

Exhibit No.:
Issue: PGA and Tariffs
Witness: Shaw
Type of Exhibit: Rebuttal
Sponsoring Party: MoPSC Staff
Case No.: GR-91-291

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY OPERATIONS DIVISION

THE KANSAS POWER & LIGHT COMPANY
CASE NO. GR-91-291

REBUTTAL TESTIMONY
OF
THOMAS A. SHAW

Jefferson City, Missouri
September, 1991

FILED
SEP 26 1991
PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

THOMAS A. SHAW

THE KANSAS POWER AND LIGHT COMPANY

CASE NO. GR-91-291

Q. Please state your name and business address.

A. My name is Thomas A. Shaw and my business address is 301 West High, Truman State Office Building, Room 530, P.O. Box 360, Jefferson City, MO 65102.

Q. Are you the same Thomas A. Shaw who previously filed direct testimony in Case No. GR-91-291?

A. Yes, I am.

Q. Mr. Shaw, what is the purpose of your testimony?

A. The purpose of my testimony is to rebut various tariff changes proposed by Mr. Larry Willer of The Kansas Power and Light Company (KPL or Company) regarding modifications to approved tariffs currently on file with the Missouri Public Service Commission (MPSC or Commission).

Q. Could you please identify these tariff changes?

A. Specifically, I will address Mr. Willer's proposal of replacing current tariff language regarding "customer charge" to reflect "basic service charge". Additionally, I will discuss the demand charge allocation between the Firm and Interruptible customer classes proposed to be recovered through the Purchased Gas Adjustment (PGA) Clause.

Q. Please explain Mr. Willer's proposed "basic service charge".

A. In KPL's minimum filing requirements, Mr. Willer submitted proposals which would modify MPSC-approved tariff language regarding "customer charges" and would replace such language in each instance with his "basic service charge".

Q. Does Mr. Willer identify or provide any evidence supporting the necessity of such modifications?

A. No. On Page 4 of his Direct Testimony, Mr. Willer provides his definition of "customer charge" and provides examples of various costs that could be included in the development of such rate. He does not provide a definition or explanation of "basic service charge", but continually uses these terms interchangeably throughout his testimony and proposed tariffs.

Attached as Schedule 1 is Data Information Request (DR) No. 3501, which requests that Mr. Willer explain any difference between basic service and customer charge as contained in his direct testimony and proposed tariffs. His response to this DR was, in part, "There is no difference between basic service and customer charge as contained in the direct testimony and proposed tariffs".

Q. Is the term "customer charge" used commonly throughout this proceeding?

A. Yes. Each party, including KPL, that presented rate design testimony has provided their definition of "customer charge" and identified examples of costs that may be included within this rate. Additionally, no party presenting testimony defined or supported any "basic service charge" and only Mr. Willer uses these terms interchangeably.

Q. What is your recommendation regarding the MPSC-approved tariff language with respect to "customer charge" and KPL's proposal to replace such wording with "basic service charge"?

A. The language "customer charge" should not be modified for the reasons previously stated and the unnecessary burden for both KPL and the Staff of the Missouri Public Service Commission (Staff) to identify and replace each tariff referencing such language.

Q. What are PGA-related demand charges?

A. Included in the total cost of purchased gas to be recovered through the MPSC-approved PGA factors is a FERC-authorized rate applied to contracted demand volumes from each pipeline supplier. These demand costs are then allocated between the Firm and Interruptible customer classes, subject to an Actual Cost Adjustment audit performed annually by Staff.

Q. What occurs by reallocating demand volumes from the Firm to Interruptible customer class?

A. The effect of such a reallocation would be to shift some portion of total purchased gas costs to be recovered through the PGA factors from the Firm to the Interruptible class.

Q. Did KPL present testimony discussing the need to reallocate these demand volumes?

A. No. The direct testimony of Company witnesses did not address or support any basis for reallocation of demand volumes. This reallocation was only noted when comparing Staff's draft of the PGA billing determinants with the proposed tariffs included in KPL's Minimum Filing Requirements.

Q. Were the demand volumes approved by the Commission in KPL's prior rate case, GR-90-50?

A. Yes. Because the current PGA determinants are contained in MPSC-approved tariffs as the result of Case No. GR-90-50 with an effective date of May 1, 1990, such demand volumes should be considered just and reasonable unless and until evidence to the contrary is presented and accepted by the MPSC.

Q. What is your recommendation regarding KPL's proposed reallocation of demand volumes included in the PGA?

A. My recommendation would be to disallow such modification due to the reasons previously stated.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

DATA INFORMATION REQUEST
KANSAS POWER & LIGHT COMPANY
CASE NO. GR-91-291

No. 3501

Requested From: LARRY WILLER

Date Requested: June 26, 1991

Information Requested:

Please define "basic service". Additionally, please explain any difference between "basic service" and "customer charge" as contained in your direct testimony and proposed tariffs.

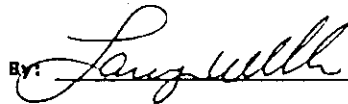
Requested By: Tom Shaw

Information Provided:

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. GR-91-291 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

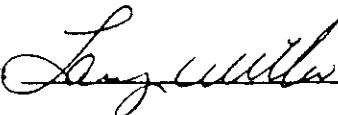
If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the Kansas Power & Light Company, Topeka, Kansas and/or Kansas City, Missouri offices, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By:



Date Response Received:

Prepared By:



DATA INFORMATION REQUEST
KANSAS POWER & LIGHT COMPANY

Missouri Public Service Commission

Case No. GR 91-291

Question: Please define "basic service". Additionally, please explain any difference between "basic service" and "customer charge" as contained in your direct testimony and proposed tariffs.

Response: There is no difference between "basic service" and "customer charge" as contained in the direct testimony and proposed tariffs. The basic service charge partially covers the cost of making natural gas available to customers. It recovers the costs of billing, record keeping, meter reading, customer-related investment and return on customer-related investment.

Date:

7/17/91

Prepared by:

Lay with

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of The Kansas Power and Light)
Company of Topeka, Kansas, for authority to)
file tariffs increasing rates for gas service) Case No. GR-91-291
provided to customers in the Missouri service)
area of the Company.)

AFFIDAVIT OF THOMAS A. SHAW

State of Missouri)
County of Cole) ss
County of Cole)

Thomas A. Shaw, of lawful age, on his oath states: That he has participated in the preparation of the foregoing rebuttal testimony in question and answer form, consisting of 4 pages and 1 schedule, to be presented in this case; that the answers in the foregoing rebuttal testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Thomas A. Shaw
Thomas A. Shaw

Subscribed and sworn to before me this 24th day of September, 1991.

Jay C. Neuner
Notary Public

My Commission expires

June 18, 1993