

*Exhibit No.:*  
*Issues:* *Materials and Supplies*  
*Witness:* *Bret G. Prenger*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal Testimony*  
*Case No.:* *ER-2009-0089*  
*Date Testimony Prepared:* *April 7, 2009*

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**BRET G. PRENGER**

**Great Plains Energy, Incorporated**  
**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. ER-2009-0089**

*Jefferson City, Missouri*  
*April 2009*



1           A.     Company witness John Weisensee states on page 18 of his rebuttal testimony  
2 that Company believes the most current balance should be used for the costs of materials and  
3 supplies. Mr. Weisensee provides an example of the methodology used by the Company  
4 within his attached Schedule, JPW-5. This approach used the ending balances for materials  
5 and supplies as the basis of the amount to include in rate base. Staff disagrees with this  
6 approach.

7           Q.     Why does Staff disagree with the Company's approach?

8           A.     Staff believes the Company's approach is inappropriate because within many  
9 of the materials and supplies' accounts there is no distinguishable trend resulting in an  
10 overstatement of the balances that fluctuate. Several of the accounts do not show an upward  
11 trend as KCPL's position would indicate. I have provided a Schedule, BGP-1 that shows the  
12 past 18 months of each individual account balances for materials and supplies. Along with  
13 the balance, an account "Summary"/Analysis is also provided. When reviewing these  
14 accounts, one can see that the balances of some of the accounts have an upward trend over  
15 time while other accounts do not. Staff examined each account for a period of several years  
16 and made a separate determination for each account of what the appropriate level is to include  
17 in KCPL's rate base. A more accurate depiction of the movement is shown by using the  
18 current 18 months. Several of these accounts have shown either a fluctuation or have recently  
19 begun a decreasing trend. Staff believes the most appropriate rate base amount would be  
20 shown by reviewing each individual materials and supplies account.

21          Q.     What was the position Staff presented in its direct case?

22          A.     Staff took a 13-month average of the total materials and supplies as the amount  
23 that should be included in rate base.

1 Q. Has Staff modified its position regarding materials and supplies?

2 A. Yes. Staff has modified its position by looking at each individual account and  
3 determining the proper basis for each individual account. In some instances a 13-month  
4 average is appropriate based on account activity. In other cases, since the account  
5 experienced either an upward or downward trend, the last known level was used. Still others,  
6 an average shorter or longer than 13 months were used because while there was an upward  
7 trend, the accounts still fluctuated.

8 Q. Why has Staff modified its position from the Direct Filing?

9 A. Staff reviewed the rebuttal testimony of Mr. Weisensee and considered his  
10 concerns where appropriate. Staff examined the individual accounts for materials and  
11 supplies and determined in some instances, KCPL's concerns about using an end of period  
12 value for increasing accounts was valid and so reflected this position in Staff's analysis.  
13 However; in reviewing the individual materials and supplies accounts, Staff believes that  
14 there were sufficient differences in those accounts to warrant not using an end of period  
15 balance in all instances. Staff believes an average should be used in those balances which  
16 represented a fluctuation. There were even some accounts where a downward trend was  
17 exhibited. Staff reflected that trend by using an end of period level. At this stage of the  
18 analysis, Staff is using the most recent data available from the January, 2009 levels. This is in  
19 contrast to the September, 2008 cutoff that was used by Staff in the Direct case,  
20 and Mr. Weisensee in his rebuttal testimony. Since there will be a true-up period that will  
21 consist of either a March 31, 2009 or April 30, 2009 cutoff, Staff feels using the latest  
22 January, 2009 balances is more beneficial than using the September cutoff. Staff will examine  
23 materials and supplies in the true-up period and make any modifications deemed appropriate

1 by using the same proposed methodologies in this surrebuttal. Staff will examine each  
2 individual account to determine the amounts to be assigned for materials and supplies  
3 Rate Base.

4 Q. Did the Companies (KCPL/GMO) ever discuss the issue of materials and  
5 supplies with the Staff?

6 A. No. KCPL/GMO did not bring any concerns regarding materials and supplies  
7 to Staff at any time since Staff filed its direct case on February 11 and 13, 2009.  
8 There was never a time that KCPL/GMO made Staff aware of any differences they had with  
9 the level of materials and supplies Staff included in its cases. It was not until Staff saw the  
10 Company's rebuttal testimony that Staff became aware of the concerns that KCPL had with  
11 the level of materials and supplies that was included in rate base. This is the type of issue that  
12 is typically addressed between the parties and usually the differences can be resolved.

13 Had Company approached Staff regarding the differences it had with the direct  
14 position taken by the Company and Staff could likely have been resolved.

