Exhibit No.:

Issues:Excess Extension
Charge PaymentWitness:William L. McDuffeySponsoring Party:MO PSC StaffType of Exhibit:Rebuttal Testimony
Case No.:Case No.:ER-2006-0314Date Testimony Prepared:September 15, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

WILLIAM L. MCDUFFEY

KANSAS CITY POWER & LIGHT

CASE NO. ER-2006-0314

Jefferson City, Missouri September 2006

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 to Begin the) Implementation of Its Regulatory Plan)

Case No. ER-2006-0314

AFFIDAVIT OF WILLIAM L. McDUFFEY

STATE OF MISSOURI)) ss **COUNTY OF COLE**)

William L. McDuffey, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of <u>3</u> pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

William L. McDuff

Subscribed and sworn to before me this $\underline{14^{\text{th}}}$ day of September, 2006.

Notary Public , Redensien

4	ROSEMARY R. ROBINSON
i	Notary Public - Notary Seal
	State of Missouri County of Caliaway
	My Commission Exp. 09/23/2008

1	REBUTTAL TESTIMONY				
2 3	OF				
4 5	WILLIAM L. MCDUFFEY				
6 7	KANSAS CITY POWER & LIGHT COMPANY				
8 9	CASE NO. ER-2006-0314				
9 10	Q. Please state your name and business address.				
11	A. William "Mack" L. McDuffey, 200 Madison Street, Jefferson City, Missouri				
12	65101.				
13	Q. Are you the same William L. McDuffey who previously filed Direct				
14	Testimony in this case?				
15	A. Yes.				
16	Q. What is the purpose of your Rebuttal Testimony in this case?				
17	A. The purpose of my Rebuttal Testimony is to present the change in Staff's				
18	position concerning the issue of "change the excess extension charge payment" as revised in				
19	Kansas City Power & Light Company (KCPL) filed proposed Tariff Sheet No. 1.31 of this				
20	case.				
21	Q. Please describe KCPL's proposed change to the excess extension charge				
22	payment.				
23	A. KCPL's present payment plan has the Customer pay one and one-half percent				
24	$(1\frac{1}{2})$ of the construction cost a month in excess of the current free extension. The proposed				
25	payment plan has the Customer pay the total construction cost in equal installments over sixty				
26	(60) consecutive bills. Both the current and proposed payment plans are paid by a monthly				
27	charge.				
28	Q. What was your Direct Testimony position relating to this tariff proposal?				

Rebuttal Testimony of William L. McDuffey

	A.	I disagreed with the proposed reduction in the payment period and			
r	recommended that KCPL's current tariff pertaining to this issue remain unchanged. The				
F	present payment plan is billed at one and one-half percent (11/2%) of the construction cost				
v	which equates to a monthly payment for sixty-six months. The proposed payment plan				
v	would be billed in equal installments over sixty (60) consecutive bills or months. KCPL's				
r	proposed tariff sheets clarify that customers reimburse the company for construction costs				
0	over a period of sixty (60) months, which remains unchanged. However, now customers will				
r	reimburse the company for the entire construction cost. Under the current program,				
C	customers only reimburse the company for ninety (90%) of the construction cost.				
	Q.	What is Staff's rebuttal position relating to this tariff proposal?			
	A.	The Staff is in agreement with this proposal.			
	Q.	Why has the Staff changed its position?			
	A.	KCPL has pointed out that it presently applies, in accordance with its tariff,			
t	the maximum payment period of sixty (60) months [five (5) years] as stated below from				
]	Tariff Sheet No. 1.31, paragraph 9.01 (D) in part:				
		As evidence that the Customer accepts service under the terms of this extension policy, the Customer will be required to sign an Electric Service Agreement guaranteeing the monthly Customer Charges for a period of five (5) years.			
]	This satisfie	es Staff's position of requesting the payment period to remain at sixty (60)			
r	months.				
	Q.	If the sixty-month payment period is unchanged, why is KCPL proposing the			
r	removal of the present payment plan billed at one and one-half percent (11/2%) of the				
0	construction cost?				
C	construction	cost?			

Rebuttal Testimony of William L. McDuffey

A. KCPL has been collecting only ninety (90) percent of the amount owed. This
occurred because the Company limited the period it collected the construction cost to sixty
months, and only collected one and one-half percent (1½%) of the total cost each month (60 x
1.5 = 90). Thus, currently ten percent (10%) of the costs of the extensions beyond the base
amount are paid for by the other ratepayers or shareholders. The proposed change will allow
KCPL to collect the total amount of the cost from the customer causing the cost by simply
dividing the full amount owed by sixty (60) months.

- Q. Does this conclude your rebuttal testimony?
- 9

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A. Yes, it does.