2010.07.06 16:24:10 Kansas Corporation Commission 787 Susan K. Duffy

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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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. 10-KCPE-415-RTS

STATE CORPORATION COMMISSION

JUL 06 2010 Sume Taliffy **CURB AND STAFF'S JOINT MOTION TO** STRIKE CROSS-ANSWERING TESTIMONY OF KANSAS GAS SERVICE WITNESSES RONALD WHITE AND DAVID DITTEMORE AND MOTION FOR EXPEDITED TREATMENT

COME NOW, the Citizens' Utility Ratepayer Board ("CURB"), and the Staff of the State

Corporation Commission of the State of Kansas ("Staff" and "KCC" or "Commission" respectively),

and file this joint motion to strike the Cross-Answering Testimony of Dr. Ronald White and David

Dittemore, prefiled with the Commission on July 2, 2010, on behalf of Kansas Gas Service ("KGS").

In support of their joint motion, CURB and Staff state as follows:

1. On January 8, 2010, KGS filed a Petition for Intervention in this docket, seeking

intervention for the following specific reason:

To permit Kansas Gas Service to present evidence and argument concerning the special rates KCP&L has in place for space and water heating, Kansas Gas Service seeks to intervene to be able to highlight the negative impact these rate structures have on customers who use natural gas for space and water heating and require them to pay higher electric rates for electric service during the colder parts of the year.¹

2. On February 19, 2010, the Kansas Corporation Commission ("Commission") granted

intervention to KGS, specifically stating:

Because rate design issues will be part of this docket, Kansas Gas Service seeks to intervene to be able to highlight the negative impact these rate structures have on customers who use natural gas for space and water heating and require them to pay higher electric rates for electric service during the colder parts of the year. (citations

¹ KGS Petition for Intervention, January 8, 2010, ¶ 6 (emphasis added).

omitted). Additionally, it asserts that as an electric customer and a provider of gas service to space heating customers who also use electricity, Kansas Gas Service's legal rights, duties, privileges, immunities, or other legal interests will be substantially affected by this proceeding as demonstrated above.²

3. On July 2, 2010, KGS filed the Cross-Answering Testimony of Dr. Ronald White and

David Dittemore. The Cross-Answering Testimony of Dr. Ronald White does not address KCPL's rate design in any respect, but instead addresses how third-party reimbursements should be recorded and treated in estimating net salvage rates in a comprehensive depreciations study.³ The Cross-Answering Testimony of David Dittemore likewise fails to address KCPL's rate design, but instead addresses rate base adjustments made by Staff and CURB related to the removal of fuel and purchased power from the computation of cash working capital.⁴

4. Neither Dr. White nor Mr. Dittemore offered direct testimony on depreciation or rate base issues. To the contrary, the direct testimony prefiled by KGS witnesses David Dittemore and Paul Raab addressed only KCPL's space and water heating tariffs,⁵ consistent with the reasons cited by KGS in its Petition for Intervention.

5. The Commission has authority to limit KGS' intervention in this docket through K.S.A. 77-521, parroted in K.A.R. 82-1-225, which provides in relevant part:

(c) If a petitioner qualifies for intervention, the presiding officer may impose conditions upon the intervenor's participation, either at the time that intervention is granted or at any subsequent time.

The Conditions may include the following:

² Order Granting Intervention for Danisco USA, Inc. and Kansas Gas Service, February 19, 2010, ¶ 5 (emphasis added).

³ Cross-Answering Testimony of Dr. Ronald White, July 2, 2010, p. 2, lines 26-29, p. 3, line 1.

⁴ Cross-Answering Testimony of David Dittemore, July 2, 2010, p. 1, lines 9-14.

⁵ Direct Testimony of David Dittemore, June 15, 2010, p. 1, lines 20-23, p. 2, lines 1-8; Direct Testimony of Paul Raab, p. 2, lines 16-23, p. 3, lines 1-2.

(1) Limiting the Intervenor's participation to designated issues in which the intervenor has a particular interest demonstrated by the petition;

(2) limiting the intervenor's use of discovery, cross-examination, and other procedures so as to promote the orderly and prompt conduct of the proceedings.

6. The Kansas Court of Appeals has interpreted the purpose of K.S.A. 77-521(c) to be

the following:

Subsection (c), authorizing the presiding officer to impose conditions upon the intervener's participation in the proceedings, is intended to permit the presiding officer to facilitate reasonable input by interveners, without subjecting the proceedings to unreasonably burdensome or repetitious presentations by intervenors. (CURB v. KCC, 24 Kan. App. 2d 63, 69, rev. denied, 262 Kan. 959 (1997); citing Comment, 1981 Uniform State Administrative Procedure Act § 4-209, 15 U.L.A. 84 (1990).

