

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

In the Matter of the Application of Kansas City)	
Power & Light Company for Approval to Make)	
Certain Changes to its Charges for Electric)	<u>Case No. ER-2009-0089</u>
Service to Continue the Implementation of its)	Tariff No. JE-2009-0192
Regulatory Plan)	

STAFF’S MOTION FOR LEAVE TO FILE REPLACEMENT TESTIMONY

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Motion for Leave to File Replacement Testimony* states as follows:

1. On March 11, 2009, in Case No. ER-2009-0089, Staff filed a document as the Rebuttal Testimony of Anne Ross, concerning KCPL’s proposal to initiate an Economic Relief Pilot Program (ERP²).

2. Through an inadvertent error, the document filed in the Commission’s Electronic Filing and Information System (EFIS) is a draft of her rebuttal testimony rather than the rebuttal testimony that was intended to be filed in this matter.

3. The rebuttal testimony that should have been filed March 11, 2009 is attached. The attached testimony substantively has the same recommendations to the ERP² as the draft testimony filed March 11, 2009 and differs from that draft only in the structure and presentation of Staff’s position regarding KCPL’s proposed ERP².

4. Staff apologizes for any inconvenience its error may have caused any party; however, because the substance of Staff’s position regarding the ERP² was presented March 11, 2009 in the draft of Ms. Ross’ rebuttal testimony, no party will be

prejudiced by this late-filing of the attached iteration of the rebuttal testimony of Staff witness Anne Ross that had been intended to be filed.

WHEREFORE, Staff requests the Commission grant Staff leave to file the iteration of rebuttal testimony of Staff witness Anne Ross in this matter that Staff had intended to file on March 11, 2009.

Respectfully submitted,

/s/ Eric Dearmont

Eric Dearmont
Assistant General Counsel
Missouri Bar No. 60892

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of March, 2009.

/s/ Eric Dearmont

Exhibit No.:
Issues: Tariff
Witness: Anne Ross
Sponsoring Party: MO PSC Staff
Type of Exhibit: Replacement Rebuttal
Testimony
Case No.: ER-2009-0089
Date Testimony Prepared: March 31, 2009

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REPLACEMENT REBUTTAL TESTIMONY

OF

ANNE ROSS

KANSAS CITY POWER AND LIGHT COMPANY

CASE NO. ER-2009-0089

Jefferson City, Missouri
March 2009

Replacement Rebuttal Testimony of
Anne Ross

1 the situation in which a customer's participation can be discontinued, the Program parameters
2 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 KCPL seeking recovery through rates of one-
6 half of the Program costs in a future rate case. If KCPL'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 KCPL's proposed ERP²?

10 A. Yes, I have reviewed the tariff language describing the proposed Program
11 which is found in proposed Tariff Sheets 6 through 6C.

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 KCP&L qualifying low-
15 income residential customers." (Dennis, Direct, p. 15)

16 Q. Is KCP&L – Greater Missouri Operations Company (GMO) also proposing to
17 offer the same Program in its service territory?

18 A. Yes. KCPL and GMO 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 KCPL propose for the ERP², how does the Company
21 propose the Program be funded, and how many customers does KCPL anticipate will
22 participate?

Replacement Rebuttal Testimony of
Anne Ross

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 KCPL'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. KCPL 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 KCPL 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 Sheet 6B, the Company lists three (3) circumstances under which
19 KCPL "may" discontinue a participant's participation in the Program. Staff believes that the
20 word "may" is vague, and that it would be preferable to have a consistent policy spelled out
21 regarding consequences in this situation. This could be accomplished by replacing the word
22 "may" with the word "will" or "shall."

Replacement Rebuttal Testimony of
Anne Ross

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

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

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

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

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

16 A. In Staff Data Request 0523, Staff asked KCPL for the rationale behind a
17 customer being ineligible for reinstatement if they left the Program voluntarily. The
18 Company’s response was that “[t]he ineligibility of a participant who voluntarily leaves the
19 ERP² is due to the administrative burden of participants entering and leaving the program.”

20 Q. What is the Company’s proposed reinstatement policy concerning customers
21 who have service discontinued because of nonconformance with KCPL’s rules and
22 regulations?

Replacement Rebuttal Testimony of
Anne Ross

1 A. In this situation, Tariff Sheet 6B states that the customer can be reinstated “at
2 the discretion of KCP&L.”

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

4 A. KCPL’s reasoning is not clear. In Staff Data Request 0524, Staff asked the
5 Company to “...explain, and provide examples, showing the difference between these two
6 situations.” The Company responded that “[i]f the customer requests to be taken off the
7 program their program participation will be ended. This is a voluntary request. If a
8 participant voluntarily leaves, they would not be eligible due to the administrative burden of
9 participants entering and leaving the program.

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

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

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

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

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

22 Q. What are Staff’s comments about KCPL’s statement in proposed Tariff Sheet
23 6C that the Program “...may be evaluated in any KCP&L rate or complaint case?”

Replacement Rebuttal Testimony of
Anne Ross

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

8 Q. Does this conclude your rebuttal testimony?

9 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