

DIRECT TESTIMONY

OF

LINDA J. NUNN

Case No.

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

2 A: My name is Linda J. Nunn. My business address is 1200 Main, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L”) as Lead
6 Regulatory Analyst, Regulatory Affairs.

7 **Q: What are your responsibilities?**

8 A: My general responsibilities include the preparation of rate cases and rate case
9 support for both KCP&L and KCP&L Greater Missouri Operations Company
10 (“Company” or “GMO”). I am responsible for most aspects of the GMO Fuel
11 Adjustment Clause (“FAC”) as well as the GMO Steam Quarterly Cost
12 Adjustment (“QCA”). I am also responsible for various regulatory reporting and
13 general activities as they relate to the Missouri Public Service Commission
14 (“MPSC” or “Commission”).

15 **Q: Please describe your education.**

16 A: I received a Bachelors of Science Degree in Business Administration with a
17 concentration in Accounting from Northwest Missouri State University in
18 Maryville, Missouri.

19 **Q: Please provide your work experience.**

1 A: I became a Senior Regulatory Analyst with KCP&L in 2008, as a part of the
2 merger between KCP&L and Aquila, Inc. Prior to my employment with KCP&L,
3 I was employed by Aquila, Inc. for a total of eleven years. In addition to
4 Regulatory, I have had experience in Accounting, Audit, and Business Services
5 where I had responsibility for guiding restructuring within the delivery division.
6 In addition to my utility experience I was the business manager and controller for
7 two area churches. Prior to that, I was an external auditor with Ernst & Whinney.

8 **Q: Have you previously testified in a proceeding before the MPSC or before any**
9 **other utility regulatory agency?**

10 A: I have not yet testified before the MPSC or any other utility regulatory agency. I
11 have, however, worked closely with various MPSC Staff on numerous filings as
12 well as on rate case issues.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to support the fifth true-up filing being made by
15 GMO under the provisions in 4 CSR 240-20.090(4) and (5) and the Company's
16 approved fuel and purchased power cost recovery mechanism.

17 **Q. What is the purpose of the true-up filing?**

18 A. The purpose of this true-up filing is to identify the amount over or under-
19 recovered from the fifth 12-month recovery period under the Company's FAC.

20 **Q. Please explain the FAC process, including the accumulation, filing, recovery**
21 **and true-up periods.**

22 A. Each FAC begins with an accumulation period which covers a six-month period
23 in which the costs of the fuel and purchased power components contained in the

1 FAC are accumulated and compared to the base energy costs that are in rates over
2 that same time frame. The net of the costs compared to the base energy costs in
3 the current rates is the amount to be recovered or returned to customers over the
4 recovery period. After the accumulation period, GMO files with the Commission
5 the Cost Adjustment Factor (“CAF”). The CAF is the rate that will be charged to
6 customers over the recovery period. Between the accumulation period until the
7 beginning of the recovery period is three months. The recovery period for GMO
8 is twelve months. After the recovery period, a true-up is filed which reflects all
9 the activities and summarizes the balances of the FAC. The balances will then be
10 included in the next CAF filing.

11 **Q. What was the timing of the accumulation and recovery relating to this true-**
12 **up?**

13 A. The accumulation period went from June 1, 2009 through November 30, 2009.
14 The recovery period for that accumulation was March 1, 2010 through February
15 28, 2011.

16 **Q. Why would there be a difference between the accumulated over or under-**
17 **recovery and the amount collected during the recovery period?**

18 A. The CAF is calculated based upon projected kWh sales for the recovery period.
19 Since the CAF is based upon a projected number, once actual sales are recorded, a
20 difference exists between the estimate and the actual kWh billed. This difference
21 will be “trued-up” in the next FAC filing.

