

Exhibit No.:

Issues: Rate Base; Plant in Service

Witness: David W. Elliott

Sponsoring Party: Mo PSC Staff

Type of Exhibit: Surrebuttal Testimony

Case No.: ER-2004-0570

Date Testimony Prepared: November 23, 2004

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

FILED³

DEC 28 2004

Missouri Public
Service Commission

SURREBUTTAL TESTIMONY

OF

DAVID W. ELLIOTT

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2004-0570

Jefferson City, Missouri

November 2004

****Denotes Highly Confidential Information****

NP

40MP
39MP
Exhibit No. 39MP
Case No(s) ER-2004-0570
Date 2-06-04 Rptr XF

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

In the Matter of the tariff filing of The)
Empire District Electric Company to)
implement a general rate increase for retail) Case No. ER-2004-0570
electric service provided to customers in)
its Missouri service area)

AFFIDAVIT OF DAVID W. ELLIOTT

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

David W. Elliott, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 4 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



David W. Elliott

Subscribed and sworn to before me this 22nd day of November, 2004.


Notary Public

DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My commission expires February 18, 2006

My commission expires _____

1

2

3

4

5

7

8

9

0

11

12

13

14

19

14

17

18

19

20

2:

Surrebuttal Testimony of
David W. Elliott

1 3. I stated that Empire most likely would have been able to purchase
2 short term capacity to meet the 2003 needs if the new units at Energy
3 Center were not completed on time; and

4 4. I stated that Empire had ** HC
5 HC **.

6 Q. Would you agree with Empire witness Beecher who characterized these
7 criticisms as "minor details" (Beecher Rebuttal Testimony page 25, line 13)?

8 A. Yes.

9 Q. Do any of these items addressed in Beecher's testimony change the
10 findings of your Direct Testimony?

11 A. No.

12 Q. Please discuss the concern raised by Empire witness Beecher regarding
13 your use of the words "cost overrun".

14 A. Empire witness Beecher states "change orders are a normal occurrence
15 during a project of this scope and should not be largely categorized as "cost overruns" but
16 rather changes in scope" (Beecher Rebuttal Testimony page 27, lines 18 through 20). I
17 used the term "cost overrun" to describe the costs due to change orders that were above
18 the original contract costs, or costs that ran over the contract amount. I agree with
19 Empire witness Beecher that these cost overruns were due to changes in the scope of the
20 project. I did not use the term "cost overrun" to imply that these costs should not be
21 allowed. In fact, after an examination of the contract change order costs due to changes
22 in scope, the Staff allowed these costs.

23

Surrebuttal Testimony of
David W. Elliott

1 Q. Please discuss the concern raised by Empire regarding the project costs
2 paid to Patch.

3 A. Empire witness Beecher states that "Empire did not pay to Patch its entire
4 contract value." (Beecher rebuttal page 26, line 6). My statement was intended to point
5 out the fact that the additional costs above the contract amount that was paid to complete
6 the project were being paid directly to the subcontractors rather than to Patch.

7 Q. Please discuss the concern raised by Empire witness Beecher regarding
8 your characterization of Empire's capacity options for 2003.

9 A. Empire witness Beecher states that although "Empire agrees that it needed
10 the capacity to meet its customers needs in the summer of 2003, Empire disagrees that a
11 short-term contract was a possible alternative at the time." (Beecher Rebuttal Testimony
12 page 26, lines 13 through 15). The only reason I mention short-term capacity was to
13 attempt to identify a possible option Empire might have pursued if the new units were not
14 available.

15 Q. Please discuss the concern raised by Empire witness Beecher regarding
16 your characterization of Empire's ** HC **.

17 A. Staff received an email from Dave Gibson of Empire on July 14, 2004,
18 stating ** HC
19 HC ** (see Schedule 1).

20 Staff took this as an indication that Empire ** HC **. I only
21 mentioned ** HC ** in Direct Testimony to inform the Commission that
22 Empire does have plans in the near future for ** HC **.

23

Surrebuttal Testimony of
David W. Elliott

1 Q. What is the current status of Empire's plans to ** HC

2 HC **

3 A. Empire witness Beecher states ** HC

4 HC

5 HC ** (Beecher Rebuttal Testimony page 28, lines 11-13).

6 Q. Does this conclude your Surrebuttal Testimony?

7 A. Yes, it does.

Schedule 1 Has Been Deemed

Highly Confidential

In Its Entirety