

Exhibit No.:  
Issues: Class Cost-of-Service  
Rate Design  
Witness: Walt Cecil  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: ER-2009-0090  
Date Testimony Prepared: March 19, 2009

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**WALT CECIL**

**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

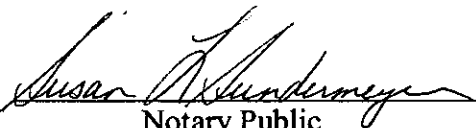
**AFFIDAVIT OF WALT CECIL**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Walt Cecil, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 4 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following 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.

  
\_\_\_\_\_  
Walt Cecil

Subscribed and sworn to before me this 18<sup>th</sup> day of March, 2009.

  
\_\_\_\_\_  
Notary Public

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**REBUTTAL TESTIMONY**

**OF**

**WALT CECIL**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. ER-2009-0090**

13 Q. Please state your name and business address.

14 A. My name is Walt Cecil and my business address is Governor Office Building,  
15 200 Madison Street, Suite 700, P. O. Box 360, Jefferson City, Missouri 65102.

16 Q. Who is your employer and what is your present position?

17 A. I am employed by the Missouri Public Service Commission (Commission) and  
18 serve as a Regulatory Economist in the Commission's Energy Department Economic Analysis  
19 Section, Utility Operations Division.

20 Q. Are you the same Walt Cecil that previously prefled direct testimony in this  
21 case on February 27, 2009?

22 A. Yes.

23 Q. What is the purpose of your testimony?

24 A. The purpose of this testimony is to address certain rate design issues proposed  
25 by Maurice Brubaker in direct testimony filed on February 27, 2009 on behalf of Ag  
26 Processing, Inc., Sedalia Industrial Energy Users Association, Wal-Mart Stores, Inc., and  
27 Whiteman Air Force Base (Industrials). Staff recommends that the Commission not adopt  
28 Mr. Brubaker's rate design because Mr. Brubaker's recommended method would result in  
29 unequal percentage rate increases to the tariff classes.

Q. What methodology does Mr. Brubaker propose?

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Walt Cecil

1           A.     Mr. Brubaker proposes any increase in non-fuel costs would be collected by  
2 applying a uniform percentage increase to each rate component in each tariff that currently  
3 recovers non-fuel costs, and any increase (or decrease) in base rate fuel costs would be  
4 collected by applying a uniform cents/kWh to each of the rate components that are billed on a  
5 kWh basis.

6           Q.     How does Staff support its conclusion that Mr. Brubaker's recommended  
7 method would result in unequal percentage rate increases to the tariff classes?

8           A.     Mr. Brubaker illustrated his proposal in Schedule 2 (L&P) and Schedule 3  
9 (MPS) of his Class Cost-of-Service and Rate Design direct testimony. Using the *Base Rate*  
10 *Revenue at Present Rates* (found in column 1) and *Total Revenue After Increase* (found in  
11 column 10) in both schedules, the percentage increase in revenue was determined for each of  
12 the classes served by each of the companies represented by the schedules. This calculation  
13 shows that the percentage increase in revenues varies by class.

14          Q.     What would be the impact of Mr. Brubaker's proposal on each of the classes  
15 served by GMO?

16          A.     The following tables provide a brief overview of the increases each class  
17 would experience were Mr. Brubaker's proposal adopted.

1

**Table 1**  
**GMO L&P Summary**

<b>Tariff Class</b>	<b>Base Rate Revenue at Present Rates</b>	<b>Total Revenue After Increase</b>	<b>Percentage Increase</b>
Residential	\$54,855,486	\$67,474,448	23.00%
Small General Service	\$9,267,411	\$11,325,828	22.21%
<b>SYSTEM AVERAGE</b>			<b>23.77%</b>
Large General Service	\$22,596,691	\$28,023,609	24.02%
Large Power	\$35,806,356	\$44,906,481	25.41%

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**Table 2**  
**GMO MPS Summary**

<b>Tariff Class</b>	<b>Base Rate Revenue at Present Rates</b>	<b>Total Revenue After Increase</b>	<b>Percentage Increase</b>
Residential	\$251,800,573	\$318,373,272	26.44%
Small General Service	\$67,185,673	\$85,329,721	27.01%
<b>SYSTEM AVERAGE</b>			<b>27.42%</b>
Large General Service	\$57,617,869	\$74,346,479	29.03%
Large Power	\$73,485,713	\$95,696,896	30.23%

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The attached Schedules WC1 (L&P) and WC2 (MPS) detail the impact on each tariff class if Mr. Brubaker's proposal is adopted.

