

**FILED<sup>4</sup>**

**APR 29 2004**

**Missouri Public  
Service Commission**

Exhibit No.:

Issues: Interim Energy  
Charge

Witness: Janice Pyatte

Sponsoring Party: MO PSC Staff

Type of Exhibit: Surrebuttal Testimony

Case No.: ER-2004-0034 &

HR-2004-0024

(Consolidated)

Date Testimony Prepared: February 20, 2004

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**JANICE PYATTE**

**AQUILA, INC.**

**D/B/A AQUILA NETWORKS -- MPS**

**AND AQUILA NETWORKS --L&P**

**CASE NOS. ER-2004-0034 & HR-2004-0024  
(CONSOLIDATED)**

**Jefferson City, Missouri  
February 2004**

Exhibit No. 126  
Case No(s) ER-2004-0034  
Date 2/23/04 Rptr XF

**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 ) Case No. ER-2004-0034 &  
To Implement A General Rate Increase In ) HR-2004-0024 (Consolidated)  
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 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 19<sup>th</sup> day of February, 2004.

My commission expires \_\_\_\_\_  
DAWN L. HAKE Dawn L. Hake  
Notary Public - State of Missouri     Notary Public  
County of Cole  
My Commission Expires Jan 9, 2005

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**SURREBUTTAL TESTIMONY**  
**OF**  
**JANICE PYATTE**  
**AQUILA, INC.**  
**D/B/A AQUILA NETWORKS-MPS**  
**AND AQUILA NETWORKS-L&P**  
**CASE NOS. ER-2004-0034 AND HR-2004-0024**  
**(CONSOLIDATED)**

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, L&P) and operation (electric, steam).

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), and \$2,203,402 for L&P  
8 (steam).

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. The IEC surcharge will be different for each Aquila division (MPS, L&P) and  
13 operation (electric, steam). However, all customers of a single division/operation will have  
14 the same additional x% added to their monthly bills.

15           My computations, presented on Schedules 1 and 2 attached to this testimony, result in  
16 an IEC surcharge of 6.67% for MPS (electric), 3.28% for L&P (electric), and 31.82% for  
17 L&P (steam).

18          Q.     Please describe Schedules 1 and 2.

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. Schedule 2 shows similar information for a 3.28% IEC surcharge  
22 for Aquila Networks-L&P electric customers. Schedule 2 also illustrates a 31.82% IEC  
23 surcharge for L&P (steam) customers.

Surrebuttal Testimony of  
Janice Pyatte

1 Q. Does this conclude your surrebuttal testimony?

2 A. Yes, it does.

**AQUILA CASE NO. ER-2004-0034 AND HR-2004-0024 (CONSOLIDATED)  
THE DISTRIBUTION OF ADDITIONAL REVENUES THAT WOULD  
RESULT FROM STAFF'S PROPOSED IEC SURCHARGE**

**AQUILA NETWORKS - MPS**

<b>Rate Codes</b>		<b>Current Rate Revenue</b>	<b>Add'l \$ due due to IEC Surcharge</b>	<b>% Change due to IEC Surcharge</b>
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%
	<b>Total MO Rate Revenue</b>	<b>\$310,556,623</b>	<b>\$20,708,832</b>	<b>6.67%</b>

**AQUILA CASE NO. ER-2004-0034 AND HR-2004-0024 (CONSOLIDATED)**  
**THE DISTRIBUTION OF ADDITIONAL REVENUES THAT WOULD**  
**RESULT FROM STAFF'S PROPOSED IEC SURCHARGE**

**AQUILA NETWORKS - L&P DIVISION**  
**(ELECTRIC AND STEAM)**

Rate Codes		Current Rate Revenue	Add'l \$ due to IEC Surcharge	% Change due to IEC Surcharge
MO910,911	Residential General Use	\$19,956,700	\$655,364	3.28%
MO913,914	Residential w/ Water Heat	\$4,983,393	\$163,651	3.28%
MO915	Residential - Other Use	\$501,705	\$16,476	3.28%
MO920,921	Residential w/ Space Heat	\$14,181,701	\$465,717	3.28%
MO922	Sep Mtr Space & Water Heat	\$23,245	\$763	3.28%
MO930	Limited Demand - General Use	\$2,076,415	\$68,188	3.28%
MO932	Limited Demand - w/ Space Heat	\$330,657	\$10,859	3.28%
MO934	Churches & Schools	\$425,480	\$13,972	3.28%
MO941	Sep Mtr Space & Water Heat	\$133,468	\$4,383	3.28%
MO931	General Service - General Use	\$3,084,330	\$101,287	3.28%
MO933	General Service - w/ Space Heat	\$1,256,220	\$41,253	3.28%
MO940	Large General Service	\$17,026,659	\$559,144	3.28%
MO944	Large Power	\$22,555,004	\$740,691	3.28%
MOSJx	Street and Private Area Lighting	\$2,069,725	\$67,968	3.28%
MO971	Outdoor Night Lighting	\$30,106	\$989	3.28%
MO972	Street Lighting	\$31,822	\$1,045	3.28%
MO973	Traffic Signals	\$27,324	\$897	3.28%
MO987	Interdepartmental	\$508	\$17	3.28%
	Unaccounted for	(\$89,978)	(\$2,955)	3.28%
MO940	Economic Development Credits	(\$12,117)	(\$398)	3.28%
MO944	Economic Development Credits	(\$457,983)	(\$15,040)	3.28%
	<b>Total MO Electric Rate Revenue</b>	<b>\$88,134,385</b>	<b>\$2,894,273</b>	<b>3.28%</b>

Rate Codes		Current Rate Revenue	Add'l \$ due to IEC Surcharge	% Change due to IEC Surcharge
MO810	<b>Total MO Steam Rate Revenue</b>	<b>\$6,924,474</b>	<b>\$2,203,402</b>	<b>31.82%</b>