

Company Name: KCPL MO
Case Description: 2010 KCPL Rate Case
Case: ER-2010-0355

Response to Data Request – Set MGE_20101214
Date of Response: 12/27/2010

Question No. :7-9

Please provide a copy of the computation Gary L. Goble refers to at page24, lines 15-16, of his Rebuttal Testimony.

RESPONSE:

Attached is the requested information. As a point of clarification, please note that the purpose and intent of this schedule is to demonstrate that the results of MGE witness Mr. Reed's analysis are neither accurate nor reliable. Mr. Goble's schedules are not offered as proof of the costs and benefits of the various tests, but to demonstrate that using Mr. Reed's analyses with corrections to known errors fails to support MGE's proposed fuel switching proposal. Mr. Goble has modified Mr. Reed's analyses to rebut the conclusions reached by Mr. Reed that the benefits exceed the costs of electric to gas substitution proposal. However, neither Mr. Goble nor KCP&L believe that the usage amounts employed in the attachment are accurate representations of KCP&L data. Mr. Goble has employed these amounts merely to illustrate the problems with Mr. Reed's analyses. As stated by Mr. Goble on page 17, lines 7-16:

The data are neither accurate nor reliable as described in Section IV below, most of the information employed by MGE witness Mr. Reed in support of his recommendations relies upon data that does not represent KCP&L's service territory, KCP&L's operating characteristics, or KCP&L customer characteristics. Numerous parties have identified serious flaws in the use of this information. In my opinion, the quality and accuracy of the data and analyses employed by Mr. Reed are unreliable that the results of these analyses are not credible. The potential consequences of adopting MGE's proposed subsidy are sufficiently great that it would be imprudent to rely upon unreliable and erroneous data to support such an action by the Commission.

Attachment:
Q7-9 Cost Savings.pdf
Q7-9 MO Verification.pdf

Kansas City Power and Light
Electric to Gas Substitution
Simplified Example of First Year Rate Payer Cost Savings
Water Heating and Space Heating

NOTE: THE DATA BELOW ARE INTENDED ONLY TO ADDRESS MGE'S ANALYSES.

THESE DATA DO NOT REFLECT THE ACTUAL USAGE OF KCP&L CONSUMERS.

Water Heating

	Consumption {2}{3}	Price {1}	Operating Cost
Gas - CGA Charge/ MMBtu	25.40	\$ 8.09	\$ 205.53
Delivery Charge, Monthly		\$ 26.88	\$ 322.56
Total Gas			\$ 528.09
Electric/kWh	4,865	\$ 0.0658	\$ 320.29
Savings			\$ (207.79)

Space Heating (w/o Water Heating)

	Consumption {2}{3}	Price {1}	Operating Cost
Gas /MMBtu	74.30	\$ 8.09	\$ 601.20
Delivery Charge, Monthly		\$26.88	\$ 322.56
Total Gas			\$ 923.76
Electric /KWh	17,986	\$ 0.0463	\$ 831.87
Savings			\$ (91.89)

Space Heating (Incremental to Water Heating)

	Consumption {2}{3}	Price {1}	Operating Cost
Gas /MMBtu	74.30	\$ 8.09	\$ 601.20
Electric /KWh	17,986	\$ 0.0463	\$ 831.87
Savings			\$ 230.67

NOTES:

1. Source: Gas prices based on current MGE Tariff and 10/13/10 proposed CGA Electric prices based on weighted average of seasonal rates for space and water heating rates in current KCPL tariff.
2. Gas MMBtu consumption numbers obtained from Reed's Table 1, page 10.
3. Electric consumptions are calculated by converting the gas MMBtu into kWh using a ratio of 0.003412 kWh/MMBtu. These values do not reflect the actual consumption observed by KCP&L customers.