

**KCP&L-244**

Exhibit No.:  
Issues: Expense  
Witness: Michael E. Taylor  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
File No.: ER-2010-0355  
Date Testimony Prepared: December 8, 2010

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**MICHAEL E. TAYLOR**

**KANSAS CITY POWER & LIGHT COMPANY**

**FILE NO. ER-2010-0355**

**Jefferson City, Missouri  
December 2010**

Staff Exhibit No. KCP&L-244  
Date 1/18/11 Reporter LMB  
File No. ER-2010-0355

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

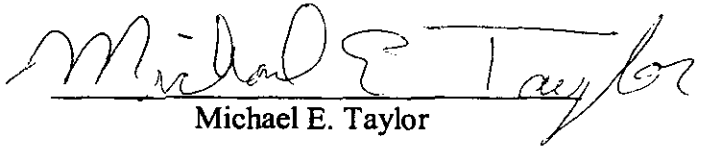
In the Matter of the Application of Kansas )  
City Power & Light Company for )  
Approval to Make Certain Changes in its )  
Charges for Electric Service to Continue )  
the Implementation of Its Regulatory Plan )

File No. ER-2010-0355

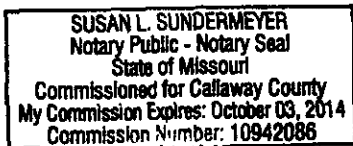
**AFFIDAVIT OF MICHAEL E. TAYLOR**

**STATE OF MISSOURI**     )  
  ) ss  
**COUNTY OF COLE**     )

Michael E. Taylor, 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 4 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.

  
Michael E. Taylor

Subscribed and sworn to before me this 8<sup>th</sup> day of December, 2010.



  
Notary Public

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

**REBUTTAL TESTIMONY**

**OF**

**MICHAEL E. TAYLOR**

**KANSAS CITY POWER & LIGHT COMPANY**

**FILE NO. ER-2010-0355**

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Q. Please state your name and business address.

A. Michael E. Taylor, P.O. Box 360, Jefferson City, Missouri, 65102.

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

A. I am employed by the Missouri Public Service Commission (Commission) as a Utility Engineering Specialist III in the Energy Department of the Utility Operations Division.

Q. Please describe your educational and work background.

A. I graduated from the University of Missouri-Rolla with a Bachelor of Science degree in Mechanical Engineering in May 1972 and a Master of Science degree in Engineering Management in August 1987. I served as an officer in the United States Navy (Submarine Service) from June 1972 to January 1979. I was employed by Union Electric Company (AmerenUE) from February 1979 until January 2003. While at AmerenUE, I worked at Callaway Plant in various departments including operations, work control, engineering, and quality assurance. In addition to these specific department functions; my work experience also included quality control, instrumentation and controls, fire protection, industrial safety, outage scheduling, daily scheduling and work planning. I was licensed as a Senior Reactor Operator from 1983 until 1998. I served as an Emergency Duty Officer/Emergency Coordinator and Recovery Manager in the plant emergency response organization. During my employment with AmerenUE, I also participated in corporate

Rebuttal Testimony of  
Michael E. Taylor

1 activities related to other electrical generating and transmission facilities. These activities  
2 included task group evaluation of existing generating units and recommendations regarding  
3 the company's generation portfolio. In March 2003, I began my employment with the  
4 Commission.

5 Q. Did you contribute to either Staff's Revenue Requirement Cost of Service  
6 Report or Staff's Rate Design and Class Cost-of-Service Report filed in this case?

7 A. No.

8 Q. Have you filed testimony previously before the Commission?

9 A. Yes. Please refer to the information provided on Schedule 1.

10 Q. What is the purpose of your rebuttal testimony?

11 A. I am responding to the direct testimony of Kansas City Power & Light  
12 Company (KCPL) witnesses Tim M. Rush, John P. Weisensee, and Burton L. Crawford  
13 regarding expenses associated with meeting a "portfolio requirement" from "renewable  
14 energy resources" as required by Section 393.1030 (RSMo).

15 Q. What is your experience with respect to the Missouri Renewable Energy  
16 Standard (RES), Sections 393.1020, 393.1025, and 393.1030 (RSMo)?

