

Exhibit No.:
Issues: FAC True-Up
Witness: David C. Roos
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No.: EO-2008-0216
Date Testimony Prepared: April 1, 2011

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

DAVID C. ROOS

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. EO-2008-0216

*Jefferson City, Missouri
April 2011*

Staff Exhibit No. 5
Date 5/17/11 Reporter SA
File No. EO-2008-

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

In the Matter of KCP&L Greater)
Missouri Operations Company (f/k/a)
Aquila, Inc.)for Authority to Implement)
Rate Adjustments Required by 4 CSR)
240-20.090(4) and the Company's)
Approved Fuel and Purchased Power)
Cost Recovery Mechanism)

Case No. EO-2008-0216

AFFIDAVIT OF DAVID C. ROOS

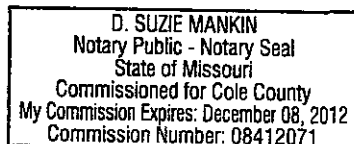
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

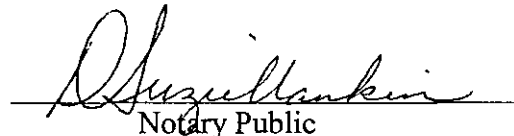
David C. Roos, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 4 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; 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 C. Roos

Subscribed and sworn to before me this 7 day of April, 2011.




Notary Public

DIRECT TESTIMONY

OF

DAVID C. ROOS

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. EO-2008-0216

Q. Please state your name and business address.

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

Q. What is your present position with the Missouri Public Service Commission?

A. I am a Regulatory Economist in the Energy Resource Analysis Section in the Energy Department of the Utility Operations Division.

Q. Would you please review your educational background and work experience?

A. In May 1983, I graduated from the University of Notre Dame, Notre Dame, Indiana, with a Bachelor of Science Degree in Chemical Engineering. I graduated from the University of Missouri, Columbia, Missouri in December 2005, with a Master of Arts in Economics. I have been employed at the Missouri Public Service Commission as a Regulatory Economist since March, 2006. Prior to joining the Public Service Commission I taught introductory economics and conducted economic research as a graduate teaching assistant and graduate research assistant at the University of Missouri. Prior to the University of Missouri, I was employed by several private firms where I provided consulting, design and construction oversight of environmental projects for private and public sector clients.

Q. What is the purpose of your testimony?

1 A. The purpose of my testimony is to provide Staff's methodology for
2 determining the amount to be credited to customers' bills as a result of shortening the time
3 period of KCP&L Greater Missouri Operations Company's (GMO) Fuel Adjustment Clause's
4 (FAC) Accumulation Period 1, should the Commission order a credit to customers' bills. I
5 also provide Staff's calculation of the aggregate amount of the credit to customers' bills
6 including interest through November, 2010) for each of the following start dates for
7 Accumulation Period 1: 1) July 5, 2007 and 2) August 1, 2007. Accumulation Period 7 was
8 the last accumulation period to have a balance transfer that had originated from Accumulation
9 Period 1 fuel costs. Accumulation Period 7 ended November 30, 2010.

10 Q. What is the aggregate amount of the credit to customers' bills (including
11 interest through November, 2010) for an Accumulation Period 1 start date of July 5, 2007,
12 should the Commission order credits to customers' bills in this case?

13 A. The value of the aggregate credit (including interest through November 30,
14 2010) is \$2,031,678 for MPS and \$507,505 for L&P. These aggregate credit amounts
15 represent the difference that would be included in the ending balance of Accumulation Period
16 7 caused if the impacts of changing the start date of Accumulation Period 1 to July 5, 2007,
17 are included through Accumulation Period 7. This calculation, including monthly interest, is
18 summarized below:

Credit to Customers' Bills for a July 5, 2007 Start Date for Accumulation Period 1 Calculated Through November 30, 2010 (End of Accumulation Period 7)			
Start Date	MPS	L&P	Total GMO
1-Jun-07	\$ (185,257)	\$ 35,349	\$ (149,908)
5-Jul-07	\$ (2,216,935)	\$ (472,157)	\$ (2,689,091)
Difference	\$ (2,031,678)	\$ (507,505)	\$ (2,539,183)

1 Q. What is the aggregate amount of the credit to customers' bills (including
2 interest through November 2010) for an Accumulation Period 1 start date of August 1, 2007,
3 should the Commission order a credit to customers' bills in this case?

