

Exhibit No.:
Issues: Fuel Adjustment Clause
Witness: John A. Rogers
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: EO-2008-0216
Date Testimony Prepared: April 22, 2011

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

JOHN A. ROGERS

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. EO-2008-0216

*Jefferson City, Missouri
April 2011*

Staff Exhibit No. 4
Date 5/17/11 Reporter SM
File No. EO-2008-0216

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

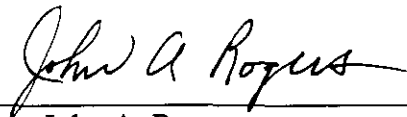
In the Matter of KCP&L Greater Missouri)
Operations Company (f/k/a Aquila, Inc.))
for Authority to Implement Rate)
Adjustments Required by 4 CSR 240-)
20.090(4) and the Company's Approved)
Fuel and Purchased Power Cost Recovery)
Mechanism)

File No. EO-2008-0216

AFFIDAVIT OF JOHN A. ROGERS

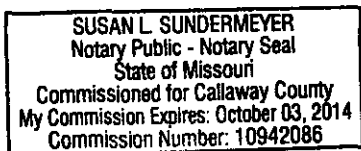
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

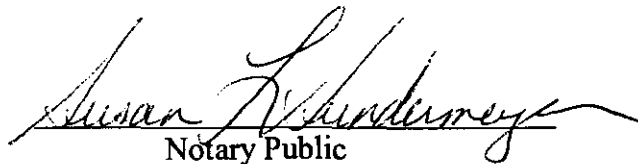
John A. Rogers, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 3 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given 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.



John A. Rogers

Subscribed and sworn to before me this 22nd day of April, 2011.




Notary Public

REBUTTAL TESTIMONY

OF

JOHN A. ROGERS

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. EO-2008-0216

Q. Please state your name and business address.

A. My name is John A. Rogers, and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. What is your present position at the Missouri Public Service Commission?

A. I am a Utility Regulatory Manager in the Energy Department of the Utility Operations Division.

Q. Are you the same John A. Rogers that filed direct testimony on April 1, 2011?

A. Yes, I am.

Q. Would you please summarize the purpose of your rebuttal testimony?

A. I address certain direct testimony of KCP&L Greater Missouri Operations Company (GMO or Company) witness, Tim M. Rush, related to the date that the initial accumulation period began. I also provide Staff's understanding of several statements made by Mr. Rush in his direct testimony which are confusing and may be misinterpreted.

Q. Please respond to Mr. Rush's testimony at page 7, lines 4 through 9 that follows:

Q. What do you conclude from this regarding the commencement of the first Accumulation Period for the Company?

A. The first Accumulation Period began on June 1, 2007, after the Report and Order became effective on May 21, 2007, but, in any

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event, not later than July 5, 2007 when the Commission's Order of June 29, 2007 that approved the FAC tariff sheets became effective.

A. The date May 217, 2007 appears to be a typographical error. It should be May 27, 2007. As I stated in my direct testimony at page 3, lines 13 through 23, the Missouri Western District Court of Appeals held in *State ex. Rel. AG Processing, Inc. v. Public Service Commission*, 311 S.W.2d 361 (Mo. App. 2010), that it was unlawful for the Commission to include fuel, purchased power and emissions costs Aquila incurred before the July 5, 2007 effective date of Aquila Inc.'s (n/k/a KCP&L Greater Missouri Operations Company) FAC tariff sheets when calculating the CAFs for MPS (Kansas City area customers) and L&P (St. Joseph area customers) associated with Accumulation Period 1 of Aquila's FAC.

The Court's stated rationales for its holding – statutory construction, filed rate doctrine and prohibition on retroactive ratemaking – provide no guidance on the question of whether the part of the accumulation period for which actual costs should be compared to predicted costs for determining the CAFs should start on July 5, 2007, or some later date, and not as Mr. Rush has stated: "no later than July 5, 2007."

Further, regardless of whether one asserts the first accumulation period started June 1 or some later date, the Court is quite clear no costs incurred prior to the effective date of the fuel adjustment clause tariff sheets—July 5, 2007—may be included in the calculation of the CAFs.

Q. Would you respond to Mr. Rush's direct testimony at page 5, lines 13 through 14 that "Aquila's RAM was approved in the Report and Order effective May 27, 2007"?

A. The Court of Appeals addressed this issue. Aquila's RAM was not effective May 27, 2007. The Commission authorized Aquila's RAM in its *Report and Order* issued on May 17, 2007 that became effective May 27, 2007. The Missouri Court of Appeals held that

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1 it was unlawful for the Commission to include fuel, purchased power and emissions cost
2 Aquila incurred before the July 5, 2007 effective date of Aquila's FAC tariff sheets. Staff's
3 position is that Aquila's RAM became effective on July 5, 2007.

4 Q. Do you have any response to Mr. Rush's direct testimony at page 9, lines 1
5 through 2 that "[a]lthough the Company believes that the tariffs approving the FAC became
6 effective June 1, 2007 under the Report and Order, the date that the specific FAC tariffs
7 became effective was July 5, 2001."

8 A. Yes. What he says is confusing. The order with which the Commission
9 approved Aquila's fuel adjustment clause tariff sheets in Case No. ER-2007-0004—Order
10 Granting Expedited Treatment and Approving Tariff Sheets—approved them "to become
11 effective on and after July 5, 2007." Further, the original FAC tariff sheets did not approve
12 the FAC as Mr. Rush suggests. The Commission approved Aquila's FAC in its order issued
13 on May 17, 2007 that became effective May 27, 2007.

14 Q. Can you help clarify Mr. Rush's direct testimony at page 11, lines 13 through
15 14 that "[t]he FAC tariffs that became effective July 5, 2007 contain a rate of \$0.0000 per
16 kilowatt-hour ("kWh")?"

17 A. Yes. The "rate of \$0.0000 per kilowatt-hour" Mr. Rush is referring to are the
18 rates on The Aquila, Inc., dba, AQUILA NETWORKS, P.S.C. MO. No. 1, Original Sheet No.
19 127, line 12 Current annual cost adjustment factor for secondary and primary service for
20 Aquila Networks – L&P and line 12 Current annual cost adjustment factor for secondary and
21 primary service for Aquila Networks – MPS.

22 Q. Does this conclude your testimony at this time?

23 A. Yes.