

Exhibit No.:
Issues: Tariff
Witness: Anne Ross
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2009-0090
Date Testimony Prepared: March 13, 2009

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

ANNE ROSS

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2009-0090

**Jefferson City, Missouri
March 2009**

**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 Certain)
Changes in its Charges for Electric)
Service.)

Case No. ER-2009-0090

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 6 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.

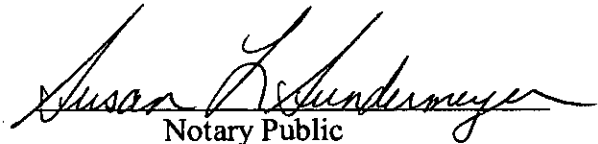


Anne Ross

Subscribed and sworn to before me this 13th day of March, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public

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Anne Ross

1 regarding the situation in which a customer's participation can be discontinued, the Program
2 parameters regarding the reinstatement of customers who have voluntarily discontinued their
3 participation in the Program versus those who were removed from the Program because of
4 violations of the Company's rules and regulations are not consistent, and evaluation of the
5 Program's effectiveness is not a prerequisite to GMO seeking recovery through rates of one-
6 half of the Program costs in a future rate case. If GMO's ERP² is modified to adequately
7 address Staff's concerns, Staff would recommend the Commission approve the Program, as
8 modified.

9 Q. Have you reviewed GMO's proposed ERP²?

10 A. Yes, I have reviewed the tariff language describing the proposed Program
11 which is found in proposed Tariff Sheets 128 through 135.

12 Q. What is the purpose of this Program?

13 A. As described in the testimony of Company witness Allen D. Dennis, the
14 Program is "designed to deliver energy affordability benefits to GMO qualifying low-income
15 residential customers." (Dennis, Direct, p. 9)

16 Q. Is Kansas City Power and Light Company (KCPL) also proposing to offer the
17 same Program in its service territory?

18 A. Yes. GMO and KCPL both are proposing to offer the same program to their
19 low-income residential customers. The parameters of the programs are identical.

20 Q. What annual budget does GMO propose for the ERP², how does the Company
21 propose the Program be funded, and how many customers does GMO anticipate will
22 participate?

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1 A. The proposed total annual program budget is \$630,000, with one-half of the
2 funds coming from the shareholders, and the other one-half being deferred until GMO's next
3 rate case, at which time the Company proposes that the deferred funds be considered for
4 recovery in rates. Administrative costs and the cost of an evaluation will come from program
5 funds. GMO anticipates 1,000 customers will participate in the Program.

6 Q. Please describe the ERP².

7 A. This is an experimental pilot program available for a period of three (3) years
8 that will provide a monthly \$50 bill credit for GMO customers with household incomes of
9 185% or less of the federal poverty guideline.

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

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

16 Q. Does Staff have concerns with any of the provisions of the proposed Program?

17 A. Yes. In the provisions on 'DISCONTINUANCE AND REINSTATEMENT,'
18 detailed on proposed Tariff Sheets 130 and 134, the Company lists three (3) circumstances
19 under which GMO "may" discontinue a participant's participation in the Program. Staff
20 believes that the word "may" is vague, and that it would be preferable to have a consistent
21 policy spelled out regarding consequences in this situation. This could be accomplished by
22 replacing the word "may" with the word "will" or "shall."

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1 Q. Does Staff have any additional concerns with the tariff language in the
2 'DISCONTINUANCE AND REINSTATEMENT' section on proposed Tariff Sheets 130 &
3 134?

4 A. Yes, Staff disagrees with the difference in reinstatement policies for customers
5 who leave the Program voluntarily, versus those who are removed from the Program because
6 their utility service is discontinued for non-compliance with the Company's rules and
7 regulations.

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

10 A. According to the tariff, a customer can submit "...a written request to GMO
11 asking that the ERP² credit be discontinued." Under these circumstances, the proposal
12 contained in the tariff would provide that such customer "shall be ineligible for participation
13 in the ERP² for the remainder of the term of this experimental program."

14 Q. What is the Company's reason for prohibiting these customers from
15 participating in the Program in the future; for example, if their economic situation changes
16 and they wish to participate?

17 A. In Staff Data Request 0523 in Case No. ER-2009-0089 which requested
18 information about the identical KCPL program proposal, Staff asked KCPL for the rationale
19 behind a customer being ineligible for reinstatement if they left the Program voluntarily. The
20 Company's response was that "[t]he ineligibility of a participant who voluntarily leaves the
21 ERP² is due to the administrative burden of participants entering and leaving the program."

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1 Q. What is the Company's proposed reinstatement policy concerning customers
2 who have service discontinued because of nonconformance with GMO's rules and
3 regulations?

4 A. In this situation, Tariff Sheet 10 and 134 state that the customer can be
5 reinstated "at the discretion of GMO."

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

7 A. GMO's reasoning is not clear. In Staff Data Request 0524 in Case No. ER-
8 2009-0089, Staff asked the Company to "...explain, and provide examples, showing the
9 difference between these two situations." The Company responded that "[i]f the customer
10 requests to be taken off the program their program participation will be ended. This is a
11 voluntary request. If a participant voluntarily leaves, they would not be eligible due to the
12 administrative burden of participants entering and leaving the program.

13 Reinstatement applies only to the enumerated point '3' regarding participant non-
14 conformance to rules and regulations."

15 Q. Does Staff see any reason that a customer who submits a written request to be
16 removed from the Program would create more of an administrative burden to the Company
17 than one who did not conform to the Company's rules and regulations, resulting in their
18 service being discontinued?

19 A. No. The procedures involved with discontinuing service to a customer –
20 written notices, disconnection procedures – would create more of an administrative burden
21 than simply removing a customer from the Program at the customer's request.

22 Q. What is Staff's recommendation on this reinstatement provision?

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1 A. Staff believes that, at the very least, the two (2) groups of customers should be
2 treated the same in terms of their opportunity to access the Program more than one time.

3 Q. What are Staff's comments about GMO's statement in proposed Tariff Sheets
4 131 and 135 that the Program "...may be evaluated in any GMO rate or complaint case?"

5 A. Staff believes that a third party evaluation studying the effect of the Program
6 on the Company's bad debt level should be a condition of the Company recovering any
7 program funds in future rate or complaint case proceedings. Due to the necessity of collecting
8 adequate pre- and post-program usage information on participants, it may not be possible to
9 evaluate the Program in the next rate or complaint proceeding, in which case the decision as
10 to whether the Company would be allowed to recover these deferred expenses should be
11 delayed until a program evaluation is performed.

12 Q. Does this conclude your rebuttal testimony?

13 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
ER-2009-0089	Kansas City Power and Light Company	Low-Income Customer Assistance Program