# Exhibit No.: 127

Issues:

Witness: Sponsoring Party: Type of Exhibit: Case No.: Date Testimony Prepared:

Excess Extension Charge Payment William L. McDuffey MO PSC Staff Rebuttal Testimony ER-2006-0314 September 15, 2006

# MISSOURI PUBLIC SERVICE COMMISSION

# UTILITY OPERATIONS DIVISION

**REBUTTAL TESTIMONY** 

FILED

OF

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# WILLIAM L. MCDUFFEY

## **KANSAS CITY POWER & LIGHT**

#### CASE NO. ER-2006-0314

Jefferson City, Missouri September 2006

Exhibit No Case No(s). CLOC Date 10-16-01 - Rotr XS

#### **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 Begin the ) Implementation of Its Regulatory Plan )

Case No. ER-2006-0314

#### AFFIDAVIT OF WILLIAM L. McDUFFEY

STATE OF MISSOURI ) ) ss **COUNTY OF COLE** )

William L. McDuffey, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 3 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal 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.

William L. McDuffer

Subscribed and sworn to before me this  $\underline{14^{\text{H}}}$  day of September, 2006.

Elseniarnpf, Elemonin Notary Public

My commission expires 1 - 2005 State of Missouri County of Caliaway	My commission expires		9-23-2008
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1		REBUTTAL TESTIMONY
2 3 4		OF WILLIAM L. MCDUFFEY
5		KANSAS CITY POWER & LIGHT COMPANY
7 8		CASE NO. ER-2006-0314
9 10	Q.	Please state your name and business address.
11	Α.	William "Mack" L. McDuffey, 200 Madison Street, Jefferson City, Missouri
12	65101.	
13	Q.	Are you the same William L. McDuffey who previously filed Direct
14	Testimony in	this case?
15	А.	Yes.
16	Q.	What is the purpose of your Rebuttal Testimony in this case?
17	А.	The purpose of my Rebuttal Testimony is to present the change in Staff's
18	position conc	erning the issue of "change the excess extension charge payment" as revised in
19	Kansas City	Power & Light Company (KCPL) filed proposed Tariff Sheet No. 1.31 of this
20	case.	
21	Q.	Please describe KCPL's proposed change to the excess extension charge
22	payment.	
23	Α.	KCPL's present payment plan has the Customer pay one and one-half percent
24	(1½%) of the	construction cost a month in excess of the current free extension. The proposed
25	payment plan	has the Customer pay the total construction cost in equal installments over sixty
26	(60) consecu	tive bills. Both the current and proposed payment plans are paid by a monthly
27	charge.	
28	Q.	What was your Direct Testimony position relating to this tariff proposal?

Rebuttal Testimony of William L. McDuffey

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1	A. I disagreed with the proposed reduction in the payment period and
2	recommended that KCPL's current tariff pertaining to this issue remain unchanged. The
3	present payment plan is billed at one and one-half percent (11/2%) of the construction cost
4	which equates to a monthly payment for sixty-six months. The proposed payment plan
5	would be billed in equal installments over sixty (60) consecutive bills or months. KCPL's
6	proposed tariff sheets clarify that customers reimburse the company for construction costs
7	over a period of sixty (60) months, which remains unchanged. However, now customers will
8	reimburse the company for the entire construction cost. Under the current program,
9	customers only reimburse the company for ninety (90%) of the construction cost.
10	Q. What is Staff's rebuttal position relating to this tariff proposal?
11	A. The Staff is in agreement with this proposal.
12	Q. Why has the Staff changed its position?
13	A. KCPL has pointed out that it presently applies, in accordance with its tariff,
14	the maximum payment period of sixty (60) months [five (5) years] as stated below from
15	Tariff Sheet No. 1.31, paragraph 9.01 (D) in part:
16 17 18 19 20	As evidence that the Customer accepts service under the terms of this extension policy, the Customer will be required to sign an Electric Service Agreement guaranteeing the monthly Customer Charges for a period of five (5) years.
21	This satisfies Staff's position of requesting the payment period to remain at sixty (60)
22	months.
23	Q. If the sixty-month payment period is unchanged, why is KCPL proposing the
24	removal of the present payment plan billed at one and one-half percent (11/2%) of the
25	construction cost?

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#### Rebuttal Testimony of William L. McDuffey

Α. KCPL has been collecting only ninety (90) percent of the amount owed. This 2 occurred because the Company limited the period it collected the construction cost to sixty 3 months, and only collected one and one-half percent  $(1\frac{1}{2}\%)$  of the total cost each month (60 x 4 1.5 = 90). Thus, currently ten percent (10%) of the costs of the extensions beyond the base 5 amount are paid for by the other ratepayers or shareholders. The proposed change will allow 6 KCPL to collect the total amount of the cost from the customer causing the cost by simply 7 dividing the full amount owed by sixty (60) months.

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Q. Does this conclude your rebuttal testimony?

Yes, it does.

Α.