

Exhibit No.:

Issues: Fuel Adjustment Clause

Witness: Dennis R. Williams

Sponsoring Party: Aquila Networks-MPS
& L&P

Case No.: ER-2007-0004

Before the Public Service Commission
of the State of Missouri

Rebuttal Testimony

of

Dennis R. Williams

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ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NO. ER-2007-0004

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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
REBUTTAL TESTIMONY OF DENNIS R. WILLIAMS
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NO. ER-2007-0004**

1 Q. Please state your name and address.

2 A. My name is Dennis Williams. My business address is 20 West 9th Street, Kansas City,
3 MO 64105.

4 Q. Are you the same Dennis Williams that filed direct testimony on behalf of Aquila, Inc.
5 (“Aquila” or “Company”) in the above referenced rate proceeding?

6 A. Yes, I am.

7 Q. What is the purpose of your rebuttal testimony?

8 A. I will address four topics, including: 1) Aquila’s resource planning and decision making
9 process; 2) fuel adjustment recovery mechanisms; 3) depreciation for other production
10 plant; and 4) changes in Aquila’s capital spending budget?

11 In particular, I will address comments made by Mr. Ryan Kind that allege that Aquila’s
12 resource planning process is inadequate and has resulted in poor decisions. Further, I
13 will address Mr. Kind’s suggestion that no fuel adjustment clause (“FAC”) mechanism is
14 supportable for Aquila, and will also address similar arguments made by Mr. Donald
15 Johnstone and Mr. Ronald Binz. I will also discuss shortcomings in Mr. Johnstone’s and
16 Mr. Binz’ proposal for FAC “sharing” mechanisms. In addition, I will address
17 suggestions made by Mr. Michael Gorman to adjust depreciation rates on one single plant
18 function, Other Production Plant, without conducting a complete depreciation study that
19 supports that suggestion or reviews all depreciation rates. Finally, I will discuss changes

1 in Aquila's capital construction budget that have resulted largely from government
2 mandates and that increase the Company's risk profile.

3 **RESOURCE PLANNING AND DECISION MAKING**

4 Q. What issue do you intend to address in regard to resource planning and decision making?

5 A. Over the past several years, various parties have circulated the concept that Aquila's
6 planning and decision making in regard to supply side resources and demand side
7 management is not effective. Stated enough times in varying ways, these allegations
8 begin to take on the perception of truth even though they have been totally unsupported.
9 Now in this rate proceeding, OPC witness Ryan Kind suggests that, "Most of the fuel and
10 purchased power cost volatility that Aquila faces at this time is the result of poor resource
11 planning decisions....".

12 Q. Why is this matter important?

13 A. Because of the level of investment and cost associated with power supply resources, the
14 efficacy of Aquila's resource planning and decision making process has always been of
15 extreme importance. As the utility industry enters into a period of greater plant construction
16 to meet increasing demand, the focus on resource planning has become even more important.
17 Over the next decade, requests for increases in rates will be largely driven by the need to
18 recover costs associated with meeting greater capacity requirements, mandated
19 environmental improvements to existing power plants and maintaining system reliability.
20 Heightened regulatory scrutiny of integrated resource plans can and should be expected. It is
21 essential that all parties have an understanding of the effectiveness of this important planning
22 area.

1 Q. What is your knowledge and understanding, generally, in the area of resource planning
2 and decision making?

3 A. I have a general understanding of supply side and demand side resource planning
4 concepts. I understand that an appropriate resource mix varies greatly from utility to
5 utility depending upon a number of factors. I know that resource planning decisions
6 cover a long-term planning horizon and are impacted by future expectations of load
7 growth, relative fuel price comparisons and other assumptions that may or may not come
8 to fruition. However, my educational background and experience are in the areas of
9 economics, accounting and finance, and I do not consider myself an expert in the area of
10 resource planning.

11 Q. Has any of the testimony or comments that criticized Aquila's resource planning efforts
12 been supported by detailed analyses reflecting alternative resource mixes?

