

Zobrist Exhibit 17

Exhibit No.: **KCP&L-17**
Issue: Off-system sales margin adjustments
Witness: Burton L. Crawford
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2010-0355
Date Testimony Prepared: January 5, 2011

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2010-0355

SURREBUTTAL TESTIMONY

OF

BURTON L. CRAWFORD

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

**Kansas City, Missouri
January 2011**

KCP&L Exhibit No. KCP&L17
Date 1/31/11 Reporter ALS
File No. ER-2010-0355

SURREBUTTAL TESTIMONY

OF

BURTON L. CRAWFORD

Case No. ER-2010-0355

1 **Q: Please state your name and business address.**

2 A: My name is Burton L. Crawford. My business address is 1200 Main, Kansas City,
3 Missouri 64105.

4 **Q: Are you the same Burton L. Crawford who prefiled direct and rebuttal testimony in**
5 **this matter?**

6 A: Yes.

7 **Q: What is the purpose of your surrebuttal testimony?**

8 A: The purpose of my testimony is to rebut issues raised by Staff witness V. William Harris
9 concerning SPP line loss charges and revenues.

10 **Q: Please describe the position taken by Staff concerning SPP line loss charges and**
11 **revenues.**

12 A: Staff has opposed the adjustment proposed by KCP&L to include SPP line loss charges in
13 the calculation of KCP&L's off-system sales margin. While Staff opposes including the
14 SPP line loss charges, they do include SPP line loss revenues in the calculation of the off-
15 system sales margin. In rebuttal testimony, Mr. Harris has proposed an alternative SPP
16 line loss revenue treatment. The alternative is to include SPP "line loss revenues in
17 KCPL's revenue requirement (separate and apart from Mr. Schnitzer's projected level of
18 OSS margin)" (Harris rebuttal, page 4, lines 10-12).

19 **Q: Do you agree with Staff's proposed treatment of SPP line loss charges?**

1 A: No. Staff continues to reject this expense. As more fully explained in my rebuttal
2 testimony in this case, these are expenses directly incurred by KCP&L as part of making
3 off-system sales and as such should be recoverable as an off-system sales expense. In
4 addition, Staff's position creates a mismatch between expenses and revenues. The SPP
5 line loss revenue that Staff agrees should be included is funded by the very charges that
6 Staff excludes, that is the SPP line loss charges.

7 **Q: Does the Company have an alternative proposal for the Commission to consider**
8 **concerning SPP line loss charges?**

9 A: Yes. Assuming that the Commission determines that the SPP line loss charges should not
10 be included in the calculation of KCP&L's off-system sales margins as the Company has
11 proposed, at a minimum the Commission should recognize these expenses incurred by
12 the Company and allow them to be recovered in KCP&L's revenue requirement. While
13 this is not the Company's preferred approach, it would at least be consistent with Staff's
14 alternative treatment for SPP line loss revenues and allow for the Company to recover
15 these legitimately incurred expenses.

16 **Q: Does that conclude your testimony?**

17 A: Yes, it does.

