

Exhibit No. :  
Witness : Michael K. Park  
Type of Exhibit : Surrebuttal Testimony  
Party : City of Lee's Summit, Missouri  
Case No. : ER-2010-0356  
Issue: : Rate Design --- Effect of proposed rate increase on traffic signals, city street lights, leased and otherwise, and current negotiations for leased street lighting system.

CITY OF LEE'S SUMMIT, MISSOURI

Case No. ER-2010-0356

SURREBUTTAL TESTIMONY

OF

MICHAEL K. PARK

City of Lee's Summit, Missouri  
January 12, 2011

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

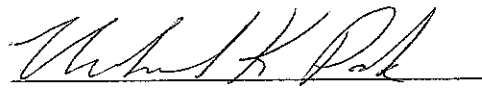
In the Matter of the Application of KCP&L Greater )  
Missouri Operations Company for Approval to Make ) Case No. ER-2010-0356  
Certain Changes in its Charges for Electric Service )

**Affidavit of Michael K. Park**

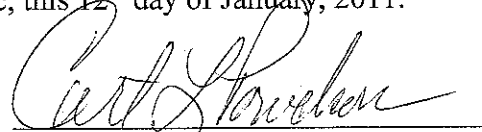
STATE OF MISSOURI )  
) ss.  
COUNTY OF JACKSON )

I, Michael K. Park, of lawful age, being duly sworn, do hereby depose and state:

1. My name is Michael K. Park. I am City Traffic Engineer for the City of Lee's Summit. The City of Lee's Summit, Missouri is an intervenor herein.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.

  
\_\_\_\_\_  
Michael K. Park

Subscribed and sworn to before me, a Notary Public, this 12<sup>th</sup> day of January, 2011.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

CURT L POWELSON Notary Public - Notary Seal State of Missouri Commissioned for Jackson County My Commission Expires: September 07, 2011 Commission Number: 07385807
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1 determine the true cost of service for street lighting. As a consequence, it cannot  
2 establish support for a rate increase in Municipal Street Lighting Service that  
3 assumes material, installation and maintenance costs have increased. As I stated  
4 in my direct testimony, the City's experience with these costs, which cannot be  
5 dissimilar from the Company's, is that they have been steadily declining.

6 **Q. Also on pages 8-9, Mr. Rush explains his concern regarding full cost to serve**  
7 **the municipal street light service. Mr. Rush disagrees with the City's**  
8 **observation, based on his opinion that costs to maintain a skilled workforce,**  
9 **suitable equipment, and purchase commodity materials like conductors and**  
10 **poles have increased. Do you have a response?**

11 A. First, although Mr. Rush believes non-energy cost components of the street  
12 lighting rates have increased, he still does not know by how much. It is fair to  
13 assume, based on Mr. Rush's testimony on pages 8-9 of his rebuttal, that the  
14 Company does not have a detailed study of the municipal street lighting cost of  
15 service. I agree with Mr. Rush: Absent a detailed and thorough study of the  
16 lighting costs it is impossible to know exactly how much the costs to maintain a  
17 skilled workforce, suitable equipment, and purchase commodity materials might  
18 be different from those recovered within the current rate design. The rate  
19 increase, as proposed by GMO, would equally impact all components that make  
20 up the tariff. The rate increase should not be applied to all components of the  
21 tariff equally unless the results of a study show all components require an equal  
22 adjustment to recover individual cost. Otherwise, the Company will be permitted  
23 to recover costs that are not quantifiable and truly unknown.

1       **Q.     On page 9 of his rebuttal, Mr. Rush interprets your recommendation as an**  
2           **attempt to substitute the City’s cost of street light service for the Company’s.**  
3           **Do you agree with this statement?**

4       A.    No, I believe Mr. Rush wrongly ascertains the intent of my recommendation. I do  
5           not recommend substitution of the City’s costs to provide street light service for  
6           the Company’s, rather, as stated in previous testimony, I recommend any rate  
7           increase to the Municipal Street Lighting Service tariffs should not be applied to  
8           the material, installation, and maintenance components that make up the tariff.  
9           This recommendation is based on the City’s experience of similar service and the  
10          lack of study by GMO to justify costs of services sought to recover in the rate  
11          increase. To my knowledge, GMO has not provided detailed information in  
12          support of the rate increase in the MPS Lighting class. Again, in the absence of  
13          this information, there is no way to determine if any cost recovery adjustment is  
14          appropriate and which components of the tariff are applicable. It cannot be  
15          determined which individual parts that make up the tariff (e.g. operating,  
16          maintenance, material, energy, distribution) have reason for adjustment and to  
17          what extent each part should be adjusted.

18       **Q.     Do you agree with Mr. Rush’s statements on page 9 of his rebuttal regarding**  
19           **negotiations between the City and GMO for the sale of street lights?**

20       A.    I agree with Mr. Rush only to the extent this rate case will affect the negotiations.  
21           On page 9 of his rebuttal, Mr. Rush recognizes this rate case will affect the  
22           negotiations, except, in his opinion, the impact will not be any more dramatic than  
23           other factors at play. Mr. Rush was not specific regarding other factors, but as I

1           previously testified, the impact to negotiations would be minimized if the rate  
2           increase does not pertain to non-energy related components of the tariff.

3           **Q. Does the rebuttal testimony of Mr. Rush change or affect the**  
4           **recommendations you made in your direct testimony?**

5           A. No, my recommendations to the Commission are the same. I believe the rebuttal  
6           testimony provided by Mr. Rush, pages 8 and 9, has failed to justify any basis for  
7           cost recovery in the rate increase to MPS Municipal Street Lighting Service.  
8           Further, Mr. Rush acknowledges the impossibility to determine any appropriate  
9           rate increase applicable to street light material, installation and maintenance  
10          absence a detailed study, which to my knowledge has not been completed. I  
11          believe the proposed rate increase to MPS Municipal Street Lighting Service will  
12          adversely impact the City's negotiations with GMO regarding the sale of the  
13          street lighting system. Mr. Rush, in his rebuttal, page 9, acknowledges a rate  
14          increase will impact negotiation, to which extent may or may not be any more  
15          dramatic than other factors. The impact of any rate increase approved by the  
16          Commission could be minimized if the rate increase were not applied to the  
17          material, installation and maintenance components encompassed within the street  
18          light tariff.

19          **Q. Does this conclude your surrebuttal testimony?**

20          A. Yes, it does.