

Exhibit No.:
Issue: Fuel
Purchased Power Expense
Witness: V. William Harris
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2001-672
Date Testimony Prepared: January 8, 2002

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

REBUTTAL TESTIMONY
OF
V. WILLIAM HARRIS

FILED²
JAN 08 2002
Missouri Public
Service Commission

UTILICORP UNITED INC.
d/b/a MISSOURI PUBLIC SERVICE

CASE NO. ER-2001-672

Jefferson City, Missouri
January 2002

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TABLE OF CONTENTS
REBUTTAL TESTIMONY OF
V. WILLIAM HARRIS

OUT-OF-PERIOD/TRUE-UP PERIOD ADJUSTMENTS 1
NATURAL GAS PRICES 2
FUEL AND PURCHASED POWER ADJUSTMENTS..... 3

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
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21
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23
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REBUTTAL TESTIMONY

OF

V. WILLIAM HARRIS CPA, CIA

UTILICORP UNITED INC.

d/b/a MISSOURI PUBLIC SERVICE

CASE NO. ER-2001-672

Q. Please state your name and business address.

A. V. William Harris, Noland Plaza Office Building, Suite 110, 3675 Noland Road, Independence, Missouri 64055.

Q. Are you the same V. William Harris who previously filed direct testimony in this case?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to address the direct testimony of UtiliCorp United, Inc. / Missouri Public Service Division (MPS or Company) witness Stephen L. Ferry on fuel and purchased power expense.

OUT-OF-PERIOD/TRUE-UP PERIOD ADJUSTMENTS

Q. What is the test year in this case?

A. The test year is the 12-month period ended December 31, 2000 updated through June 30, 2001.

Q. Does Mr. Ferry use out-of-period data in his annualizations?

A. Yes. As indicated on page 11 (line 9), page 13 (line 6), page 18 (lines 13 and 16) and page 19 (line 14) of his direct testimony, Mr. Ferry uses January 2002 data in

Rebuttal Testimony of
V. William Harris

1 making his annualizations. The Staff's annualizations are based on the test year updated
2 through June 30, 2001.

3 Q. Has the Commission ordered a true-up period in this case?

4 A. Yes. The Commission ordered a true-up period through January 31, 2002.
5 The Staff will properly reflect January 2002 data in its true-up annualizations.

6 **NATURAL GAS PRICES**

7 Q. What natural gas prices did the Company reflect in its direct case?

8 A. Mr. Ferry states on page 15 of his direct testimony that the Company used
9 natural gas futures prices (and added 30 percent) for the months of April through
10 December.

11 Q. Does the Staff believe the use of natural gas futures is appropriate?

12 A. No. Please refer to the direct testimony of Staff witness Kwang Y. Choe.

13 Q. Is it reasonable to factor in an additional amount for fluctuations?

14 A. No. Fluctuations result from prices going down as well as up.

15 Q. Has the Company changed its position on prices since the direct filing?

16 A. Yes. In his response to Staff Data Request No. 342, Mr. Ferry states
17 "MPS proposes to true-up gas costs to monthly actual prices." Mr. Ferry reaffirmed the
18 Company's true-up position during the prehearing conference.

19 Q. Does the Staff believe the use of actual monthly prices is appropriate?

20 A. Yes. However, the Company is proposing the use of the actual prices for
21 the 12-month period ended January 31, 2002. Staff believes a 4-year average of actual
22 natural gas prices is appropriate in order to reflect (upward and downward) fluctuations
23 in the cost of natural gas.

FUEL AND PURCHASED POWER ADJUSTMENTS

Q. Have you made any changes to the Staff's fuel and purchased power adjustments?

A. Yes. I made adjustments resulting from changes made by Staff witnesses David W. Elliott and Lena M. Mantle. Please refer to their respective rebuttal testimonies. I also made adjustments to reflect information introduced by the Company during the prehearing in this case and provided by the Company after the prehearing in response to Staff Data Request No. 60 dated June 15, 2001.

Q. Do your adjustments to Staff's Accounting Schedules reflect the corrections/changes referenced in Staff witness David W. Elliott's rebuttal testimony?

A. Yes. The corrections/changes referenced by Staff witness Elliott result in a \$546,147 increase in annualized fuel expense.

Q. Do your adjustments to Staff's Accounting Schedules reflect the corrections/changes referenced in Staff witness Lena M. Mantle's rebuttal testimony?

A. Yes. The corrections/changes referenced by Staff witness Mantle result in a \$139,949 decrease in annualized fuel expense.

Q. What changes did you make to the Staff's fuel and purchased power adjustments to reflect information provided by the Company?

A. During the prehearing conference, the Company made Staff aware of a leased transmission line necessary for joint dispatching. Accordingly, the Staff has included MPS' allocation (\$1,534,575) of the line's cost in its fuel and purchased power adjustments.

I also added \$1,255,936 to the Staff's fuel model output to reflect the annualized unit train lease expense for the Company's Sibley generation plant. This

Rebuttal Testimony of
V. William Harris

1 information was provided by the Company after the prehearing in response to Staff Data
2 Request No. 60 dated June 30, 2001.

3 Q. Does this conclude your rebuttal testimony?

4 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of the Tariff)	
Filing of Missouri Public Service (MPS))	
A Division of UtiliCorp United Inc., to)	Case No. ER-2001-672
Implement a General Rate Increase for Retail)	
Electric Service Provided to Customers in the)	
Missouri Service Area of MPS)	

AFFIDAVIT OF V. WILLIAM HARRIS

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

V. William Harris, being of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



V. WILLIAM HARRIS

Subscribed and sworn to before me this 9th day of January 2002.



TONI M. CHARLTON
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF COLE
My Commission Expires December 28, 2004

