

Exhibit No.:  
Issues: Historical Rate Increases/Reductions  
Cost Per kWh Comparisons  
Witness: Phillip K. Williams  
Sponsoring Party: MoPSC  
Type of Exhibit: Rebuttal Testimony  
Case No.: EM-2000-369

**MISSOURI PUBLIC SERVICE COMMISSION**  
**UTILITY SERVICES DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**PHILLIP K. WILLIAMS**

**UTILICORP UNITED INC.**

**AND**

**EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE NO. EM-2000-369**

Jefferson City, Missouri  
June 2000

Exhibit No.	717
Date 9-12-00	Case No. 349
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PHILLIP K. WILLIAMS, CPA, CIA  
CASE NO. EM-2000-369**

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**REBUTTAL TESTIMONY**  
**OF**  
**PHILLIP K. WILLIAMS, CPA, CIA**  
**UTILICORP UNITED INC.**

**AND**  
**THE EMPIRE DISTRICT ELECTRIC COMPANY**  
**CASE NO. EM-2000-369**

Q. Please state your name and business address.

A. My name is Phillip K. Williams, and my business address is Noland Plaza Office Building, Suite 110, 3675 Noland Road, Independence, Missouri 64055.

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

A. I am a Regulatory Auditor for the Missouri Public Service Commission (Commission).

Q. Please describe your education and other qualifications.

A. I graduated from Central Missouri State University (CMSU) at Warrensburg, Missouri, in August of 1976, with a Bachelor of Science degree in Business Administration. My Functional Major was in Accounting. Upon completion of my undergraduate degree, I entered the Masters Program at CMSU. I received a Master of Business Administration degree from CMSU in February 1978, with an emphasis in Accounting. In May 1989, I passed the Uniform Certified Public Accountant (CPA) examination. I am currently licensed as a Certified Public Accountant in the state of Missouri. In May 1994, I passed the Certified Internal Auditors (CIA) examination, and received my CIA designation.

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1 Q. Have you previously filed testimony before this Commission?

2 A. Yes. Please refer to Schedule 1, attached to this rebuttal testimony, for a  
3 list of cases in which I have previously filed testimony before this Commission.

4 Q. Have you examined the application, testimony and exhibits of the Joint  
5 Applicants, UtiliCorp United Inc. (UCU) and The Empire District Electric Company  
6 (Empire) (together, Joint Applicants) filed in Case No. EM-2000-369?

7 A. Yes. As part of the Commission Staff (Staff) investigation conducted in  
8 response to the filing of the Joint Application, I, as well as other Staff members,  
9 examined these records.

10 Q. What is the purpose of your rebuttal testimony in this proceeding?

11 A. I am responding to the direct testimony the Joint Applicants filed in  
12 support of their request for approval of their proposed merger. In particular, my  
13 testimony will address the following: 1) Missouri electric company general rate  
14 increases/reductions since the mid to late 1980s; and 2) a comparison of the cost per kWh  
15 of UCU and Empire for the years 1994 through 1999.

16 Q. How does your testimony filed in this Merger Application compare to the  
17 testimony you filed earlier concerning the same issues in the UtiliCorp/St. Joseph Light  
18 & Power Company (St. Joseph) merger application, Case No. EM-2000-292?

19 A. This testimony is very similar to the testimony on the same subject matter  
20 I filed earlier in Case No. EM-2000-292, and in most particulars is identical.

21 **HISTORICAL RATE INCREASES/REDUCTIONS**

22 Q. What has been the recent rate history of Missouri's five largest, investor-  
23 owned electric utilities?

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1           A.     Most of Missouri's investor-owned electric utilities have had several rate  
2 reductions since the mid to late 1980s. These reductions are a result of declining costs  
3 relating to such factors as tax reform, low inflation, declining rate bases and streamlining  
4 of operations, among other things. For the rate increases that have occurred since 1987,  
5 most have been the result of generating capacity building programs and/or generation  
6 asset refurbishment. Four of the five largest electric utilities in Missouri have had  
7 generally declining rates since completion of a construction cycle of generating facilities.  
8 Kansas City Power & Light Company (KCPL) and AmerenUE (UE), owners of the only  
9 two nuclear generating units operated by utilities in this state, have had declining rates  
10 since the phase-in of rates for the Wolf Creek and Callaway units were completed in the  
11 late 1980's. Only Empire has not had its rates reduced from those that were in effect as  
12 of January 1, 1990. Empire's continuing rate increases are due to the addition of plant-  
13 in-service to meet load growth associated with its continual customer growth within its  
14 service territory. Even though Empire has not experienced any rate reductions in the  
15 1990's, Empire's cost of providing electric service to the customer has remained one of  
16 the lowest in the state of Missouri. The Joint Applicants have indicated that Empire will  
17 be filing a rate request later this year to increase rates when the State Line Combined  
18 Cycle unit currently under construction is completed during 2001.

