BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

In the Matter of the Request of Aquila, Inc., d/b/a) Aquila Networks-L&P and Aquila Networks-MPS, to) Implement a General Rate Increase in Electric Rates.)	Case No. ER-2004-0034

STAFF'S MOTION FOR LEAVE TO CORRECT
DIRECT TESTIMONY OF STAFF WITNESS CARY G. FEATHERSTONE

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and respectfully states as follows:

1. On December 9, 2003, as ordered by the Commission, the Staff prefiled the direct testimony of its witnesses, including the direct testimony of Staff witness Cary G. Featherstone.

2. Subsequent to prefiling the direct testimony of Staff witness Cary G. Featherstone, the Staff has become aware of certain errors in that prefiled testimony that, although they do not affect the Staff's position or analysis and were inadvertently made, warrant correction before the hearing in this case begins on February 23, 2004. Attached hereto is an errata sheet that reflects the corrections that the Staff seeks leave to make together with substitute testimony pages that show the corrections in red type.

3. Through the deposition of Cary G. Featherstone taken by Aquila, Inc. on January 9, 2004 the parties attending the deposition are already aware of the matters the Staff seeks to correct with this filing. Additionally, by making these corrections now, rather than when the prefiled testimony is offered during the evidentiary hearing in this case, any party who did not attend or review the deposition transcript will have notice of these corrections earlier than they

would if the corrections were not presented until the direct testimony of Cary G. Featherstone is offered during the evidentiary hearing. Thus, no party will be prejudiced by grant of this motion.

WHEREFORE, the Staff respectfully requests that the Commission issue an Order accepting the attached substitute pages in amendment of the direct testimony of Staff witness Cary G. Featherstone filed on December 9, 2003.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Nathan Williams
Nathan Williams
Senior Counsel
Missouri Bar No. 35512

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 18th day of February 2004.

/s/ Nathan Williams

ERRATA SHEET

Direct Testimony of: Cary G. Featherstone

Case Number: ER-2004-0034/HR-2004-0024

Date Filed: December 9, 2003

Page	Lines	Correction	Reason
9	5-6	Change to read: A. The cost of removal and salvage amounts for the five-year period between 1998 and 2002 for MPS electric were:	Clarification
9	7-13	Replace the table in its entirety to read:	Correction

Year	Cost of Removal	Salvage	Net Salvage
1998	$ 303,736	$ (177,357)	$ 126,379
1999	1,916,892	(90,577)	1,826,315
2000	3,811,253	(854,021)	2,957,232
2001	1,439,615	(717,872)	721,743
2002	2,479,058	(708,507)	1,770,550

[Source: MPS electric Data Request No. 276]

Page	Lines	Correction	Reason
11	1-2	Change to read: February 22, 1999. Aquila Merchant created a company known as Merchant Energy Partners Pleasant Hill, LLC (MEPPH) to supply power to MPS.	Clarification

amount was included in Accounting Schedule 9, Income Statement, on both a total Company and jurisdictional basis.

Q. What were the cost of removal expenditures and salvage amounts for the five-year period?

A. The cost of removal and salvage amounts for the five-year period between 1998 and 2002 for MPS electric were:

Year	Cost of Removal	Salvage	Net Salvage
1998	$ 303,736	$ (177,357)	$ 126,379
1999	1,916,892	(90,577)	1,826,315
2000	3,811,253	(854,021)	2,957,232
2001	1,439,615	(717,872)	721,743
2002	2,479,058	(708,507)	1,770,550

[Source: MPS electric Data Request No. 276]

Q. Why did Staff use a five-year average to determine the level of cost of removal and salvage value to include in the revenue requirement?

A. A five-year average was used because the costs of removal and salvage amounts fluctuated from year to year during the period examined. Using a five-year average for fluctuating costs removes or smoothes out the differences from one year to the next. Averaging costs to mitigate the impact of fluctuations is commonly used in the ratemaking process and is consistent with how other costs have been treated in this case. The average over the last five years is the most representative of the annual normal on-going level of expense for this case.

Q. Have cost of removal and salvage value been treated this way in prior Aquila rate cases?

February 22, 1999. Aquila Merchant created a company known as Merchant Energy Partners Pleasant Hill, LLC (MEPPH) to supply power to MPS.

Q. Did Aquila Merchant build a new generating facility in Missouri to supply the power under the PPA with MPS?

A. Yes. Aquila Merchant and subsequent operating partner, Calpine Corporation (Calpine), completed construction of a 585-megawatt combined cycle unit at the Aries Power Plant site located at Pleasant Hill, Missouri in 2002.

Q. When did the Aries combined cycle unit become fully operational?

A. The partners identified the Aries Combined Cycle Generating Facility (Aries Combined Cycle Unit or Aries Plant) was completed and ready to generate electricity as a combined cycle unit by February 2002. The combined cycle plant provides to MPS 200 megawatts during October through March and 500 megawatts during April through September starting in 2002 through May 31, 2005, to MPS under the terms of the PPA entered into on February 22, 1999. Aries provided 320 megawatts of peaking capacity service to MPS during the summer of 2001 under the same capacity contract.

Q. What is Aquila's interest in the Aries Combined Cycle Unit?

A. Aquila effectively owns 50% of this unit. Calpine, the partner which effectively owns the other 50% of the plant, is the operating partner of the Aries Combined Cycle Unit through a Partnership Agreement. On January 12, 2000, Aquila, then called UtiliCorp, entered into a Partnership Agreement with Calpine for the construction, ownership and operation of the Aries Combined Cycle Unit. The actual Partnership Agreement is entitled "Amended And Restated Limited Liability Company Agreement of MEP Pleasant Hill, LLC a Delaware Limited Liability Company" (Case No. ER-2001-672, Data Request