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Missouri Public
Service Commission

Exhibit No.:

Issues: Fuel Expense

Witness: Leon C. Bender

Sponsoring Party: MO PSC Staff

Type of Exhibit: True-Up Direct Testimony

Case No.: ER-2007-0291

Date Testimony Prepared: November 2, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

TRUE-UP DIRECT TESTIMONY

OF

LEON C. BENDER

KANSAS CITY POWER AND LIGHT COMPANY

CASE NO. ER-2007-0291

Jefferson City, Missouri

November 2007

STAFF Exhibit No. 126
Case No(s) ER-2007-0291
Date 11/9/07 Rptr PF

My commission expires 9-21-10

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TRUE-UP DIRECT TESTIMONY
OF
LEON C. BENDER
KANSAS CITY POWER AND LIGHT COMPANY
CASE NO. ER-2007-0291

Q. Please state your name and business address.

A. Leon C. Bender, 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 Staff (Staff) as a
Regulatory Engineer in the Energy Department of the Utility Operations Division.

Q. Please describe your educational and work background.

A. I received a Bachelor of Science degree in Mechanical Engineering in August
1978 from Texas Tech University. I became employed by Southwestern Public Service
Company (SPS) as a power generation plant design engineer in September 1978. While
employed by SPS, I was lead engineer on many projects involving design and construction of
new power generating stations and the upgrading of their older plants. In 1983, I became a
registered Professional Engineer in the state of Texas. In 1986, I transferred to SPS's newly
formed subsidiary company, Utility Engineering Corporation, and was responsible for various
projects at various other clients' power generation plants. In June 1990, I accepted
employment as systems engineer with Entergy Operations, Inc. at the nuclear powered
generating station, Arkansas Nuclear One. In December 1995, I joined the Missouri Public
Service Commission (Commission).

True-Up Direct Testimony of
Leon C. Bender

1 Q. Are you the same Leon C. Bender who filed results in the Staff's Direct Case
2 Filing in this case?

3 A. Yes, I am.

4 Q. What is the purpose of your true-up direct testimony in this case?

5 A. The purpose of my testimony is to present the results of the Staff's electric
6 production cost model simulations that were run in the true-up portion of this case to establish
7 the amount of normalized fuel and purchased power cost for Kansas City Power & Light
8 Company (KCPL) for the test year ending December 2006, updated through March 2007 and
9 trued up to September 30, 2007.

10 Q. Briefly summarize the results of the production cost model true-up simulations.

11 A. The results of the production cost model simulations show that the estimated
12 base amount of annual variable cost of fuel and net purchased power is \$196,973,750.

13 Q. Please describe the changes to the inputs to the production cost model for the
14 true-up portion of this case.

15 A. The following changes were made to the inputs of the production cost model
16 for the true-up time period.

- 17 1. Updated new fuel prices were supplied by Staff witness Charles
18 Hyneman.
- 19 2. Updated new weather normalized hourly load was supplied by Staff
20 witness Shawn Lange.
- 21 3. Updated purchased power prices were input into the model.
- 22 4. Spinning reserve requirements were increased from 40 MW's to 60
23 MW's to reflect the way the SPP market is now operating.

True-Up Direct Testimony of
Leon C. Bender

1 Q. What is the test year cost of fuel and net purchased power for KCPL, as
2 determined by the Staff's production model after adjustments have been made for true-up?

3 A. As noted earlier, the results of the production cost model simulation show that
4 the amount of annual variable cost of fuel and net purchased power is \$196,973,750. These
5 results were supplied to Staff witness Charles Hyneman, who used this input in the
6 annualization of fuel expense.

7 Q. Does this conclude your true-up direct testimony?

8 A. Yes, it does.