7. CURB did not oppose the Petition for Intervention filed by KGS because it expressly

stated its only intent was to present evidence and argument concerning the special rates KCPL has for space and water heating. Had KGS expressed its intent to participate in depreciation or rate base issues, CURB would have opposed the Petition for Intervention on the grounds KGS lacked standing to participate in depreciation or rate base issues and that the participation by KGS would unduly impair the orderly and prompt conduct of the proceedings.

8. Likewise, Staff did not oppose the Petition for Intervention for the same reasons stated for CURB and supports the underlying premise for CURB's opposition.

9. The procedural schedule agreed to by the parties to this docket was made in light of, and in reliance on, the representations made by KGS in its Petition for Intervention. KGS should not be allowed to present evidence and argument beyond the "evidence and argument concerning the <u>special rates KCP&L has in place for space and water heating</u>..." that KGS represented in its Petition

for Intervention it intended to offer to "highlight the negative impact these <u>rate structures</u> have on customers who use natural gas for space and water heating..."⁶

10. The technical hearing in this docket is scheduled for August 16th through September 3rd. The issues to be tried in this case are complex and will take the full three weeks scheduled. Participation by KGS in issues beyond the rate design issues cited in support of its Petition for Intervention will lengthen the proceedings beyond the three weeks currently scheduled.

11. CURB, Staff, and other parties will be denied any reasonable opportunity to respond or rebut the Cross-Answering Testimony of KGS witnesses White and Dittemore. The procedural schedule in this docket has already been extended and would require yet another extension in the event the Commission allows the cross-answering testimony of these KGS witnesses on issues unrelated to the rate design issue relied upon by KGS in obtaining intervention. Due process would require an additional extension if this unanticipated testimony is not stricken from the record.

12. This docket is not a general investigation where all utilities are entitled to intervene and submit testimony and evidence on general policy issues, but is instead an application filed by KCPL to increase its rates. The cross-answering testimony submitted by KGS on issues unrelated to the rate design issue asserted as the sole basis for intervention by KGS will impair the orderly and prompt conduct of the proceedings, deny the parties the opportunity to respond to the cross-answering testimony, and unnecessarily extend the time required for the technical hearings scheduled for August 16th through September 3rd.

13. KGS should not be allowed to use this cross-answering testimony as a basis for crossexamining witnesses in KCP&L's evidentiary hearing on issues relating solely to KCP&L.

⁶ KGS Petition for Intervention, January 8, 2010, ¶ 6.

Allowing KGS to do this would amount to an open invitation for utilities to intervene in all rate cases on any issue they wish to address outside of their own rate case or a general investigation. In other words, KGS should not be allowed to cross-examine Staff's witnesses, CURB's witnesses, or any other witness on issues completely unrelated to KGS such as how third-party reimbursements should be recorded and treated in estimating net salvage rates in a comprehensive depreciations study, or rate base adjustments made by Staff and CURB related to the removal of fuel and purchased power from the computation of cash working capital.

14. Wherefore, CURB and Staff respectfully request the Commission issue and order granting CURB and Staff's joint motion to strike the Cross-Answering Testimony of Dr. Ronald White and David Dittemore. Given the short time prior to the commencement of the evidentiary hearing on August 16, 2010, CURB also requests that the Commission enter an order on this matter as expeditiously as possible.

Respectfully submitted,

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ATTORNEYS FOR STAFF

VERIFICATION

STATE OF KANSAS)) SS: COUNTY OF SHAWNEE

I, C. Steven Rarrick, of lawful age, being first duly sworn upon his oath states:

That he is an attorney for the Citizens' Utility Ratepayer Board; that he has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.

C. Steven Rarrick

SUBSCRIBED AND SWORN to before me this $\frac{23}{2}$ day of July, 2010.

Notary of Public

DELLA J. SIVIETA My Appt. Expires January 26, 2013

My Commission expires: <u>01-26-</u>2013.

DELLA J. SMITH

VERIFICATION

STATE OF KANSAS)	
)	ss:
COUNTY OF SHAWNEE)	

I, Patrick T. Smith, of lawful age, being first duly sworn upon his oath states:

That he is an attorney for the Staff of the State Corporation Commission of the State of Kansas; that he has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.

Patrick T. Smith

SUBSCRIBED AND SWORN to before me this 6th day of July, 2010.

PAMELA J. GRIFFETH Notary Public - State of Kansas My Appl. Expires 8-17-2011

Notary of Public

august 17, 2011 My Commission expires:

CERTIFICATE OF SERVICE

10-KCPE-415-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 6th day of July, 2010, to the following:

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