Exhibit No.:

Issues: Engineering Review Witness: David W. Elliott

Sponsoring Party: MO PSC Staff

Type of Exhibit: Surrebuttal Testimony

File No.: ER-2010-0355

Date Testimony Prepared: January 5, 2011

MISSOURI PUBLIC SERVICE COMMISSION UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

DAVID W. ELLIOTT KANSAS CITY POWER & LIGHT COMPANY FILE NO. ER-2010-0355

Jefferson City, Missouri January 2011

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

| In the Matter of the Application of Kansas City Power & Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Continue the Implementation of Its Regulatory Plan |)) File No.: ER-2010-0355) |
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| AFFIDAVIT OF D | AVID W. ELLIOTT |
| STATE OF MISSOURI)) ss COUNTY OF COLE) | |
| preparation of the following Surrebuttal consisting of <u>2</u> pages of Surrebuttal T that the answers in the following Surrebutta | nis oath states: that he has participated in the Testimony in question and answer form restimony to be presented in the above case al Testimony were given by him; that he has answers; and that such matters are true to the |
| | David W. Elliott |
| Subscribed and sworn to before me this 5 | day of January, 2011. |
| NIKKI SENN Notary Public - Notary Seal State of Missouri Commissioned for Osage County My Commission Expires: October 01, 2011 Commission Number: 07287016 | Motary Public |

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SURREBUTTAL TESTIMONY

OF

DAVID W. ELLIOTT

KANSAS CITY POWER & LIGHT COMPANY

FILE NO. ER-2010-0355

- Q. Please state your name and business address.
- A. David W. Elliott, P.O. Box 360, Jefferson City, MO 65102.
- Q. Are you the same David W. Elliott employed by the Missouri Public Service Commission (Commission) that contributed to Staff's Construction Audit and Prudence Review of Iatan Construction Project for Costs Reported as of June 30, 2010, filed on November 4, 2010 in this case?
 - A. Yes.
 - Q. What is the purpose of your surrebuttal testimony?
- A. The purpose of my surrebuttal testimony is to address statements made by Kansas City Power & Light Company (KCPL) witness Chris B. Giles in his rebuttal testimony in this case related to the Iatan Construction Project.
- Q. Mr. Giles makes the following statement, "However, I note that Staff's Mr. David Elliott has had no such difficulties identifying or explaining the cost variances over the Iatan project CBEs [Control Budget Estimates]." (Giles rebuttal page 12, lines 7 and 8) Do you agree with this statement?
- A. No. I did not identify or explain cost variances over the Iatan project CBEs. I reviewed the approved change orders over \$50,000 to understand the reason for the change order and determine if there were any engineering issues or concerns with the change order. I

explain this review on page 28 in Staff's Construction Audit and Prudence Review of Iatan Construction Project for Costs Reported as of June 30, 2010, filed on November 4, 2010:

Engineering Staff review construction project change orders associated with the project for the following:

- To understand the reason for the change at the point in time when the change order was issued;
- To determine whether the change corrected an engineeringrelated problem, resulted in a better design, or improved the operation or construction of the plant; and
- To determine whether the change resulted in a safety concern, caused unnecessary construction, or caused unnecessary duplication of facilities or work.
- Q. Mr. Giles makes the following statement, "Mr. Elliott's analysis clearly shows that cost overruns to the Iatan Project's CBEs are both identified and explained." (Giles rebuttal page 15, lines 10 and 11) Do you agree with that statement?
- A. No. I did not identify or explain cost overruns to the Iatan Project CBEs. I reviewed the approved change orders over \$50,000 to understand the reason for the change order and determine if there were any engineering issues or concerns with the change order. I explain this review on page 28 of Staff's Construction Audit and Prudence Review of Iatan Construction Project for Costs Reported as of June 30, 2010, filed on November 4, 2010 as described in detail above.
- Q. Are you the Staff member responsible to make the recommendation of what cost overruns of the Iatan project should be allowed?
 - A. No. I am not.
 - Q. Does this conclude your surrebuttal testimony?
 - A. Yes, it does.