

Exhibit No.:
Issues: Tariff
Witness: Anne Ross
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2009-0089
Date Testimony Prepared: March 11, 2009

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

ANNE ROSS

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2009-0089

**Jefferson City, Missouri
March 2009**

**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 Make Certain Changes in its)
Charges for Electric Service To Continue)
the Implementation of Its Regulatory Plan)

Case No. ER-2009-0089

AFFIDAVIT OF ANNE ROSS

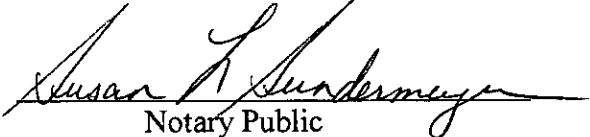
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Anne Ross, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 5 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Anne Ross

Subscribed and sworn to before me this 11th day of March, 2009.



Notary Public

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Anne Ross

1) KCPL will be more definitive regarding discontinuation of the program as detailed below;

2) Customers who voluntarily request discontinuance will be treated the same regarding future participation in the program as customers who are discontinued for other reasons; and

3) An evaluation of the effectiveness of the program will be performed prior to KCPL asking for cost recovery of one half of the program costs.

Q. Have you reviewed KCPL's proposed ERP2 tariff?

A. Yes, I have reviewed proposed Tariff Sheets 6 through 6C.

Q. What is the purpose of this program?

A. As described in the testimony of Company witness Allen D. Dennis, the program is "designed to deliver energy affordability benefits to KCP&L qualifying low-income residential customers." (Dennis, direct, p. 15)

Q. Is this program also being offered in KCPL Greater Missouri Operation Company's (GMO) service territory?

A. Yes. The program will be offered to customers by both KCPL and the GMO companies, with an annual program budget that will support an expected 1,000 participants in the KCPL area, and 1,000 in the GMO area.

Q. What is KCPL's proposed budget for the ERP²?

A. The proposed total annual program budget is \$630,000, with one-half of the funds coming from the shareholders, and the other one-half deferred until KCPL's next rate case, at which time it will be considered for recovery in rates. Administrative costs and the cost of an evaluation will come from program funds

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1 Q. Please describe the ERP².

2 A. This program will provide a monthly \$50 bill credit for KCPL and GMO
3 customers with household incomes of 185% or less of the federal poverty guideline.

4 Q. Does Staff believe that a bill assistance program can be beneficial to the
5 general body of ratepayers, as well as to customers participating in the program?

6 A. Yes. Obviously this program will benefit the customers who participate. In
7 addition, if the program is targeted toward customers who would not otherwise be able to pay
8 their electric bill, the bill credits will have the beneficial effect of decreasing future bad debt
9 expenses, which are factored into the rates paid by all customers.

10 Q. Does Staff have concerns with any of the provisions of the proposed program?

11 A. Yes. In the provisions on ‘DISCONTINUANCE AND REINSTATEMENT,’
12 detailed on proposed Tariff Sheet 6B, the Company lists three circumstances under which
13 KCPL “may” discontinue a participant’s \$50 credit. Staff believes that the word “may” is
14 vague, and that it would be preferable to have a consistent policy spelled out regarding
15 consequences in these situations. This could be accomplished by replacing the word “may”
16 with the word “will” or “shall.”

17 Q. Does Staff have any additional concerns with the tariff language in the
18 ‘DISCONTINUANCE AND REINSTATEMENT’ section on proposed Tariff Sheet 6B?

19 A. Yes, Staff disagrees with the difference in reinstatement policies for customers
20 who leave the program voluntarily, versus those who are removed from the program because
21 their utility service is discontinued for non-compliance with rules and regulations.

22 Q. What is the proposed reinstatement policy concerning customers who
23 voluntarily terminate their participation in the ERP²?

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1 A. According to the proposed tariff, a customer can submit "...a written request to
2 KCP&L asking that the ERP² credit be discontinued." Under these circumstances, the
3 proposal contained in the tariff would provide that such customer "shall be ineligible for
4 participation in the ERP² for the remainder of the term of this experimental program."

5 Q. What is the Company's reason for prohibiting these customers from
6 participating in the program in the future; for example, if their economic situation changes
7 and they wish to participate?

8 A. In Data Request 0523, the Company was asked for the rationale behind a
9 customer being ineligible for reinstatement if they left the program voluntarily. The
10 Company's response was that "[t]he ineligibility of a participant who voluntarily leaves the
11 ERP² is due to the administrative burden of participants entering and leaving the program."

12 Q. What is the reinstatement policy concerning customers who have service
13 discontinued because of nonconformance to the Company's rules and regulations?

14 A. In this situation, proposed Tariff Sheet 6B states that the customer can be
15 reinstated "at the discretion of KCP&L."

