	\$ 70,921
12 CURRENT RATE REVENUE* *Includes Rev. Adj (Lighting & Unaccounted)	\$ 324,941,312 \$ 5,167,156	\$ 172,838,238	\$ 54,687,568	\$ 44,880,754	\$ 51,959,948	\$ 574,803
13 CURRENT REVENUE PERCENTAGES	100.00%	53.19%	16.83%	13.81%	15.99%	0.18%
14 RATE REVENUE DEFICIENCY	\$ -	\$ 3,382,298	\$ (2,816,311)	\$ (2,016,701)	\$ 1,364,064	\$ 86,650
15 REQUIRED % INCREASE IN RATE REVENUES TO EQUALIZE CLASS RATES OF RETURN	0.00%	1.96%	-5.15%	-4.49%	2.63%	15.07%
16 REV. % WITH EQUALIZED ROR	100.00%	53.71%	16.40%	13.50%	16.20%	0.19%

**Aquila Networks-MPS**  
**ER-2005-0436**  
**Summary of OPC Class Cost of Service Study Results**

	Total	Residential	Small GS	Large GS	LPS	SC Modine/Thermal
1 Revenue Neutral Shifts (RNS) to Equalize Class						
2 Rates of Return (ROR)	\$0	\$3,382,298	(\$2,816,311)	(\$2,016,701)	\$1,364,064	\$86,650
3 Percentage Revenue Change to Equalize Class ROR	0.00%	1.96%	-5.15%	-4.49%	2.63%	15.07%
4						
5 Current Class Revenue Percentages	0.00%	53.19%	16.83%	13.81%	15.99%	0.18%
6						
7 COS Indicated Class Revenue Percentages	100.00%	54.23%	15.96%	13.19%	16.41%	0.20%
8						
9 OPC's Recommended Revenue Neutral Shifts	(0)	\$ 1,691,149	\$ (1,408,155)	\$ (1,008,351)	\$ 682,032	\$ 43,325
10 OPC Recommended Revenue Neutral Shift Percentage	0.00%	0.98%	-2.57%	-2.25%	1.31%	7.54%
11						
12 OPC's Recommended Revenue Percentages	100.00%	53.71%	16.40%	13.50%	16.20%	0.19%
13						
14 <u>Spread of Possible Rate Change</u>						
15 \$5 Million Rate Reduction	\$ (5,000,000)	\$ (2,685,552)	\$ (819,831)	\$ (675,082)	\$ (810,023)	\$ (9,511)
16 \$5 Million Rate Increase	\$ 5,000,000	\$ 2,685,552	\$ 819,831	\$ 675,082	\$ 810,023	\$ 9,511
17						
18 <u>Combined Impact of Revenue Decrease and OPC's RNS</u>						
19 Combined Impact \$5 Million Decrease and OPC Shifts	\$ (5,000,000)	\$ (994,403)	\$ (2,227,987)	\$ (1,683,433)	\$ (127,991)	\$ 33,814
20 Combined Impact \$5 Million Increase and OPC Shifts	\$ 5,000,000	\$ 4,376,702	\$ (588,324)	\$ (333,269)	\$ 1,492,055	\$ 52,836
21						
22 <u>Percentage Change in Class Rate Revenue</u>						
23 Combined Impact \$5 Million Decrease and OPC Shifts	-1.54%	-0.58%	-4.07%	-3.75%	-0.25%	5.88%
24 Combined Impact \$5 Million Increase and OPC Shifts	1.54%	2.53%	-1.08%	-0.74%	2.87%	9.19%
25						
26 <u>Adjusted Impact of Revenue Decrease and OPC's RNS</u>						
27 Combined Impact \$5 Million Decrease and OPC Shifts	\$ (5,000,000)	\$ (987,724)	\$ (2,270,758)	\$ (1,715,750)	\$ (130,448)	\$ -
28 Combined Impact \$5 Million Increase and OPC Shifts	\$ 5,000,000	\$ 3,695,544	\$ -	\$ -	\$ 1,259,843	\$ 44,613
29						
30 <u>Adjusted Percentage Change in Class Rate Revenue</u>						
31 Combined Impact \$5 Million Decrease and OPC Shifts	-1.54%	-0.57%	-4.15%	-3.82%	-0.25%	0.00%
32 Combined Impact \$5 Million Increase and OPC Shifts	1.54%	2.14%	0.00%	0.00%	2.42%	7.76%