22 **Q. What was the difference between what was accumulated, along with interest**
23 **and the amount collected through the recovery mechanism?**

1 A. For the GMO territory served as MPS, the FAC was over-collected by \$683,699.

2 For the GMO territory served as L&P, the FAC was over-collected by \$251,837.

3 **Q. What impact will this have on future FAC adjustment rate schedules filed?**

4 A. The true-up amount identified in the true-up filing will be included in the next
5 semi-annual FAC rate schedule filing. Since the Company's fifth FAC recovery
6 period ended February 28, 2011, the above over-recoveries will be included in the
7 semi-annual filing to be made on or before June 30, 2011 covering the
8 accumulation period of November 1, 2010 through May 31, 2011.

9 **Q. How did you develop the proposed true-up amounts that are being requested**
10 **in this filing?**

11 A. As indicated above, the true-up amount is the net of the accumulated expenditures
12 over or under the base FAC costs as set in rates during the accumulation period,
13 plus interest, and the amount recovered during the recovery period. The details
14 associated with this calculation are filed along with this testimony in Schedule
15 LJN – Schedule 1. This schedule contains a summary and all supporting work
16 papers for the calculation.

17 **Q. What action is the Company requesting from the Commission with respect to**
18 **this true-up filing?**

19 A. As provided by 4 C.S.R. 240-20.090(5), a true-up filing is required at least
20 annually. Pursuant to the Company's FAC tariff, the amount of the true-up will
21 be included in the next accumulation period. The Company requests that the
22 Commission approve the amount to be included in the next accumulation period
23 which will cover the six months ended May 31, 2011.

1 Q. Does this conclude your testimony?

2 A. Yes, it does.

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

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company)
Containing Its Annual Fuel Adjustment)
Clause True-Up)

Case No. EO-2011-_____

AFFIDAVIT OF LINDA J. NUNN

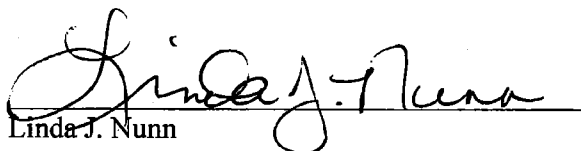
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Linda J. Nunn, being first duly sworn on her oath, states:

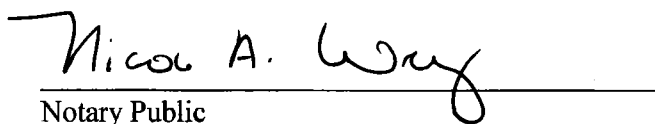
1. My name is Linda J. Nunn. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Lead Regulatory Analyst, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of five (5) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

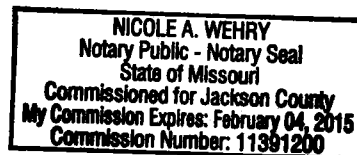
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


Linda J. Nunn

Subscribed and sworn before me this 29th day of June, 2011.


Notary Public

My commission expires: Feb. 4, 2015



**Information Required By
4 CSR 240-3.161 (8)
Annual True-up of FAC for KCP&L GMO - MPS and L&P
Summary**

Accumulation Period: June 1, 2009 through November 30, 2009

Recovery Period: March 1, 2010 through February 28, 2011

MPS

Accumulation	21,427,966
2nd True-up Under Recovery	727,785
Interest Filed	393,381
Recovery	<u>(23,232,831)</u>
Proposed Adjustment for Over Recovery	(683,699)

L&P

Accumulation	1,336,292
2nd True-up Under Recovery	112,422
Interest Filed	54,085
Recovery	<u>(1,754,635)</u>
Proposed Adjustment for Over Recovery	(251,837)

Short-Term Borrowing Rate:

	Annual	Monthly
Jun-09	2.30%	0.19%
Jul-09	2.00%	0.17%
Aug-09	1.80%	0.15%
Sep-09	1.80%	0.15%
Oct-09	1.70%	0.14%
Nov-09	1.70%	0.14%