13 A. No. There have been general suggestions such as more coal-fired generation is needed,
14 or that additional capacity should have been built, but I am aware of no detailed study as
15 to what an ideal Aquila resource mix should be. In Mr. Kind's deposition in this case, he
16 stated that neither he nor OPC had performed any studies to determine what an optimal
17 resource plan would be for Aquila.

18 Q. What about studies undertaken by Aquila?

19 A. The Company's capacity planners have analyzed Aquila's resource needs on an ongoing
20 basis, but I was aware of no definitive study available to answer the question of whether
21 an allegation of poor resource planning on the part of Aquila had any basis in fact.

22 Q. How did you attempt to answer this question?

1 A. I commissioned the independent engineering and utility management consulting firm of
2 R. W. Beck, Inc. (“R.W. Beck”) to answer two questions. First, I asked for determination
3 of an ideal resource portfolio for Aquila assuming that no resources were currently in
4 place. In other words, I asked for them to start from scratch, construct a resource
5 portfolio to meet Aquila’s existing needs and compare that ideal scenario to the resources
6 that are actually in place. This test established a very high standard of expectations,
7 which one would not anticipate could actually be met. It would assume that during the
8 course of over fifty years of resource planning, despite all the inherent assumptions made
9 within that planning horizon, and despite all the changes that have occurred in the
10 market, the economy and other factors with the passage of time, that the resulting
11 resource mix could be perfectly executed. Still, if Aquila’s actual resource mix closely
12 corresponded to the ideal, there would be strong evidence that the Company’s resource
13 planning and decision making was appropriate and in the customers’ best interest.

14 Q. What was the second question you asked?

15 A. I asked for R. W. Beck to evaluate the adequacy of Aquila’s resource plan in place at that
16 time.

17 Q. Did you give the firm of R. W. Beck any further instructions or expectations of what you
18 would like their findings to reflect?

19 A. No.

20 Q. Are the results of the R. W. Beck analysis available to the Commission and the parties in
21 this case?

22 A. Yes. Mr. Robert L. Davis of R. W. Beck has filed rebuttal testimony in this proceeding
23 detailing his findings. In summary, Mr. Davis found that current and planned power

1 supply resources of the combined MPS and L&P electric systems closely align with an
2 optimum power supply mix.

3 Q. What conclusions have you reached based on his findings?

4 A. His findings were sufficient for me to conclude that any perception of poor resource
5 planning on the part of Aquila is unfounded, and that both prior and current resource
6 planning and decision making processes are appropriate and effective.

7 Q. Does the Commission have any other forum other than this case in which to look at
8 Aquila's resource planning process?

9 A. Yes. On February 5, 2007, Aquila made its required Utility Resource Filing, or
10 integrated resource plan filing, with the Missouri Public Service Commission as required
11 by 4 CSR 240 – Chapter 22. That filing was docketed as Case No. EO-2007-0298, “In the
12 Matter of the Resource Plan of Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila
13 Networks-L&P Pursuant to 4 CSR 240-22”.

14 Q. Why are you addressing the correctness of resource planning decisions in this case?

15 A. OPC Witness Ryan Kind has testified in this case that he does not believe that Aquila
16 should be allowed to institute a fuel adjustment mechanism through this proceeding
17 because of what he characterizes as Aquila's poor resource planning decisions.

18 Q. Do you believe Mr. Kind has the training or experience to render an expert opinion on
19 the topic of the adequacy of Aquila's resource planning practices and decisions?

20 A. No. Although Mr. Kind has a number of years of experience in the regulatory arena, I
21 believe that his qualifications are more similar to my own than they are to Mr. Davis.
22 Mr. Davis has developed several comprehensive integrated resource plans and demand
23 side management plans; he has used and researched related models and modeling tools;

1 he is experienced in production cost modeling, risk analysis, bidding and pricing
2 mechanisms, conservation and demand side management; and has conducted a number
3 customer of demand-side studies, econometric research, market power assessments and
4 generation needs assessments. Most importantly, he put his knowledge, tools and skills
5 together to specifically identify an ideal resource mix for Aquila and to evaluate Aquila's
6 resource planning process. By his own admission, Mr. Kind's contentions are not
7 supported by any study or any facts – they are just his opinions.