**Illustrations of Potential Rate Impacts At Staff and Company Revenue Requirements Increases**  
**Assuming OPC Revenue Neutral Shifts, No Interim Energy Charge and Across The Board Allocation Of The Revenue Requirement Increases**  
**Aquila MPS**

	TOTAL	Residential	Small GS Schools Munis/Churches	Large GS RTP	LPS	SC Modine/Thermal
1 <b>OPC's Recommended Revenue Neutral Shifts</b>	(0)	\$ 1,691,149	\$ (1,408,155)	\$ (1,008,351)	\$ 682,032	\$ 43,325
2 <b>OPC Recommended Revenue Neutral Shift Percentage</b>		0.98%	-2.57%	-2.25%	1.31%	7.54%
3 <b>OPC's Recommended Revenue Percentages</b>	100.00%	53.71%	16.40%	13.50%	16.20%	0.19%
4						
5 <b><u>Spread of Possible Rate Change</u></b>						
8 \$34 Million Rate Increase	\$ 34,000,000	\$ 18,261,757	\$ 5,574,853	\$ 4,590,557	\$ 5,508,156	\$ 64,677
9 \$69.2 Million Rate Increase	\$ 69,200,000	\$ 37,168,046	\$ 11,346,465	\$ 9,343,134	\$ 11,210,717	\$ 131,638
10						
11 <b><u>Combined Impact of Revenue Change and OPC's RNS</u></b>						
14 Combined Impact \$34 Million Increase and OPC Shifts	\$ 34,000,000	\$ 19,952,906	\$ 4,166,697	\$ 3,582,207	\$ 6,190,188	\$ 108,002
15 Combined Impact \$69.2 Million Increase and OPC Shifts	\$ 69,200,000	\$ 38,859,195	\$ 9,938,310	\$ 8,334,783	\$ 11,892,749	\$ 174,963
16						
17 <b><u>Percentage Change in Class Rate Revenue</u></b>						
20 Combined Impact \$34 Million Increase and OPC Shifts	10.46%	11.54%	7.62%	7.98%	11.91%	18.79%
21 Combined Impact \$69.2 Million Increase and OPC Shifts	21.30%	22.48%	18.17%	18.57%	22.89%	30.44%
22						
23 <b><u>Adjusted Impact of Revenue Change and OPC's RNS</u></b>						
26 Combined Impact \$34 Million Increase and OPC Shifts	\$ 34,000,000	\$ 19,952,906	\$ 4,166,697	\$ 3,582,207	\$ 6,190,188	\$ 108,002
27 Combined Impact \$69.2 Million Increase and OPC Shifts	\$ 69,200,000	\$ 38,859,195	\$ 9,938,310	\$ 8,334,783	\$ 11,892,749	\$ 174,963
28						
29 <b><u>Adjusted Percentage Change in Class Rate Revenue</u></b>						
32 Combined Impact \$34 Million Increase and OPC Shifts	10.46%	11.54%	7.62%	7.98%	11.91%	18.79%
33 Combined Impact \$69.2 Million Increase and OPC Shifts	21.30%	22.48%	18.17%	18.57%	22.89%	30.44%

