

Exhibit No.:
Issue: Fuel Adjustment Clause
Witness: Burton L. Crawford
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2014-0370
Date Testimony Prepared: June 5, 2015

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2014-0370

SURREBUTTAL TESTIMONY

OF

BURTON L. CRAWFORD

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

**Kansas City, Missouri
June 2015**

“ [REDACTED] **” Designates “Highly Confidential” Information
Has Been Removed.**

SURREBUTTAL TESTIMONY

OF

BURTON L. CRAWFORD

Case No. ER-2014-0370

1 **Q: Please state your name and business address.**

2 A: My name is Burton L. Crawford. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: Are you the same Burton L. Crawford who pre-filed Direct and Rebuttal Testimony**
5 **in this matter?**

6 A: Yes, I am.

7 **Q: What is the purpose of your Surrebuttal Testimony?**

8 A: The purpose of my testimony is to respond to issues raised by the Missouri Industrial
9 Energy Consumers and the Office of Public Counsel witness James Dauphinais in his
10 Rebuttal Testimony concerning Kansas City Power & Light Company's ("KCP&L" or
11 the "Company") volume of purchased power.

12 **Q: Mr. Dauphinais concludes that KCP&L's normalized annual level of purchased**
13 **power obtained under purchased power agreements and from the Southwest Power**
14 **Pool, Inc. ("SPP") is approximately ** [REDACTED] ** MWh (Dauphinais Rebuttal,**
15 **p.12, ll. 1-4). Do you agree?**

16 A: No.

17 **Q: How did Mr. Dauphinais reach this conclusion?**

18 A: Mr. Dauphinais based this conclusion on the Company's fuel modeling results presented
19 in Schedule BLC-4 of my Direct Testimony in this case.

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1 Q: Is this a correct interpretation of the modeling results presented in Schedule BLC-
2 4?

3 A: No.

4 Q: What do the modeling results in Schedule BLC-4 represent?

5 A: Most of the energy amounts presented in Schedule BLC-4, including the ** [REDACTED] **
6 MWh of purchased power show the results of KCP&L's normalized fuel model run in
7 this case. KCP&L's production cost model (Midas) simulates the operation of the
8 Company's generating fleet under the assumption that KCP&L's lowest cost resources
9 first go to serve KCP&L's load obligations. If energy can be purchased from the
10 wholesale market at a lower cost, it does so. The modeling results were used to
11 determine the appropriate level of fuel costs to include in the Company's cost of service
12 and not the volume or cost of purchased power.

13 Q: Why were the Midas production cost model purchased power results not used in the
14 Company's cost of service for purchased power?

15 A: As more fully explained by Company witnesses Ryan Bresette and John Carlson, under
16 the SPP Integrated Marketplace that started in March 2014, KCP&L now purchases all
17 native load energy requirements through SPP.

18 Q: What is the Company's normalized level of purchased power included in this case?

19 A: In addition to purchased power costs obtained under KCP&L's purchased power
20 agreements, KCP&L included the cost of approximately ** [REDACTED] ** MWh of
21 purchased power in its cost of service. This represents the normalized volume of
22 purchases made through the SPP Integrated Marketplace for KCP&L's native load and
23 firm wholesale obligations. KCP&L priced out this load at the normalized hourly SPP

1 energy market prices to arrive at the cost of purchased power for KCP&L's native load
2 and firm wholesale obligations included in its cost of service.

3 **Q: Does that conclude your Surrebuttal Testimony?**

4 A: Yes, it does.

