2009.06.19 13:51:31 Kansas Cor<del>r</del>oration Commission /S/ Susan K. Duffy

## THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

)

)

)

)

)

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 Continue the Implementation of Its Regulatory Plan.

Docket No. 09-KCPE-246-RTS

STATE CORPORATION COMMISSION

JUN 1 9 2009

Susan Thington Docket

# CURB'S REPLY TO KCP&L'S RESPONSE TO CURB'S MOTION TO STRIKE PORTIONS OF ADDITIONAL TESTIMONY AND EXHIBITS OF CHRIS GILES AND JOHN WEISENSEE AND FOR EXPEDITED RULING

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB"), and files this reply

KCP&L's response to CURB's Motion to strike portions of the additional testimony and exhibits of

Chris B. Giles and John P. Weisensee, In support of its reply, CURB states and alleges as follows:

1. CURB incorporates herein by reference the procedural history and arguments

contained in its June 8, 2009, CURB's Motion to Strike Portions of Additional Testimony and

Exhibits of Chris Giles and John Weisensee and for Expedited Ruling.

## I. The Additional Testimony and Exhibits of Chris B. Giles and John P. Weisensee Related to IATAN Common Plant Should be Stricken From the Record.

2. In response to CURB's request to strike Mr. Giles' and Mr. Weisensee's testimony

related to actual costs of Iatan 1 and common costs based on ratios, KCP&L argues:

CURB misconstrues KCP&L's testimony, arguing that it does not provide actual costs. This is incorrect. KCP&L witness John Weisensee discusses in his May 5, 2009 testimony the process used by the Company to accumulate actual costs paid or approved for payment as of the cut-off date. (See Weisensee Additional Direct Testimony at pp 2-3.) As also noted by Mr. Weisensee, KCP&L included in its testimony the actual amount of costs that were paid or approved for payment and compared the costs against the Iatan Unit 1 Control Budget. *The ratio KCP&L used* 

in its May 5, 2009 testimony was simply the amount of costs that were paid or approved for payment (\$402,812,641-which was noted on Line A of Schedule JPW-9) as compared to the total Iatan Unit 1 Control Budget (\$484.1 million). KCP&L used this ratio to demonstrate the amount of common costs (included in the Unit 1 Control Budget) that had been paid or approved for payment as of the cut-off date. Additionally, KCP&L applied this ratio against the common costs included in the Unit 2 Control Budget. This methodology is consistent with Staff's recommendation as set forth in Justin Grady's additional direct testimony.<sup>1</sup>

3. KCP&L's argument is disingenuous and without merit. KCP&L admits Mr. Weisensee did not provide testimony on "actual costs" by stating "KCP&L *used this ratio* to *demonstrate* the amount of common costs (included in the Unit 1 Control Budget) that had been paid or approved for payment as of the cut-off date. Additionally, KCP&L *applied this ratio* against the common costs included in the Unit 2 Control Budget."

4. KCP&L's convoluted argument cannot convert admittedly estimated amounts derived from ratios to "actual costs." Actual costs are actual costs, not amounts derived by applying ratios of other actual costs to forecasted control budget amounts of other plant investments.

5. Contrary to KCP&L's argument, the Commission did not revise the procedural schedule at the request of the parties to allow KCP&L to offer testimony of estimated costs derived from ratios of other actual costs compared to forecasted amounts (Control Budget) of other plant investments. To the contrary, the Revised Scheduling Order expressly required that KCP&L's May 5, 2009 additional testimony was only to include testimony directly related to *actual costs* for Iatan Unit 1 and Iatan common costs *paid or approved for payment* through April 30, 2009, and directly related to the updated costs on non-Iatan plant through March 31, 2009.<sup>2</sup> This was acknowledged by the Commission in its Order Denying MUUG's Motion to File Additional Testimony and Granting

<sup>&</sup>lt;sup>1</sup> KCP&L's Response to Curb's Motion to Strike Portions of Additional Testimony and Exhibits of Chris Giles and John Weisensee and for Expedited Ruling, ¶ 5 (emphasis added).

