

Exhibit No.:
Issue: Response to Renew Missouri, et al.
Witness: Burton L. Crawford
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Case No.: EC-2013-0379
EC-2013-0380 [Consolidated]
Date Testimony Prepared: August 9, 2013

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EC-2013-0379 and EC-2013-0380

REBUTTAL TESTIMONY

OF

BURTON L. CRAWFORD

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY
and
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri
August 2013**

REBUTTAL TESTIMONY

OF

BURTON L. CRAWFORD

Case No. EC-2013-0379 and EC-2013-0380

1 **Q: Please state your name and business address.**

2 A: My name is Burton L. Crawford. My business address is 1200 Main, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L”) as Director, Energy
6 Resource Management.

7 **Q: What are your responsibilities?**

8 A: My responsibilities include managing the Energy Resource Management (“ERM”)
9 department. Activities of ERM include resource planning, wholesale energy purchase
10 and sales evaluations, Supply division budgeting, and capital project evaluations.

11 **Q: Please describe your education, experience and employment history.**

12 A: I hold a Master of Business Administration from Rockhurst College and a Bachelor of
13 Science in Mechanical Engineering from the University of Missouri. Within KCP&L, I
14 have served in various areas including regulatory, economic research, and power
15 engineering starting in 1988.

1 **Q: Have you previously testified in a proceeding at the Missouri Public Service**
2 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**
3 **agency?**

4 A: Yes, I have. I provided testimony to the Commission in KCP&L’s most recent Missouri
5 rate cases and in a variety of other proceedings. I have also appeared before the Kansas
6 Corporation Commission on behalf of KCP&L.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations Company
9 (“GMO”) (collectively, the “Companies”).

10 **Q: What is the purpose of your Rebuttal Testimony?**

11 A: The purpose of my testimony is to respond to the allegations of Renew Missouri and
12 Missouri Solar Applications, LLC that KCP&L and GMO have not performed the
13 calculations required under 4 CSR 240-20.100 by describing how the Companies
14 calculated the utility’s Renewable Energy Standards (“RES”) compliance costs for the
15 2012 RES Compliance Plan filing.

16 **Q: Mr. Wilson claims at page 7 of his Direct Testimony that a utility is required to**
17 **perform a 1% rate impact calculation every year. When is a utility required to**
18 **perform the retail rate impact as described in 4 CSR 240-20.100(5)?**

19 A: Rules 240-20.100(5)(A) and 240-20.100(5)(B) respectively state: “The retail rate impact
20 shall be calculated on an incremental basis for each planning year that includes the
21 addition of renewable generation directly attributable to RES compliance through
22 procurement or development of renewable energy resources” and “The comparison of the
23 rate impact of renewable and non-renewable energy resources shall be conducted only

1 when the electric utility proposes to add incremental renewable energy resource
2 generation directly attributable to RES compliance through the procurement or
3 development of renewable energy resources.”

4 **Q: In their Direct Testimony, both Mr. Prost (page 6, line 17) and Mr. Wilson (page 8,**
5 **line 23), claim that KCP&L and GMO have failed to comply with the RES rule.**
6 **Based on Rules 240-20.100(5)(A) and 240-20.100(5)(B) were the Companies required**
7 **to perform a retail rate impact calculation for their 2012 RES Compliance Plan**
8 **filings?**

9 A: No, they were not. Referring to KCP&L’s most recent electric utility resource planning
10 analysis on file (Case No. EO-2012-0323) at the time of the 2012 RES Compliance Plan
11 filing, 2016 was the next year that KCP&L planned to add renewable generation that
12 would be used to comply with RES requirements. GMO’s resource plan (Case No. EO-
13 2012-0324) showed that additional wind generating resources would not be required until
14 2019. Therefore, retail rate impact calculations per Rule 240-20.100(5) were not
15 required.

16 **Q: Did the Companies provide any cost impact calculations in the 2012 RES**
17 **Compliance Plan regardless of not needing renewable generation to meet RES**
18 **requirements until sometime outside the RES plan period?**

19 A: Yes, even though KCP&L and GMO were not adding renewable generation to comply
20 with RES requirements in the 2012-2014 timeframe, there would be an increase in
21 revenue requirement due to the anticipated cost of solar renewable energy credits (“S-
22 RECs”) and solar rebates to qualified customers. Therefore to provide an indication of
23 the current level of compliance costs relative to KCP&L’s and GMO’s current revenue

requirements, KCP&L and GMO provided anticipated S-REC and solar rebate estimates on a per-year basis for the 2012-2014 timeframe and the associated annual revenue increase percentage based upon the S-RECs and solar rebate estimates.

Q: What were the results of the estimated average annual cost increase for KCP&L and GMO to meet RES compliance?

A: The results of the rate impact calculations are shown below. These were taken from the KCP&L and GMO 2012 Annual RES Compliance Plan filings.

Figure 1: KCP&L Annual Rate Impact

Year	Retail Revenue (\$ Millions)	RES Expense (\$ Millions)	Rate Impact
2012	\$ 744.82	\$ 5.82	0.78%
2013	\$ 829.18	\$ 7.27	0.88%
2014	\$ 833.08	\$ 9.18	1.10%

Figure 2: GMO Annual Rate Impact

Year	Retail Revenue (\$ Millions)	RES Expense (\$ Millions)	Rate Impact
2012	\$ 717.27	\$ 7.10	0.99%
2013	\$ 776.34	\$ 8.88	1.14%
2014	\$ 802.33	\$ 11.18	1.39%

Q: Why did the companies not include the cost of their current renewable resources used to meet RES compliance?

A: KCP&L's and GMO's current renewable resources used for compliance were either installed prior to the effective date of the rules or were installed for reasons other than RES compliance and therefore their costs are not directly attributable to RES compliance.

1 **Q: Has KCP&L and GMO performed a more recent calculation of the retail rate**
2 **impact?**

3 A: Yes. As part of the 2013 RES Compliance Plan filings (Case Nos. EO-2013-0504 and
4 EO-2013-0505) the retail rate impacts were calculated. These calculations would
5 supersede any calculations made as part of the 2012 RES Compliance Plan filing.

6 **Q: Does that conclude your testimony?**

7 A: Yes, it does.

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

Earth Island Institute d/b/a)	
Renew Missouri, et al.,)	
)	
Complainants,)	
)	
v.)	Case No. EC-2013-0379
)	
Kansas City Power & Light Company,)	
)	
Respondent.)	

Earth Island Institute d/b/a)	
Renew Missouri, et al.,)	
)	
Complainants,)	
)	
v.)	Case No. EC-2013-0380
)	[Consolidated with Case No. EC-2013-0379]
KCP&L Greater Missouri Operations)	
Company,)	
)	
Respondent.)	

AFFIDAVIT OF BURTON L. CRAWFORD

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Burton L. Crawford, being first duly sworn on his oath, states:

1. My name is Burton L. Crawford. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Director, Energy Resource Management.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of five (5) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Burton L. Crawford

Subscribed and sworn before me this 7th day of August, 2013.

Carla Lomax
Notary Public

My commission expires: April 06, 2015

