

Exhibit No.: 1126
Issues: Interim Energy
Charge

Witness: Janice Pyatte
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2004-0034

Date Testimony Prepared: February 20, 2004 as modified February 27, 2004

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

JANICE PYATTE

AQUILA, INC.

D/B/A AQUILA NETWORKS Missouri Public
Service Commission

FILED³

MAY 10 2004

CASE NO. ER-2004-0034

**Jefferson City, Missouri
February 2004**

Exhibit No. 1126
Case No(s) ER-2004-0034
Date 3-1-04 Rptr M

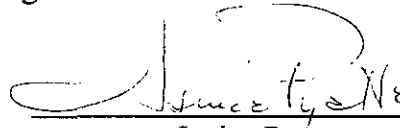
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In The Matter Of Aquila, Inc. D/B/A Aquila)
Networks L&P And Aquila Networks MPS)
To Implement A General Rate Increase In) Case No. ER-2004-0034
Electricity)

AFFIDAVIT OF JANICE PYATTE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

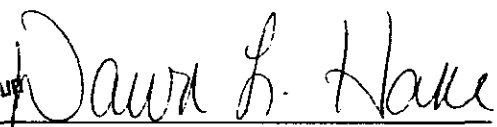
Janice Pyatte, of lawful age, on her oath states: that she has participated in the preparation of the following written testimony, as modified, in question and answer form, consisting of 3 pages of testimony to be presented in the above case, that the answers in the attached written testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Janice Pyatte

Subscribed and sworn to before me this 27th day of February, 2004.

DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan 9, 2005



Notary Public

My commission expires _____

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SURREBUTTAL TESTIMONY

OF

JANICE PYATTE

AQUILA, INC.

D/B/A AQUILA NETWORKS-MPS

CASE NO. ER-2004-0034

Q. Please state your name and business address.

A. My name is Janice Pyatte and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. Are you the same Janice Pyatte who previously filed testimony in this case?

A. Yes, I am.

Q. How does your testimony relate to the testimony of other Staff witnesses in this case?

A. The surrebuttal testimony of Staff witness James C. Watkins presents Staff's proposal to recover some of Aquila's Missouri fuel and purchased power costs on an interim, subject to refund, basis. Mr. Watkins's testimony describes this fuel cost recovery mechanism as an Interim Energy Charge (IEC). His testimony also presents the total Missouri revenues that Staff is proposing be collected via the IEC by Aquila division (MPS,

Q. What is the purpose of your testimony in this case?

Surrebuttal Testimony of
Janice Pyatte

1 A. My testimony presents the calculation of the IEC surcharge, expressed as a
2 percent of revenues, and illustrates the effects on class revenues of implementing such a
3 surcharge.

4 Q. What amount of fuel and purchased power expense is Staff proposing be
5 recovered through interim rates?

6 A. According to the testimony of Mr. Watkins, interim revenues would be
7 \$20,708,832 for MPS (electric), \$2,894,273 for L&P (electric),
8

9 Q. How were interim rates developed once interim revenues were known?

10 A. In accordance with the Non-Unanimous Stipulation and Agreement Pertaining
11 to Rate Design and Class Cost of Service, the IEC surcharge is to be collected as a percent of
12 revenue.

13 . However, all customers will have
14 the same additional x% added to their monthly bills.

15 My computations, presented on Schedules 1 attached to this testimony, result in
16 an IEC surcharge of 6.67% for MPS (electric),
17

18 Q. Please describe Schedules 1 .

19 A. Schedule 1 illustrates the distribution of class revenues that would result from
20 the application of a 6.67% IEC surcharge to all Aquila Networks-MPS (electric) Missouri
21 retail electric customers.
22
23

Surrebuttal Testimony of
Janice Pyatte

1 Q. Does this conclude your surrebuttal testimony?

2 A. Yes, it does.

AQUILA CASE NO. ER-2004-0034
**THE DISTRIBUTION OF ADDITIONAL REVENUES THAT WOULD
RESULT FROM STAFF'S PROPOSED IEC SURCHARGE**

AQUILA NETWORKS - MPS

Rate Codes		Current Rate Revenue	Add'l \$ due due to IEC Surcharge	% Change due to IEC Surcharge
MO860	Residential General Use	\$116,063,719	\$7,739,471	6.67%
MO870	Residential w/ Space Heat	\$46,414,471	\$3,095,054	6.67%
MO710,MO711	Small GS, Sec	\$47,738,011	\$3,183,311	6.67%
MO716	Small GS w/kW mtr, Pri TOD (GS) - 1 phase	\$71,837	\$4,790	6.67%
MO720	Large GS, Secondary	\$40,531,461	\$2,702,757	6.67%
MO725	Large GS, Primary	\$1,604,645	\$107,002	6.67%
MO721	RTP (721) TOD (GS) - 3 phase, Sec	\$133,186	\$8,881	6.67%
MO730	Large PS, Secondary	\$24,542,637	\$1,636,575	6.67%
MO735	Large PS, Primary	\$21,560,474	\$1,437,716	6.67%
MO731	RTP (731)	\$990,959	\$66,080	6.67%
MO737	RTP (737)	\$2,518,891	\$167,967	6.67%
MO919	Special Contract (Modine)	\$244,818	\$16,325	6.67%
MO650	Thermal Energy	\$294,133	\$19,614	6.67%
MO740	Schools & Churches, Sec	\$2,794,462	\$186,343	6.67%
MO745	Schools & Churches, Pri			
MO800	Muni Water Pumps	\$458,533	\$30,576	6.67%
MO810	Muni Park & Rec	\$187,610	\$12,510	6.67%
MO811	Muni Park & Rec, 3-phase	\$208,355	\$13,894	6.67%
MONxx	Lighting	\$5,034,628	\$335,724	6.67%
MO888	Interdepartmental	\$12,762	\$851	6.67%
MO720	Economic Development Credits	(\$51,819)	(\$3,455)	6.67%
MO730	Economic Development Credits	(\$587,212)	(\$39,157)	6.67%
MO735	Economic Development Credits	(\$209,936)	(\$13,999)	6.67%
	Total MO Rate Revenue	\$310,556,623	\$20,708,832	6.67%