19           UCU's Missouri Public Service (MPS) division has experienced both rate  
20 increases and rate reductions during the 1990s. UCU provides electric and gas service to  
21 Missouri customers through its MPS division. References made in this testimony to MPS  
22 are references to the Missouri jurisdictional operations of UCU. MPS' actual growth in  
23 rates over the January 1, 1990, level is due to refurbishment of its Sibley Generating Unit

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for plant upgrades and modifications to this unit required to convert to the burning of western coal. Once these construction projects were completed in 1993, then Commission ordered MPS to decrease its electric rates as a result of Staff's earnings complaint filed in 1997, Case No. EC-98-126.

For a complete list of rate increases and decreases since April 1, 1985 for Missouri investor-owned electric utilities, please see Schedule 2 attached to my testimony.

Q. Please describe the recent history of rate changes for Empire.

A. Since November of 1986, Empire has had two rate reductions and four rate increases. The following Table 1 summarizes Empire's rate changes that have occurred since November of 1986:

Date Of Order	Case Number	Rate Request	Public Service Commission Decision
11/06/1986	EO-83-42	Not Applicable	(\$574,000)
10/14/1987	ER-88-112	Not Applicable	(\$3,399,608)
08/30/1990	ER-90-138	\$8,200,000	\$5,700,000
08/02/1994	ER-94-174	\$8,000,000	\$7,300,000
11/03/1995	ER-95-279	\$8,500,000	\$1,400,000
09/11/1999	ER-97-81	\$23,400,000	\$13,600,000

Table 1

As can be seen in the above table, Empire has increased its rates four times during the 1990s, totaling \$28,000,000. Even with the addition of new plant and the subsequent rate increases during the 1990s, Empire has remained one of the lowest cost providers of electricity in the state of Missouri and the four-state region in which it provides service.

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The Staff believes that Empire's ability to remain one of the low cost providers of electricity in this region is due in part to its low corporate overhead levels. In fact, one of the criteria used to determine bonuses for officers and certain managers of Empire has been its residential cost per kWh ranking among utilities operating in Empire's four-state service area.

Q. Please describe the recent history of rate changes for MPS.

A. The following Table 2 summarizes MPS' rate changes since June 1986:

Date of Order	Case Number	Rate Request	Public Service Commission Decision
06/11/1986	EO-86-83	Not Applicable	(\$ 308,575)
09/12/1986	EO-87-9	Not Applicable	(\$10,000,000)
09/10/1987	EO-88-36	Not Applicable	(\$ 5,400,000)
10/05/1990	ER-90-101	\$25,000,000	\$ 12,400,000
06/18/1993	ER-93-37	\$19,400,000	\$ 4,900,000
03/06/1998	ER-97-394	\$25,000,000	(\$17,000,000)

Table 2

The net reduction in rates to UCU's Missouri customers since June 1986 has been \$15,408,575. However, since 1990, UCU has incurred a net increase in rates of \$300,000. MPS's last general rate change came about from an overearnings rate investigation by the Staff, which led to a complaint case being filed with the Commission. UCU in turn filed for a rate increase, which was docketed as ER-97-394. As a result of Staff's actions the Commission issued a Report and Order reducing rates that became effective in March 1998.

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1 Q. Please describe the rate history of St. Joseph Light & Power Company  
2 (St. Joseph).

3 A. St. Joseph has reduced its rates four times since February 1987, totaling  
4 \$12,076,000, in addition to a single rate increase in 1994 of \$2,150,000. The Staff  
5 believes that St. Joseph's commitment to low corporate overheads and its past reductions  
6 in rates have allowed it to remain one of the lowest cost providers of electricity in the  
7 Midwest and in Missouri.

8 Q. Please describe the recent rate history for KCPL.

9 A. KCPL rates have been reduced four times since its last rate increase, or  
10 \$8.5 million, relating to the final portion of the Wolf Creek Phase-In rate increase in  
11 May 1988. The total amount of rate reductions for KCPL since December 29, 1993 has  
12 been \$47,500,000.

