

Exhibit No. :
Witness : Michael K. Park
Type of Exhibit : Surrebuttal Testimony
Party : City of Lee's Summit, Missouri
Case No. : ER-2010-0356
Issue: : Rate Design --- Effect of proposed rate increase on traffic signals, city street lights, leased and otherwise, and current negotiations for leased street lighting system.

CITY OF LEE'S SUMMIT, MISSOURI

Case No. ER-2010-0356

SURREBUTTAL TESTIMONY

OF

MICHAEL K. PARK

City of Lee's Summit, Missouri
January 12, 2011

Lee's Summit
Exhibit No. 4003
Date 2/15/11 Reporter mls
File No. ER-2010-0356

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

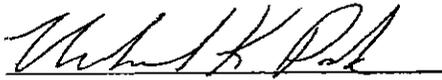
In the Matter of the Application of KCP&L Greater)
Missouri Operations Company for Approval to Make) Case No. ER-2010-0356
Certain Changes in its Charges for Electric Service)

Affidavit of Michael K. Park

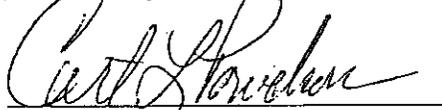
STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

I, Michael K. Park, of lawful age, being duly sworn, do hereby depose and state:

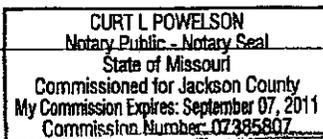
1. My name is Michael K. Park. I am City Traffic Engineer for the City of Lee's Summit. The City of Lee's Summit, Missouri is an intervenor herein.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.


Michael K. Park

Subscribed and sworn to before me, a Notary Public, this 12th day of January, 2011.


Notary Public

My Commission expires:



1 determine the true cost of service for street lighting. As a consequence, it cannot
2 establish support for a rate increase in Municipal Street Lighting Service that
3 assumes material, installation and maintenance costs have increased. As I stated
4 in my direct testimony, the City's experience with these costs, which cannot be
5 dissimilar from the Company's, is that they have been steadily declining.

6 **Q. Also on pages 8-9, Mr. Rush explains his concern regarding full cost to serve**
7 **the municipal street light service. Mr. Rush disagrees with the City's**
8 **observation, based on his opinion that costs to maintain a skilled workforce,**
9 **suitable equipment, and purchase commodity materials like conductors and**
10 **poles have increased. Do you have a response?**

11 **A.** First, although Mr. Rush believes non-energy cost components of the street
12 lighting rates have increased, he still does not know by how much. It is fair to
13 assume, based on Mr. Rush's testimony on pages 8-9 of his rebuttal, that the
14 Company does not have a detailed study of the municipal street lighting cost of
15 service. I agree with Mr. Rush: Absent a detailed and thorough study of the
16 lighting costs it is impossible to know exactly how much the costs to maintain a
17 skilled workforce, suitable equipment, and purchase commodity materials might
18 be different from those recovered within the current rate design. The rate
19 increase, as proposed by GMO, would equally impact all components that make
20 up the tariff. The rate increase should not be applied to all components of the
21 tariff equally unless the results of a study show all components require an equal
22 adjustment to recover individual cost. Otherwise, the Company will be permitted
23 to recover costs that are not quantifiable and truly unknown.

1 **Q. On page 9 of his rebuttal, Mr. Rush interprets your recommendation as an**
2 **attempt to substitute the City's cost of street light service for the Company's.**
3 **Do you agree with this statement?**

4 **A.** No, I believe Mr. Rush wrongly ascertains the intent of my recommendation. I do
5 not recommend substitution of the City's costs to provide street light service for
6 the Company's, rather, as stated in previous testimony, I recommend any rate
7 increase to the Municipal Street Lighting Service tariffs should not be applied to
8 the material, installation, and maintenance components that make up the tariff.
9 This recommendation is based on the City's experience of similar service and the
10 lack of study by GMO to justify costs of services sought to recover in the rate
11 increase. To my knowledge, GMO has not provided detailed information in
12 support of the rate increase in the MPS Lighting class. Again, in the absence of
13 this information, there is no way to determine if any cost recovery adjustment is
14 appropriate and which components of the tariff are applicable. It cannot be
15 determined which individual parts that make up the tariff (e.g. operating,
16 maintenance, material, energy, distribution) have reason for adjustment and to
17 what extent each part should be adjusted.

18 **Q. Do you agree with Mr. Rush's statements on page 9 of his rebuttal regarding**
19 **negotiations between the City and GMO for the sale of street lights?**

20 **A.** I agree with Mr. Rush only to the extent this rate case will affect the negotiations.
21 On page 9 of his rebuttal, Mr. Rush recognizes this rate case will affect the
22 negotiations, except, in his opinion, the impact will not be any more dramatic than
23 other factors at play. Mr. Rush was not specific regarding other factors, but as I

1 previously testified, the impact to negotiations would be minimized if the rate
2 increase does not pertain to non-energy related components of the tariff.

3 **Q. Does the rebuttal testimony of Mr. Rush change or affect the**
4 **recommendations you made in your direct testimony?**

5 A. No, my recommendations to the Commission are the same. I believe the rebuttal
6 testimony provided by Mr. Rush, pages 8 and 9, has failed to justify any basis for
7 cost recovery in the rate increase to MPS Municipal Street Lighting Service.
8 Further, Mr. Rush acknowledges the impossibility to determine any appropriate
9 rate increase applicable to street light material, installation and maintenance
10 absence a detailed study, which to my knowledge has not been completed. I
11 believe the proposed rate increase to MPS Municipal Street Lighting Service will
12 adversely impact the City's negotiations with GMO regarding the sale of the
13 street lighting system. Mr. Rush, in his rebuttal, page 9, acknowledges a rate
14 increase will impact negotiation, to which extent may or may not be any more
15 dramatic than other factors. The impact of any rate increase approved by the
16 Commission could be minimized if the rate increase were not applied to the
17 material, installation and maintenance components encompassed within the street
18 light tariff.

19 **Q. Does this conclude your surrebuttal testimony?**

20 A. Yes, it does.