Accumulation

MPS

	Residential	Commercial	Industrial	Gov't-Other	Total Retail	Wholesale	Total
Jun-09	\$ 2,125,303	\$ 1,804,353	\$ 626,213	\$ 387,103	\$ 4,942,972	\$ 13,599	\$ 4,956,571
Jul-09	1,828,869	1,218,314	367,152	245,388	\$ 3,659,723	19,626	3,679,349
Aug-09	2,008,287	1,427,883	512,960	303,932	\$ 4,253,062	22,483	4,275,545
Sep-09	1,772,300	1,517,283	485,632	342,775	\$ 4,117,990	22,563	4,140,553
Oct-09	1,197,935	1,208,790	456,000	253,428	\$ 3,116,153	15,983	3,132,135
Nov-09	558,709	482,514	194,540	102,303	\$ 1,338,066	7,471	1,345,538
Total	\$ 9,491,403	\$ 7,659,137	\$ 2,642,498	\$ 1,634,928	\$ 21,427,966	\$ 101,725	\$ 21,529,691

	Secondary	Primary	
Base energy (Sa) by voltage level	2,918,986,024	2,528,951,103	390,034,921
Loss factors (Lvl)		107.43%	104.19%
Sa adjusted for losses		2,716,927,141	406,365,533
Loss factor weights		87.17%	12.83%
Accumulation by Voltage	\$ 18,767,987	\$ 2,761,704	\$ 21,529,691

Base Energy by Voltage Level Jun 07-Nov 07:

CIS+ Secondary Customers	2,528,951,103
CIS+ Primary Customers - MO716	151,482
CIS+ Primary Customers - MO725	9,765,290
CIS+ Primary Customers - MO735	355,638,478
CIS+ Primary Customers - MO737	10,220,665
Total CIS+ (CS5005Y)	2,904,727,018
Other kWh (unbilled, co use, losses)	35,822,500
Total Wholesale Billings (Primary)	14,259,006
Total kwh	2,954,808,524

MPS
FAC INTEREST CALCULATION

	← Jun-09 Jul-09 →		Accumulation period →		
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09 Nov-09
C/M (Over)/Under Accrued	4,942,972	3,659,723	727,785	4,117,990	1,338,066
C/M (Over)/Under Recovery			4,253,062		
CUMM (Over)/Under Balance	4,942,972	8,602,695	13,583,542	17,701,532	20,817,685.15 22,155,751.35
Monthly STD Rate	0.19%	0.17%	0.15%	0.15%	0.14%
C/M Accrued interest (P/M Bal)	73,028.60	68,411	62,484	64,431	62,818
CUMM Accrued Interest Balance	73,029	141,440	203,924	268,355	330,563
Annual True-up					393,381

MPS Recovery

Total	Recovery												Total Recovered
	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	
Residential	(940,491)	(718,499)	(555,217)	(873,185)	(1,185,953)	(1,317,949)	(1,096,820)	(696,971)	(593,051)	(887,376)	(1,121,913)	(1,051,721)	(11,039,149)
Commercial	(612,670)	(589,019)	(586,251)	(680,310)	(775,785)	(790,468)	(741,747)	(640,663)	(576,221)	(611,277)	(655,123)	(634,254)	(7,873,788)
Industrial	(198,225)	(207,619)	(224,693)	(225,258)	(245,474)	(258,143)	(239,879)	(219,107)	(221,956)	(209,253)	(210,222)	(221,826)	(2,681,856)
Gov't-Other	(130,161)	(122,947)	(121,784)	(142,040)	(154,736)	(165,030)	(153,595)	(138,982)	(118,193)	(129,238)	(134,631)	(126,900)	(1,638,238)
Total	(1,881,548)	(1,638,085)	(1,487,946)	(1,900,794)	(2,361,948)	(2,531,591)	(2,232,041)	(1,695,724)	(1,509,421)	(1,837,144)	(2,121,886)	(2,034,702)	(23,232,831)

