BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DIRECT TESTIMONY OF

TIM M. RUSH

ON BEHALF OF
KANSAS CITY POWER & LIGHT COMPANY

IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
TO MODIFY ITS TARIFFS TO CONTINUE THE
IMPLEMENTATION OF ITS REGULATORY PLAN

DOCKET NO. 09-KCPE-____-RTS

Q: Please state your name and business address.

A: My name is Tim M. Rush. My business address is 1201 Walnut, Kansas City, Missouri 64106-2124.

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

A: I am employed by Kansas City Power & Light Company ("KCP&L" or "Company") as Director, Regulatory Affairs.

Q: What are your responsibilities?

A: My general responsibilities include overseeing the preparation of the rate case, class cost of service ("CCOS") and rate design of both KCP&L and Aquila, Inc., dba KCP&L Greater Missouri Operations Company. I am also responsible for overseeing the regulatory reporting and general activities as they relate to the Missouri Public Service Commission ("MPSC").

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

A: In addition to public schools, I received a Master's Degree in Business Administration from Northwest Missouri State University in Maryville, Missouri. I did my undergraduate study at both the University of Kansas in Lawrence and the University of Missouri in Columbia. I received a Bachelor of Science Degree in Business Administration with a concentration in Accounting from the University of Missouri in Columbia.

Q: Please provide your work experience.

A: I was hired by KCP&L in 2001, as the Director, Regulatory Affairs. Prior to my employment with KCP&L, I was employed by St. Joseph Light & Power Company ("Light & Power") for over 24 years. At Light & Power, I was Manager of Customer Operations from 1996 to 2001, where I had responsibility for the regulatory area, as well as marketing, energy consultant and customer services area. Customer services included the call center and collections areas. Prior to that, I held various positions in the Rates and Market Research Department from 1977 until 1996. I was the manager of that department for fifteen years.

Q: Have you previously testified in a proceeding before the Kansas Corporation Commission ("KCC" or "Commission") or before any other utility regulatory agency?

A: I have testified on several occasions before the KCC. I have additionally testified a number of times before the MPSC.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to provide the retail revenue adjustment to reflect the annualized and normalized revenue level for the Kansas jurisdiction. In addition, I am

responsible for the proposed rate design in this case. I will discuss the results of KCP&L's CCOS study and how it impacts the proposed rate design.

I. ANNUALIZED/NORMALIZED REVENUES

Q: Were the retail revenues included in this filing prepared by you or under your supervision?

A: Yes, they were.

Q: Will you describe the method used in developing the revenues for this case?

A: Both the kWh sales and customer levels by rate class were developed by Company witness George M. McCollister. Mr. McCollister explains those figures in his Direct Testimony. Monthly bill frequencies for 2007 that contained the actual billing units for each of the billing blocks for the various rate components were developed under my supervision. For example, the residential general use rate has several billing blocks in the winter period, while only one billing block in the summer period. The bill frequency collected the actual usage that is billed in each of the billing blocks for each month in the winter period. It also collects the actual number of customers in each of the months. By applying the actual rates to the usage in each of the billing blocks, the revenues can be reproduced. This method provided the basis for determining the overall revenues to be used in this case. The Company determined monthly revenues by applying the normalized sales and customer levels for each month represented in the test period to the corresponding billing frequency and the actual rates in effect for that period. This was done for each rate for each month. The revenues from this calculation were then increased by the rate increase amounts that took effect on January 1, 2008. The sum of these revenues was compared to the actual 2007 revenues to determine the revenue

adjustment contained in the Summary of Adjustments attached to the Direct Testimony of Company witness John P. Weisensee as Scheduled JPW-2 (Adj-49A).

Q: The Company has an Energy Cost Adjustment ("ECA") in place to recover the fuel, purchased power, certain transmission expenses and to return off-system sales margins. How will the ECA mechanism affect the requested increase in this case?

A: The Company implemented an ECA in its last rate case. In this filing, the Company calculated its total revenue requirement, including fuel expense, purchased power expense and off-system sales margins, and then subtracted from the revenue requirement amounts which will be recovered under the ECA tariff, with the remainder of the revenue requirement to be collected in base retail energy rates.

II. ELECTRIC RATE DESIGN

Q: Are you sponsoring the electric tariffs filed in this case?

A: Yes, I am.

Q: Please describe generally the electric tariffs and the proposed changes set out in these tariffs?

A: The Company is requesting an increase in the non-fuel rates of $71.6 million (17.50%). As described, the ECA mechanism addresses changing fuel, purchased power, off-system sales and related transmission costs. The tariffs filed in this case only reflect the non-ECA increase. Any increase in the ECA will be addressed separately in the ECA filings.

Q: How are you proposing to increase the non-ECA rates to reflect the proposed increase?

A: The Company recommends that each rate be increased on an equal percentage basis to all tariffs. This will result in an increase of 17.50 percent to all customer classes.

III. ELECTRIC CLASS COST OF SERVICE

Q: Has the Company prepared an electric CCOS study?

A: Yes. The Company prepared a CCOS study in this proceeding. The study was done consistent with the study filed in the Company's last case. Company witness Brad Lutz presents the results in his Direct Testimony.

