

Exhibit No.:
Issues: Engineering Review
Witness: David W. Elliott
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
File No.: ER-2010-0355
Date Testimony Prepared: January 5, 2011

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

DAVID W. ELLIOTT

KANSAS CITY POWER & LIGHT COMPANY

FILE NO. ER-2010-0355

*Jefferson City, Missouri
January 2011*

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Q. Please state your name and business address.

A. David W. Elliott, P.O. Box 360, Jefferson City, MO 65102.

Q. Are you the same David W. Elliott employed by the Missouri Public Service Commission (Commission) that contributed to Staff's Construction Audit and Prudence Review of Iatan Construction Project for Costs Reported as of June 30, 2010, filed on November 4, 2010 in this case?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to address statements made by Kansas City Power & Light Company (KCPL) witness Chris B. Giles in his rebuttal testimony in this case related to the Iatan Construction Project.

Q. Mr. Giles makes the following statement, "However, I note that Staff's Mr. David Elliott has had no such difficulties identifying or explaining the cost variances over the Iatan project CBEs [Control Budget Estimates]." (Giles rebuttal page 12, lines 7 and 8) Do you agree with this statement?

A. No. I did not identify or explain cost variances over the Iatan project CBEs. I reviewed the approved change orders over \$50,000 to understand the reason for the change order and determine if there were any engineering issues or concerns with the change order. I

1 explain this review on page 28 in Staff's Construction Audit and Prudence Review of Iatan
2 Construction Project for Costs Reported as of June 30, 2010, filed on November 4, 2010:

3 Engineering Staff review construction project change orders associated
4 with the project for the following:

- 5 • To understand the reason for the change at the point in time
6 when the change order was issued;
- 7 • To determine whether the change corrected an engineering-
8 related problem, resulted in a better design, or improved the operation
9 or construction of the plant; and
- 10 • To determine whether the change resulted in a safety concern,
11 caused unnecessary construction, or caused unnecessary duplication of
12 facilities or work.

13 Q. Mr. Giles makes the following statement, "Mr. Elliott's analysis clearly shows
14 that cost overruns to the Iatan Project's CBEs are both identified and explained." (Giles
15 rebuttal page 15, lines 10 and 11) Do you agree with that statement?

16 A. No. I did not identify or explain cost overruns to the Iatan Project CBEs. I
17 reviewed the approved change orders over \$50,000 to understand the reason for the change
18 order and determine if there were any engineering issues or concerns with the change order. I
19 explain this review on page 28 of Staff's Construction Audit and Prudence Review of Iatan
20 Construction Project for Costs Reported as of June 30, 2010, filed on November 4, 2010 as
21 described in detail above.

22 Q. Are you the Staff member responsible to make the recommendation of what
23 cost overruns of the Iatan project should be allowed?

24 A. No. I am not.

25 Q. Does this conclude your surrebuttal testimony?

26 A. Yes, it does.