13 Q. Please describe the recent rate history for UE.

14 A. UE rates have been reduced three times during the 1990s. UE has had only  
15 a single rate increase on December 21, 1987, after the last of the phase-in rate increases  
16 for the Callaway Nuclear Facility was completed in April of 1987. The total amount of  
17 the rate reductions for UE during the 1990s has been \$100,000,000, as of year-end 1999.

18 **COST PER kWh COMPARISONS**

19 Q. Will you please provide this Commission with a comparison of costs for  
20 residential customers of Empire with respect to and other Missouri investor-owned  
21 electric utilities?

22 A. Yes. Attached as Schedule 3 to my testimony is a comparison of the  
23 operating revenues divided by kilowatt-hour (kWh) sales of Missouri's five largest



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investor-owned utilities by year for 1995-99. The revenue per kWh numbers represent the residential customer's cost per kWh. Operating revenues divided by kWh sales is equivalent to cents per kWh of operating revenues. Cents per kWh of operating revenues is equal to the cost per kWh of energy charged to the customers by utilities.

Information supplied in response to Staff Data Request No. 262 in Case No. EM-2000-292 (the merger application of UCU and St. Joseph), for the years 1994 through 1999, demonstrates that Empire has been one of the lowest cost providers of electricity for a number of years. Of the five largest investor owned electric utilities Empire had the lowest rates in Missouri during 1995 and has the second lowest rates in the State during the period 1996 through 1999. The Joint Applicants' response to Staff Data Request No. 129 provided information that the Company ranked fourth in the four state area in the residential cost per kWh, third in residential cost per kWh during 1997 and sixth in residential cost per kWh per customer during 1998. Empire has been able to remain one of the lowest cost providers of electricity even during a building period in which new units have come on line and been included in plant-in-service. During 1999, Empire ranked sixth lowest in a rate comparison among Missouri Valley Electric Association (MVEA) members. These are peer group utilities identified during the EM-2000-292 docket, the UCU/St. Joseph merger. (St. Joseph uses peer group measurements of its relative ranking among MVEA companies as part of its basis for granting officer/executive incentive compensation awards.) The 1998 St. Joseph peer group utilities and residential cents per kWh are as follows:

Public Service of Oklahoma (Central & South West)	5.5172
Southwest Public Service (New Century)	5.7371
<b>St. Joseph Light and Power Company</b>	<b>6.0288</b>

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1•	Southwestern Electric Power (Central & South West)	6.2248
2•	Kansas Power & Light (Western Resources)	6.3318
3•	<b>Empire District Electric</b>	<b>6.5458</b>
4•	Oklahoma Gas & Electric	6.8625
5•	Union Electric (Ameren)	7.3380
6•	Central Illinois Light Company (CILCORP)	7.5220
7•	Central Illinois Public Service Co. (Ameren)	7.5570
8•	Kansas City Power & Light Company	7.5582
9•	<b>Missouri Public Service (UtiliCorp United)</b>	<b>7.5736</b>
10•	Interstate Power (Alliant)	7.9672
11•	Entergy Arkansas (Entergy)	8.2126
12•	Kansas Gas & Electric (Western Resources)	8.4831
13•	IES, Inc. (Alliant)	8.5807
14•	Mid-American Energy	8.5687
15•	Commonwealth Edison (Unicom)	9.2963
16•	Illinois Power (Illinova)(1)	9.5851

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The above information was provided by the Applicants in response to Staff Data Request No. 262. (1)The 1999 cents per kWh for residential customers was not available per the response.

Q. How do Empire's residential rates compare to those of the peer companies?

A. Empire's residential rates compare very favorably to the other companies used for comparison purposes in the St. Joseph peer group. MPS, however, does not fare as well. The following identifies the respective rankings of both Empire's and MPS' residential electric rates to the peer companies, based on cost per kWh.

1994

- Empire had the lowest rates of the 13 MVEA member companies at \$0.056911 per kWh.
- MPS had the fourth highest rates of the 13 MVEA companies at \$0.082231 per kWh.
- MPS' rate per kWh was 44.49% higher than Empire's rate per kWh.
- St Joseph Light & Power Company had the second lowest rates of the 13 MVEA companies at \$0.058332 per kWh.
- Union Electric had the seventh lowest rates of the 13 MVEA companies at \$0.075347 per kWh.
- Kansas City Power & Light had the ninth lowest rates of the 13 MVEA companies at \$0.079256 per kWh.