4 A. The amount of the credit to customers' bills (including interest through
5 November 2010) is \$7,022,478 for MPS and \$1,695,597 for L&P. These aggregate credit
6 amounts represent the difference that would be included in the ending balance of
7 Accumulation Period 7 caused if the impacts of changing the start date of Accumulation
8 Period 1 to August 1, 2007, are included through Accumulation Period 7. This calculation,
9 including interest, is summarized below:

Credit to Customers' Bills for an August 1, 2007 Start Date for Accumulation Period 1 Calculated Through November 30, 2010 (End of Accumulation Period 7)			
Start Date	MPS	L&P	Total GMO
1-Jun-07	\$ (185,257)	\$ 35,349	\$ (149,908)
1-Aug-07	\$ (7,207,735)	\$ (1,660,248)	\$ (8,867,983)
Difference	\$ (7,022,478)	\$ (1,695,597)	\$ (8,718,075)

10 Q. Why can the aggregate amount of the credit to customers' bills be calculated
11 only through November 30, 2010?

12 A. In GMO's FAC, ninety-five percent (95%) of the amount of any over-
13 collection or under-collection of fuel costs in the FAC for a 6-month accumulation period is
14 refunded to or recovered from customers during a subsequent 12-month recovery period. A
15 true-up occurs at the end of each recovery period and the true-up amount and 95% of the
16 over/under collected amount is included in the calculation of current period CAFs for a
17 subsequent recovery period. Accumulation Period 7 was the last accumulation period to have

1 a balance transfer that had originated from Accumulation Period 1 fuel costs. Accumulation
2 Period 7 ended November 30, 2010.

3 Q. When will the credit, if approved, be applied to customers' bills?

4 A. The date will depend upon the date of the Commission's order to credit
5 customers' bills in this case. Based on a Commission order in this case occurring prior to
6 mid-August 2011, the date will likely affect the Recovery Period 8 billing cycle (September
7 2011 through August 2012).

8 Q. Please describe Staff's methodology for calculating the amount of the credits
9 with monthly interest through November 2010?

10 A. Staff modified Company work papers that were submitted as part of the periodic
11 FAC true-up process. For calculations supporting the accumulation period start date of July
12 5, 2007, fuel costs for the month of June were set to \$0. The first four days of July were
13 removed from the monthly July fuel costs by weighting the monthly July fuel costs by daily
14 energy usage from July 5 through July 31, 2007. For calculations supporting the
15 accumulation start date of August 1, 2007, Fuel costs for the month of June and July were set
16 to \$0. The credits were brought forward to November 30, 2010, by using the resulting ending
17 balance of Accumulation 1 as input for monthly interest calculations and recovery period true-
18 ups. Staff proposes to update these same work papers using this same methodology to carry
19 through the calculations to the next available recovery period, most likely Recovery Period 8.

20 Q. Does this conclude your testimony?

21 A. Yes.

David C. Roos

Present Position:

I am a Regulatory Economist III in the Energy Resource Analysis Section, Energy Department, Operations Division of the Missouri Public Service Commission.

Educational Background and Work Experience:

In May 1983, I graduated from the University of Notre Dame, Notre Dame, Indiana, with a Bachelor of Science Degree in Chemical Engineering. I also graduated from the University of Missouri in December 2005, with a Master of Arts in Economics. I have been employed at the Missouri Public Service Commission as a Regulatory Economist III since March 2006. Prior to joining the Public Service Commission I taught introductory economics and conducted research as a graduate teaching assistant and graduate research assistant at the University of Missouri. Prior to the University of Missouri, I was employed by several private firms where I provided consulting, design, and construction oversight of environmental projects for private and public sector clients.

Previous Cases:

<u>Company</u>	<u>Case No.</u>
Empire District Electric Company	ER-2006-0315
AmerenUE	ER-2007-0002
Aquila Inc.	ER-2007-0004
Kansas City Power and Light	ER-2007-0291
AmerenUE	EO-2007-0409
Empire District Electric Company	ER-2008-0093
Kansas City Power and Light	ER-2008-0034
Greater Missouri Operations	HR-2008-0340
Greater Missouri Operations	ER-2009-0091
Greater Missouri Operations	EO-2009-0115
Greater Missouri Operations	EE-2009-0237
Greater Missouri Operations	EO-2009-0431
Empire District Electric Company	ER-2010-0105
Greater Missouri Operations	EO-2010-0002
AmerenUE	ER-2010-0036

AmerenUE	ER-2010-0044
Empire District Electric Company	EO-2010-0084
Empire District Electric Company	ER-2010-0105
AmerenUE	ER-2010-0165
Greater Missouri Operations	EO-2010-0167
AmerenUE	EO-2010-0255
AmerenUE	ER-2010-0274