8 **FUEL ADJUSTMENT MECHANISM**

9 Q. Has Mr. Kind provided any evidence to support his contention that Aquila should not be
10 allowed to institute a FAC mechanism?

11 A. No. Mr. Kind simply states that the Commission has discretion in its consideration of
12 fuel adjustment clauses, that in certain instances it would be unlawful for the
13 Commission to approve a FAC, that approval of a FAC for Aquila would not be in the
14 public interest, and that approval should not be granted because he believes Aquila has
15 not complied with the Commission's filing requirements.

16 Q. Do you agree with these assertions?

17 A. I certainly agree that the Commission has some discretion, but not as much as Mr. Kind
18 contends. I am not an attorney and cannot give a legal opinion as to what is or is not
19 lawful; however, from a layman's point of view I do not interpret the language of the
20 rules in the same manner as Mr. Kind.

21 Q. Do you agree that Aquila's request for a fuel adjustment clause is not in the public
22 interest?

1 A. No I do not agree. When the Missouri General Assembly passed the statute authorizing
2 the Commission to allow utilities to implement energy cost recovery mechanisms, it in
3 essence made the determination that the public interest is served by establishing a means
4 to pass through prudently incurred fuel and purchased power costs. The legislation sets
5 forth the Commission's discretion and authority to approve a FAC. Mr. Kind suggests,
6 however, that before an FAC can be approved, it must be found to be in the public
7 interest, and just and reasonable. While Mr. Kind's recommended "basic standards"
8 sound straightforward enough, he applies them in such a way as to make achievement
9 impossible, and therefore preclude any utility from qualifying for an FAC. Specifically,
10 he asserts that a FAC in general is a disincentive to prudent fuel procurement practices
11 and transfers risks from the utility to customers. As a result, Mr. Kind suggests or
12 implies that a FAC has an adverse impact on the public interest. The logical consequence
13 of this circular analysis is that a FAC in any form cannot be in the public interest. If one
14 were to accept that logic, there would have been no reason for the fuel adjustment
15 mechanism legislation, or the Commission's subsequent rulemaking.

16 Q. Do you agree with Mr. Kind that a FAC is a departure from traditional regulation?

17 A. No. First, the legislation authorizing the Commission to establish fuel adjustment
18 mechanisms is a return to regulation that used to exist in Missouri and is traditional for
19 the vast majority of other states. There is nothing unusual or non-traditional about fuel
20 adjustment clauses. They have been deemed appropriate and effective in a large majority
21 of state regulatory jurisdictions to provide for the recovery of actual prudently incurred
22 costs for a large and volatile operating expense. Secondly, gas companies in Missouri

1 have for some time been allowed to recover actual purchased gas costs through a gas cost
2 adjustment mechanism.

3 Q. Mr. Kind alleges that Aquila's decision not to hedge its fuel price risk exposure in states
4 where fuel adjustment mechanisms are in place is evidence that Aquila will likely not pay
5 attention to its fuel acquisition strategies if an FAC is instituted in Missouri. Do you
6 agree with this allegation?

7 A. No. Mr. Kind has drawn an incorrect conclusion due to his lack of knowledge of Aquila
8 operations in Kansas and Colorado, the two states to which he is referring. In Colorado,
9 essentially all of Aquila's supply resource requirements are met through purchase power
10 contracts with EXCEL Corporation (d/b/a Public Service Company of Colorado),
11 ("PSCO"). PSCO already has an active hedging program in place to mitigate fuel price
12 volatility. For Aquila to put in place duplicative hedges would not be justifiable or
13 prudent. In Kansas, Aquila had a hedging strategy in place similar to that currently being
14 utilized in Missouri but when Aquila entered into an agreement with Mid-Kansas Electric
15 Company, LLC ("MKEC") for the sale of its Kansas electric assets MKEC gained the
16 right to manage the hedging program. At this time, MKEC has chosen to discontinue any
17 hedging activity pending close of the sale and further discussions with Kansas
18 Corporation Commission staff.