Revised Scheduling Order, ¶ 10 (emphasis added). See also, Joint Motion, ¶ 10.

KCPL's Motion to Strike MUUG's Testimony Submitted May 29, 2009,<sup>3</sup> as well as its more recent Order Granting KCP&L's Motion to Strike Testimony of CURB Witness Kalcic Submitted May 29, 2009.<sup>4</sup>

# II. The Additional Testimony of Chris B. Giles and John P. Weisensee Related to the Creation of a Regulatory Asset Should be Stricken From the Record.

6. KCP&L next attempts to argue Mr. Giles' and Mr. Weisensee's testimony regarding the creation of a regulatory asset is somehow directly related to the actual costs that have been paid or approved for payment through April 30, 2009 because (KCP&L argues) it is related to movement away from budgeted costs to actual costs. CURB never agreed to the use of budgeted costs in this case, and the move from budget costs to actual costs was caused by KCP&L's inability to track with any certainty the common costs it was attempting to bring into this case long after the application was filed.

7. KCP&L has sought and received from this Commission numerous accommodations, including but not limited to those given in the 1025 Docket Stipulation and Agreement (AFDUC, CIAC, etc.) the subsequent floating filing dates, and the recent extension of the procedural schedule to address the substantial changes to the Company's application made in rebuttal testimony. KCP&L is not entitled to further accommodation – in the form of yet another new claim for relief from ratepayers in the form of a regulatory asset.

<sup>&</sup>lt;sup>3</sup> Order Denying MUUG's Motion to File Additional Testimony and Granting KCPL's Motion to Strike MUUG's Testimony Submitted May 29, 2009, ¶4 ("additional cost testimony the Commission ordered to be filed by KCPL ON May 5, 2009 and to which the other parties, Staff and Interveners, were ordered to file on May 29, 2009 related to the audit on *Actual costs…";* "compressed schedule … was revised at the request of all parties and designed to address problems concerning 'Actual Cost' issues." (emphasis added).

<sup>&</sup>lt;sup>4</sup> Order Granting KCP&L's Motion to Strike Testimony of CURB Witness Kalcic Submitted May 29, 2009, ¶4.

8. WHEREFORE, CURB respectfully requests the Commission grant its motion for an expedited order striking the portions of the additional testimony of Chris B. Giles and John P. Weisensee and related exhibits referenced in CURB's Motion to Strike Portions of Additional Testimony of Chris Giles and John Weisensee and for Expedited Ruling.

Respectfully submitted,

Samick

David Springe #15619 Niki Christopher #19311 C. Steven Rarrick #13127 Citizens' Utility Ratepayer Board 1500 SW Arrowhead Road Topeka, KS 66604 (785) 271-3200 (785) 271-3116 Fax

## VERIFICATION

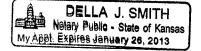
STATE OF KANSAS ) ) ss: COUNTY OF SHAWNEE )

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

That he is an attorney for the above named petitioner; that he has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.

at Kanick C. Steven Rarrick

SUBSCRIBED AND SWORN to before me this  $\underline{19+h}$  day of June, 2009.



Notary of Public

My Commission expires: 01-26-2013.

#### CERTIFICATE OF SERVICE

09-KCPE-246-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, e-mailed, or hand-delivered this 19th day of June, 2009, to the following:

\* JAMES G. FLAHERTY, ATTORNEY ANDERSON & BYRD, L.L.P. 216 SOUTH HICKORY PO BOX 17 OTTAWA, KS 66067 Fax: 785-242-1279 jflaherty@andersonbyrd.com

\* JANE L. WILLIAMS, ATTORNEY BLAKE & UHLIG PA 475 NEW BROTHERHOOD BLDG 753 STATE AVE., STE. 475 KANSAS CITY, KS 66101 Fax: 913-321-2396 jlw@blake-uhlig.com

