

Exhibit No.: \_\_\_\_\_  
Issue(s): Aquila Inc. Purchase Transition Costs  
Witness: Ted Robertson  
Type of Exhibit: True-Up Direct  
Sponsoring Party: Public Counsel  
Case Number: ER-2010-0355  
Date Testimony Prepared: February 22, 2011

**TRUE-UP DIRECT TESTIMONY**

**OF**

**TED ROBERTSON**

Submitted on Behalf of  
the Office of the Public Counsel

**KANSAS CITY POWER & LIGHT COMPANY**

**Case No. ER-2010-0355**

February 22, 2011

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

In the Matter of the Application of Kansas     )  
City Power & Light Company for Approval     )  
To Make Certain Changes in its Charges for     )  
Electric Service                                     )


**File No. ER-2010-0355**

**AFFIDAVIT OF TED ROBERTSON**

STATE OF MISSOURI     )  
                                   )     **ss**  
COUNTY OF COLE     )

Ted Robertson, of lawful age and being first duly sworn, deposes and states:

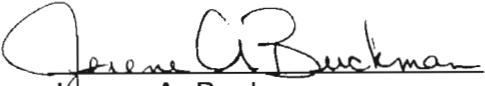
1. My name is Ted Robertson. I am a Chief Utility Accountant for the Office of the Public Counsel.
  
2. Attached hereto and made a part hereof for all purposes is my true-up direct testimony.
  
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Ted Robertson, C.P.A.  
Chief Public Utility Accountant

Subscribed and sworn to me this 22<sup>nd</sup> day of February 2011.



**JERENE A. BUCKMAN**  
My Commission Expires  
August 23, 2013  
Cole County  
Commission #09754037

  
\_\_\_\_\_  
Jerene A. Buckman  
Notary Public

My Commission expires August, 2013.

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8

**TRUE-UP DIRECT TESTIMONY  
OF  
TED ROBERTSON**

**KANSAS CITY POWER & LIGHT COMPANY  
CASE NO. ER-2010-0355**

9 **I. INTRODUCTION**

10 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

11 A. Ted Robertson, PO Box 2230, Jefferson City, Missouri 65102-2230.

12  
13 Q. ARE YOU THE SAME TED ROBERTSON THAT HAS PREVIOUSLY FILED  
14 DIRECT AND SURREBUTTAL TESTIMONY IN THIS CASE?

15 A. Yes.

16  
17 **II. PURPOSE OF TESTIMONY**

18 Q. WHAT IS THE PURPOSE OF YOUR TRUE-UP DIRECT TESTIMONY?

19 A. I will provide the Public Counsel's position regarding the costs associated with  
20 the Company's true-up of the Aquila Inc. Purchase Transition Costs.

21  
22 Q. WHAT IS THE ISSUE?

23 A. In its January 21, 2011 updated response to MPSC Staff Data Request No. 146  
24 Company identified its actual incurred transition costs as of December 31, 2010.  
25 Public Counsel has reviewed the Company's updated response to MPSC DR No.  
26 146 and tied the amounts to the associated entries in the Company's General

1 Ledger update provided in its response to MPSC Staff Data Request No. 13. It is  
2 Public Counsel's recommendation that the actual costs identified in the updated  
3 responses (rather than the blended actual plus projected costs originally  
4 identified by Company) receive Commission authorization as described in my  
5 instant case Direct Testimony.

6  
7 Q. WHAT WAS PUBLIC COUNSEL'S POSITION AS STATED IN YOUR DIRECT  
8 TESTIMONY?

9 A. Public Counsel's position on this issue, as stated beginning on page 11, line 32, of  
10 my Direct Testimony, is:

11  
12 Pursuant to the Commission's authorization, Company has  
13 deferred transition costs and will amortize those costs over  
14 five years beginning with the effective date of the  
15 Commission's authorization in the instant case. However,  
16 while Public Counsel will not oppose what the Commission  
17 authorized for this issue, Public Counsel recommends that  
18 any future costs incurred subsequent to the test year and  
19 true-up period of the instant case not receive continued  
20 deferral authorization or amortization in any future rate  
21 cases.

22  
23  
24 Q. WHY DOES PUBLIC COUNSEL RECOMMEND THE  
25 DISCONTINUANCE OF THE DEFERRAL/AMORTIZATION  
26 AUTHORIZATION FOR ALLEGED FUTURE TRANSITION  
27 COSTS?

28  
29 A. Public Counsel's recommendation is primarily based on the  
30 fact that sufficient time has already passed to effect the

1 integration of Aquila Inc. into the operations of the current  
2 owner. In fact, it has been more than two years since the  
3 purchase of Aquila Inc. was authorized in Case No. EM-  
4 2007-0374 (the effective date of the Report and Order was  
5 July 11, 2008). Furthermore, it is my understanding, any  
6 additional transitional costs likely to be incurred may not be  
7 material and, given the dynamics of the Company's ongoing  
8 operations, may be considered costs which have been  
9 incurred due to changes caused by current operations of the  
10 total entity because there is no foolproof manner to  
11 determine whether the costs were incurred because of the  
12 purchase of Aquila Inc. or are simply a normal reaction to the  
13 operation of the utility as it currently exists.

14  
15 (Emphasis added by OPC)  
16  
17

18 Q. IS THE COMPANY IN AGREEMENT WITH PUBLIC COUNSEL'S  
19 POSITION THAT AQUILA INC. PURCHASE TRANSITION COSTS  
20 INCURRED SUBSEQUENT TO THE TEST YEAR AND TRUE-UP  
21 PERIOD OF THE INSTANT CASE NOT RECEIVE CONTINUED  
22 DEFERRAL AUTHORIZATION OR AMORTIZATION IN ANY FUTURE  
23 RATE CASES?

24 A. Yes. It is my understanding that the Company is in agreement with Public  
25 Counsel regarding the elimination of the deferral authorization and will not  
26 request future recovery of any costs incurred subsequent to the true-up  
27 period of this case.  
28  
29

1 | Q. DOES THIS CONCLUDE YOUR TRUE-UP DIRECT TESTIMONY?

2 | A. Yes, it does.