15 Q. Does that conclude your surrebuttal testimony?

16 A. Yes, it does.

17

**BEFORE THE PUBLIC SERVICE COMMISSION**


**OF THE STATE OF MISSOURI**

In the Matter of the Application of Kansas City )  
Power and Light Company for Approval to ) Case No. ER-2009-0089  
Make Certain Changes in its Charges for )  
Electric Service To Continue the )  
Implementation of Its Regulatory Plan. )

**AFFIDAVIT OF BRET G. PRENGER**

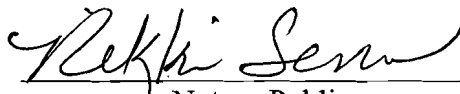
STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

Bret G. Prenger, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 4 (four) pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

  
Bret G. Prenger

Subscribed and sworn to before me this 6<sup>th</sup> day of April, 2009.

NIKKI SENN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Osage County  
My Commission Expires: October 01, 2011  
Commission Number: 07287016

  
Notary Public

**KANSAS CITY POWER LIGHT  
CASE NO. ER-2009-0089  
M&S MONTHLY ACCOUNT BALANCE**

**Material and Supplies Accounts**

Account	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08'	Nov-08'	Dec-08'	Jan-09'	
154100	<b>LAST MONTH ENDING BALANCE USED</b>																	\$376,800
154101	<b>LAST MONTH ENDING BALANCE USED</b>																	\$20
154102	<b>LAST MONTH ENDING BALANCE USED</b>																	\$0
154310	\$3,256,124	\$3,248,052	\$3,246,862	\$3,287,816	\$3,307,511	\$3,298,660	\$3,282,407	\$3,335,255	\$3,336,369	\$3,323,028	\$3,343,842	\$3,335,795	\$3,354,322	\$3,388,778	\$3,412,304	\$3,411,636	\$3,411,688	
154320	\$6,100,640	\$6,480,139	\$6,178,376	\$6,618,012	\$6,902,187	\$6,904,922	\$7,286,991	\$8,020,030	\$9,019,514	\$9,342,165	\$8,715,852	\$8,358,086	\$8,596,833	\$8,059,679	\$8,006,903	\$7,726,961	\$7,740,529	
154326	\$875,514	\$869,014	\$852,114	\$829,429	\$869,683	\$876,779	\$890,101	\$892,196	\$874,513	\$856,488	\$828,256	\$812,672	\$808,510	\$809,175	\$758,827	\$739,117	\$736,478	
154330	\$40,710	\$39,862	\$39,165	\$41,972	\$44,267	\$44,017	\$43,478	\$42,370	\$45,981	\$50,420	\$48,471	\$45,396	\$46,969	\$46,275	\$47,889	\$56,379	\$57,708	
154340	\$35,635	\$32,441	\$30,018	\$30,203	\$29,515	\$33,273	\$31,349	\$30,869	\$34,249	\$31,298	\$34,036	\$33,752	\$34,078	\$34,858	\$38,515	\$34,103	\$36,439	
154362	\$149,254	\$150,475	\$155,490	\$156,097	\$155,678	\$155,880	\$156,464	\$162,711	\$157,078	\$146,041	\$148,887	\$152,027	\$148,051	\$150,113	\$163,684	\$171,667	\$156,646	
154370	\$394,036	\$381,792	\$363,614	\$389,552	\$801,703	\$348,947	\$332,679	\$377,973	\$375,500	\$412,874	\$445,611	\$367,914	\$406,764	\$371,473	\$335,563	\$339,024	\$401,443	
154380	<b>LAST MONTH ENDING BALANCE USED</b>																	\$41,767
154390	<b>LAST MONTH ENDING BALANCE USED</b>																	\$227,205
