

Exhibit No.:
Issues: Overview
Witness: Daniel I. Beck
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No.: ER-2012-0175
Date Testimony Prepared: August 9, 2012

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

DIRECT TESTIMONY

OF

DANIEL I. BECK

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2012-0175

Jefferson City, Missouri
August 2012

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KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2012-0175

13 Q. Please state your name and business address.

14 A. Daniel I. Beck and my business address is Missouri Public Service
15 Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

16 Q. By whom are you employed and in what capacity?

17 A. I am the Utility Regulatory Engineering Supervisor of the Engineering
18 Analysis Section; Energy Unit; Tariff, Safety, Economic and Engineering Analysis
19 Department; Regulatory Review Division with the Missouri Public Service
20 Commission (Commission).

21 Q. Please summarize your credentials.

22 A. Schedule 1, attached to my testimony, is a summary of my credentials which
23 includes a list of cases in which I have previously testified.

24 Q. Please summarize your testimony.

25 A. Cary G. Featherstone and I sponsor Staff's Cost of Service Report and
26 Accounting Schedules in this rate proceeding that are being filed concurrently with this and
27 Mr. Featherstone's testimony. Staff's Cost of Service Report supports Staff's
28 recommendation of the amount of the rate revenue increase for KCP&L Greater Missouri
29 Operations Company (GMO) based on information through the period ending
March 31, 2012, using actual historical information. Staff prepared its revenue requirement

1 results based on actual results through the March 31, 2012 update period. This rate revenue
2 recommendation is found in Staff's separately filed Accounting Schedules.

3 I present an overview of the results of Staff's review of GMO's revenue requirement
4 started in response to GMO's general rate increase request made on February 27, 2012.
5 Several members of the Commission's Staff participated in Staff's examination of GMO's
6 books and records for all the relevant and material components that make up the revenue
7 requirement calculation. These components can be broadly defined as (1) capital structure
8 and return on investment, (2) rate base investment and (3) income statement results, including
9 revenues, operating and maintenance expenses, depreciation expense, and the taxes related to
10 revenues and these expenses, including income taxes. I provide an overview of the Tariff,
11 Safety, Economic and Engineering Analysis Department's work on revenues, on several
12 specific expense items, and on other miscellaneous topics related to the case. Mr.
13 Featherstone's testimony discusses the other components that make up the revenue
14 requirement.

15 Q. Which members of Staff were assigned to this case?

16 A. Several Staff experts from the Tariff, Safety, Economic and Engineering
17 Analysis Department were assigned to this case. Their names follow with a brief description
18 of their contribution to the Staff's Cost of Service Report:

- 19 • Matthew J. Barnes – Fuel Adjustment Clause
- 20 • Alan J. Bax - Losses and Jurisdictional Allocations
- 21 • Dan Beck - Overall Revenue Requirement Results
- 22 • Kim Cox – Large Customer Annualizations
- 23 • Natelle Dietrich – Energy Independence and Security Act of 2007

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- 1 • David W. Elliott – Fuel Modeling and Fuel Model Inputs
- 2 • Randy Gross – KCPL Smart Grid Update
- 3 • Thomas M. Imhoff – Tariff Issues
- 4 • Hojong Kang – Demand-Side Management Program Prudence and High
- 5 Efficiency Street and Area Lighting
- 6 • Robin Kliethermes - Economic Considerations and Large Customer
- 7 Annualizations
- 8 • Shawn E. Lange - Weather Normalization, 365-Days Adjustment, and Fuel
- 9 Model Inputs
- 10 • Erin L. Maloney - Spot Market Prices, Fuel and Purchased Power Cost
- 11 Allocation between Rate Districts
- 12 • Lena M. Mantle – Capacity Planning and Capacity Allocation between Rate
- 13 Districts
- 14 • John A. Rogers - Demand-Side Management Cost Recovery
- 15 • Michael E. Taylor - Renewable Energy Costs, Heat Rate Testing, In-Service
- 16 Testing
- 17 • Henry E. Warren – Low Income Weatherization
- 18 • Curt Wells – Electric Rate Revenues
- 19 • Seoung Joun Won—Weather Normal Variables

20 Each of these Staff experts’ work product was used as a direct input to the various
21 adjustments contained in Staff's Accounting Schedules and revenue requirement
22 recommendation, where applicable.

23 Q. What is your overall responsibility in this case?

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1 A. I am one of two project coordinators assigned to identify the work scope for
2 the case, make Staff assignments, and supervise and oversee all work product development.

