

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

**MISSOURI PUBLIC SERVICE COMMISSION**  
**UTILITY OPERATIONS DIVISION**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**DAVID W. ELLIOTT**

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

**CASE NO. ER-2007-0004**

**Jefferson City, Missouri**  
**February**

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

~~Staff~~ Exhibit No. 265  
Case No(s) ER-2007-0004  
Date 4-12-07 Rptr xs

**NP**

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

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

Case No. ER-2007-0004

**AFFIDAVIT OF DAVID W. ELLIOTT**

STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

David W. Elliott, of lawful age, on his oath states: that he has participated in the preparation of the following Supplemental Direct Testimony in question and answer form, consisting of 3 pages of Supplemental Direct Testimony to be presented in the above case, that the answers in the following Supplemental Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



David W. Elliott

Subscribed and sworn to before me this 26<sup>th</sup> day of February, 2007.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06842088

  
Notary Public

My commission expires 9-21-10

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**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**DAVID W. ELLIOTT**

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

**CASE NO. ER-2007-0004**

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Q. Please state your name.

A. David W. Elliott.

Q. Are you the same David W. Elliott who has previously filed direct testimony in this case?

A. Yes, I am.

Q. What is the purpose of your supplemental direct testimony?

A. The purpose of my supplemental direct testimony is to provide the Missouri Public Service Commission Staff's (Staff) updated production cost simulation results that reflect: 1) changes to Iatan generating unit capacity; 2) changes to Jeffrey Energy Center generation; 3) updates to the spot purchased power prices and amounts; 4) updates to fuel prices; and 5) changes to the steam loads, and 6) changes to the hourly electric system load. The combination of these changes results in a revised electric joint fuel cost of \*\* \_\_\_\_\_ \*\*, which is a decrease of \*\* \_\_\_\_\_ \*\* from my previously filed amount. For allocation amounts please see schedule 1. This amount was supplied to Staff witness Charles R. Hyneman. For further discussion of how Staff annualized the overall fuel expense for this update filing, please refer to the supplemental direct testimony of Mr. Hyneman.

**PRODUCTION COST MODEL CHANGES**

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

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

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

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

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

Q. Why did Staff update the spot purchased power?

Supplemental Direct Testimony of  
David W. Elliott.

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

4           Q.     Why did Staff update fuel prices?

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

7           Q.     Why did Staff update the steam loads?

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

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

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

13          Q.     Does this conclude your supplemental direct testimony?

14          A.     Yes, it does.

**Schedules 1 & 2**  
**Are Deemed**  
**Highly Confidential**  
**In Their**  
**Entirety**