19 Q. Do you agree with Mr. Kind's assertions that Aquila has not complied with the
20 Commission's filing requirements necessary to institute a FAC?

21 A. No. Mr. Kind states that he was unable to find information responsive to a number of
22 filing requirements and complains that I did not include a roadmap to guide readers to the
23 location of that information within the Company's testimony. At the time I prepared my

1 direct testimony, I believed that this information was readily identifiable. To clear up
2 any lingering uncertainty, I have included as Schedule DRW-1 a response to a data
3 request that has been provided to all parties identifying the location in Aquila's direct
4 testimony where the information required by the Commission's rules resides.

5 Q. Have any other parties provided testimony supporting a conclusion that no fuel
6 adjustment mechanism should be allowed for Aquila in this proceeding?

7 A. Yes. Donald Johnstone, of Competitive Energy Dynamics, LLC testified that his clients
8 (Sedalia Industrial Energy Users' Association and Ag Processing, Inc.) are opposed to
9 implementation of a FAC. Likewise, Ronald J. Binz, President of Public Policy
10 Consulting testified on behalf of AARP that no FAC should be approved for Aquila. His
11 primary concern appears to be that a FAC would take away incentives for a utility to
12 operate efficiently.

13 Q. Do you agree with Mr. Binz' assessment?

14 A. No. Mr. Binz states that it is important for utility firms to face pressures similar to
15 businesses in a non-regulated, competitive environment. As an example, he points out
16 that a firm in a competitive market cannot change prices to accommodate changes in
17 costs until the market price changes. I think that it is important not to confuse a
18 competitive business's ability to change its price with its ability to change its profit
19 margin. In instances where a competitive market is driven by commodity costs and those
20 commodity costs are volatile, profit margins are not likely to change rapidly, but prices
21 the market charges to consumers are likely to change frequently.

22 Q. Can you provide an example of this?

1 A. Yes. A simplified example in today's business environment would be a local gasoline
2 station. The local business owner is not likely to change the profit margins charged to
3 customers unless and until margins change within the industry. However, in order to
4 remain a viable business, he must adjust the prices he charges to recover the volatile cost
5 of gasoline that he has to pay his oil company suppliers. It is obvious that gasoline prices
6 can and do change almost daily because they reflect the volatile nature of the underlying
7 cost of the commodity.

8 A utility company is impacted by volatile commodity prices in much the same way.
9 While a FAC that is adjusted monthly, quarterly or annually would not provide a utility
10 the same ability to adjust commodity prices daily, it would more closely resemble a
11 competitive market in which costs are highly impacted by commodity fluctuations. As in
12 the competitive market, a FAC does not provide a utility the opportunity to increase its
13 profit – only to adjust its prices to recover the prudent cost of the commodity actually
14 incurred.

15 Q. What is your reaction to Mr. Binz' statement that cost adjustment mechanisms may skew
16 utility decision-making?

17 A. When it comes to energy costs, by far the greatest factors causing price volatility pertain
18 to market conditions and the weather. These factors are largely, if not entirely, outside a
19 utility's control. Other factors identified by Mr. Binz do not carry the same immediate
20 impact, and if imprudent decisions have been made by a utility there is a mechanism that
21 will correct the effect on customers – an annual prudence review. Mr. Binz and other
22 witnesses largely dismiss the effectiveness of an annual prudence review on a utility's
23 decision making, but the threat of cost disallowance is real and a strong motivator.