154396	\$48,115	\$48,527	\$47,591	\$47,155	\$40,811	\$41,809	\$40,827	\$41,142	\$42,340	\$44,145	\$44,695	\$48,092	\$42,923	\$41,390	\$41,747	\$39,506	\$43,339	
154400	\$7,201	\$12,487	\$8,251	\$4,364	\$8,990	(\$688)	(\$13,179)	(\$17,686)	(\$16,119)	(\$17,736)	(\$3,377)	(\$6,093)	(\$5,951)	(\$60,592)	(\$81,213)	\$1,401	\$873	
154401	<b>LAST MONTH ENDING BALANCE USED</b>																	(\$25,205)
154510	<b>LAST MONTH ENDING BALANCE USED</b>																	\$2,558,151
154530	<b>LAST MONTH ENDING BALANCE USED</b>																	\$10,130,355
154540	<b>LAST MONTH ENDING BALANCE USED</b>																	\$6,615,829
154550	<b>LAST MONTH ENDING BALANCE USED</b>																	\$6,086,176
154553	<b>LAST MONTH ENDING BALANCE USED</b>																	(\$730,341)
154555	<b>LAST MONTH ENDING BALANCE USED</b>																	(\$1,095,512)
154570	<b>LAST MONTH ENDING BALANCE USED</b>																	\$18,194,434
154576	<b>LAST MONTH ENDING BALANCE USED</b>																	(\$9,097,217)
154581	<b>LAST MONTH ENDING BALANCE USED</b>																	\$22,068,976
154610														\$2,464	\$1,854	\$2,821	\$4,328	
154620	\$54,139	\$42,962	\$55,995	\$45,105	\$27,612	\$31,366	\$56,974	\$120,934	\$119,989	\$82,747	\$98,219	\$96,461	\$80,496	\$96,851	\$57,495	\$106,534	\$118,360	
154630	\$22,797	\$38,235	\$47,976	\$32,219	\$32,776	\$21,327	\$26,801	\$29,399	\$31,971	\$40,388	\$25,960	\$34,027	\$16,694	\$29,652	\$16,413	\$22,591	\$27,977	
154640	\$34,167	\$33,230	\$18,767	\$37,693	\$39,563	\$41,570	\$25,026	\$35,902	\$40,694	\$42,012	\$37,353	\$45,500	\$48,176	\$45,109	\$29,892	\$35,188	\$30,369	
154650	\$27,542	\$26,492	\$30,853	\$29,927	\$25,504	\$22,621	\$22,250	\$18,724	\$71,181	\$41,915	\$38,694	\$57,082	\$44,877	\$25,798	\$37,331	\$26,163	\$24,786	
154660														\$1,922	\$2,367	\$1,442	\$1,795	
154661															\$2,710	\$2,710	\$2,550	
154662	<b>LAST MONTH ENDING BALANCE USED</b>																	\$4,771
154670												\$69,563	\$48,698	\$46,523	\$28,224	\$32,064	\$21,105	
163020												(\$1,112,429)	(\$2,095,204)	(\$3,008,848)	\$2,923,337	\$2,217,383	(\$5,562,992)	\$649,629
163100	<b>LAST MONTH ENDING BALANCE USED</b>																	\$148,453
163200										(\$6,387)	\$280,443	\$545,260	\$821,949	(\$455,405)	(\$345,547)	\$1,688,716	\$224,649	
163210										\$0	\$3,912	\$16,881	\$2,964	(\$111,487)	(\$107,048)	\$67,868	\$2,964	
163250										\$0	\$55,428	\$99,796	\$182,522	(\$135,433)	(\$58,427)	\$379,585	(\$7,490)	
163300										\$0	\$425,156	\$818,400	\$1,348,831	(\$1,080,908)	(\$617,388)	\$3,061,974	\$599,536	
163310										\$0	\$154,174	\$234,378	\$381,529	(\$231,131)	(\$89,319)	\$720,961	\$104,836	
163320										\$0	(\$2,088)	\$960	\$826	\$2,686	(\$940)	(\$20,305)	\$727	

