

FILED

NOV 13 2006

Missouri Public
Service Commission

Exhibit No: III

Issues: Rate Design

Witness: James A. Busch

Sponsoring Party: MO PSC Staff

Type of Exhibit: Supplemental Surrebuttal
Testimony

Case No.: ER-2006-0314

Date Testimony Prepared: October 12, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SUPPLEMENTAL SURREBUTTAL TESTIMONY

OF

JAMES A. BUSCH

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2006-0314

Jefferson City, Missouri

October 2006

~~Staff~~ Exhibit No. III
Case No(s) ER-2006-0314
Date 10-16-06 Rptr XF

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

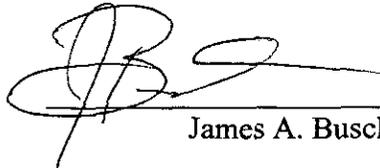
In the Matter of the Application of Kansas)
City Power & Light Company for)
Approval to Make Certain Changes in its)
Charges for Electric Service to Begin the)
Implementation of Its Regulatory Plan)

Case No. ER-2006-0314

AFFIDAVIT OF JAMES A. BUSCH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James A. Busch, of lawful age, on his oath states: that he has participated in the preparation of the following Supplemental Surrebuttal Testimony in question and answer form, consisting of 2 pages of Supplemental Surrebuttal Testimony to be presented in the above case, that the answers in the following Supplemental 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.



James A. Busch

Subscribed and sworn to before me this 12th day of October, 2006.



Notary Public



DAWN L. HAKE
My Commission Expires
March 16, 2009
Cole County
Commission #05407848

My commission expires _____

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SUPPLEMENTAL SURREBUTTAL TESTIMONY

OF

JAMES A. BUSCH

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2006-0314

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Q. Please state your name and business address.

A. My name is James A. Busch and my business address is P. O. Box 360, Jefferson City, Missouri 65102.

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

A. I am a Regulatory Economist III in the Economic Analysis Section of the Energy Department, Utility Operations Division of the Missouri Public Service Commission (Staff).

Q. Are you the same James A. Busch who filed direct, rebuttal, and surrebuttal testimony on behalf of Staff in this proceeding?

A. Yes I am.

Q. What is the purpose of your supplemental surrebuttal testimony?

A. In my direct testimony, I presented Staff's recommendation for the methodology the Commission should employ to determine appropriate revenue neutral shifts in class revenue responsibility and included Schedule JAB-2 to show the results of Staff's rate design methodology based upon Staff's Class Cost of Service Study (CCOS), which was presented in the direct testimony of Staff witness Janice Pyatte. In Ms. Pyatte's surrebuttal testimony, she presented a revised CCOS. This supplemental surrebuttal testimony presents

1 an updated Schedule JAB-2 (Schedule JAB-2 (Revised)) that is based on the results of Ms.
2 Pyatte's revised CCOS and Staff's recommendation presented in my direct testimony for the
3 methodology the Commission should employ to determine appropriate revenue neutral shifts
4 in class revenue responsibility, *i.e.*, the differences between Schedule JAB-2 and Schedule
5 JAB-2 (Revised) are solely due to changes in Staff's CCOS results.

6 Q. Are you revising anything in your supplemental testimony filed on October 6,
7 2006?

8 A. No. This supplemental surrebuttal testimony does not change any of my
9 surrebuttal testimony. It only updates Staff's proposed revenue neutral shifts in class revenue
10 responsibility.

11 Q. Does this conclude your supplemental surrebuttal testimony?

12 A. Yes.

STAFF'S CCOS RESULTS AND RATE DESIGN PROPOSAL
 Kansas City Power Light
 ER-2006-0314

	MO Retail	Residential	Small GS	Medium GS	Large GS	Large Power	Lighting
Rate Revenue	\$483,655,953	\$173,661,690	\$37,014,983	\$63,152,089	\$110,105,736	\$99,721,455	\$0
Staff CCOS Deficiency (\$)		\$14,305,014	(\$1,305,797)	(\$5,523,203)	(\$2,651,279)	(\$4,821,735)	\$0
Staff CCOS Deficiency (%)		8.24%	-3.53%	-8.75%	-2.41%	-4.84%	0.00%
Proposed % Reduction			-2.41%	-2.41%	-2.41%	-2.41%	
Revenue Reductions	\$7,464,473		(\$891,298)	(\$1,520,664)	(\$2,651,279)	(\$2,401,232)	\$0
Revenue Increases		\$7,464,473					
Revenue-Neutral \$ Change	\$0	\$7,464,473	(\$891,298)	(\$1,520,664)	(\$2,651,279)	(\$2,401,232)	\$0
Revenue-Neutral % Change	0.00%	4.30%	-2.41%	-2.41%	-2.41%	-2.41%	0.00%
Post-Shift Rate Revenues		\$181,126,163	\$36,123,685	\$61,631,425	\$107,454,457	\$97,320,223	\$0