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Witness: Curt Wells
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Case No.: ER-2007-0291
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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

My commission expires 9-21-07

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Q. Please state your name and business address.

A. My name is Curt Wells and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri, 65102.

A. I am a Regulatory Economist in the Energy Department of the Utility
 Regulations Division.

A. I have a Bachelor's degree in Economics from Duke University, a Master's degree in Economics from The Pennsylvania State University, and a Master's degree in Applied Economics from Southern Methodist University. I have been employed by the Missouri Public Service Commission since February, 2006. Prior to joining the Commission, I completed a career in the U.S. Air Force, which included assignments as a navigator in weather reconnaissance aircraft, and later in the Purchasing/Contracting area as Contract Negotiator and Administrator, Contracting Policy Manager, Installation Purchasing Department Chief, and Contracting Program Manager.

A. Yes. My previous testimony is listed in Schedule CW-1.

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