

Exhibit No.:
Issues: Revenues, Bad Debt Expense,
Other Employee Benefits, Payroll
Witness: Kimberly K. Bolin.
Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Direct Testimony
Case No.: ER-2006-0314
Date Testimony Prepared: November 7, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

TRUE-UP DIRECT TESTIMONY

OF

KIMBERLY K. BOLIN

KANSAS CITY POWER AND LIGHT COMPANY

CASE NO. ER-2006-0314

FILED²

NOV 17 2006

Missouri Public
Service Commission

Jefferson City, Missouri
November 2006

Staff Exhibit No. 155
Case No(s) ER-2006-0314
Date 11/16/06 Rptr MV

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

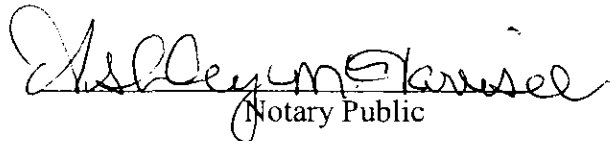
AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Kimberly K. Bolin, of lawful age, on her oath states: that she has participated in the preparation of the foregoing True-Up Direct Testimony in question and answer form, consisting of 5 pages to be presented in the above case; that the answers in the foregoing True-Up Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.


Kimberly K. Bolin

Subscribed and sworn to before me this 6th day of November 2006


Notary Public



ASHLEY M. HARRISON
My Commission Expires
August 31, 2010
Cole County
Commission #06898978

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OF
KIMBERLY K. BOLIN
CASE NO. ER-2006-0314

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1 **TRUE -UP DIRECT TESTIMONY**

2 **OF**

3 **KIMBERLY K. BOLIN**

4 **KANSAS CITY POWER & LIGHT COMPANY**

5 **CASE NO. ER-2006-0314**

6 Q. Please state your name and business address.

7 A. Kimberly K. Bolin, 200 Madison Street, Suite 440, Jefferson City, MO 65102.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission as a Utility
10 Regulatory Auditor III.

11 Q. Are you the same Kimberly K. Bolin who has filed direct and surrebuttal
12 testimony in this case?

13 A. Yes.

14 Q. What is the purpose of your true -up direct testimony?

15 A. The purpose of my true-up direct testimony is to support the Missouri Public
16 Service Commission Staff's (Staff) recommendations regarding revenue, uncollectible (bad
17 debt) expense, payroll, payroll taxes and employee benefits.

18 **EXECUTIVE SUMMARY**

19 Q. Please provide a brief summary of your true-up testimony.

20 A. My true-up testimony addresses Staff's true-up recommendations for the
21 following areas: revenues, uncollectible (bad debt) expense, payroll, other employee benefits,
22 payroll taxes and 401(K) match.

CUSTOMER GROWTH/LOSS ANNUALIZATION

Q. How did you update your customer growth/loss annualization?

A. The customer growth adjustment was calculated using the same methodology used in my direct testimony updated for customer growth that occurred as of September 30, 2006.

Q. Did you also update your customer growth/loss annualization for KCPL's Kansas operations?

A. Yes. I updated my customer growth/loss annualization to include customer growth as of September 30, 2006. The impact of growth on kWh sales for both Kansas and Missouri jurisdictions was provided to Staff witness Leon Bender of the Commission's Energy Department for inclusion in the fuel model to calculate the annualized level of fuel and purchase power costs.

LARGE CUSTOMER ANNUALIZATION

Q. Did the Staff adjust test year kWh sales for large power customers to reflect normal weather?

A. No. This is the same methodology that was used in the Staff's direct filing.

Q. Did Staff annualize large power customers?

A. Yes. The Staff annualized large power customers based upon a review of monthly consumption for each customer during the test year. Staff's annualization included any new large power customers as of September 30, 2006. Also as part of Staff's annualization, the Staff removed the test year revenue for large power customers who left the system as of September 30, 2006.