**Aquila Networks-LP**  
**ER-2005-0436**  
**Summary of OPC Class Cost of Service Study Results**

		TOTAL	Residential	Small GS	Large GS	LPS
1	O & M EXPENSES	\$ 64,998,991	\$ 28,955,162	\$ 4,394,387	\$ 12,459,779	\$ 19,189,664
2	DEPREC. & AMORT. EXPENSE	\$ 9,880,499	\$ 4,794,065	\$ 711,030	\$ 1,801,650	\$ 2,573,754
3	TAXES	\$ 7,084,342	\$ 3,445,123	\$ 520,087	\$ 1,288,468	\$ 1,830,664
4	Subtotal - Expenses and Taxes	\$ 81,963,832	\$ 37,194,349	\$ 5,625,504	\$ 15,549,898	\$ 23,594,082
5	TOTAL RATE BASE	\$ 173,865,418	\$ 85,958,309	\$ 13,147,047	\$ 31,207,525	\$ 43,552,537
6	IMPLICIT RATE OF RETURN	8.58%				
	REQUIRED OPERATING INCOME TO EQUALIZE					
7	CLASS RATES OF RETURN \$ 14,920,822	\$ 14,920,822	\$ 7,376,790	\$ 1,128,256	\$ 2,678,174	\$ 3,737,602
8	Non-rate rev (except off-sys.)	\$ 1,823,180	\$ 838,945	\$ 153,948	\$ 361,444	\$ 468,842
9	Off-system sales rev.	\$ 3,591,593	\$ 1,452,260	\$ 208,140	\$ 731,371	\$ 1,199,822
10	OFFSETTING REVENUES	\$ 5,414,773	\$ 2,291,205	\$ 362,089	\$ 1,092,815	\$ 1,668,664
11	REQ. OPER. INCOME LESS OFFSETTING REV.	\$ 9,506,049	\$ 5,085,585	\$ 766,168	\$ 1,585,359	\$ 2,068,937
12	CURRENT RATE REVENUE*	\$ 91,469,881	\$ 42,090,314	\$ 7,723,662	\$ 18,133,856	\$ 23,522,049
	*Includes Rev. Adj (Lighting & Unaccounted) \$ 2,148,998					
13	CURRENT REVENUE PERCENTAGES	100.00%	46.02%	8.44%	19.82%	25.72%
14	RATE REVENUE DEFICIENCY	\$ (0)	\$ 189,619	\$ (1,331,991)	\$ (998,599)	\$ 2,140,970
15	REQUIRED % INCREASE IN RATE REVENUES TO EQUALIZE CLASS RATES OF RETURN	0.00%	0.45%	-17.25%	-5.51%	9.10%
16	REV. % WITH EQUALIZED ROR	100.00%	46.22%	6.99%	18.73%	28.06%

**Aquila Networks-LP**  
**ER-2005-0436**  
**Summary of OPC Class Cost of Service Study Results**

	Total	Residential	Small GS	Large GS	LPS
1 Revenue Neutral Shifts (RNS) to Equalize Class					
2 Rates of Return (ROR)	\$0	\$189,619	(\$1,331,991)	(\$998,599)	\$2,140,970
3 Percentage Revenue Change to Equalize Class ROR		0.45%	-17.25%	-5.51%	9.10%
4					
5 Current Class Revenue Percentages		46.02%	8.44%	19.82%	25.72%
6					
7 COS Indicated Class Revenue Percentages	100.00%	46.22%	6.99%	18.73%	28.06%
8					
9 OPC's Recommended Revenue Neutral Shifts	\$ 0	\$ 94,810	\$ (665,995)	\$ (499,300)	\$ 1,070,485
10 OPC Recommended Revenue Neutral Shift Percentage		0.23%	-8.62%	-2.75%	4.55%
11					
12 OPC's Recommended Revenue Percentages	100.00%	46.12%	7.72%	19.28%	26.89%
13					
14 <b><u>Spread of Possible Rate Change</u></b>					
15 \$2 Million Rate Reduction	(2,000,000)	(922,383)	(154,317)	(385,582)	(537,719)
16 \$2 Million Rate Increase	2,000,000	922,383	154,317	385,582	537,719
17					
18 <b><u>Combined Impact of Revenue Decrease and OPC's RNS</u></b>					
19 Combined Impact \$2 Million Decrease and OPC Shifts	(2,000,000)	(827,573)	(820,312)	(884,881)	532,766
20 Combined Impact \$2 Million Increase and OPC Shifts	2,000,000	1,017,193	(511,679)	(113,718)	1,608,204
21					
22 <b><u>Percentage Change in Class Rate Revenue</u></b>					
23 Combined Impact \$2 Million Decrease and OPC Shifts	-2.19%	-1.97%	-10.62%	-4.88%	2.26%
24 Combined Impact \$2 Million Increase and OPC Shifts	2.19%	2.42%	-6.62%	-0.63%	6.84%
25					
26 <b><u>Adjusted Impact of Revenue Decrease and OPC's RNS</u></b>					
27 Combined Impact \$2 Million Decrease and OPC Shifts	(2,000,000)	(653,493)	(647,760)	(698,747)	-
28 Combined Impact \$2 Million Increase and OPC Shifts	2,000,000	774,887	-	-	1,225,113
29					
30 <b><u>Adjusted Percentage Change in Class Rate Revenue</u></b>					
31 Combined Impact \$2 Million Decrease and OPC Shifts	-2.19%	-1.55%	-8.39%	-3.85%	0.00%
32 Combined Impact \$2 Million Increase and OPC Shifts	2.19%	1.84%	0.00%	0.00%	5.21%