17 A. The RES is a voter initiative—Proposition C. Following the passage of  
18 Proposition C in November 2008, and associated with the implementation of the RES, I have  
19 been involved with the stakeholder workshops and preparation of proposed rules for  
20 Commission approval.

21 Q. What RES-related expenses did Messrs. Rush, Weisensee, and Crawford  
22 address in their direct testimony?

Rebuttal Testimony of  
Michael E. Taylor

1           A.     They included RES-related expenses in their direct testimony associated with  
2 purchased power agreements for wind energy and for solar energy. They also included  
3 expenses for solar rebates and for tracking renewable energy credits (REC).

4           Q.     Does KCPL have any purchased power contracts for wind energy or solar  
5 energy?

6           A.     No, not that Staff is aware of. KCPL responded to Staff Data Request No.  
7 0229 on September 9, 2010, that it did not have a purchased power contract for solar energy.  
8 Staff submitted a follow-up Data Request to KCPL on December 3, 2010, seeking to  
9 determine if there are any contracts that Staff is not aware of.

10          Q.     Without any KCPL purchased power agreements for wind or solar energy,  
11 upon what did Messrs. Tim M. Rush, John P. Weisensee, and Burton L. Crawford base the  
12 expenses they included in their direct testimony?

13          A.     They used projected values, not actual expenses.

14          Q.     Is Staff aware of any actual expenses KCPL has incurred for solar rebates or  
15 tracking RECs?

16          A.     No. However, based on the requirements of the RES, KCPL could have  
17 incurred solar rebate and REC tracking expenses since January of this year (2010). Staff  
18 submitted a Data Request on December 3, 2010, requesting KCPL's actual expenses  
19 associated with solar rebates and tracking RECs.

20          Q.     What expenses were included in KCPL witnesses' direct testimony for solar  
21 rebates and tracking RECs?

22          A.     They used projected values, not actual expenses.

Rebuttal Testimony of  
Michael E. Taylor

1           Q.     Should the Commission rely on projected values for the expenses associated  
2 with purchased power contracts for wind energy and solar energy, solar rebates, and tracking  
3 RECs for setting rates in this case?

4           A.     No, the Commission should rely on actual, prudently incurred expenses  
5 associated with these items.

6           Q.     Why is it important to understand the actual expenses associated with  
7 renewable energy purchased power contracts, solar rebates, and tracking RECs?

8           A.     The RES specifically includes a provision for limiting the retail rate increase  
9 associated with compliance with the RES. Therefore, it is necessary to know the actual  
10 expenses associated with RES compliance to determine if the maximum retail rate increase  
11 limit has been reached.

12          Q.     Does this conclude your rebuttal testimony?

13          A.     Yes.

**PREVIOUS TESTIMONY OF MICHAEL E. TAYLOR**

<b>Case Number</b>	<b>Company</b>	<b>Type of Filing</b>	<b>Issue</b>
ER-2006-0314	Kansas City Power & Light	Direct	Plant in Service
ER-2006-0314	Kansas City Power & Light	True-Up Direct	Plant in Service
ER-2007-0002	AmerenUE	Direct	Plant in Service
ER-2007-0002	AmerenUE	Supplemental Direct	Plant in Service
ER-2007-0004	Aquila	Rebuttal	Fuel Adjustment Clause
ER-2007-0291	Kansas City Power & Light	Staff Report	Plant in Service
ER-2007-0291	Kansas City Power & Light	True-Up Direct	Plant in Service
ER-2008-0093	Empire District Electric	Staff Report	Plant in Service
ER-2008-0093	Empire District Electric	Rebuttal	Fuel Adjustment Clause
ER-2008-0093	Empire District Electric	Surrebuttal	Plant in Service
ER-2008-0318	AmerenUE	Rebuttal	Fuel Adjustment Clause
ER-2009-0089	Kansas City Power & Light	Surrebuttal	Plant in Service
ER-2009-0089	Kansas City Power & Light	Live Testimony	Plant in Service
ER-2009-0090	KCP&L Greater Missouri Operations Company	Live Testimony	Plant in Service
ER-2010-0036	AmerenUE	Staff Report	Fuel Adjustment Clause