3 I specifically supervised all areas assigned to and the responsibility of the Energy Unit.

4 Q. How was information from Staff experts used to develop Staff's revenue
5 requirement recommendation for GMO?

6 A. As examples, Staff experts Karen Lyons, Curt Wells, and Shawn E. Lange
7 worked closely together and are sponsoring the revenue adjustment results.

8 Staff experts David W. Elliott, Erin L. Maloney, Keith A. Majors and Bret G. Prenger
9 worked together in developing the Staff's fuel costs for the GMO Rate Districts.

10 Staff expert Alan J. Bax developed the energy and demand jurisdictional allocators
11 used to allocate cost to the retail operations.

12 Q. Does this August 9, 2012 filing by Staff present all of Staff's direct case?

13 A. No. Staff is scheduled to file its rate design recommendation on
14 August 21, 2012.

15 Q. Does this conclude your direct testimony?

16 A. Yes, it does.

Daniel I. Beck, P.E.

Supervisor of the Engineering Analysis Section of the Energy Unit
Tariff, Safety, Economic and Engineering Analysis Department
Regulatory Review Division

Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

I graduated with a Bachelor of Science Degree in Industrial Engineering from the University of Missouri at Columbia. Upon graduation, I was employed by the Navy Plant Representative Office in St. Louis, Missouri as an Industrial Engineer. I began my employment at the Commission in November, 1987, in the Research and Planning Department of the Utility Division (later renamed the Economic Analysis Department of the Policy and Planning Division) where my duties consisted of weather normalization, load forecasting, integrated resource planning, cost-of-service and rate design. In December, 1997, I was transferred to the Tariffs/Rate Design Section of the Commission's Gas Department where my duties include weather normalization, annualization, tariff review, cost-of-service and rate design. Since June 2001, I have been in the Engineering Analysis Section of the Energy Department, which was created by combining the Gas and Electric Departments. I became the Supervisor of the Engineering Analysis Section, Energy Unit, Tariff, Safety Economic and Engineering Analysis Department, Regulatory Review Division in November 2005.

I am a Registered Professional Engineer in the State of Missouri. My registration number is E-26953.

**List of Cases in which prepared testimony was presented by:
DANIEL I. BECK**

<u>Company Name</u>	<u>Case No.</u>
Union Electric Company	EO-87-175
The Empire District Electric Company	EO-91-74
Missouri Public Service	ER-93-37
St. Joseph Power & Light Company	ER-93-41
The Empire District Electric Company	ER-94-174
Union Electric Company	EM-96-149
Laclede Gas Company	GR-96-193
Missouri Gas Energy	GR-96-285
Kansas City Power & Light Company	ET-97-113
Associated Natural Gas Company	GR-97-272
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Missouri Gas Energy	GT-98-237
Ozark Natural Gas Company, Inc.	GA-98-227
Laclede Gas Company	GR-98-374
St. Joseph Power & Light Company	GR-99-246
Laclede Gas Company	GR-99-315
Utilicorp United Inc. & St. Joseph Light & Power Co.	EM-2000-292
Union Electric Company d/b/a AmerenUE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GR-2001-629
Union Electric Company d/b/a AmerenUE	GT-2002-70
Laclede Gas Company	GR-2001-629
Laclede Gas Company	GR-2002-356
Union Electric Company d/b/a AmerenUE	GR-2003-0517
Missouri Gas Energy	GR-2004-0209
Atmos Energy Corporation	GR-2006-0387
Missouri Gas Energy	GR-2006-0422
Union Electric Company d/b/a AmerenUE	GR-2007-0003
The Empire District Electric Company	EO-2007-0029/EE-2007-0030
Laclede Gas Company	GR-2007-0208
The Empire District Electric Company	EO-2008-0043
Missouri Gas Utility, Inc.	GR-2008-0060
The Empire District Electric Company	ER-2008-0093
Trigen Kansas City Energy Corporation	HR-2008-0300

Union Electric Company d/b/a AmerenUE	ER-2008-0318
Kansas City Power & Light Company	ER-2009-0089
KCP&L Greater Missouri Operations Company	ER-2009-0090
Missouri Gas Energy	GR-2009-0355
The Empire District Gas Company	GR-2009-0434
Union Electric Company d/b/a AmerenUE	ER-2010-0036
Laclede Gas Company	GR-2010-0171
Atmos Energy Corporation	GR-2010-0192
Kansas City Power & Light Company	ER-2010-0355
KCP&L Greater Missouri Operations Company	ER-2010-0356
Union Electric Company d/b/a Ameren Missouri	GR-2010-0363
Kansas City Power & Light Company	ER-2012-0174