16 Q. What is KCPL's reason for treating these two (2) situations differently?

17 A. KCPL's reasoning is not clear. In Data Request 0524, Staff asked the
18 Company to "...explain, and provide examples, showing the difference between these two
19 situations." The Company responded that "[i]f the customer requests to be taken off the
20 program their program participation will be ended. This is a voluntary request. If a
21 participant voluntarily leaves, they would not be eligible due to the administrative burden of
22 participants entering and leaving the program.

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1 Reinstatement applies only to the enumerated point ‘3’ regarding participant non-
2 conformance to rules and regulations.”

3 Q. Does Staff see any reason that a customer who submits a written request to be
4 removed from the program would create more of an administrative burden to the Company
5 than one who did not conform to rules and regulations, and to whom service was
6 discontinued?

7 A. No. The procedures involved with discontinuing service to a customer –
8 written notices, disconnection procedures – would create more of an administrative burden
9 than simply removing a customer from the program at the customer’s request.

10 Q. What is Staff’s recommendation on this reinstatement provision?

11 A. Staff believes that, at the very least, the two (2) groups of customers should be
12 treated the same in terms of their opportunity to access the program in the future.

13 Q. What are Staff’s comments about KCPL’s statement in proposed Tariff Sheet
14 6C that the program “...may be evaluated in any KCP&L rate or complaint case?”

15 A. Staff believes that a third party evaluation studying the effect of the program
16 on the Company’s bad debt level should be a condition of the Company recovering any
17 program funds in future rate or complaint case proceedings. Due to the necessity of collecting
18 adequate pre- and post-program usage information on participants, it may not be possible to
19 evaluate the program in the next rate or complaint proceeding, in which case the decision as to
20 whether the Company would be allowed to recover these deferred expenses should be delayed
21 until a program evaluation is performed.

22 Q. Does this conclude your rebuttal testimony?

23 A. Yes.

Anne E. Ross

EDUCATION

Bachelor of Science – Business Administration
University of Missouri, Columbia, MO – May 1986

Master of Science – Business Administration
University of Missouri, Columbia, MO – May 1989

PROFESSIONAL EXPERIENCE

Missouri Public Service Commission
Regulatory Economist II
September 1989 – Present

Member – Missouri Weatherization Policy Advisory Committee
2004 - Present

CASE PARTICIPATION

Case Number	Company Name	Testimony Issues
GR-90-50	Kansas Power and Light	Class Cost-of-Service
GR-90-120	Laclede Gas Company	Class Cost-of-Service
GR-90-152	Associated Natural Gas	Class Cost-of-Service
GR-90-198	Missouri Public Service	Class Cost-of-Service
GR-91-249	United Cities Gas Company	Class Cost-of-Service
GR-91-291	Kansas Power and Light	Class Cost-of-Service
GR-92-165	Laclede Gas Company	Class Cost-of-Service
GR-93-42	St. Joseph Light and Power	Class Cost-of-Service
GR-93-47	United Cities Gas Company	Class Cost-of-Service
GR-93-172	Missouri Public Service	Class Cost-of-Service
GR-93-240	Western Resources	Class Cost-of-Service
GR-94-0220	Laclede Gas Company	Class Cost-of-Service
GA-94-0127	Tartan Energy Company	Reviewed Application
GR-95-0160	United Cities Gas Company	Class Cost-of-Service
GR-96-0193	Laclede Gas Company	Class Cost-of-Service
GR-96-0285	Missouri Gas Energy	Class Cost-of-Service
GR-99-0042	St. Joseph Light and Power	Class Cost-of-Service

CASE PARTICIPATION (cont'd)

Case Number	Company Name	Testimony Issues
GR-2002-0356	Laclede Gas Company	Class Cost-of-Service, Large Customer Analysis
GR-2003-517	AmerenUE	Class Cost-of-Service, Large Customer Analysis, Low-Income Customer Assistance
GR-2004-0072	Aquila Networks	Class Cost-of-Service, Large Customer Analysis, Low-Income Customer Assistance
GR-2004-0209	Missouri Gas Energy	Class Cost-of-Service, Large Customer Analysis, Low-Income Customer Assistance
GR-2005-0284	Laclede Gas Company	Class Cost-of-Service, Large Customer Analysis, Low-Income Customer Assistance
GR-2006-0387	Atmos Energy Corporation	Large Customer Analysis, Rate Design, Customer Conservation Programs
GR-2006-0422	Missouri Gas Energy	Large Customer Analysis, Rate Design, Customer Conservation Programs
GR-2007-0003	AmerenUE	Large Customer Analysis, Rate Design, Customer Conservation Programs
GR-2007-0208	Laclede Gas Company	Large Customer Analysis, Rate Design, Low-Income Customer Assistance
GR-2008-0060	Missouri Gas Utilities	Rate Design, Low-Income Customer Assistance, Customer Conservation Programs
HR-2008-0030	Trigen – Kansas City	Large Customer Annualization
HR-2009-0092	KCP&L Greater Missouri Operations Company	Rate Design