

Exhibit No.: 127

Issues: Excess Extension
Charge Payment
Witness: William L. McDuffey
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2006-0314
Date Testimony Prepared: September 15, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

FILED

NOV 13 2006

OF

Missouri Public
Service Commission

WILLIAM L. MCDUFFEY

KANSAS CITY POWER & LIGHT

CASE NO. ER-2006-0314

**Jefferson City, Missouri
September 2006**

~~Staff~~ Exhibit No. 127
Case No(s) ER-2006-0314
Date 10-16-06 Rptr XF

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REBUTTAL TESTIMONY
OF
WILLIAM L. MCDUFFEY
KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2006-0314

Q. Please state your name and business address.

A. William "Mack" L. McDuffey, 200 Madison Street, Jefferson City, Missouri
65101.

Q. Are you the same William L. McDuffey who previously filed Direct
Testimony in this case?

A. Yes.

Q. What is the purpose of your Rebuttal Testimony in this case?

A. The purpose of my Rebuttal Testimony is to present the change in Staff's
position concerning the issue of "change the excess extension charge payment" as revised in
Kansas City Power & Light Company (KCPL) filed proposed Tariff Sheet No. 1.31 of this
case.

Q. Please describe KCPL's proposed change to the excess extension charge
payment.

A. KCPL's present payment plan has the Customer pay one and one-half percent
(1½%) of the construction cost a month in excess of the current free extension. The proposed
payment plan has the Customer pay the total construction cost in equal installments over sixty
(60) consecutive bills. Both the current and proposed payment plans are paid by a monthly
charge.

Q. What was your Direct Testimony position relating to this tariff proposal?

Rebuttal Testimony of
William L. McDuffey

1 A. I disagreed with the proposed reduction in the payment period and
2 recommended that KCPL's current tariff pertaining to this issue remain unchanged. The
3 present payment plan is billed at one and one-half percent (1½%) of the construction cost
4 which equates to a monthly payment for sixty-six months. The proposed payment plan
5 would be billed in equal installments over sixty (60) consecutive bills or months. KCPL's
6 proposed tariff sheets clarify that customers reimburse the company for construction costs
7 over a period of sixty (60) months, which remains unchanged. However, now customers will
8 reimburse the company for the entire construction cost. Under the current program,
9 customers only reimburse the company for ninety (90%) of the construction cost.

10 Q. What is Staff's rebuttal position relating to this tariff proposal?

11 A. The Staff is in agreement with this proposal.

12 Q. Why has the Staff changed its position?

13 A. KCPL has pointed out that it presently applies, in accordance with its tariff,
14 the maximum payment period of sixty (60) months [five (5) years] as stated below from
15 Tariff Sheet No. 1.31, paragraph 9.01 (D) in part:

16 As evidence that the Customer accepts service under the terms of
17 this extension policy, the Customer will be required to sign an
18 Electric Service Agreement guaranteeing the monthly Customer
19 Charges for a period of five (5) years.

20
21 This satisfies Staff's position of requesting the payment period to remain at sixty (60)
22 months.

23 Q. If the sixty-month payment period is unchanged, why is KCPL proposing the
24 removal of the present payment plan billed at one and one-half percent (1½%) of the
25 construction cost?

Rebuttal Testimony of
William L. McDuffey

1 A. KCPL has been collecting only ninety (90) percent of the amount owed. This
2 occurred because the Company limited the period it collected the construction cost to sixty
3 months, and only collected one and one-half percent (1½%) of the total cost each month (60 x
4 1.5 = 90). Thus, currently ten percent (10%) of the costs of the extensions beyond the base
5 amount are paid for by the other ratepayers or shareholders. The proposed change will allow
6 KCPL to collect the total amount of the cost from the customer causing the cost by simply
7 dividing the full amount owed by sixty (60) months.

8 Q. Does this conclude your rebuttal testimony?

9 A. Yes, it does.