1995

- Empire had the second lowest rates of the 12 MVEA member companies at \$0.060230 per kWh.
- MPS had the third highest rates of the 12 MVEA companies at \$0.082040 per kWh.
- MPS' rate per kWh was 36.21% higher than Empire's rate per kWh.
- St Joseph Light & Power Company had the second lowest rates of the 12 MVEA companies at \$0.060620 per kWh.

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- Union Electric had the seventh lowest rates of the 12 MVEA companies at \$0.075077 per kWh.

- Kansas City Power & Light had the ninth lowest rates of the 12 MVEA companies at \$0.078911 per kWh.

1996

- Empire had the third lowest rates of the 12 MVEA member companies at \$0.059711 per kWh.

- MPS had the third highest rates of the 12 MVEA companies at \$0.080530 per kWh.

- MPS' rate per kWh was 34.87% higher than Empire's rate per kWh.

- St Joseph Light & Power Company had the second lowest rates of the 12 MVEA companies at \$0.059532 per kWh.

- Union Electric had the seventh lowest rates of the 12 MVEA companies at \$0.072772 per kWh.

- Kansas City Power & Light had the ninth lowest rates of the 12 MVEA companies at \$0.078424 per kWh.

1997

- Empire had the fourth lowest rates of the 18 peer companies at \$0.061992 per kWh.

- MPS had the seventh highest (twelfth lowest) rates of the 18 peer companies at \$0.080488 per kWh.

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- 1           • MPS' rate per kWh was 29.84% higher than Empire's rate per
- 2           kWh.
- 3           • St Joseph Light & Power Company had the second lowest rates of
- 4           the 18 peer companies at \$0.059646 per kWh.
- 5           • Union Electric had the eighth lowest rates of the 18 peer
- 6           companies at \$0.072581 per kWh.
- 7           • Kansas City Power & Light had the tenth lowest rates of the 18
- 8           peer companies at \$0.077121 per kWh

9           1998

- 10          • Empire had the fifth lowest rates of the 19 peer companies at
- 11          \$0.064939 per kWh.
- 12          • MPS had the ninth highest (eleventh lowest) rates of the 19 peer
- 13          companies at \$0.077185 per kWh.
- 14          • MPS' rate per kWh was 18.86% higher than Empire's rate per
- 15          kWh.
- 16          • St Joseph Light & Power Company had the second lowest rates of
- 17          the 19 peer companies at \$0.060685 per kWh.
- 18          • Union Electric (Ameren) had the eighth lowest rates of the 19 peer
- 19          companies at \$0.070883 per kWh.
- 20          • Kansas City Power & Light had the tenth lowest rates of the 18
- 21          peer companies at \$0.075725 per kWh.

1999

- Empire had the sixth lowest rates of the 19 peer companies at \$0.065458 per kWh.
- MPS had the eighth highest (twelfth lowest) rates of the 19 peer companies at \$0.075736 per kWh.
- MPS' rate per kWh was 15.70% higher than Empire's rate per kWh.
- St Joseph Light & Power Company had the third lowest rates of the 19 peer companies at \$0.060288 per kWh.
- Union Electric (Ameren) had the eighth lowest rates of the 19 peer companies at \$0.073380 per kWh.
- Kansas City Power & Light had the eleventh lowest rates of the 18 peer companies at \$0.075582 per kWh.

Q. Do you have any other information concerning the relative rate levels of Empire and UCU/MPS in recent years?

A. Yes. Attached to my rebuttal testimony as Schedule 4, is an analysis performed by UCU and supplied to the Staff in response to Data Request No. 265 from Case No. EM-2000-292. This Schedule shows a comparison of Missouri electric utility (called "LDC" or Local Distribution Company) rates as of November 1999. The analysis was made by UCU. UCU based its analysis upon average rates reported by the Edison Electric Institute, an association representing investor owned electric utilities.

Q. Would you please summarize the average electric rates for residential, commercial and industrial customers of UCU/MPS and Empire as of November 1999?

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1           A.     Yes. The annual average \$/kWh as of November 1999 for residential,  
2 commercial and industrial customers are as follows:

3                   **Residential**

- 4                   • Empire's annual average \$/kWh was \$0.0702  
5                   • MPS' annual average \$/kWh was \$0.0757

6                   **Commercial**

- 7                   • Empire's annual average \$/kWh was \$0.0583  
8                   • MPS' annual average \$/kWh was \$0.0599

9                   **Industrial**

- 10                  • Empire's annual average \$/kWh was \$0.0465  
11                  • MPS' annual average \$/kWh was \$0.0437

12           Q.     Do you have any other rate comparisons that you would like to bring to  
13 the Commission's attention at this time?