**Fuel Accounts**

Account	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08'	Nov-08'	Dec-08'	Jan-09'	
154200	<b>LAST MONTH ENDING BALANCE USED</b>																	\$311,648
154201	(\$89,629)	(\$90,666)	(\$72,420)	(\$59,318)	(\$82,743)	(\$88,575)	(\$78,256)	(\$83,633)	(\$80,250)	(\$46,801)	(\$53,274)	(\$48,236)	(\$54,471)	(\$66,787)	(\$67,563)	(\$84,876)	(\$86,411)	
154202															(\$11,852)	(\$15,740)	(\$15,403)	
154203															(\$7,901)	(\$10,493)	(\$10,269)	
154210	<b>LAST MONTH ENDING BALANCE USED</b>																	\$164,486
154211	(\$32,572)	(\$51,382)	(\$45,315)	(\$48,061)	(\$56,564)	(\$66,496)	(\$73,590)	(\$42,845)	(\$63,104)	(\$76,793)	(\$83,299)	(\$73,242)	(\$67,561)	(\$75,970)	(\$70,722)	(\$67,808)	(\$56,811)	

**KANSAS CITY POWER LIGHT  
CASE NO. ER-2009-0089  
M&S NEW ACCOUNT AMOUNT**

**Material and Supplies Accounts**

Account	Descr	New Amount based on 18 month information	
154100	M&S Deposit on Reels	\$376,800.00	LAST MONTH ENDING BALANCE USED
154101	M&S Deposit on Drums	\$20.00	LAST MONTH ENDING BALANCE USED
154102	M&S Deposits for Containers	\$0.00	LAST MONTH ENDING BALANCE USED
154310	M&S Substation Spare Parts	\$3,143,358.23	18 MONTH AVERAGE
154320	M&S F&M Central Stores	\$7,225,434.33	18 MONTH AVERAGE
154326	M&S Emergency Restoration Mtrl	\$736,478.00	LAST MONTH ENDING BALANCE USED
154330	M&S Northland Service Center	\$43,407.16	18 MONTH AVERAGE
154340	M&S Dodson Service Center	\$31,368.42	18 MONTH AVERAGE
154362	M&S Marshall Service Center	\$146,458.01	18 MONTH AVERAGE
154370	M&S Southland Service Center	\$380,358.99	18 MONTH AVERAGE
154380	M&S Johnson Co Service Center	\$41,767.00	LAST MONTH ENDING BALANCE USED
154390	M&S Paola Service Center	\$227,205.00	LAST MONTH ENDING BALANCE USED
154396	M&S Ottawa Service Center	\$41,341.97	18 MONTH AVERAGE
154400	M&S Inter Plant Transfers	(\$9,948.06)	18 MONTH AVERAGE
154401	M&S Inter Unit Transfers	(\$25,205.00)	LAST MONTH ENDING BALANCE USED
154510	M&S CT Maintenance	\$2,558,151.00	LAST MONTH ENDING BALANCE USED
154530	M&S Hawthorn Power Station	\$10,130,355.00	LAST MONTH ENDING BALANCE USED
154540	M&S Montrose Power Station	\$6,615,829.00	LAST MONTH ENDING BALANCE USED
154550	M&S Iatan Power Station	\$6,086,176.00	LAST MONTH ENDING BALANCE USED
154553	M&S Iatan-EDE	(\$730,341.00)	LAST MONTH ENDING BALANCE USED
154555	M&S Iatan - SJLP	(\$1,095,512.00)	LAST MONTH ENDING BALANCE USED
154570	M&S LaCygne Power Station	\$18,194,434.00	LAST MONTH ENDING BALANCE USED
154576	M&S LaCygne-WR	(\$9,097,217.00)	LAST MONTH ENDING BALANCE USED
154581	M&S Wolf Creek Station	\$22,068,976.00	LAST MONTH ENDING BALANCE USED
154610	M&S Veh Fuel Warrensburg	\$2,866.75	4 MONTH AVERAGE
154620	M&S Veh Fuel-F&M	\$71,791.05	18 MONTH AVERAGE
154630	M&S Veh Fuel Northland	\$27,622.31	18 MONTH AVERAGE
154640	M&S Veh Fuel Dodson	\$34,456	18 MONTH AVERAGE
154650	M&S Veh Fuel Johnson County	\$31,763.47	18 MONTH AVERAGE
154660	M&S Veh Fuel St.Joe	\$1,881.50	4 MONTH AVERAGE
154661	M&S Veh Fuel Lee's Summit	\$2,656.67	3 MONTH AVERAGE
154662	M&S Veh Fuel Belton	\$4,771.00	LAST MONTH ENDING BALANCE USED
154670	M&S Veh Fuel Southland	\$41,029.53	6 MONTH AVERAGE
163020	Stores Expense Undistributed	(\$855,589.20)	7 MONTH AVERAGE
163100	Stores Exp Undist-Wolf Crk	\$148,453.00	LAST MONTH ENDING BALANCE USED
163200	Stores Exp Undis-Production	\$344,209.72	8 MONTH AVERAGE
163210	Stores Exp - PPV - Prod	(\$17,706.50)	7 MONTH AVERAGE
163250	Stores Exp -Misc Voucher Items	\$73,711.71	7 MONTH AVERAGE
163300	Stores Exp Undis-T & D	\$650,800.20	7 MONTH AVERAGE
163310	Stores Exp - PPV -T&D	\$182,203.93	7 MONTH AVERAGE
163320	Inventory Adjustments	(\$2,590.49)	7 MONTH AVERAGE
	<b>Total</b>	<b>\$67,832,026</b>	



**KANSAS CITY POWER LIGHT  
CASE NO. ER-2009-0089  
M&S NEW ACCOUNT AMOUNT**

**Fuel Accounts**

Account	Descr		
154200	Fuel Additive-Limestone	\$311,648.00	LAST MONTH ENDING BALANCE USED
154201	Fuel Additive-Limestone-KGE	(\$68,550.51)	18 MONTH AVERAGE
154202	Fuel Additive-Lime-SJLP	(\$14,331.67)	3 MONTH AVERAGE
154203	FuelAdditive-Limestone-EDE	(\$9,554.33)	3 MONTH AVERAGE
154210	Fuel Additive-Ammonia	\$164,486.00	LAST MONTH ENDING BALANCE USED
154211	Fuel Additive-Ammonia-KGE	(\$58,451.96)	18 MONTH AVERAGE
	<b>Total</b>	<b>\$325,246</b>	

