

EXHIBIT

Exhibit No.: _____
Issue(s): Aquila Inc. Purchase Transition Costs
Witness: Ted Robertson
Type of Exhibit: True-Up Direct
Sponsoring Party: Public Counsel
Case Number: ER-2010-0355
Date Testimony Prepared: February 22, 2011

TRUE-UP DIRECT TESTIMONY
OF
TED ROBERTSON

Submitted on Behalf of
the Office of the Public Counsel

KANSAS CITY POWER & LIGHT COMPANY

Case No. ER-2010-0355

February 22, 2011

DPC Exhibit No. KCPL406
Date 3/3/11 Reporter JMB
File No. ER-2010-0355

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

In the Matter of the Application of Kansas)
City Power & Light Company for Approval)
To Make Certain Changes in its Charges for)
Electric Service)

File No. ER-2010-0355

AFFIDAVIT OF TED ROBERTSON


STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Ted Robertson, of lawful age and being first duly sworn, deposes and states:

1. My name is Ted Robertson. I am a Chief Utility Accountant for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my true-up direct testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.




Ted Robertson, C.P.A.
Chief Public Utility Accountant

Subscribed and sworn to me this 22nd day of February 2011.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2013
Cole County
Commission #09754037



Jerene A. Buckman
Notary Public

My Commission expires August, 2013.

1
2
3
4
5
6
7
8

**TRUE-UP DIRECT TESTIMONY
OF
TED ROBERTSON**

**KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2010-0355**

9 **I. INTRODUCTION**

10 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

11 A. Ted Robertson, PO Box 2230, Jefferson City, Missouri 65102-2230.

12
13 Q. ARE YOU THE SAME TED ROBERTSON THAT HAS PREVIOUSLY FILED
14 DIRECT AND SURREBUTTAL TESTIMONY IN THIS CASE?

15 A. Yes.

16
17 **II. PURPOSE OF TESTIMONY**

18 Q. WHAT IS THE PURPOSE OF YOUR TRUE-UP DIRECT TESTIMONY?

19 A. I will provide the Public Counsel's position regarding the costs associated with
20 the Company's true-up of the Aquila Inc. Purchase Transition Costs.

21
22 Q. WHAT IS THE ISSUE?

23 A. In its January 21, 2011 updated response to MPSC Staff Data Request No. 146
24 Company identified its actual incurred transition costs as of December 31, 2010.
25 Public Counsel has reviewed the Company's updated response to MPSC DR No.
26 146 and tied the amounts to the associated entries in the Company's General

1 Ledger update provided in its response to MPSC Staff Data Request No. 13. It is
2 Public Counsel's recommendation that the actual costs identified in the updated
3 responses (rather than the blended actual plus projected costs originally
4 identified by Company) receive Commission authorization as described in my
5 instant case Direct Testimony.

6
7 Q. WHAT WAS PUBLIC COUNSEL'S POSITION AS STATED IN YOUR DIRECT
8 TESTIMONY?

9 A. Public Counsel's position on this issue, as stated beginning on page 11, line 32, of
10 my Direct Testimony, is:

11
12 Pursuant to the Commission's authorization, Company has
13 deferred transition costs and will amortize those costs over
14 five years beginning with the effective date of the
15 Commission's authorization in the instant case. However,
16 while Public Counsel will not oppose what the Commission
17 authorized for this issue, Public Counsel recommends that
18 any future costs incurred subsequent to the test year and
19 true-up period of the instant case not receive continued
20 deferral authorization or amortization in any future rate
21 cases.

22
23
24 Q. WHY DOES PUBLIC COUNSEL RECOMMEND THE
25 DISCONTINUANCE OF THE DEFERRAL/AMORTIZATION
26 AUTHORIZATION FOR ALLEGED FUTURE TRANSITION
27 COSTS?

28
29 A. Public Counsel's recommendation is primarily based on the
30 fact that sufficient time has already passed to effect the

1 integration of Aquila Inc. into the operations of the current
2 owner. In fact, it has been more than two years since the
3 purchase of Aquila Inc. was authorized in Case No. EM-
4 2007-0374 (the effective date of the Report and Order was
5 July 11, 2008). Furthermore, it is my understanding, any
6 additional transitional costs likely to be incurred may not be
7 material and, given the dynamics of the Company's ongoing
8 operations, may be considered costs which have been
9 incurred due to changes caused by current operations of the
10 total entity because there is no foolproof manner to
11 determine whether the costs were incurred because of the
12 purchase of Aquila Inc. or are simply a normal reaction to the
13 operation of the utility as it currently exists.
14

15 (Emphasis added by OPC)
16
17

18 Q. IS THE COMPANY IN AGREEMENT WITH PUBLIC COUNSEL'S
19 POSITION THAT AQUILA INC. PURCHASE TRANSITION COSTS
20 INCURRED SUBSEQUENT TO THE TEST YEAR AND TRUE-UP
21 PERIOD OF THE INSTANT CASE NOT RECEIVE CONTINUED
22 DEFERRAL AUTHORIZATION OR AMORTIZATION IN ANY FUTURE
23 RATE CASES?

24 A. Yes. It is my understanding that the Company is in agreement with Public
25 Counsel regarding the elimination of the deferral authorization and will not
26 request future recovery of any costs incurred subsequent to the true-up
27 period of this case.
28
29

True-Up Direct Testimony of Ted Robertson
Case No. ER-2010-0355

1 Q. DOES THIS CONCLUDE YOUR TRUE-UP DIRECT TESTIMONY?

2 A. Yes, it does.