Exhibit No.:

Issues: Fuel Expense
Witness: Leon C. Bender
ng Party: MO PSC Staff

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

## 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.											
AFFIDAVIT OF LEON C. BENDER											
STATE OF MISSOURI ) ) ss COUNTY OF COLE )											
Leon C. Bender, of lawful age, on his oath states: that he has participated in the preparation of the following True-Up Direct Testimony in question and answer form consisting of 3 pages of True-Up Direct Testimony to be presented in the above case, that the answers in the following True-Up 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.											
Lem Banden											
Leon C. Bender  Subscribed and sworn to before me this 1st day of November, 2007.											
SUSAN L. SUNDERMEYER  My Commission Expires  September 21, 2010  Callaway County  Commission #008429RA											
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).

- Q. Are you the same Leon C. Bender who filed results in the Staff's Direct Case Filing in this case?
  - A. Yes, I am.
  - Q. What is the purpose of your true-up direct testimony in this case?
- A. The purpose of my testimony is to present the results of the Staff's electric production cost model simulations that were run in the true-up portion of this case to establish the amount of normalized fuel and purchased power cost for Kansas City Power & Light Company (KCPL) for the test year ending December 2006, updated through March 2007 and trued up to September 30, 2007.
  - Q. Briefly summarize the results of the production cost model true-up simulations.
- A. The results of the production cost model simulations show that the estimated base amount of annual variable cost of fuel and net purchased power is \$196,973,750.
- Q. Please describe the changes to the inputs to the production cost model for the true-up portion of this case.
- A. The following changes were made to the inputs of the production cost model for the true-up time period.
  - Updated new fuel prices were supplied by Staff witness Charles
     Hyneman.
  - Updated new weather normalized hourly load was supplied by Staff witness Shawn Lange.
  - 3. Updated purchased power prices were input into the model.
  - Spinning reserve requirements were increased from 40 MW's to 60 MW's to reflect the way the SPP market is now operating.

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Q.	What	is the	test ye	ear cos	t of	fuel	and	net	purchased	power	for	KCPL,	as
determined by	the Sta	aff's pr	oductio	on mod	el af	ter ac	liustn	nent	s have been	made f	or to	ue-up?	

- As noted earlier, the results of the production cost model simulation show that A. the amount of annual variable cost of fuel and net purchased power is \$196,973,750. These results were supplied to Staff witness Charles Hyneman, who used this input in the annualization of fuel expense.
  - Does this conclude your true-up direct testimony? Q.
  - A. Yes, it does.