**Illustrations of Potential Rate Impacts At Staff and Company Revenue Requirements Increases**  
**Assuming OPC Revenue Neutral Shifts, No Interim Energy Charge and Across The Board Allocation Of The Revenue Requirement**  
**Increases**  
**Aquila L1**

		<b>TOTAL</b>	<b>Residential</b>	<b>Small GS</b>	<b>Large GS</b>	<b>LPS</b>
1	<b>OPC's Recommended Revenue Neutral Shifts</b>	\$ (0)	\$ 94,810	\$ (665,995)	\$ (499,300)	\$ 1,070,485
2	<b>OPC Recommended Revenue Neutral Shift Percentage</b>		0.23%	-8.62%	-2.75%	4.55%
3	<b>OPC's Recommended Revenue Percentages</b>	100.00%	46.12%	7.72%	19.28%	26.89%
4						
5	<b><u>Spread of Possible Rate Change</u></b>					
8	\$5.9 Million Rate Increase	\$ 5,900,000	\$ 2,721,029	\$ 455,234	\$ 1,137,466	\$ 1,586,270
9	\$9.4 Million Rate Increase	\$ 9,400,000	\$ 4,335,199	\$ 725,289	\$ 1,812,234	\$ 2,527,278
10						
11	<b><u>Combined Impact of Revenue Change and OPC's RNS</u></b>					
14	Combined Impact \$5.9 Million Increase and OPC Shifts	\$ 5,900,000	\$ 2,815,839	\$ (210,761)	\$ 638,166	\$ 2,656,755
15	Combined Impact \$9.4 Million Increase and OPC Shifts	\$ 9,400,000	\$ 4,430,009	\$ 59,293	\$ 1,312,934	\$ 3,597,763
16						
17	<b><u>Percentage Change in Class Rate Revenue</u></b>					
20	Combined Impact \$5.9 Million Increase and OPC Shifts	6.45%	6.69%	-2.73%	3.52%	11.29%
21	Combined Impact \$9.4 Million Increase and OPC Shifts	10.28%	10.53%	0.77%	7.24%	15.30%
22						
23	<b><u>Adjusted Impact of Revenue Change and OPC's RNS</u></b>					
26	Combined Impact \$5.9 Million Increase and OPC Shifts	\$ 5,900,000	\$ 2,718,720	\$ -	\$ 616,156	\$ 2,565,124
27	Combined Impact \$9.4 Million Increase and OPC Shifts	\$ 9,400,000	\$ 4,430,009	\$ 59,293	\$ 1,312,934	\$ 3,597,763
28						
29	<b><u>Adjusted Percentage Change in Class Rate Revenue</u></b>					
32	Combined Impact \$5.9 Million Increase and OPC Shifts	6.45%	6.46%	0.00%	3.40%	10.91%
33	Combined Impact \$9.4 Million Increase and OPC Shifts	10.28%	10.53%	0.77%	7.24%	15.30%