CHARLES W. WHITNEY DUANE MORRIS LLP ATLANTIC CENTER PLAZA SUITE 700 1180 W PEACHTREE ST NW ATLANTA, GA 30309-3448 Fax: 404-759-2158 cwwhitney@duanemorris.com

\* KELLY S. WALTERS, REGULATORY & GENERAL SERVICES EMPIRE DISTRICT ELECTRIC COMPANY 602 JOPLIN PO BOX 127 JOPLIN, MO 64802 Fax: 417-625-5173 kwalters@empiredistrict.com

\* C. EDWARD PETERSON, ATTORNEY FINNEGAN CONRAD & PETERSON LC 1209 PENNTOWER OFFICE CENTER 3100 BROADWAY KANSAS CITY, MO 64111 Fax: 816-756-0373 epeters@fcplaw.com

MIKE LONG, BUSINESS MANAGER IBEW LOCAL UNION NO. 1613 6200 CONNECTICUT SUITE 105 KANSAS CITY, MO 64120 local1613@earthlink.net JAMES R. WAERS, ATTORNEY BLAKE & UHLIG PA 475 NEW BROTHERHOOD BLDG 753 STATE AVE., STE. 475 KANSAS CITY, KS 66101 Fax: 913-321-2396 jrw@blake-uhlig.com

\* GLENDA CAFER, ATTORNEY CAFER LAW OFFICE, L.L.C. 3321 SW 6TH STREET TOPEKA, KS 66606 Fax: 785-271-9993 gcafer@sbcglobal.net

\* BLAKE MERTENS EMPIRE DISTRICT ELECTRIC COMPANY 602 S JOPLIN AVE (64801) PO BOX 127 JOPLIN, MO 64802 Fax: 417-625-5169 bmertens@empiredistrict.com

\* BRIAN KALCIC, PRINCIPAL EXCEL CONSULTING 225 S MERAMEC AVE. STE. 7207 ST. LOUIS, MO 63105 excel.consulting@sbcglobal.net

DARRELL MCCUBBINS, BUSINESS MANAGER IBEW LOCAL UNION NO. 1464 6200 CONNECTICUT SUITE 105 KANSAS CITY, MO 64120 Fax: 816-483-4239 local1464@aol.com

BILL MCDANIEL, BUSINESS MANAGER IBEW LOCAL UNION NO. 412 6200 CONNECTICUT SUITE 105 KANSAS CITY, MO 64120 Fax: 816-231-5515 bmcdaniel412@msn.com

### CERTIFICATE OF SERVICE

09-KCPE-246-RTS

\* CURTIS D. BLANC, MANAGING ATTORNEY-REGULATORY KANSAS CITY POWER & LIGHT COMPANY 1201 WALNUT (64106) PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2787 curtis.blanc@kcpl.com

\* WILLIAM RIGGINS, GENERAL COUNSEL KANSAS CITY POWER & LIGHT COMPANY 1201 WALNUT (64106) PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2787 bill.riggins@kcpl.com

KANSAS CITY POWER & LIGHT COMPANY 1201 WALNUT (64106) PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2110 mary.turner@kcpl.com

\* PATRICK T SMITH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 Fax: 785-271-3167 p.smith@kcc.ks.gov \*\*\*\* Hand Deliver \*\*\*\*

TECHNICAL SERVICES KANSAS ELECTRIC POWER CO-OP, INC. 600 SW CORPORATE VIEW (66615) PO BOX 4877 TOPEKA, KS 66604-0877 Fax: 785-271-4888 rbowser@kepco.org

\* JOHN P. DECOURSEY, DIRECTOR, LAW \* DAVE DI KANSAS GAS SERVICE, A DIVISION OF ONEOK, ANALYSIS INC. 7421 W 129TH STREET STE 300 (66213) PO BOX 25957 SHAWNEE MISSION, KS 66225-9835 Fax: 913-319-8622 jdecoursey@kgas.com