14           A.     Yes. The Joint Applicants, in response to Staff Data Request No. 272 in  
15 Docket No. EM-2000-292, provided copies of analyses by St. Joseph comparing electric  
16 rates by rate class and usage for the five major Missouri electric utilities for the years  
17 1997, 1998 and 1999. The following is a chart that lists the rates by class for MPS and  
18 Empire for 1999:  
19

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1999 Cents Per kWh

Rate Table	kWh Usage	UCU/MPS	Empire
110 – Residential	500	\$0.0834	\$0.0795
General Use Summer	2000	\$0.0766	\$0.0681
120 – Residential Space Heating	25700	\$0.0495	\$0.0510
211 – General Service/	1000	\$0.0987	\$0.0797
General Use Commercial			
311 – Large General Service			
(401KW) (8000 kWh)	8000	\$0.0686	\$0.0607
311 – Larger General Service			
(200KW) (60MWH)	60 MWH	\$0.0563	\$0.0520
411 – Large Power Service			
(1MW) (400 MWH)	400 MWH	\$0.0515	\$0.047

Table 3

The following is a chart of the 1998 “bare” revenue only also taken from the Joint Applicants’ response to Staff Data Request No. 272:

1998 Bare Revenue Only

Rate Table	kWh Usage	UCU/MPS	Empire
110 – Residential General Use	500	\$44.51	\$ 39.73
Summer	2000	\$163.40	\$ 136.18
120 – Residential Space Heating	25700	\$113.07	\$ 109.21
211 – General Service / General	1000	\$105.28	\$ 79.73
Use commercial			
311 – Large General Service			
(40KW) (8000KWH)	8000	\$585.79	\$ 485.26
311 – Large General Service			
(200KW) (60 MWH)	60 MWH	\$3,605.98	\$ 3,122.31
411 – Large Power Service			
(1MW) (400 MWH)	400 MWH	\$21,985.58	\$18,687.64

Table 4



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1           Q.     Based upon the analyses of costs per kWh that you have described, does  
2 the Staff have concerns regarding the effect the proposed merger of UCU and Empire  
3 will have, on the rates charged to Empire customers in the future?

4           A.     Yes. Based upon the comparison of costs per kWh charged to customers  
5 by Empire and MPS, the Staff is concerned. Because of the higher expense levels at  
6 UCU, caused in part by corporate overheads, it is reasonable to believe that rates charged  
7 to Empire's customers will increase in the future if the two Companies are combined.  
8 The Staff believes that any rate moratorium that may be entered into as a result of this  
9 merger, after Empire's State Line Combined Cycle unit rate increase request is processed,  
10 may maintain rates at artificial levels until the end of the moratorium. However, when  
11 any moratorium ends, the Staff believes there is a very strong likelihood that future rates  
12 for Empire customers will increase above the level that would have been necessary  
13 absent the merger. The Staff further believes that Empire's rates after a merger are likely  
14 in the long-term to become as high as those of MPS. The Staff believes that merger  
15 related increases in Empire's rates would be a detriment to the Empire customer base if  
16 the merger takes place. Please refer to the rebuttal testimony of Accounting witness  
17 Steve M. Traxler filed in this case for a further discussion of the impact of corporate  
18 overhead allocations on Empire after the merger.

19           Q.     Are there other concerns that the Staff has regarding the relative rates  
20 levels of UCU/MPS and Empire?

21           A.     Yes. The evidence presented in my testimony shows that Empire  
22 customer rates are generally lower than UCU/MPS customer rates, in some instances  
23 significantly lower. However, as discussed in the rebuttal testimony of Staff Accounting

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1 witness Mark L. Oligschlaeger, the Joint Applicants' "regulatory plan" in this proceeding  
2 would have the effect of assigning almost all of the projected merger savings to Empire  
3 Customers, not the MPS customers who currently pay higher rates. Please refer to  
4 Mr. Oligschlaeger's rebuttal testimony for an explanation of the Staff's position  
5 concerning the Joint Applicants' regulatory plan.

6 Q. Does the Staff have any other concerns regarding the merger of UCU and  
7 Empire?

8 A. Yes. Although the merger will benefit the shareholders, officers and  
9 directors of Empire as a result of the premium they will receive, the Staff believes there  
10 are a number of instances in which the customers, employees and the communities in  
11 Empire's service territory will be harmed.