Primary voltage

Residential	(34,971)	(39,505)	(39,503)	(43,303)	(41,462)	(44,932)	(52,582)	(45,077)	(42,879)	(41,180)	(40,886)	(44,214)	(510,493)
Commercial	(132,804)	(143,708)	(141,347)	(146,435)	(164,548)	(169,885)	(160,466)	(143,352)	(147,641)	(140,769)	(143,650)	(150,134)	(1,784,739)
Industrial	(33,168)	(36,541)	(33,696)	(47,682)	(53,541)	(57,895)	(48,129)	(39,243)	(36,205)	(34,365)	(34,825)	(35,983)	(491,274)
Gov't-Other	(200,943)	(219,755)	(214,546)	(237,420)	(259,551)	(272,711)	(261,177)	(227,672)	(226,725)	(216,314)	(219,361)	(230,332)	(2,785,506)

Current Period CAF	0.0038	Current Period CAF	0.0027
Previous Period CAF	0.0032	Previous Period CAF	0.0038
Annual CAF	0.0070	Annual CAF	0.0065
Previous Period CAF %	54.2857143%	Previous Period CAF %	58.4615385%

Total Primary before recovery period split

Commercial	(64,420)	(72,773)	(72,768)	(79,768)	(76,378)	(82,769)	(89,943)	(77,105)	(73,345)	(70,439)	(69,937)	(75,629)	(905,274)
Industrial	(244,639)	(264,725)	(260,376)	(269,749)	(303,114)	(312,945)	(274,482)	(245,208)	(252,544)	(240,789)	(245,718)	(256,809)	(3,171,097)
Gov't-Other	(61,099)	(67,313)	(62,072)	(87,838)	(98,628)	(106,649)	(82,325)	(67,126)	(61,930)	(58,783)	(59,566)	(61,550)	(874,880)
Total	(370,159)	(404,811)	(395,216)	(437,353)	(478,120)	(502,363)	(446,750)	(389,439)	(387,819)	(370,011)	(375,223)	(393,989)	(4,951,251)

Secondary voltage

Residential	(940,491)	(718,499)	(555,217)	(873,185)	(1,185,953)	(1,317,949)	(1,096,820)	(696,971)	(593,051)	(887,376)	(1,121,913)	(1,051,721)	(5,591,296)
Commercial	(577,700)	(549,514)	(546,748)	(617,008)	(734,323)	(745,536)	(689,165)	(595,586)	(533,342)	(570,098)	(614,236)	(590,040)	(3,770,828)
Industrial	(65,421)	(63,911)	(83,346)	(78,823)	(80,926)	(88,259)	(79,413)	(75,755)	(74,315)	(68,484)	(66,571)	(71,692)	(460,687)
Gov't-Other	(96,993)	(86,406)	(88,089)	(94,358)	(101,195)	(107,135)	(105,466)	(99,739)	(81,988)	(94,872)	(99,806)	(90,917)	(574,175)
Total	(1,680,605)	(1,418,330)	(1,273,400)	(1,663,374)	(2,102,398)	(2,258,879)	(1,970,865)	(1,468,052)	(1,282,696)	(1,620,830)	(1,902,527)	(1,804,370)	(20,446,325)

Current Period CAF	0.0038	Current Period CAF	0.0027
Previous Period CAF	0.0033	Previous Period CAF	0.0038
Annual CAF	0.0071	Annual CAF	0.0065
Previous Period CAF %	53.5211268%	Previous Period CAF %	58.4615385%

Accumulation

L&P

	Residential	Commercial	Industrial	Gov't-Other	Total Retail
Jun-09	\$ 212,820	\$ 262,924	\$ 215,242	\$ 3,796	\$ 694,782
Jul-09	76,884	74,827	53,180	977	205,868
Aug-09	90,605	93,028	73,163	1,239	258,035
Sep-09	43,973	53,951	49,444	774	148,142
Oct-09	(28,485)	(38,295)	(29,180)	(583)	(96,543)
Nov-09	43,423	43,708	38,154	722	126,008
Total	\$ 439,221	\$ 490,143	\$ 400,003	\$ 6,925	\$ 1,336,292