1 Q. Does price volatility play any role in the need for fuel adjustment mechanisms?

2 A. Yes. Mr. Binz points out that fuel adjustment clauses originated during a period when
3 increases in fuel costs were badly hurting earnings and regulators were swamped with
4 back to back rate cases. I believe those same conditions also are present today.
5 However, I further believe that Mr. Binz failed to identify another equally or more
6 important reason for fuel adjustment clauses – price volatility. Mr. Binz correctly points
7 out that past costs are not recovered in rates because ratemaking is a process where prices
8 are set based on a projection of future costs. This works reasonably well for cost
9 categories that are not subject to extreme variability and do not represent as large a share
10 of a utility’s overall cost of service as do fuel and purchased power. For example,
11 looking at recent employee and wage levels provides a good estimate of what payroll
12 costs are likely to be when new rates go into effect. This process does not work well,
13 however, for volatile costs such as energy prices. The fact is that when costs are volatile,
14 no one can estimate with any degree of certainty what prices are likely to be in effect in
15 even the near future. As such, the Commission is left to choose among a number of
16 alternatives, none of which, historically, have been accurate predictors of future costs.
17 Under these conditions, an adjustment clause that reflects in rates the actual costs
18 prudently incurred is more appropriate than utilizing an estimate to establish a fixed cost
19 in base rates.

20 Q. Does fuel cost volatility also have any bearing on sharing concepts that have been
21 advanced for consideration within a FAC?

22 A. Yes. Both Mr. Johnstone and Mr. Binz have proposed sharing mechanisms wherein
23 energy costs above or below a base are shared equally between the customer and utility.

1 Under Mr. Binz's proposal, sharing could also be graduated depending upon the level of
2 variation from a pre-established base. Under both of these proposals, Aquila would
3 never be allowed to recover one hundred percent of its fuel and purchased power costs if
4 it exceeded a prescribed level – even if those costs were determined to have been
5 prudently incurred. Conversely, customers would receive no benefit if fuel and
6 purchased power costs were less than the base level. Another problem with these
7 approaches is that the base on which the sharing is calculated is, at best, an educated
8 guess. As noted previously, due to the volatility of energy prices it is unlikely that the
9 level of energy costs utilized for establishing base rates will accurately predict costs
10 actually incurred. Proponents argue that a sharing mechanism is fair and creates
11 incentive to effectively manage costs. I believe, however, that such a mechanism is
12 demonstrably unfair to both the utility and the consumer.

13 Q. Please explain.

14 A. As I earlier indicated one of the primary purposes of an adjustment clause is to recognize
15 that a certain class of significant costs is highly unpredictable and therefore should be
16 trued-up to actual levels. Mechanisms that are designed to share the excess or deficiency
17 from a base cost of fuel inherently assume that the base cost of fuel is established
18 accurately. Given energy price fluctuations in recent years that is highly unlikely. In my
19 opinion, it is far more likely that actual energy costs will vary from the base cost as a
20 result of incorrect estimates than they will due to actions of the utility. If base fuel costs
21 are estimated too high, a sharing mechanism will necessarily overcharge customers
22 because the utility will retain its portion of the over-collection even though it took no
23 action to achieve actual costs below the base. Customers would also lose because they

1 would not be entitled to refunds if energy costs are below the base. Likewise, if base fuel
2 costs are estimated too low, a sharing mechanism will necessarily cause the utility to
3 under-recover prudently incurred costs.

4 Q. Mr. Binz stated in his testimony that he has a concern about the fairness of cost
5 adjustment mechanisms. What is your response?

6 A. It is not unfair for a utility to recover all of its prudently incurred operating costs. A
7 utility earns no return on its energy costs. It should be entitled to the opportunity to
8 recover those costs that will be prudently incurred. Energy costs are volatile and
9 unpredictable and standard ratemaking cannot effectively be applied to energy costs to
10 address that volatility because it is difficult, if not impossible, to estimate what those
11 costs will be in the future when rates are in effect. Sharing mechanisms may unfairly
12 burden customers or the utility because they are based upon the erroneous assumption
13 that base fuel prices can be accurately predicted. Under this situation, I can conceive of
14 no approach that is more fair and balanced to the customer and the utility than to create a
15 mechanism wherein the customer pays the exact cost - no more and no less - than the
16 actual cost of energy prudently incurred.

