

Exhibit No.:  
Issues: Overview  
Witness: Daniel I. Beck  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Direct Testimony  
Case No.: ER-2012-0175  
Date Testimony Prepared: August 9, 2012

Filed  
December 11, 2012  
Data Center  
Missouri Public  
Service Commission

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**DIRECT TESTIMONY**

**OF**

**DANIEL I. BECK**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. ER-2012-0175**

*Jefferson City, Missouri  
August 2012*

*Staff* Exhibit No. 266  
Date 10/17/12 Reporter MM  
File No. ER-2012-0175

**Staff Exhibit - 266**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

**DIRECT TESTIMONY**

**OF**

**DANIEL I. BECK**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. ER-2012-0175**

Q. Please state your name and business address.

A. Daniel I. Beck and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. By whom are you employed and in what capacity?

A. I am the Utility Regulatory Engineering Supervisor of the Engineering Analysis Section; Energy Unit; Tariff, Safety, Economic and Engineering Analysis Department; Regulatory Review Division with the Missouri Public Service Commission (Commission).

Q. Please summarize your credentials.

A. Schedule 1, attached to my testimony, is a summary of my credentials which includes a list of cases in which I have previously testified.

Q. Please summarize your testimony.

A. Cary G. Featherstone and I sponsor Staff's Cost of Service Report and Accounting Schedules in this rate proceeding that are being filed concurrently with this and Mr. Featherstone's testimony. Staff's Cost of Service Report supports Staff's recommendation of the amount of the rate revenue increase for KCP&L Greater Missouri Operations Company (GMO) based on information through the period ending March 31, 2012, using actual historical information. Staff prepared its revenue requirement

Direct Testimony of  
Daniel I. Beck

1 results based on actual results through the March 31, 2012 update period. This rate revenue  
2 recommendation is found in Staff's separately filed Accounting Schedules.

3 I present an overview of the results of Staff's review of GMO's revenue requirement  
4 started in response to GMO's general rate increase request made on February 27, 2012.  
5 Several members of the Commission's Staff participated in Staff's examination of GMO's  
6 books and records for all the relevant and material components that make up the revenue  
7 requirement calculation. These components can be broadly defined as (1) capital structure  
8 and return on investment, (2) rate base investment and (3) income statement results, including  
9 revenues, operating and maintenance expenses, depreciation expense, and the taxes related to  
10 revenues and these expenses, including income taxes. I provide an overview of the Tariff,  
11 Safety, Economic and Engineering Analysis Department's work on revenues, on several  
12 specific expense items, and on other miscellaneous topics related to the case. Mr.  
13 Featherstone's testimony discusses the other components that make up the revenue  
14 requirement.

15 Q. Which members of Staff were assigned to this case?

16 A. Several Staff experts from the Tariff, Safety, Economic and Engineering  
17 Analysis Department were assigned to this case. Their names follow with a brief description  
18 of their contribution to the Staff's Cost of Service Report:

- 19 • Matthew J. Barnes – Fuel Adjustment Clause
- 20 • Alan J. Bax - Losses and Jurisdictional Allocations
- 21 • Dan Beck - Overall Revenue Requirement Results
- 22 • Kim Cox – Large Customer Annualizations
- 23 • Natelle Dietrich – Energy Independence and Security Act of 2007

Direct Testimony of  
Daniel I. Beck

- 1 • David W. Elliott – Fuel Modeling and Fuel Model Inputs
- 2 • Randy Gross – KCPL Smart Grid Update
- 3 • Thomas M. Imhoff – Tariff Issues
- 4 • Hojong Kang – Demand-Side Management Program Prudence and High
- 5 Efficiency Street and Area Lighting
- 6 • Robin Kliethermes - Economic Considerations and Large Customer
- 7 Annualizations
- 8 • Shawn E. Lange - Weather Normalization, 365-Days Adjustment, and Fuel
- 9 Model Inputs
- 10 • Erin L. Maloney - Spot Market Prices, Fuel and Purchased Power Cost
- 11 Allocation between Rate Districts
- 12 • Lena M. Mantle – Capacity Planning and Capacity Allocation between Rate
- 13 Districts
- 14 • John A. Rogers - Demand-Side Management Cost Recovery
- 15 • Michael E. Taylor - Renewable Energy Costs, Heat Rate Testing, In-Service
- 16 Testing
- 17 • Henry E. Warren – Low Income Weatherization
- 18 • Curt Wells – Electric Rate Revenues
- 19 • Seoung Joun Won—Weather Normal Variables

20 Each of these Staff experts' work product was used as a direct input to the various  
21 adjustments contained in Staff's Accounting Schedules and revenue requirement  
22 recommendation, where applicable.