1 Q. Did KCPL gain or lose any new large power customers during the true-up
2 period?

3 A. KCPL did not gain any new large power customers and lost one Kansas large
4 power customer.

5 **OTHER REVENUE**

6 Q. Did Staff review the amounts KCPL booked in its Other Revenues accounts?

7 A. Yes. Staff reviewed the amounts KCPL booked in its Other Revenues
8 accounts over the last six years and through September 30, 2006. These revenues include
9 forfeited discounts, temporary installation profit, rent from electric property, miscellaneous
10 electric revenues, and transmission service for others.

11 Q. In your direct testimony you indicated that the test year Other Revenue
12 amounts appeared to be representative of an annualized level of revenue for each respective
13 category. Do you still believe this to be the case?

14 A. Yes.

15 **UNCOLLECTIBLE (BAD DEBT) EXPENSE**

16 Q. Please explain how you calculated Adjustment S-68.1.

17 A. I multiplied the Missouri net write-off ratio (.61%) for the twelve months
18 ending June 30, 2006, by Staff's Missouri Jurisdictional retail revenues (\$484,519,410) to
19 arrive at a annual uncollectible expense of \$1,952,699.

20 **PAYROLL**

21 Q. What compensation items are included in your true-up payroll annualization?

True-up Testimony of
Kimberly K. Bolin

1 A. I have included the salaries and wages of all KCPL employees that were
2 employed as of September 30, 2006. I also included an allocated share of GPE's annualized
3 payroll based upon employees as of September 30, 2006.

4 Q. Did you update the amount of overtime to be included in your payroll
5 annualization?

6 A. Yes. I used a three-year average of overtime incurred by KCPL. The three-
7 year period I used was from October 2003 through September 2006.

8 Q. Does your true-up payroll annualization include an allocated amount of
9 overtime incurred by GPE employees?

10 A. Yes. My payroll annualization for the true-up period includes an allocated
11 amount of GPE overtime. The allocation of overtime is the same percentage allocation that
12 was used for GPE base payroll allocated to KPCL. Overtime for GPE was calculated using a
13 monthly average of overtime incurred for the 14 months of August 2005 through September
14 2006.

15 Q. Why did you only use the most current 14 months to determine the amount of
16 overtime for GPE?

17 A. A reorganization occurred on August 1, 2005, which caused the movement of
18 numerous employees from GPE to KCPL, thus overtime incurred before August 1, 2005, was
19 not reflective of the overtime that will be incurred in the future by GPE.

20 Q. Did you update the payroll billed to KCPL by the Wolf Creek Nuclear
21 Operating Corporation to include billings as September 30, 2006?

22 A. Yes.

1 Q. Did you make any changes to the administrative and general (A&G)
2 capitalization to expense ratio for the true-up?

3 A. No. The method agreed to by KCPL and Staff subsequent to Staff's direct
4 filing in this case for the A&G capitalization ratio was used in the true-up payroll
5 annualization. The capitalization ratio assigns an amount of payroll costs to construction
6 activities of the Company.

7 **OTHER EMPLOYEE BENEFITS**

8 Q. Did Staff update the other employee benefits costs in this true-up filing?

9 A. Yes. Staff updated the employee benefits costs by using the twelve months
10 ending September 30, 2006 costs. These adjustments are S-78.8, S-78.9, S-78.10, S-78-11,
11 S-78.12 and S-78.13.

12 **PAYROLL TAXES**

13 Q. Please explain Adjustment S-87.1.

14 A. Adjustment S-87.1 annualizes the amount of employer FICA and Medicare
15 taxes. The amount of FICA and Medicare taxes were based upon Staff's September 30, 2006,
16 annualized payroll.

17 **EMPLOYER 401(K) MATCH**

18 Q. Did you update the employer 401(K) match costs to the change in Staff's
19 annualized payroll as of September 30, 2006?

20 A. Yes.

21 Q. Does this conclude your true-up direct testimony?

22 A. Yes, it does.