12 First, the Staff believes based upon the historical analysis of rate increases and  
13 decreases, it is apparent that Empire has been a low cost provider of rates in this State as  
14 well as among its peers. Further, based upon the apparent ability of Empire to maintain  
15 rates that have been historically below those of MPS, Staff believes there is a high  
16 probability that rates will increase under the umbrella of the UCU organization. This  
17 would be a detriment to the Empire customer.

18 UCU has stated in response to Staff Data Request No. 144 that the merger will  
19 cause approximately 288 employees, or about 46 percent of the employees of Empire as  
20 of the date of the response, to lose their jobs. The report was given to the Transition  
21 Team Steering Committee during March 2000. UCU has further stated that some of the  
22 remaining employees will be required to relocate to retain their jobs or to advance within  
23 the new organization. Please refer to Staff Accounting Witness Janis E. Fischer's

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1 rebuttal testimony for a further discussion of employee reductions. The Staff believes  
2 this is a detriment to the average employee of Empire and, therefore, the community.

3 It is possible that UCU will close the corporate headquarters of Empire in  
4 downtown Joplin. This result would be a detriment to the city of Joplin, a customer of  
5 Empire.

6 Q. Does this conclude your rebuttal testimony?

7 A. Yes, it does.


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

In the Matter of the Joint Application of )  
UtiliCorp United Inc. and The Empire District )  
Electric Company For Authority To Merge The )  
Empire District Electric Company With and Into )      EM-2000-369  
UtiliCorp United Inc. and, In Connection )  
Therewith, Certain Other Related Transactions, )  
Filed. )

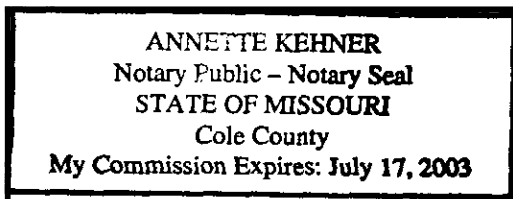
**AFFIDAVIT OF PHILLIP K. WILLIAMS**

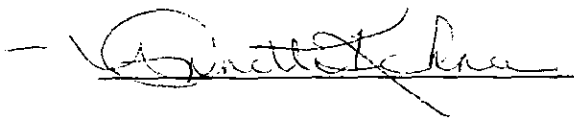
STATE OF MISSOURI      )  
   )      ss.  
COUNTY OF COLE      )

Phillip K. Williams, is, of lawful age, and on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 17 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Phillip K. Williams

Subscribed and sworn to before me this 20<sup>th</sup> day of June, 2000.



  
\_\_\_\_\_  
Annette Kehner

## RATE CASE PROCEEDINGS PARTICIPATION

### PHILLIP K. WILLIAMS

Kansas City Power & Light Company	ER-81-42
The Gas Service Company	GR-81-155
United Telephone Company	TR-81-302
Rich Hill-Hume Gas Company	GR-81-332
Missouri Public Service Company	ER-82-39
Missouri Public Service Company	WR-82-50
The Gas Service Company	GR-82-151
Missouri Public Service Company	GR-82-194
Missouri Water Company – Lexington Division	WR-82-279
Missouri Public Service Company	ER-83-40
The Gas Service Company	GR-83-225
Missouri Water Company – Independence Division	WR-83-352
Rich Hill-Hume Gas Company	GR-84-24
Kansas City Power & Light Company	ER-85-128
Kansas City Power & Light Company	EO-85-185
KPL Gas Service Company	GR-86-76
General Telephone Company of the Midwest	TC-87-57
Missouri Public Service Company	GR-88-194
U.S. Water/Lexington, Mo., Inc.	WR-88-255
KPL Gas Service	GR-90-50

SCHEDULE 1-1

UtiliCorp United Inc., Missouri Public Service	ER-90-101
KPL Gas Service	GR-91-291
Raytown Water Company	WR-92-85
UtiliCorp United Inc., Missouri Public Service	ER-93-37
UtiliCorp United Inc., Missouri Public Service	GR-93-172
Western Resources, Inc.	GR-93-240
Raytown Water Company	WR-94-211
Missouri Gas Energy	GR-96-285
UtiliCorp United Inc., Missouri Public Service	GM-97-435
UtiliCorp United Inc., Missouri Public Service	ER-97-394 EC-98-126
Missouri Gas Energy	GR-98-140
Western Resources, Inc. and Kansas City Power & Light Company	EM-97-515
UtiliCorp United Inc. and St. Joseph Light & Power Company	EM-2000-292