23 Q. What is your overall responsibility in this case?

Direct Testimony of  
Daniel I. Beck

1           A.     I am one of two project coordinators assigned to identify the work scope for  
2 the case, make Staff assignments, and supervise and oversee all work product development.  
3 I specifically supervised all areas assigned to and the responsibility of the Energy Unit.

4           Q.     How was information from Staff experts used to develop Staff's revenue  
5 requirement recommendation for GMO?

6           A.     As examples, Staff experts Karen Lyons, Curt Wells, and Shawn E. Lange  
7 worked closely together and are sponsoring the revenue adjustment results.

8           Staff experts David W. Elliott, Erin L. Maloney, Keith A. Majors and Bret G. Prenger  
9 worked together in developing the Staff's fuel costs for the GMO Rate Districts.

10          Staff expert Alan J. Bax developed the energy and demand jurisdictional allocators  
11 used to allocate cost to the retail operations.

12          Q.     Does this August 9, 2012 filing by Staff present all of Staff's direct case?

13          A.     No.     Staff is scheduled to file its rate design recommendation on  
14 August 21, 2012.

15          Q.     Does this conclude your direct testimony?

16          A.     Yes, it does.

**Daniel I. Beck, P.E.**

Supervisor of the Engineering Analysis Section of the Energy Unit  
Tariff, Safety, Economic and Engineering Analysis Department  
Regulatory Review Division

Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

I graduated with a Bachelor of Science Degree in Industrial Engineering from the University of Missouri at Columbia. Upon graduation, I was employed by the Navy Plant Representative Office in St. Louis, Missouri as an Industrial Engineer. I began my employment at the Commission in November, 1987, in the Research and Planning Department of the Utility Division (later renamed the Economic Analysis Department of the Policy and Planning Division) where my duties consisted of weather normalization, load forecasting, integrated resource planning, cost-of-service and rate design. In December, 1997, I was transferred to the Tariffs/Rate Design Section of the Commission's Gas Department where my duties include weather normalization, annualization, tariff review, cost-of-service and rate design. Since June 2001, I have been in the Engineering Analysis Section of the Energy Department, which was created by combining the Gas and Electric Departments. I became the Supervisor of the Engineering Analysis Section, Energy Unit, Tariff, Safety Economic and Engineering Analysis Department, Regulatory Review Division in November 2005.

I am a Registered Professional Engineer in the State of Missouri. My registration number is E-26953.

**List of Cases in which prepared testimony was presented by:  
DANIEL I. BECK**

<u>Company Name</u>	<u>Case No.</u>
Union Electric Company	EO-87-175
The Empire District Electric Company	EO-91-74
Missouri Public Service	ER-93-37
St. Joseph Power & Light Company	ER-93-41
The Empire District Electric Company	ER-94-174
Union Electric Company	EM-96-149
Laclede Gas Company	GR-96-193
Missouri Gas Energy	GR-96-285
Kansas City Power & Light Company	ET-97-113
Associated Natural Gas Company	GR-97-272
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Missouri Gas Energy	GT-98-237
Ozark Natural Gas Company, Inc.	GA-98-227
Laclede Gas Company	GR-98-374
St. Joseph Power & Light Company	GR-99-246
Laclede Gas Company	GR-99-315
Utilicorp United Inc. & St. Joseph Light & Power Co.	EM-2000-292
Union Electric Company d/b/a AmerenUE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GR-2001-629
Union Electric Company d/b/a AmerenUE	GT-2002-70
Laclede Gas Company	GR-2001-629
Laclede Gas Company	GR-2002-356
Union Electric Company d/b/a AmerenUE	GR-2003-0517
Missouri Gas Energy	GR-2004-0209
Atmos Energy Corporation	GR-2006-0387
Missouri Gas Energy	GR-2006-0422
Union Electric Company d/b/a AmerenUE	GR-2007-0003
The Empire District Electric Company	EO-2007-0029/EE-2007-0030
Laclede Gas Company	GR-2007-0208
The Empire District Electric Company	EO-2008-0043
Missouri Gas Utility, Inc.	GR-2008-0060
The Empire District Electric Company	ER-2008-0093
Trigen Kansas City Energy Corporation	HR-2008-0300

Union Electric Company d/b/a AmerenUE	ER-2008-0318
Kansas City Power & Light Company	ER-2009-0089
KCP&L Greater Missouri Operations Company	ER-2009-0090
Missouri Gas Energy	GR-2009-0355
The Empire District Gas Company	GR-2009-0434
Union Electric Company d/b/a AmerenUE	ER-2010-0036
Laclede Gas Company	GR-2010-0171
Atmos Energy Corporation	GR-2010-0192
Kansas City Power & Light Company	ER-2010-0355
KCP&L Greater Missouri Operations Company	ER-2010-0356
Union Electric Company d/b/a Ameren Missouri	GR-2010-0363
Kansas City Power & Light Company	ER-2012-0174