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Missouri Public
Service Commission

Testimony before the Missouri Public Service Commission

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Reporter Cross Reporting

Thank you for this opportunity to address the Commission concerning KCP&L's proposed power plant and the associated rate increases they are seeking to pay for it.

When Great Plains Energy first proposed building new power plants several years ago, their proposal was for unregulated plants to market the sale of electricity to other utility companies. That would not have involved rate increases for KCP&L service area customers. However, over a year ago, they changed their plans, and are now proposing a regulated plant for their own customers, stating that their own service area customers will need the electricity. Now KCP&L is seeking rate increases from residential and business customers to pay for the plant.

KCP&L does sell electricity to other utilities from their existing power plants. The US Energy Information Administration of the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC) maintain records of all utility sales. This information is supplied to these government agencies by all private and public utilities. It includes the amount of electricity in megawatt hours (MWH) sold by each utility company to its own customers and the amount sold to other utility markets. These data are available on DOE and FERC websites.

I researched the electric power sold by KCP&L from 1999 through 2003, the last year for which complete data is available on the websites. What I discovered was eye-opening.

Briefly:

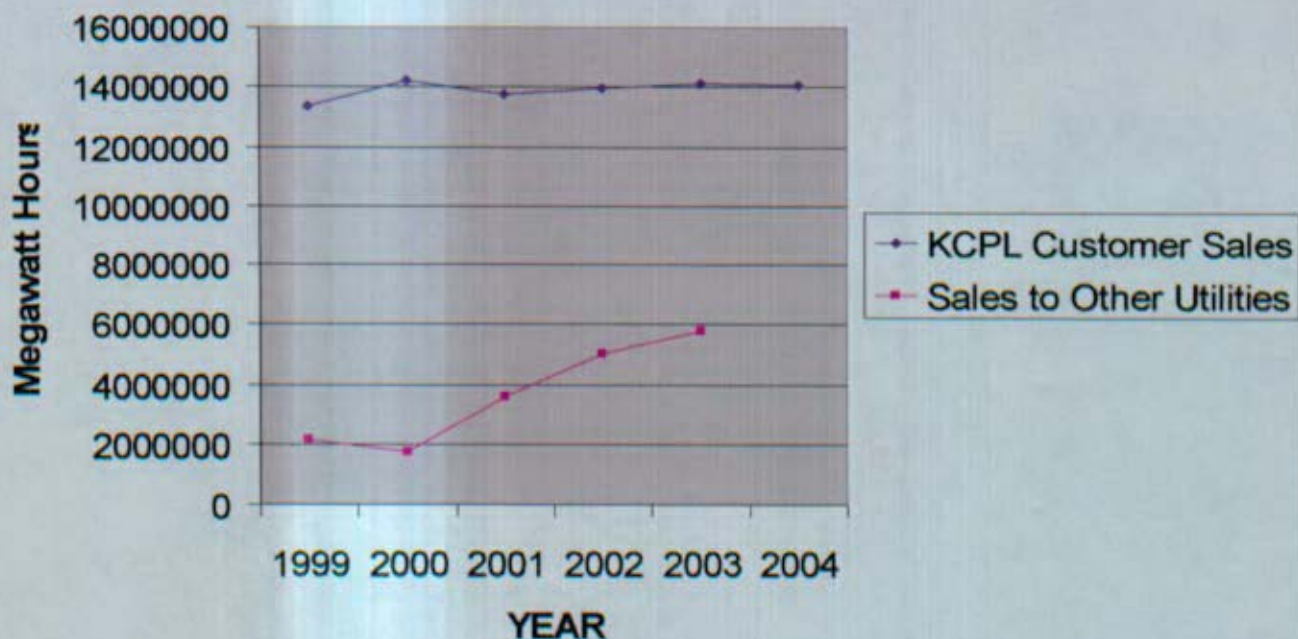
- In 1999, 13.8% of KCP&L total sales were to other utility companies.
- In 2003, that had risen to 29.1% of total sales.
- From 1999 to 2003, sales to other utilities increased at an annualized rate of 28.3% per year.
- From 1999 to 2003, sales to KCP&L customers only increased at a rate of 1.4% per year.

The following table shows sales figures with annual percentage increases or decreases. The far right column shows the percentage of total electricity sold to other utilities that year.

	Sales to KCP&L customers		Sales to other utilities		% of total sales going to other utilities
	MWH	% increase	MWH	% increase	
1999	13,342,151		2,134,987		13.8%
2000	14,201,321	6.4%	1,717,661	- 19.5%	10.8%
2001	13,735,242	- 3.3%	3,557,288	107.1%	20.6%
2002	13,957,146	1.6%	4,969,248	39.7%	26.3%
2003	14,099,782	1.0%	5,777,494	16.3%	29.1%
(2004	14,044,100	- .4%)*			
Annualized increase:		1.4%		28.3%	

* 2004 figures were available only for sales to customers and are not included in the 1.4% annualized figure, if 2004 were included, the annualized increase would drop to 1.0%.

KCP&L Customer Sales vs Sales to Other Utilities



The graph shows that KCP&L customer sales have been flat the last few years, with the year 2000 having the largest customer sales and dropping down from there. This does not correspond to KCP&L's own published and publicly stated projection of 2-3% growth per year, their justification for a new coal-burning power plant. At the same time, however, dramatic growth has occurred in sales to other utility companies.

Are KCP&L customers being asked to pay for a new plant so that the power can be sold to other utility companies?

Several months ago, I was part of a group that made a presentation to the Public Service Commission. One concern the Commission had was that utilities have enough reserve generating capacity to cover peak load conditions. According to the websites of Great Plains Energy and KCP&L, their current capacity is about 4100 MW, and their all-time peak load of 3610 MW occurred on August 21, 2003 between 3PM and 4PM when the temperature was 105 degrees.

The FERC website contains data on each utility's sales to other utilities and is broken down to sales on an hourly basis. I checked that hour of peak usage on August 21 and KCP&L sold 528 MW hours to other utilities from 3PM to 4PM that day. That means that of that 3610 MW peak, only 3082 MW (3610 - 528) were required to meet the needs of KCP&L customers. Thus, they already have 33% capacity above their all-time peak usage for their own customers, even without the addition of the promised 200 MW of wind power.

Should KCP&L customers be asked to pay for a new power plant when the only significant increase in sales is to other utility companies? I respectfully request that KCP&L provide their projection data and reasoning to the public. I also respectfully request that the Commission reexamine KCP&L's plan with respect to capacity requirements.

Thank you.