\* CHRIS B GILES, SR. DIRECTOR, REVENUE AND RESOURCE MGMT KANSAS CITY POWER & LIGHT COMPANY 1201 WALNUT (64106) PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2924 chris.giles@kcpl.com \* VICKIE SCHATZ, CORPORATE COUNSEL KANSAS CITY POWER & LIGHT COMPANY 1201 WALNUT (64106) PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2992 victoria.schatz@kcpl.com \* MARY TURNER, DIRECTOR, REGULATORY AFFAIRS \* MELISSA HUNSICKER WALBURN, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 Fax: 785-271-3167 m.walburn@kcc.ks.gov \*\*\*\* Hand Deliver \*\*\*\* \* W. THOMAS STRATTON, JR., CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 Fax: 785-271-3354 t.stratton@kcc.ks.gov \*\*\*\* Hand Deliver \*\*\*\* \* ROBERT D BOWSER, VICE PRES REGULATORY & \* J MICHAEL PETERS, GENERAL COUNSEL KANSAS ELECTRIC POWER CO-OP, INC. 600 SW CORPORATE VIEW (66615) PO BOX 4877 TOPEKA, KS 66604-0877 Fax: 785-271-4884 mpeters@kepco.org \* DAVE DITTEMORE, MANAGER OF RATES & KANSAS GAS SERVICE, A DIVISION OF ONEOK, INC. 7421 W 129TH STREET STE 300 (66213) PO BOX 25957 SHAWNEE MISSION, KS 66225-9835 Fax: 913-319-8622

ddittemore@kgas.com

#### CERTIFICATE OF SERVICE

09-KCPE-246-RTS

\* WALKER HENDRIX, DIR, REG LAW KANSAS GAS SERVICE, A DIVISION OF ONEOK, INC. 7421 W 129TH STREET STE 300 (66213) PO BOX 25957 SHAWNEE MISSION, KS 66225-9835 Fax: 913-319-8622 whendrix@oneok.com

\* FRANK A. CARO, JR., ATTORNEY POLSINELLI SHUGHART 6201 COLLEGE BLVD SUITE 500 OVERLAND PARK, KS 66211 Fax: 913-451-6205 fcaro@polsinelli.com

\* JAMES P. ZAKOURA, ATTORNEY SMITHYMAN & ZAKOURA, CHTD. 7400 W 110TH STREET SUITE 750 OVERLAND PARK, KS 66210 Fax: 913-661-9863 jim@smizak-law.com

JAMES R. DITTMER, SR. CONSULTANT UTILITECH, INC. P.O. BOX 481934 KANSAS CITY, MO 64148-1934 Fax: 816-525-5258 jdittmer@utilitech.net

\* JACQUELINE SQUILLETS, CONSULTANT VANTAGE CONSULTING, INC. 21460 OVERSEAS HWY CUDJOE KEY, FL 33042 Fax: 305-744-3450 jsquillets@vantageconsulting.com \* ANNE E. CALLENBACH, ATTORNEY POLSINELLI SHUGHART 6201 COLLEGE BLVD SUITE 500 OVERLAND PARK, KS 66211 Fax: 913-451-6205 acallenbach@polsinelli.com

LEE M. SMITHYMAN, ATTORNEY SMITHYMAN & ZAKOURA, CHTD. 7400 W 110TH STREET SUITE 750 OVERLAND PARK, KS 66210 Fax: 913-661-9863 lee@smizak-law.com

\* ANDREA CRANE THE COLUMBIA GROUP 199 ETHAN ALLEN HWY RIDGEFIELD, CT 06877 ctcolumbia@aol.com

\* WALTER P. DRABINSKI, PRESIDENT VANTAGE CONSULTING, INC. 21460 OVERSEAS HWY CUDJOE KEY, FL 33042 Fax: 305-744-3450 wdrabinski@vantageconsulting.com

Della Smith

\* Denotes those receiving the Confidential version