17 Q. Have any other alternative fuel recovery mechanisms been proposed in this rate
18 proceeding?

19 A. Yes. The Staff through the testimony of Mr. Cary Featherstone proposed an interim
20 energy charge (IEC). The IEC establishes a floor and a ceiling between which fuel costs
21 are trued up to the actual cost of fuel incurred. I addressed the shortcomings of an IEC in
22 my direct testimony, but, in general this mechanism suffers from some of the same
23 shortcomings as other mechanisms I have discussed in that it is ultimately based upon

1 estimates and may result in the customer being overcharged or the utility being under
2 compensated.

3 **CAPITAL BUDGET**

4 Q. Has Aquila's budgeted capital spending increased since the original filing in July 2006?

5 A. Yes. Aquila witness Ivan Vancas testified in the direct filing that capital spending for the
6 next 5 years was estimated at \$1.203 billion. The updated capital spending plan is now
7 \$1.576 billion.

8 Q. Please explain the increase from the original filing?

9 A. The environmental spending estimates have increased significantly. Most of the
10 spending is to insure that Aquila is in compliance with all environmental rules that go
11 into effect over the next 5 years.

12 Q. What impact does this have on this case?

13 A. Company witness Mr. Sam Hadaway addresses the impact in his rebuttal testimony
14 regarding the risk premium he has assigned to the return on equity.

15 **DEPRECIATION RATES FOR OTHER PRODUCTION PLANT**

16 Q. Do you have any issues you would like to address regarding the depreciation issue raised
17 by Mr. Michael Gorman and Mrs. Rosella L. Schad in their direct testimony in this case?

18 A. Yes. The purpose of this portion of my testimony is to explain that when establishing
19 depreciation lives and depreciation rates it is inappropriate to review a single plant
20 function such as "Other Production Plant" as suggested by Mr. Gorman. I agree with
21 Mrs. Schad that it is appropriate to perform a complete depreciation study to review all
22 rates.

23 Q. Why is it inappropriate to review a single plant function?

- 1 A. In the development of service lives and depreciation rates it is important to follow
2 established depreciation study procedure, which typically includes a review of all plant
3 functions (intangible, production, transmission, distribution and general). Review of all
4 plant functions ensures that the ratepayer that benefited from the use of the plant assets
5 will pay his fair share of the cost. Failure to match the benefit and cost with the
6 appropriate ratepayer will result in intergenerational inequities.
- 7 Q. What is established depreciation study procedure?
- 8 A. Established depreciation study procedure includes the review of all functional plant asset
9 categories (intangible, production, transmission, distribution and general). Historical
10 asset data is reviewed along with projections of future use to determine the average
11 service lives of assets. Analysis of net salvage (cost of removing assets less salvage
12 received for the removed asset) and a review of the adequacy of the depreciation reserve
13 are also performed.
- 14 Q. Does the Company believe that its other production plant average service lives should be
15 similar to those of other Missouri utilities?
- 16 A. No. The average service lives of Other Production Plant, as well as all functional plant
17 should be based on a thorough analysis of assets. Some factors to consider in the analysis
18 would include the age of the assets, how the assets are currently utilized, how the assets
19 will be utilized in the future and the impact of obsolescence and technological changes.
20 The results of the analysis should determine the average service lives of the assets, not
21 based on other utilities service lives for Other Production Plants in the Missouri as
22 suggested by Mr. Gorman.
- 23 Q. What is the MPSC Staff's position regarding depreciation study procedure?