Base energy (Sa) by voltage level	998,524,700	847,675,142	150,849,558	
Loss factors (Lvl)		108.44%	106.23%	
Sa adjusted for losses		919,245,780	160,249,471	
Loss factor weights		84.12%	15.88%	
Accumulation by Voltage		\$ 1,124,027	\$ 212,265	\$ 1,336,292

4. Base Energy by Voltage Level:

CIS+ Secondary Customers	847,675,142
CIS+ Primary Customers - MO938	3,902,780
CIS+ Primary Customers - MO939	334,124
CIS+ Primary Customers - MO945	78,519,810
CIS+ Primary Customers - MO946	38,085,150
CIS+ Primary Customers - MO947	30,007,694
	-
Total CIS+ (CS5005Y)	998,524,700
Other kWh (unbilled, co use, losses)	27,392,621
Total kWh	1,025,917,321

L&P
FAC INTEREST CALCULATION

	← Jun-09 Jul-09 →		Accumulation period →			
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
C/M (Over)/Under Accrued	694,782	205,868	112,422			
C/M (Over)/Under Recovery			258,035	148,142	(96,543)	126,008
CUMM (Over)/Under Balance	694,782	900,650	1,271,107	1,419,249	1,322,706	1,448,713
Monthly STD Rate	0.19%	0.17%	0.15%	0.15%	0.14%	0.14%
C/M Accrued interest	11,931	10,758	9,014	8,426	7,395	6,562
CUMM Accrued Interest Balance	11,931	22,689	31,702	40,128	47,523	54,085
Annual True-up						

L&P Recovery

	Recovery											Total Recovered
	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
Total L&P												
Residential	(66,137)	(45,545)	(32,545)	(45,198)	(59,343)	(66,832)	(54,541)	(36,710)	(36,523)	(61,444)	(79,214)	(72,546)
Commercial	(50,584)	(47,574)	(42,971)	(49,941)	(54,908)	(57,322)	(55,051)	(48,140)	(43,162)	(49,401)	(53,813)	(49,559)
Industrial	(37,207)	(39,653)	(36,892)	(43,724)	(41,501)	(46,667)	(42,364)	(42,204)	(38,985)	(40,604)	(38,815)	(38,529)
Gov't-Other	(712)	(701)	(697)	(697)	(695)	(699)	(703)	(706)	(713)	(727)	(729)	(709)
Total	(154,640)	(133,473)	(113,105)	(139,559)	(156,447)	(171,520)	(152,659)	(127,761)	(119,383)	(152,177)	(172,570)	(161,343)
												(1,754,635)

Primary voltage

Residential	(9,524)	(8,855)	(7,919)	(8,903)	(9,510)	(10,066)	(9,974)	(9,154)	(7,942)	(8,217)	(8,982)	(8,784)
Commercial	(10,248)	(10,687)	(10,820)	(12,473)	(11,368)	(12,512)	(12,132)	(11,306)	(10,621)	(10,658)	(10,525)	(9,925)
Industrial	-	-	-	-	-	-	-	-	-	-	-	-
Gov't-Other	(19,773)	(19,542)	(18,739)	(21,376)	(20,879)	(22,577)	(22,105)	(20,460)	(18,563)	(18,875)	(19,508)	(18,710)
Total												(241,105)

Current Period CAF 0.0008
Previous Period CAF 0.0004
Annual CAF 0.0012
Previous Period CAF % 66.6666667%

Current Period CAF 0.0014
Previous Period CAF 0.0008
Annual CAF 0.0022
Previous Period CAF % 36.3636364%

Total Primary before recovery period split

Commercial	(14,287)	(13,282)	(11,879)	(13,355)	(14,266)	(15,098)	(27,428)	(25,174)	(21,841)	(22,597)	(24,702)	(24,157)
Industrial	(15,372)	(16,030)	(16,229)	(18,709)	(17,052)	(18,768)	(33,362)	(31,091)	(29,207)	(29,309)	(28,945)	(27,295)
Gov't-Other	(29,658.65)	(29,312.48)	(28,108.51)	(32,063.63)	(31,318.09)	(33,866.05)	(60,789.62)	(56,264.30)	(51,047.92)	(51,906.01)	(53,646.42)	(51,451.75)
Total												(184,327.61)