UtiliCorp United, Inc./  
 Empire District Electric Company  
 Case No. EM-2000-369  
 Merger Application Review  
 Analysis of Electric Utility Rate Increase/(Reductions)

File Name: UCUSJLPMERGERRATEHISTORY

Date Of Order	Case Number	Rate Request	Missouri Public Service Commission Decision	
<u>UtiliCorp United, Inc. (Missouri Public Service)</u>				
03/06/1998	ER-97-394	\$ 25,000,000	\$ (17,000,000)	
06/18/1993	ER-93-37	\$ 19,400,400	\$ 4,900,000	
10/05/1990	ER-90-101	\$ 25,500,000	\$ 12,400,000	
09/10/1987	EO-88-36	Not Applicable	\$ (5,400,000)	
09/12/1986	EO-87-9	Not Applicable	\$ (10,000,000)	
06/11/1986	EO-86-83	Not Applicable	\$ (308,575)	
<u>Saint Joseph Light and Power Company</u>				
08/27/1999	ER-99-247	\$ 6,098,094	\$ (2,500,000)	
06/03/1994	ER-94-163	\$ 5,500,000	\$ 2,150,000	
06/25/1993	ER-93-41	\$ 6,100,000	\$ (876,000)	
12/22/1987	ER-85-157	Not Applicable	\$ (3,700,000)	
02/11/1987	EO-87-87	Not Applicable	\$ (5,000,000)	
<u>Empire District Electric Company</u>				
09/11/1999	ER-97-81	\$ 23,400,000	\$ 13,600,000	
11/03/1995	ER-95-279	\$ 8,500,000	\$ 1,400,000	
08/02/1994	ER-94-174	\$ 8,000,000	\$ 7,300,000	
08/30/1990	ER-90-138	\$ 8,200,000	\$ 5,700,000	
10/14/1987	EO-88-114	Not Applicable	\$ (3,399,608)	
11/06/1986	ER-83-42	Not Applicable	\$ (574,000)	
<u>Kansas City Power &amp; Light Company</u>				
04/13/1999	ER-99-313	Not Applicable	\$ (15,000,000)	
10/07/1997	EO-94-199	Not Applicable	\$ (11,000,000)	
07/03/1996	EO-94-199	Not Applicable	\$ (9,000,000)	
12/29/1993	ER-94-197	Not Applicable	\$ (12,500,000)	
05/05/1988	EO-85-185	\$ 194,700,000	\$ 8,500,000	Wolf Creek Phase-In
04/01/1987	EO-85-185	\$ 194,700,000	\$ 7,700,000	Wolf Creek Phase-In
04/23/1986	EO-85-185	\$ 194,700,000	\$ 78,245,000	Wolf Creek Phase-In
<u>Ameren UE (Union Electric)</u>				
07/21/1995	ER-95-411	Not Applicable	\$ (30,000,000)	
11/03/1992	ER-93-52	Not Applicable	\$ (40,000,000)	
11/06/1990	ER-87-175	Not Applicable	\$ (30,000,000)	
12/21/1987	EO-87-114	Not Applicable	\$ 5,600,000	
04/02/1987	EO-85-17	\$ 639,000,000	\$ 57,400,000	Callaway Phase-In
14/09/1986	EO-85-17	\$ 639,000,000	\$ 112,428,000	Callaway Phase-In
04/09/1985	EO-85-17	\$ 639,000,000	\$ 168,329,997	Callaway Phase-In

Source: Annual Reports submitted to the Commission

Utilicorp United, Inc./  
 Empire District Electric Company  
 Case No. EM-2000-369  
 Merger Application Review  
 Analysis of Cost Per KWH Sales