Q: Are you recommending changes to the rate design based on that study?

A: No. KCP&L's last case was filed on parallel paths with a similar case in Missouri. In the Missouri rate case, a number of issues were raised by parties of the case addressing the commercial and industrial all-electric space-heating and separately metered space-heating rates. As a result, the Company was ordered to discontinue the availability in Missouri of the commercial and industrial all-electric space-heating and the separately metered space-heating rates. Current customers on these rates were allowed to continue receiving these rates (*i.e.*, these rates are now frozen). The winter seasonal rates for these Missouri customers received a larger increase than all other classes of service. Additionally, the Company was ordered to prepare a CCOS study to address specific rate design elements in the next Missouri rate case. KCP&L has prepared a CCOS study in response to the MPSC order for the Missouri jurisdiction. That study is based on seasonal cost assignments. The electric CCOS provides average return on investment by season for the classes in the Missouri case. Attached to my Direct Testimony in this case and identified as Schedule TMR-1 is a summary of the results of the Missouri study. The study and results are being filed in the Missouri rate case.

The CCOS study performed for the Missouri rate case differs from the one filed by Company witness Brad Lutz in this filing. The Missouri filing differentiates return on

investments based on a seasonal CCOS. It also uses the base, intermediate and peak ("BIP") methodology for allocating production costs. This methodology differs from the "Peak & Average" methodology used in Kansas and filed in the Direct Testimony of Brad Lutz in this case.

Time constraints did not allow KCP&L to pursue this type of analysis in Kansas. However, it is something that we would like to pursue in the context of our next rate case. The results provide a basis for future shifts in revenues between seasons, as well as between classes. Rate designs in both Kansas and Missouri are generally consistent and therefore the conclusions of the Missouri CCOS study can generally be applied to Kansas.

Q: Please briefly describe the tariff request.

A: As more fully discussed in the direct testimony of Company witness Allen Dennis, KCP&L requests the Commission to authorize the implementation of a new Low-Income Home Energy Assistance program. This program delivers a monthly $50 "fixed credit" to low-income customers in an effort to improve low-income home energy affordability. The details behind this program are included in the Company's proposed tariffs.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas City Power & Light Company to Modify Its Tariffs to Continue the Implementation of Its Regulatory Plan	)))	Docket No. 09-KCPE-____-RTS

AFFIDAVIT OF TIM M. RUSH

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Tim M. Rush, being first duly sworn on his oath, states:

1. My name is Tim M. Rush. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Director, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of Six (6) 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.

Tim M. Rush

Subscribed and sworn before me this 4th day of ~~August~~ September 2008.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4, 2011

" NOTARY SEAL "
Nicole A. Wehry, Notary Public
Jackson County, State of Missouri
My Commission Expires 2/4/2011
Commission Number 07391200

KCPL - Paul Normand's Testimony
Final MAC Base with Staff 08 Rev, Net Plant, & Fuel

TABLE 3
COST OF SERVICE RESULTS – CLASS ROR AND INDEX

	Index of Return	-------- Rate of Return % --------		
Customer Class	Annual	Annual	Seasonal	
			Summer	Winter
RESIDENTIAL	1.06	**7.919%**		
Regular	1.11	**8.298%**	**7.865%**	**8.787%**
Time of Day	1.05	**7.859%**	**8.777%**	**6.947%**
All Electric	0.86	**6.443%**	**10.737%**	**3.590%**
Separately Metered	0.84	**6.286%**	**9.710%**	**4.428%**
SMALL	1.78	**13.296%**		
Primary & Secondary	1.85	**13.798%**	**11.863%**	**15.576%**
Other	1.08	**8.065%**	**5.942%**	**9.768%**
All Electric	1.18	**8.813%**	**10.438%**	**7.796%**
Separately Metered	1.28	**9.541%**	**14.444%**	**7.437%**
MEDIUM	1.17	**8.752%**		
Primary	1.74	**12.980%**	**11.482%**	**13.833%**
Secondary	1.23	**9.174%**	**8.183%**	**9.997%**
All Electric	0.83	**6.179%**	**7.552%**	**5.291%**
Separately Metered	1.16	**8.673%**	**8.487%**	**8.803%**
LARGE	1.05	**7.849%**		
Primary	1.28	**9.536%**	**7.569%**	**10.856%**
Secondary	1.26	**9.380%**	**9.323%**	**9.421%**
All Electric	0.75	**5.594%**	**7.076%**	**4.708%**
Separately Metered	1.13	**8.446%**	**8.869%**	**8.189%**
LARGE POWER SERVICE	0.55	**4.073%**		
Primary	0.62	**4.599%**	**3.041%**	**5.657%**
Secondary	0.64	**4.806%**	**3.285%**	**5.909%**
Substation	0.30	**2.236%**	**3.221%**	**1.652%**
Transmission	0.06	**0.425%**	**1.316%**	**-0.068%**
OFF PEAK LIGHTING	2.85	**21.230%**		
OTHER LIGHTING	(3.86)	**-28.816%**		
RETAIL	1.00	**7.457%**		