

Staff-19

Exhibit No.:
Issues: Revenue
Witness: Curt Wells
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No.: ER-2007-0291
Date Testimony Prepared: July 24, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

CURT WELLS

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2007-0291

Jefferson City, Missouri

Exhibit No. 249
Case No(s) ER-2007-0291
Date 10/1/07 Rptr MV

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

In the Matter of the Application of Kansas)
City Power and Light Company for)
Approval to Make Certain Changes in its)
Charges for Electric Service To)
Implement Its Regulatory Plan.)

Case No. ER-2007-0291

AFFIDAVIT OF CURT WELLS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Curt Wells, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 3 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct 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.



Curt Wells

Subscribed and sworn to before me this 23rd day of July, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public

My commission expires 9-21-07

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OF
CURT WELLS
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RELIANCE ON OTHER STAFF

Q. What reliance did you place on other staff members?

A. Experts determining the annualized, normalized test year rate revenues portion of operating revenues of a utility typically rely on the work of others. I did so here. I relied on the following members of the Staff in determining the annualized, normalized test year rate revenues portion of operating revenues of KCPL used for Staff's determination of KCPL's cost of service in this case: Mr. Shawn Lange, Mr. David Roos, Ms. Janice Pyatte, and Mr. Graham Vesely. The qualifications of each of these Staff persons--education and experience--is provided in Appendix 1 to the Staff's Cost of Service Report filed in this case, as is a general description of the nature of the work each performed. Based on my experience in determining the annualized, normalized test year rate revenues portion of operating revenues of utilities, the work product each of these persons provided was reasonable and reliable for determining the annualized, normalized test year rate revenues portion of operating revenues of KCPL.

EXECUTIVE SUMMARY

Q. What is the purpose of your testimony?

A. The purpose of this testimony is to sponsor the annualized, normalized test year Missouri Rate Revenues component of operating revenues to be used in the determination of the adequacy of Kansas City Power and Light Company's (KCPL's) Current Revenues when compared to KCPL's Revenue Requirement.

Rate revenue for all rate classes was provided by KCPL. Rate revenue was then adjusted to determine the level of revenue that the Company would have collected on an

Direct Testimony of
Curt Wells

1 annual, normal-weather basis, based on information "known and measurable" at the end of
2 the update period.

3 The two major categories of adjustments are referred to as normalizations and
4 annualizations. Normalizations deal with test year events that are unusual and unlikely to be
5 repeated in the years when the new rates from this case are in effect. Test year weather is an
6 example. Annualizations are adjustments that re-state test year results as if conditions known
7 at the end of the update period had existed throughout the entire test year. Customer growth
8 is an example. The adjustments are shown on Staff Accounting Schedule 10 – Adjustments to
9 Income Statement. Details of the methodology and results are in the Revenue Section of the
10 Cost of Service Report.

11 Q. Does this conclude your direct testimony?

12 A. Yes, it does.

TESTIMONY FILED BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

<u>Case Number</u>	<u>Company</u>	<u>Issue</u>
ER-2006-0315	Empire District Electric	Revenue
ER-2006-0314	Kansas City Power & Light Company	Calculation of Normal Weather, Revenue
GR-2006-0387	ATMOS Energy Corporation	Calculation of Normal Weather
GR-2006-0422	Missouri Gas Energy	Calculation of Normal Weather
ER-2007-0002	Union Electric d/b/a AmerenUE	Calculation of Normal Weather, Large Customer Annualization
GR-2007-0003	Union Electric d/b/a AmerenUE	Calculation of Normal Weather
ER-2007-0004	Aquila, Inc	Calculation of Normal Weather, Revenue
GR-2007-0208	Laclede Gas Company	Calculation of Normal Weather