

Exhibit No.:

Issues:	Rate Design and Miscellaneous Tariff Issues
Witness:	James C. Watkins
Sponsoring Party:	MO PSC Staff
Type of Exhibit:	Direct Testimony
Case No.:	HR-2008-0300
Date Testimony Prepared:	August 15, 2008

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

JAMES C. WATKINS

TRIGEN KANSAS CITY ENERGY CORPORATION

CASE NO. HR-2008-0300

Jefferson City, Missouri

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

In the Matter of the Tariff Filing of Trigen-)
Kansas City Energy Corporation to)
Implement a General Rate Increase for)
Regulated Steam Heating Service Provided)
to Customers in the Company's Missouri)
Service Area)

Case No. HR-2008-0300

AFFIDAVIT OF JAMES C. WATKINS

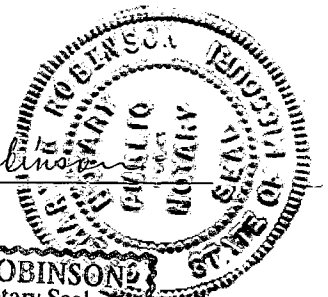
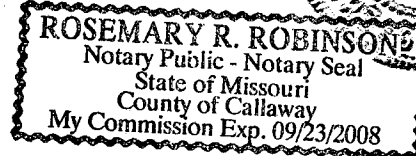
STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

James C. Watkins, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 3 pages of Direct Testimony to be presented in above case, that the answer in the following Direct 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.


JAMES C. WATKINS

Subscribed and affirmed before me this 13th day of August 2008.


NOTARY PUBLIC



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DIRECT TESTIMONY

OF

JAMES C. WATKINS

TRIGEN KANSAS CITY ENERGY CORPORATION

CASE NO. HR-2008-0300

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1 A. The purpose of this testimony is to sponsor the Staff's recommendations
2 regarding the appropriate rate design for recovering Trigen Kansas City Energy Corporation's
3 (Trigen) cost of service and various miscellaneous tariff issues.

4 Q. What are the Staff's recommendations?

5 A. First, the Staff is recommending that class revenues be adjusted to collect any
6 increase in Trigen's revenue requirement granted by the Commission on the basis of an equal-
7 percent-of-current-rate-revenues and that Trigen's proposed rate structures be adopted.

8 Second, the Staff recommends that certain rules and regulations should be
9 implemented or modified. Specifically:

- 10 1. A Non-Sufficient Funds Charge (NSF or Bad Check Charge) is not needed at
11 this time.
- 12 2. Interest on Customers' Deposits should be linked to the Prime Rate, as
13 published in the Wall Street Journal as of the last date of publication for the
14 preceding year
- 15 3. Estimation of Billing Adjustments due to incorrectly recording meters should
16 be consistent with the Commission's rules
- 17 4. Customers should be required to pay a Termination Fee if they terminate
18 service within the first 48 months of service.
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23 The details of these recommendations are found in the Staff's Rate Design and
24 Miscellaneous Tariff Issues Report.

25 **RELIANCE ON OTHER STAFF**

26 Q. What reliance did you place on other Staff members?

27 A. Experts typically rely on the work of others to determine the appropriate class
28 revenue shifts to more closely align class revenues with the cost of serving each class, and the
29 related changes to the rate components of each tariff. I did so respecting Staff's direct case. I

Direct Testimony of
James C. Watkins

1 | relied on Mr. Curt Wells and Mr. Michael Ensrud for preparing the Staff's Rate Design and
2 | Miscellaneous Tariff Issues Report filed in this case. The Report is based on their work and
3 | analysis performed in this case. This work was performed under my general supervision, but
4 | was directly supervised by senior staff with extensive rate design experience. Based on my
5 | experience working with them, my familiarity with the quality of the work products they
6 | produce, and my own experience with class cost of service and rate design issues, the analysis
7 | presented in the report is reasonable and reliable for determining the Staff's rate design
8 | recommendations.

9 | Q. Does this conclude your direct testimony?

10 | A. Yes, it does.

Case List

1. The Empire District Electric Company	Case No. ER-83-42
2. Kansas City Power & Light Company	Case No. ER-83-49
3. Union Electric Company	Case No. ER-83-163
4. Arkansas Power & Light Company	Case No. ER-83-206
5. The Empire District Electric Company	Case No. ER-83-364
6. Kansas City Power & Light Company	Case No. EO-84-4
7. Union Electric Company	Case No. EO-85-17
8. Arkansas Power & Light Company	Case No. ER-85-20
9. Arkansas Power & Light Company	Case No. EO-85-146
10. Union Electric Company	Case No. ER-85-160
11. Kansas City Power & Light Company	Case Nos. ER-85-128 & EO-85-185
12. Arkansas Power & Light Company	Case Nos. ER-85-265 & ER-86-4
13. Union Electric Company	Case Nos. EC-87-114 & EC-87-115
14. St. Joseph Light & Power Company	Case No. HR-88-116
15. Union Electric Company	Case No. EO-87-175
16. Missouri Public Service	Case No. ER-90-101
17. The Empire District Electric Company	Case No. ER-90-138
18. Kansas City Power & Light Company	Case No. EM-91-16
19. St. Joseph Light & Power Company	Case No. EO-88-158
20. The Empire District Electric Company	Case No. EO-91-74
21. Missouri Public Service	Case No. EO-91-245
22. Missouri Public Service	Case No. ER-93-37
23. St. Joseph Light & Power Company	Case No. ER-93-41
24. St. Joseph Light & Power Company	Case No. EO-93-351
25. St. Joseph Light & Power Company	Case No. ER-94-163
26. The Empire District Electric Company	Case No. ER-94-117
27. Citizens' Electric Corporation	Case No. ER-97-286
28. The Empire District Electric Company	Case No. ER-97-81
29. The Empire District Electric Company	Case No. ER-97-491
30. Missouri Public Service	Case Nos. ER-97-394 & ET-98-103
31. St. Joseph Light & Power Company	Case Nos. EC-98-573 & ER-99-247
32. Citizens' Electric Corporation	Case No. ET-99-113
33. Union Electric Company	Case No. EO-96-15
34. Union Electric Company	Case No. EO-2000-580
35. The Empire District Electric Company	Case No. ER-2001-299
36. Missouri Public Service	Case No. ER-2001-672 & EC-2002-265
37. Union Electric Company	Case No. EC-2002-1
38. Citizens' Electric Corporation	Case No. ER-2002-217
39. The Empire District Electric Company	Case No. ER-2001-1074 (ER-2001-425)
40. The Empire District Electric Company	Case No. ER-2002-424
41. Aquila, Inc. (MPS & L&P)	Case Nos. ER-2004-0034 & HR-2004-0024
42. The Empire District Electric Company	Case No. ER-2004-0570
43. Union Electric Company	Case No. EA-2005-0180
44. Aquila, Inc. (MPS & L&P)	Case No. EO-2002-384
45. Aquila, Inc. (MPS & L&P)	Case Nos. ER-2005-0436 & HR-2005-0450
46. Union Electric Company	Case No. ER-2007-0002
47. Aquila, Inc. (MPS & L&P)	Case No. ER-2007-0004
48. Kansas City Power & Light	Case No. ER-2007-0291
49. The Empire District Electric Company	Case No. ER-2008-0093\