

Exhibit No.:

Issues: Discovery &  
Customer  
Annualization

Witness: Gary L. Clemens

Sponsoring Party: Missouri Public  
Service

Case No.: ER-2001-672

Before the Public Service Commission  
of the State of Missouri

**FILED<sup>3</sup>**  
JAN 08 2002  
Missouri Public  
Service Commission

Rebuttal Testimony

of

Gary L. Clemens

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI  
REBUTTAL TESTIMONY OF GARY L. CLEMENS  
ON BEHALF OF MISSOURI PUBLIC SERVICE,  
A DIVISION OF UTILICORP UNITED INC.  
CASE NO. ER-2001-672**

1 Q. Please state your name and business address.

2 A. My name is Gary L. Clemens and my business address is 10700 East 350 Highway,  
3 Kansas City, Missouri, 64138.

4 Q. Are you the same Gary L. Clemens that filed direct testimony in this case with the  
5 Missouri Public Service Commission ("Commission") on behalf of Missouri Public  
6 Service ("MPS")?

7 A. Yes.

8 Q. What is the purpose of your testimony?

9 A. To respond to discovery issues addressed by Commission Staff witness Steve M.  
10 Traxler and Public Counsel witness Ted Robertson. I will also be addressing a revenue  
11 issue regarding customer annualization.

12 Q. What portions of Mr. Traxler's testimony concern discovery issues?

13 A. The discussion of discovery issues begins on page 9 of Mr. Traxler's direct testimony.

14 Q. What is MPS's position regarding the problems Mr. Traxler has identified in this  
15 portion of his testimony?

16 A. MPS has stated its position with respect to these issues in its response filed with the  
17 Commission on November 1, 2001, to the Staff's Motion To Modify Procedural

1 Schedule. The Commission's order dealing with that motion, dated November 7, 2001,  
2 spells out certain terms for subsequent data requests and modified the procedural  
3 schedule in this case. In essence, Mr. Traxler has now submitted 19 pages of direct  
4 testimony which rehashes this issue that has been ruled on by the Commission.

5 Q. Does MPS admit there were discovery problems in this case?

6 A. Yes. MPS stated in its November 1 response that it was partly to blame for the  
7 situation respecting discovery. MPS also pointed out several reasons why the Staff  
8 should also take some responsibility for these problems.

9 Q. On the bottom of page 9 and continuing on page 10 of Mr. Traxler's testimony, he  
10 states that "... the Commission should give UtiliCorp a strong message that the  
11 discovery problems encountered by the Staff in this case should not reoccur in any  
12 future cases involving UtiliCorp." What is your response?

13 A. MPS should not be treated differently than any other utility subject to its jurisdiction.  
14 The Commission has appropriate remedies in place to deal with discovery disputes.

15 Q. Do you have any other comments on this point?

16 A. Yes. UtiliCorp United Inc, ("UtiliCorp") of which MPS is a division, is a large multi-  
17 divisional and international corporation that has recently put in a new accounting  
18 system. UtiliCorp is continuing to develop reports which will allow easier audits in the  
19 future and this hopefully will eliminate or minimize discovery disputes. MPS is willing  
20 to work with the parties in this case to identify what is needed in such future audits.

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1 This topic is addressed in more detail in MPS witness Beverlee Agut's rebuttal  
2 testimony in this case.

3 Q. What issue are you responding to identified in the testimony of Public Counsel witness  
4 Mr. Ted Robertson?

5 A. The issue is an e-mail I sent Mr. Robertson which he has taken out of context and is  
6 using for his argument that MPS does not have a General Ledger. On page 21 of his  
7 testimony, Mr. Robertson quotes from an e-mail I sent to him which states " We do not  
8 have a general ledger."

9 Q. How has this statement been taken out of context by Mr. Robertson?

10 A. His original e-mail stated that he had heard that MPS was providing the Staff with a  
11 general ledger. My response was intended to relay the message that we were providing  
12 Staff with a report that would help it with the audit, but not a general ledger. As stated  
13 previously, we have developed and want to continue to develop appropriate reports that  
14 will allow outside parties to audit MPS's books and records in a easier fashion.

15 Q. Does UtiliCorp d/b/a MPS have a general ledger?

16 A. Yes, and the Public Counsel was provided a copy of that general ledger.

17 Q. Are there additional reports that need to be developed that will make it easier for the  
18 Staff, Public Counsel and any other outside party to audit the books and records of  
19 UtiliCorp?

1 A. Yes. We are working with all parties to identify those reports. In fact we have asked  
2 Staff and the Public Counsel to meet with us to help identify the reports needed to  
3 complete the true-up audit in this case.

4 Q. What issue do you have with Staff's revenue calculation?

5 A. The only issue is regarding the customer annualization for rate class 711.

6 Q. Do you have a problem with the method used by Staff?

7 A. No. The issue is not the method, but the input of number of customers to calculate the  
8 annualization.

9 Q. Where did Staff get the number of customers to make its revenue annualization  
10 adjustment?

11 A. MPS provided the customer level. During the pre-hearing MPS informed Staff that rate  
12 class 711 had some problems. We are working on identifying the problems and will be  
13 sharing the results with Staff shortly. The key problem is rate switching. UtiliCorp is  
14 currently eliminating rate class 710 and is moving customers in rate class 710 to 711.  
15 This has inflated the number of customers in rate class 711. To complicate matters  
16 more a new Customer Information System (CIS+) came on line in March 2000.

17 Q. What is your recommendation for adjusting rate class 711 to reflect the proper level of  
18 revenue to be used in this case?

19 A. For rate class 711 only, Staff should weather normalize year 2001 then apply the  
20 customer annualization method. This will allow the proper use per customer to be used

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1       when the customer annualization is applied for the January 31, 2002 true-up. Because  
2       most of the customers that are switching from rate class 710 to 711 are small users, the  
3       customer annualization is overstated by the fact that the year 2000 use per customer is  
4       too high.

5    Q.    Does this conclude your rebuttal testimony?

6    A.    Yes.

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

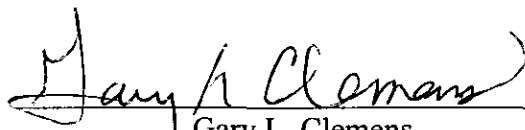
In the matter of Missouri Public Service     )  
of Kansas City, Missouri, for authority     )  
to file tariffs increasing electric rates     )  
for service provided to customers in the     )  
Missouri Public Service area                 )

Case No. ER-2001-672

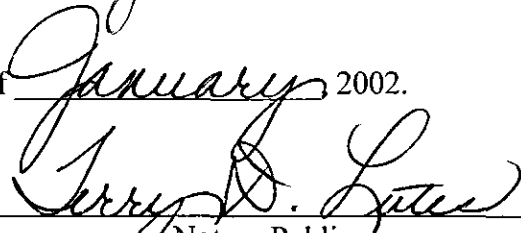
County of Jackson     )  
                               )     ss  
State of Missouri     )

**AFFIDAVIT OF GARY L. CLEMENS**

Gary L. Clemens, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Gary L. Clemens;" that said testimony was prepared by him and under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Gary L. Clemens

Subscribed and sworn to before me this 7<sup>th</sup> day of January, 2002.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

8-20-2004

