

Exhibit No.:
Issue: Off-System Sales Margin Calculation
Witness: Michael M. Schnitzer
Type of Exhibit: Rebuttal True-up Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2006-0314
Date Testimony Prepared: November 13, 2006

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2006-0314

REBUTTAL TRUE-UP TESTIMONY

OF

MICHAEL M. SCHNITZER

ON BEHALF OF

FILED

KANSAS CITY POWER & LIGHT COMPANY

NOV 17 2006

**Missouri Public
Service Commission**

**Kansas City, Missouri
November 13, 2006**

***** [REDACTED] *** Designates "Highly Confidential"
Information Has Been Removed.**

**"Highly Confidential" Information Has Been Removed from Certain Schedules
Attached to This Testimony Designated ("HC")
Pursuant To the Standard Protective Order.**

KCP&L Exhibit No. 57
Case No(s). ER-2006-0314
Date 11/16/06 Rptr MV

1 **REBUTTAL TRUE-UP TESTIMONY**

2 **OF**

3 **MICHAEL M. SCHNITZER**

4 **Case No. ER-2006-0314**

5
6 **Q: Please state your name and business address.**

7 A: My name is Michael M. Schnitzer. My business address is 30 Monument Square
8 Concord, Massachusetts 01742.

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

10 A: I am a Director of the NorthBridge Group, Inc. ("NorthBridge"). NorthBridge is a
11 consulting firm specializing in providing economic and strategic advice to the electric
12 and natural gas industries.

13 **Q. Are you the same Michael M. Schnitzer who provided Direct Testimony, Rebuttal**
14 **Testimony and Surrebuttal Testimony in support of Kansas City Power & Light**
15 **Company in this Case No. ER-2006-0314?**

16 A. Yes, I am.

17 **Q: Please describe the purpose of your Rebuttal True-up Testimony.**

18 A. I provide an update (as of the true-up date of September 30, 2006) to the prospective
19 calculation of Off-System Contribution Margin for KCPL in 2007, as originally provided
20 in the second part of my Direct Testimony, and previously updated to June 30, 2006 in
21 my Rebuttal Testimony.

22 **Q: What are the results of your updated analysis as of the true-up date of September**
23 **30, 2006?**

1 A. The updated distribution of potential Off-System Contribution Margin outcomes has a
2 median value of **[REDACTED]**, with a 25th percentile value of **[REDACTED]**.

3 **Q. How has this analysis changed since your Rebuttal Testimony?**

4 A. The prospective analysis of 2007 Off-System Contribution Margin contained in my
5 Rebuttal Testimony was based on inputs from the Company as of June 30, 2006. That
6 analysis had a median value of **[REDACTED]**, with a 25th percentile value of **[REDACTED]
7 [REDACTED]**. In October, KCPL provided inputs to NorthBridge as of September 30, 2006,
8 which were then used to further update my probabilistic analysis to the true-up date. A
9 comparison of the probability distributions from the true-up analysis and the Rebuttal
10 Testimony analysis is shown on page 5 of Schedule MMS-10. As well, Schedule MMS-
11 10 contains at page 3 a description of key changes in the underlying modeling inputs
12 between June 30th and September 30th, and at page 4 a graphical representation of the
13 incremental impact on the 2007 Off-System Contribution Margin of these changes.

14 **Q. Does that conclude your testimony?**

15 A. Yes, it does.

SCHEDULE MMS-10


**THIS DOCUMENT CONTAINS
HIGHLY CONFIDENTIAL
INFORMATION NOT AVAILABLE
TO THE PUBLIC**

In the Matter of the Application of Kansas City)
Power & Light Company to Modify Its Tariff to) Case No. ER-2006-0314
Begin the Implementation of Its Regulatory Plan)

COMMONWEALTH OF MASSACHUSETTS)
) ss
COUNTY OF MIDDLESEX)

1. My name is Michael M. Schnitzer. I work in Concord, Massachusetts, and I am employed by The NorthBridge Group, Inc. as a Director.

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.


Michael M. Schnitzer

Subscribed and sworn before me this 13th day of November 2006.

Patricia Ann Johnson
Notary Public

My commission expires: June 21, 2013