File Name: UCUSJLPMERGERCOSTPERKWH

Company	Residential Revenues	KWH Sales	Cents Per KWH
<b>1999</b>			
St Joseph Light and Power Company	\$ 37,599,754	623,667,000	\$ 0.060288
UtiliCorp United, Inc. ( MO Public Service Co.)	\$ 148,200,000	1,956,800,000	\$ 0.075736
Empire District Electric Company	\$ 98,786,901	1,509,175,836	\$ 0.065458
Kansas City Power & Light Company	\$ 324,091,447	4,287,963,454	\$ 0.075582
Ameren UE(Union Electric)	\$ 871,212,000	11,872,621,000	\$ 0.073380
<b>1998</b>			
St Joseph Light and Power Company	\$ 38,484,479	634,165,000	\$ 0.060685
UtiliCorp United, Inc. ( MO Public Service Co.)	\$ 154,400,000	2,000,398,000	\$ 0.077185
Empire District Electric Company	\$ 100,566,576	1,548,629,943	\$ 0.064939
Kansas City Power & Light Company	\$ 334,228,069	4,413,732,000	\$ 0.075725
Ameren UE(Union Electric)	\$ 865,106,285	12,204,716,041	\$ 0.070883
<b>1997</b>			
St Joseph Light and Power Company	\$ 37,065,955	621,432,000	\$ 0.059646
UtiliCorp United, Inc. ( MO Public Service Co.)	\$ 147,599,000	1,833,799,000	\$ 0.080488
Empire District Electric Company	\$ 88,635,799	1,429,787,422	\$ 0.061992
Kansas City Power & Light Company	\$ 315,240,379	4,087,617,976	\$ 0.077121
Ameren UE(Union Electric)	\$ 834,618,100	11,499,116,181	\$ 0.072581
<b>1996</b>			
St Joseph Light and Power Company	\$ 36,428,419	611,911,000	\$ 0.059532
UtiliCorp United, Inc. ( MO Public Service Co.)	\$ 142,597,000	1,770,725,000	\$ 0.080530
Empire District Electric Company	\$ 86,014,341	1,440,512,033	\$ 0.059711
Kansas City Power & Light Company	\$ 306,340,000	3,906,196,000	\$ 0.078424
Ameren UE(Union Electric)	\$ 840,459,425	11,549,256,528	\$ 0.072772
<b>1995</b>			
St Joseph Light and Power Company	\$ 36,001,141	593,881,000	\$ 0.060620
UtiliCorp United, Inc. ( MO Public Service Co.)	\$ 138,622,965	1,689,696,000	\$ 0.082040
Empire District Electric Company	\$ 81,331,054	1,350,339,907	\$ 0.060230
Kansas City Power & Light Company	\$ 306,171,000	3,879,975,000	\$ 0.078911
Ameren UE(Union Electric)	\$ 843,037,511	11,229,011,259	\$ 0.075077

Source: Company response to Staff Data Request No. 262.



**Missouri LDC Rate Comparison  
As of Nov. 1999**

**ELECTRIC**

	KCPL-MO	UE	SJP&L	EMPIRE	UCU	IPL
<b>Residential</b>						
Summer @ 1000Kwh	\$ 82.71	\$ 92.15	\$ 71.75	\$ 71.88	\$ 77.51	\$ 87.58
Winter @ 750 Kwh	\$ 53.76	\$ 52.85	\$ 48.42	\$ 51.85	\$ 55.90	\$ 61.84
Annual Bills (1)	\$ 760.92	\$ 791.40	\$ 674.36	\$ 702.32	\$ 757.24	\$ 845.04
Annual Kwh	10,000	10,000	10,000	10,000	10,000	10,000
Annual avg \$/Kwh	0.0761	0.0791	0.0674	0.0702	0.0757	0.0845
<b>Commercial</b>						
Winter 50 KW / 12500 Kwh	\$ 853	\$ 858	\$ 629	\$ 647	\$ 651	\$ 1,041
Summer 50 KW / 12500 Kwh	\$ 1,041	\$ 1,148	\$ 890	\$ 893	\$ 945	\$ 1,041
Annual Bills (1)	\$ 10,985	\$ 11,456	\$ 8,592	\$ 8,748	\$ 8,988	\$ 12,489
Annual Kwh	150,000	150,000	150,000	150,000	150,000	150,000
Annual avg \$/Kwh	0.0732	0.0764	0.0573	0.0583	0.0599	0.0833
<b>Industrial</b>						
Winter 1000 KW / 400000 Kwh	\$ 20,685	\$ 18,544	\$ 15,213	\$ 16,839	\$ 14,411	\$ 23,965
Summer 1000 KW / 400000 Kwh	\$ 24,845	\$ 30,572	\$ 21,568	\$ 22,139	\$ 23,571	\$ 23,965
Annual Bills (1)	\$ 264,860	\$ 270,640	\$ 207,976	\$ 223,268	\$ 209,572	\$ 287,574
Annual Kwh	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000
Annual avg \$/Kwh	0.0552	0.0564	0.0433	0.0465	0.0437	0.0599

- (1) Annual bills are calculated by pricing the monthly usage by the base rate effective at the date of this schedule, and includes 12 months of customer charges.
- (2) Source Document: Typical Bills and Average Rates Report by Edison Electric Institute