

Exhibit No.:
Issue: Weather Normalization
Witness: George M. McCollister
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: KCP&L Greater Missouri Operations Company
Case No.: ER-2012-0175
Date Testimony Prepared: September 12, 2012

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2012-0175

REBUTTAL TESTIMONY

OF

GEORGE M. McCOLLISTER

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
September 2012**

REBUTTAL TESTIMONY
OF
GEORGE M. McCOLLISTER

Case No. ER-2012-0175

1 **Q: Please state your name and business address.**

2 A: My name is George M. McCollister, Ph.D. My business address is 1200 Main Street,
3 Kansas City, Missouri 64105.

4 **Q: Are you the same George M. McCollister who pre-filed Direct Testimony in this**
5 **matter?**

6 A: Yes, I am.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L Greater Missouri Operations Company (“GMO” or
9 the “Company”) for St. Joseph Light & Power (“L&P”) and Missouri Public Service
10 (“MPS”) territories.

11 **Q: What is the purpose of your Rebuttal Testimony?**

12 A: The purpose of my testimony is to respond to certain conclusions sponsored by Shawn E.
13 Lange and Karen Lyons in the Staff’s Revenue Requirement Cost of Service Report
14 (“Report”) for KCP&L Greater Missouri Operations concerning the weather sensitivity of
15 the Large Power (“LP”) class and the customer growth adjustments.

16 **Q: What was Mr. Lange’s conclusion regarding the weather adjustment for LP**
17 **customers?**

18 A: He states at page 100 of Staff’s Report:

19 Staff did not normalize weather for the Large Power Services (LPS) class,
20 but instead annualized the LPS class for changes in customer usage and

1 count. The members of this class are not homogeneous; and, consequently,
2 a weather response function created for one member should not be applied
3 to any other member. Staff concluded it is both appropriate and necessary
4 to annualize rather than normalize the LPS class for changes in customer
5 usage and count. Applying the weather normalization process to
6 annualized usage would have introduced statistical error into the product
7 of the analysis.

8 **Q: Do you agree with Mr. Lange's statement?**

9 A: No.

10 **Q: What do you disagree with in his statement?**

11 A: First, for all the classes that are weather normalized, the weather response function is
12 estimated for the class as a whole and applied to the actual sales of the entire class. It is
13 never applied to individual customers in the methods used by either GMO or the Staff, as
14 Mr. Lange inferred. Second, Mr. Lange states that both weather normalizing and
15 annualizing LPS loads would introduce a statistical error into the product of the analysis.
16 While I agree with this statement, I maintain that the error is small, especially in
17 comparison to the error of not weather normalizing sales.

18 **Q: Can you describe the error to which Mr. Lange refers?**

19 A: The weather adjustment is computed before the LPS loads are annualized. In theory, the
20 annualization would change the weather adjustment as well as the actual unadjusted
21 usage.

22 **Q: Why do you believe that this error is small?**

23 A: Both adjustments are small compared to total kwh sales, so the product of the two
24 adjustments would be much smaller than either adjustment by itself.

25 **Q: What issue do you have with the Staff's adjustment for customer growth?**

26 A: GMO and the Staff use a similar methodology for making this adjustment. The
27 adjustment made by the Staff is described on page 103 of its Report. However, I noticed

1 major differences in our results made for customer counts as of March 2012. A large
2 portion of this difference occurs because Staff did not make an adjustment for the entire
3 class, whereas my adjustment includes the entire class. Schedule GMM-4 shows the
4 customer counts in March 2012 by class and subclass. Karen Lyons only adjusted the
5 subclasses shown in the rows that are shaded in my schedule. While she did adjust the
6 largest subclasses within most of the classes, there are a substantial number of customers
7 in the subclasses that were not adjusted. Neither GMO nor Staff made this adjustment for
8 the Large Power Class.

9 **Q: Why should the customer growth adjustment apply to the entire classes that are**
10 **adjusted?**

11 A: Some of the subclasses that were not adjusted by the Staff contain a substantial number
12 of customers. For example, the Staff omitted the entire Small General Service class from
13 this adjustment. Both GMO and the Staff will revise these adjustments based on August
14 2012 customer counts during the true up.

15 **Q: What is your conclusion on these issues?**

16 A: I recommend that the Commission accept GMO's weather adjustments to kWh sales and
17 revenue for the LPS class and GMO's customer growth adjustments to kWh sales and
18 revenue.

19 **Q: Does that conclude your testimony?**

20 A: Yes, it does.

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

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority to) Case No. ER-2012-0175
Implement General Rate Increase for Electric Service)

AFFIDAVIT OF GEORGE M. McCOLLISTER

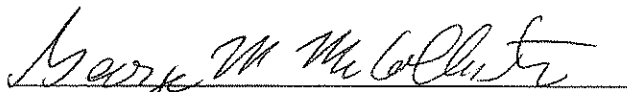
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

George M. McCollister, being first duly sworn on his oath, states:

1. My name is George M. McCollister. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Manager of Market Assessment.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of KC&PL Greater Missouri Operations Company consisting of three (3) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

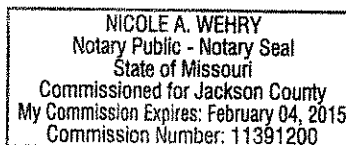
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


George M. McCollister

Subscribed and sworn before me this 12th day of September, 2012.


Notary Public

My commission expires: Feb. 4, 2015



		BF Actual Customer Count
MPS	Rate Code	
Res General Use	MO860	138,410
Res with SH	MO870	75,849
Res Other Use	MO815	787
Res TOD	MO600	0
Res Net Metering General Use	MO865	19
Res Net Metering with SH	MO866	27
RESIDENTIAL TOTAL		215,092
SGS_No Demand	MO710	8,672
SGS Short Term	MO728	309
SGS Secondary	MO711	19,364
SGS Primary	MO716	3
SGS Net Metering_No Demand	MO867	3
SGS Net Metering_Demand	MO868	15
SMALL GEN SVC TOTAL		28,366
LGS Net Metering_Secondary	MO722	6
LGS Secondary	MO720	1,411
LGS Primary	MO725	22
RTP	MO721	0
LARGE GEN SVC TOTAL		1,439
L&P		BF Actual Customer Count
Res General Use	MO910	35,356
Res General Use_Mult Occup	MO911	53
Res_Other Use	MO915	1,966
Res Fixed Bill	MO916	0
Res with SH	MO920	19,693
Res with SH_Mult Occup	MO921	58
Res Sep Mtr SH/WH	MO922	45
Res Net Metering_Gen	MO965	8
Res Net Metering_SH	MO966	7
RESIDENTIAL TOTAL		57,186
GS_Short Term	MO928	49
GS_Limited Demand	MO930	3,698
GS_General Use	MO931	2,304
GS_Sep Mtr SH/WH	MO941	66
GS Net Metering_Limited Demand	MO967	2
GS Net Metering_Demand	MO968	6
GENERAL SVC TOTAL		6,125
LGS_Primary	MO938	7
LGS_Substation	MO939	1
LGS_Secondary	MO940	1,150
LGS Net Metering_Secondary	MO942	3
LARGE GENERAL SVC TOTAL		1,161