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Q. Why does Staff not support Mr. Brubaker's proposal?

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A. As demonstrated by Schedules WC-1 and WC-2 and by Tables 1 and 2, Mr. Brubaker's proposal results in an interclass shift of revenue responsibilities for services provided by GMO. For both L&P and MPS, the Residential and Small General Service classes receive increases that are less than the system average increase, and the Large General Service and Large Power classes receive increases greater than the system average increase.

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Walt Cecil

1 Any such shift in class revenue responsibility should only occur after performing a class cost-  
2 of-service study that includes the impact of Iatan 2. Such a study has not been offered in this  
3 case. For these reasons, Staff does not support Mr. Brubaker's proposed rate design.

4 Q. What is Staff's position?

5 A. The Staff recommends that any overall revenue increase granted to GMO be  
6 accomplished by an equal percentage increase to each customer class and within each class to  
7 each rate component of each rate schedule.

8 Q. Does this conclude your rebuttal testimony?

9 A. Yes, it does.

## GMO L&P

Rate Schedule	Base Rate Revenue at Present Rates <sup>1</sup>	Total Revenue After Increase <sup>2</sup>	Percentage Increase
MO910-Residential General Use	\$30,690,595	\$37,593,570	22.49%
MO911- Residential General Use	\$178,848	\$218,241	22.03%
MO915- Residential Other Use	\$848,055	\$1,028,201	21.24%
MO920- Residential Electric Space Heating	\$22,630,496	\$28,009,192	23.77%
MO921- Residential Electric Space Heat-Multi.	\$475,139	\$585,286	23.18%
MO922-Res. Space/Water Heating-Separate Met.	\$31,578	\$39,008	23.53%
MO966- Residential Net Metering	\$775	\$950	22.58%
MOSJXX-Street & Private Area Lighting	\$2,760,637	\$3,340,568	21.01%
MO931- General Service-General Use	\$5,869,967	\$7,189,294	22.48%
MO940- Large General Service	\$22,596,691	\$28,023,609	24.02%
MO944- Large Power Service	\$35,806,356	\$44,906,481	25.41%
MO928- General Service-Temporary Service	\$103,583	\$126,211	21.85%
MO930- General Service-Limited Demand	\$3,178,922	\$3,866,478	21.63%
MO941-Non-Res Space/Water Heat-Separate	\$105,837	\$130,839	23.62%
MO971- Outdoor Night Lighting	\$49,102	\$60,015	22.22%
MO973-Steet Lighting & Traffic Signals	\$24,786	\$30,708	23.89%
MO972-Steet Lighting & Traffic Signals	\$38,797	\$48,495	25.00%
Total Revenues	\$125,390,164	\$155,197,145	23.77%

<sup>1</sup> Column 1 in Maurice Brubaker's direct testimony, Schedule 2.

<sup>2</sup> Column 10 in Maurice Brubaker's direct testimony, Schedule 2.

## GMO MPS

Rate Schedule	Base Rate Revenue at Present Rates <sup>1</sup>	Total Revenue After Increase <sup>2</sup>	Percentage Increase
MO815-Residential Other	\$108,675	\$134,780	24.02%
MO860- Residential General Service	\$153,977,062	\$194,001,046	25.99%
MO870- Residential Electric Space Heating	\$97,714,836	\$124,237,446	27.14%
MONXX-Street & Public Area Lighting	\$7,261,696	\$9,001,543	23.96%
MO710- Small General Service-No Demand	\$6,601,675	\$8,305,022	25.80%
MO711-Small General Service-Secondary	\$60,573,399	\$77,011,126	27.14%
MO720- Large General Service-Secondary	\$56,184,022	\$72,491,444	29.03%
MO725- Large General Service-Primary	\$1,433,847	\$1,855,034	29.37%
MO730- Large Power Service- Secondary	\$37,924,886	\$49,286,568	29.96%
MO735- Large Power Service- Primary	\$35,560,827	\$46,410,329	30.51%
MO737- Real Time Pricing Primary LPS	\$1,244,036	\$1,597,742	28.43%
MO650-Thermal Energy Storage	\$423,782	\$552,645	30.41%
MO716-Small General Service-Primary	\$10,599	\$13,573	28.06%
MO728- General Temporary Service	\$381,644	\$471,215	23.47%
MO731- Real Time Pricing Secondary LPS	\$162,399	\$209,507	29.01%
Total Revenues	\$459,563,385	\$585,579,019	27.42%

<sup>1</sup> Column 1 in Maurice Brubaker's direct testimony, Schedule 3.

<sup>2</sup> Column 10 in Maurice Brubaker's direct testimony, Schedule 3.