

Exhibit No.:
Witness/Type of Exhibit: Ketter/Surrebuttal
Testimony
Issue: Rates
Sponsoring Party: Missouri Public
Service Commission
Company: Kansas City Power
and Light Company
Case No.: HO-86-139

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY DIVISION

SURREBUTTAL TESTIMONY
OF
JAMES L. KETTER

Jefferson City, Missouri
April, 1987

Exhibit No. 51
Date 4-10-87 Case No. HO-86-139
Reporter Bryce

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the investigation of)
steam service rendered by Kansas City) Case No. HO-86-139
Power & Light Company.)

AFFIDAVIT OF JAMES L. KETTER

State of Missouri)
County of Cole) ss

James L. Ketter, of lawful age, on his oath states:
that he has participated in the preparation of the attached
written testimony in question and answer form consisting of three
pages, to be presented in the above case; that the answers in the
attached written testimony were given by him; that he has
knowledge of the matters set forth in such statements; and that
such matters are true to the best of his knowledge and belief.

James L. Ketter
James L. Ketter

Subscribed and sworn to before me this 8th day of April, 1987

Francis J. King
Notary Public

My Commission expires 9/4/87

Rebuttal Testimony of
James L. Ketter

1 utility that it is faced with unregulated competition. No such showing has
2 been made by KCPL. The rule stands on its own and requires a consistent
3 application. Providing equipment as an inducement to use electric service
4 is clearly prohibited by the rule.

5 Q. On page 6 of his rebuttal testimony, Mr. Beaudoin indicates
6 that he has no objection to any recommendation that electric boiler
7 customers be charged the applicable electric rate and that the test boiler
8 program indicates that many of KCPL's steam customers could be better off
9 economically as electric customers. Would the customers with the test
10 boilers be better off on the electric rate or steam rate?

11 A. Schedule 4 of my direct testimony provides the measured
12 steam usage, steam revenue, Kwh usage and the average cost per Kwh for the
13 test boilers. The steam revenue includes applicable taxes so it is
14 appropriate to compare rates with taxes. An update of Schedule 4 of my
15 direct testimony is attached as Schedule 1.

16 The separately metered space heating rate available for the
17 on-site boilers after May 1986 is 4.331¢ per Kwh. Schedule 1 shows that
18 for the time period this rate was charged (October, 1986 to February, 1987)
19 in only one month did the average rate exceed 4.331¢. This was for the
20 month of October for McWhirter Printer when the average cost was 5.46¢ per
21 Kwh, but this was a very low usage month.

22 If the steam customer were to become an electric customer of
23 KCPL, ownership costs of the boiler would add to the cost of providing heat
24 from an on-site boiler.

25 For the month of November 1986 for McWhirter Printing, the
26 question becomes, would it be best to buy a boiler and operate it at an
27 energy cost of 4.331¢ per Kwh, or take the steam rate at 4.32¢?

Rebuttal Testimony of
James L. Ketter

1 My analysis shows that the customers with the test boilers have
2 paid lower steam revenue than if they had been billed on an electric
3 schedule.

4 Q. Does this conclude your testimony?

5 A. Yes, it does.
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SCHEDULE 1
Ketter Surrebuttal

- OPERATIONAL STATISTICS OF TEST BOILERS

Stanley Sargent (1406 Main)				Upsher Labs (1336 Walnut)				McWhirter Printer (909 Wyandotte)				Home Savings				
Month	Steam	Steam Rev	Energy	Average Cost	Steam	Steam Rev	Energy	Average Cost	Station	Steam Rev	Energy	Average Cost	Steam	Steam Rev	Energy	Average Cost
	MLBS.	\$	Kwh	¢/Kwh	MLBS.	\$	Kwh	¢/Kwh	MLBS.	\$	Kwh	¢/Kwh	MLBS.	\$	Kwh	¢/Kwh
1985																
Oct	18	203	6960	2.92												
Nov	44	509	14,200	3.58												
Dec	117	1229	37,560	3.27												
1986																
Jan	68	750	21,840	3.43	100	1,079	33,840	3.19	202	2,121	70,080	3.03				
Feb	73	767	26,120	2.94	135	1,377	43,360	3.18	239	2,360	80,640	2.93				
Mar	99	606	19,360	3.13	62	634	21,840	2.90	183	1,767	67,680	2.61				
Apr	15	195	4,192	4.65	2	68	-	-	53	605	12,560	4.82				
Oct	23	328	8,208	3.99	39	522	13,528	3.86	55	706	12,944	5.46	51	668	18,000	3.71
Nov	60	770	18,308	4.20	94	1,178	29,448	4.00	199	2,430	56,240	4.32	529	6,882	174,900	3.93
Dec	86	1,171	28,616	4.09	124	1,666	46,560	3.58	258	3,405	99,928	3.41	971	12,434	350,760	3.54
1987																
Jan	85	1,141	27,184	4.20	119	1,578	40,832	3.86	270	3,310	88,672	3.96	1,004	12,646	339,120	3.73
Feb	56	766	18,840	4.07	75	1,010	26,064	3.88	256	3,319	78,112	4.25	620	7,927	215,640	3.68
* 1986-87 Heating																
	310	4,176	101,156	4.13	451	5,954	156,432	3.81	1,038	13,370	335,896	3.98	3,175	40,557	1,098,420	3.69

Separately metered space heating rate effective May, 1986 is 3.691¢ per Kwh; 4.331¢ per Kwh including taxes.

* 1986-87 Heating months include the months of October, 1986 through the month of February, 1987 as provided by the company for the test boilers.