Secondary voltage

Residential	(66,137)	(45,545)	(32,545)	(45,198)	(59,343)	(66,832)	(54,541)	(36,710)	(36,523)	(61,444)	(79,214)	(72,546)
Commercial	(41,060)	(38,719)	(35,052)	(41,038)	(45,397)	(47,257)	(45,077)	(38,986)	(35,220)	(41,184)	(44,830)	(40,775)
Industrial	(26,959)	(28,966)	(26,072)	(31,251)	(30,133)	(34,156)	(30,232)	(30,899)	(28,364)	(29,947)	(28,289)	(28,604)
Gov't-Other	(712)	(701)	(697)	(697)	(695)	(699)	(703)	(706)	(713)	(727)	(729)	(709)
Total	(134,867)	(113,931)	(94,366)	(118,183)	(135,568)	(148,943)	(130,554)	(107,301)	(100,820)	(133,302)	(163,062)	(142,633)
												(1,513,530)

Current Period CAF 0.0008
Previous Period CAF 0.0004
Annual CAF 0.0012
Previous Period CAF % 66.6666667%

Current Period CAF 0.0014
Previous Period CAF 0.0008
Annual CAF 0.0022
Previous Period CAF % 36.3636364%

**Short-term Borrowing Rate
Fifth Accumulation Period**

As of June 30, 2009

<u>Facility Description</u>	<u>Facility Size</u>	<u>Base Rate</u>	<u>Investment</u>	<u>Total Cost</u>	<u>Weighted Cost</u>
			<u>Grade</u> <u>Margin</u>		
\$400M Revolver	\$400,000,000	1.05%	1.250%	2.300%	2.300%
	\$400,000,000				2.30%

July 31, 2009

<u>Facility Description</u>	<u>Facility Size</u>	<u>Base Rate</u>	<u>Investment</u>	<u>Total Cost</u>	<u>Weighted Cost</u>
			<u>Grade</u> <u>Margin</u>		
\$400M Revolver	\$400,000,000	0.75%	1.250%	2.000%	2.000%
	\$400,000,000				2.00%

August 31, 2009

<u>Facility Description</u>	<u>Facility Size</u>	<u>Base Rate</u>	<u>Investment</u>	<u>Total Cost</u>	<u>Weighted Cost</u>
			<u>Grade</u> <u>Margin</u>		
\$400M Revolver	\$400,000,000	0.55%	1.250%	1.800%	1.800%
	\$400,000,000				1.80%

September 30, 2009

<u>Facility Description</u>	<u>Facility Size</u>	<u>Base Rate</u>	<u>Investment</u>	<u>Total Cost</u>	<u>Weighted Cost</u>
			<u>Grade</u> <u>Margin</u>		
\$400M Revolver	\$400,000,000	0.55%	1.250%	1.800%	1.800%
	\$400,000,000				1.80%

October 30, 2009

<u>Facility Description</u>	<u>Facility Size</u>	<u>Base Rate</u>	<u>Investment</u>	<u>Total Cost</u>	<u>Weighted Cost</u>
			<u>Grade</u> <u>Margin</u>		
\$400M Revolver	\$400,000,000	0.45%	1.250%	1.700%	1.700%
	\$400,000,000				1.70%

November 30, 2009

<u>Facility Description</u>	<u>Facility Size</u>	<u>Base Rate</u>	<u>Investment</u>	<u>Total Cost</u>	<u>Weighted Cost</u>
			<u>Grade</u> <u>Margin</u>		
\$400M Revolver	\$400,000,000	0.45%	1.250%	1.700%	1.700%
	\$400,000,000				1.70%

Note: Rate is 3-month Libor rate from the Federal Reserve web-site.