1 A. Staff witness Mrs. Rosella L. Schad in her direct testimony on page 6 line 5 and 6 states
2 “Typically, if Staff recommends changes in the depreciation rates it would review all
3 plant accounts in a depreciation study.”

4 Q. What is the MPSC Staff’s proposal regarding depreciation lives and depreciation rates for
5 this case?

6 A. Staff witness Mrs. Rosella L. Schad in her direct testimony on page 6 line 20 and 21
7 states “Staff recommends that the currently ordered depreciation rates be retained but that
8 the Staff perform a complete depreciation study in the Company’s next rate case.”

9 Q. When does Aquila plan to file its next depreciation study?

10 A. Aquila plans on submitting its next complete depreciation study in late 2007 or early
11 2008.

12 Q. What is Aquila’s proposal in this case?

13 A. Aquila agrees with the MPSC staff that currently ordered depreciation service lives and
14 depreciation rates should be retained and that a depreciation study of all functional plant
15 assets be performed and submitted in the next rate case.

16 Q. Does this conclude your rebuttal testimony?

17 A. Yes, it does.

AQUILA, INC.
AQUILA NETWORKS-MISSOURI (ELECTRIC)
CASE NO. ER-2007-0004
SEDALIA INDUSTRIAL ENERGY USERS ASSOCIATION
AND AG PROCESSING INC.
DATA REQUEST NO. SIE-0195

DATE OF REQUEST: January 26, 2007

DATE RECEIVED: January 26, 2007

DATE DUE: February 7, 2007

REQUESTOR: Stuart W. Conrad

QUESTION:

Please identify where in Aquila's filing the information required by each lettered section under rule 4 CSR 240.3.161 (2) may be found.

RESPONSE:

- A - See D. Williams' direct testimony page 10, line 17 references Schedule DRW-2
- B - See D. Williams' direct testimony page 10, line 22 references Schedule DRW-3
- C - See D. Williams' direct testimony page 3, line 13 references Schedule DRW-1
- D - See D. Williams' direct testimony beginning at page 3, line 10
- E - See D. Williams' direct testimony beginning at page 5, line 4
- F - See D. Williams' direct testimony beginning at page 6, line 21
- G - See D. Williams' direct testimony beginning at page 7, line 21
- H - See D. Williams' direct testimony beginning at page 3, line 18
- I - See D. Williams' direct testimony beginning at page 7, line 9
- J - See D. Williams' direct testimony beginning at page 8, line 12
- K - See D. Williams' direct testimony beginning at page 8, line 22
- L - See D. Williams' direct testimony beginning at page 7, line 21
- M - See D. Williams' direct testimony beginning at page 9, line 21
- N - See D. Williams' direct testimony beginning at page 10, line 7 referencing Sam Hadaway testimony
- O - See D. Williams' direct testimony beginning at page 10, line 10 referencing Davis Rooney testimony
- P - See D. Williams' direct testimony beginning at page 10, line 10 referencing Davis Rooney testimony
- Q - See D. Williams' direct testimony beginning at page 10, line 10 referencing Davis Rooney testimony
- R - See D. Williams' direct testimony beginning at page 10, line 23 referencing Block Andrews testimony
- S - Information included in surveillance reports provided to the Staff have no confidentiality restriction and may therefore be made available to other parties to this case.

ATTACHMENTS: None

ANSWERED BY: Denny Williams

DATE ANSWERED: February 14, 2007

**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 area)

Case No. ER-2007-0004

County of Jackson)
)
State of Missouri) ss

AFFIDAVIT OF DENNIS R. WILLIAMS

Dennis R. Williams, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Dennis R. Williams;" that said testimony was prepared by him and under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

Dennis R. Williams
Dennis R. Williams

Subscribed and sworn to before me this *20th* day of *February*, 2007.

Terry D. Lutes
Notary Public
Terry D. Lutes

My Commission expires:
8-20-2008



TERRY D. LUTES
Jackson County
My Commission Expires
August 20, 2008