

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

DIRECT TESTIMONY OF

RICHARD A. SPRING

**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

1 **Q: Please state your name and business address.**

2 A: My name is Richard A. Spring. My business address is 1201 Walnut, Kansas City,
3 Missouri 64106.

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

5 A: I am employed by Kansas City Power & Light Company (“KCP&L” or “Company”) as
6 Vice President, Transmission Policy, Planning and Compliance.

7 **Q: What are your responsibilities?**

8 A: My responsibilities include overseeing KCP&L’s transmission policy, transmission
9 planning, Federal Energy Regulatory Commission (“FERC”) regulatory compliance,
10 North American Electric Reliability Corporation (“NERC”) reliability compliance,
11 transmission tariff administration, and transmission energy accounting.

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

1 A: I hold a Master of Business Administration from Rockhurst College, a Bachelor of
2 Science in Mechanical Engineering from Wichita State University and an Associate of
3 Arts degree from Butler County Community College. I began my career at KCP&L in
4 1978 as a Staff Maintenance Engineer, promoted to Operations Supervisor in 1979,
5 Maintenance Superintendent 1982, all at the La Cygne Generating Station. I then moved
6 to the Iatan Generating Station as Maintenance Superintendent where I was promoted to
7 Plant Manager in 1984. I returned to the La Cygne Generating Station in 1991 as Plant
8 Manager. In 1993, I joined Northern Indiana Public Service Company as Director of
9 Electric Production. I returned to KCP&L in 1994 as Vice President, Production. I
10 shifted responsibilities and was named Vice President, Transmission and Environmental
11 Services in 1999. In 2003, I was named Vice President, Transmission Services. In 2008,
12 KCP&L strengthened its FERC and NERC compliance activities and I was named to my
13 current position of Vice President, Transmission Policy, Planning and Compliance.

14 **Q: Have you previously testified in a proceeding at the Kansas Corporation**
15 **Commission (“KCC”) or before any other utility regulatory agency?**

16 A: I have previously testified before both the KCC and the Missouri Public Service
17 Commission.

18 **Q: What is the purpose of your testimony?**

19 A: The purpose of my testimony is to summarize the Southwest Power Pool (“SPP”)
20 regional transmission expansion plans, KCP&L’s membership commitments, and FERC
21 statutory requirements for bulk power system reliability including compliance and
22 enforcement activities to meet NERC reliability standards.

23 **Q: Please describe the SPP regional transmission expansion plan funding process.**

1 A: KCP&L’s membership in SPP provides several benefits and obligations. KCP&L, as a
2 transmission owner, has transferred functional control of its transmission facilities to the
3 SPP. In doing so, SPP performs the following functions that enhance KCP&L’s
4 transmission operations and planning responsibilities:

- 5 1. The SPP provides the SPP Open Access Transmission Tariff (“OATT”) for
6 transmission customers to use a regional transmission tariff for KCP&L
7 transmission service purchased on our system.
- 8 2. SPP acts as KCP&L’s Reliability Coordinator and is responsible for
9 coordinated regional transmission operations to maintain bulk-power system
10 reliability.
- 11 3. SPP acts as KCP&L’s Planning Coordinator and performs regional planning
12 activities for all SPP members resulting in a comprehensive regional
13 transmission expansion plan.

14 The expansion plan includes, among other things, proposed transmission element
15 additions and upgrades within the SPP region in order to conform to applicable reliability
16 requirements of the SPP, NERC, and transmission owners.

17 **Q: Would you please explain more fully the SPP regional transmission expansion plan?**

18 A: Yes. The SPP regional transmission expansion plan proposes regional transmission
19 element additions in order to maintain sufficient transmission assets for the SPP region.
20 A major portion of the expansion plan includes those projects that are termed “base-plan
21 upgrades,” which are those transmission additions required to meet the mandatory NERC
22 and SPP reliability standards and criteria. Due to the nature of the interconnected
23 transmission system, these base-plan transmission additions produce direct and indirect

1 reliability benefits across the SPP region. Therefore, SPP employs a cost allocation
2 methodology to provide fair and equitable sharing of costs for base-plan transmission
3 additions. The SPP cost allocation calls for one-third of the project cost to be shared by
4 all SPP members, and the remaining two-thirds of the project cost is allocated among the
5 members that directly benefit from the project.

6 **Q: Are there incremental costs that KCP&L is exposed to beyond the test year of 2007?**

7 A: Yes. For the current SPP transmission expansion plan, KCP&L had 2007 test year costs
8 of \$41,928, proposed budget funding obligations in 2008 of approximately \$307,000 and
9 expects this obligation in 2009 to be about \$1.5 million. KCP&L has not included these
10 increased costs in its direct filing because the SPP transmission expansion plan continues
11 as a relatively new process, and due to varying cost recovery schedules for members,
12 these transmission expansion costs have the potential to change significantly. KCP&L
13 anticipates that these transmission expansion costs will have significant increases over
14 the next few years due to utility members implementing formula rate recovery structures
15 and increased regional transmission asset additions.

16 **Q: Please describe the cost impact of the NERC & SPP reliability compliance and**
17 **enforcement activities.**

18 A: As a result of the Energy Policy Act of 2005 (“EPAAct ’05”), the FERC has been given
19 specific jurisdictional responsibilities for the reliability and security of the bulk-power
20 system. Also within the EPAAct ’05, Congress directed the formation of a new Electric
21 Reliability Organization and corresponding Reliability Entities responsible for bulk-
22 power reliability enforcement and compliance activities. As a result, NERC and the
23 Regional Entities, including SPP, continue to supplement their manpower and

1 infrastructure in order to implement these reliability compliance and enforcement
2 responsibilities.

3 KCP&L had actual NERC and SPP expenditures of \$265,528 in 2007, and for the
4 current budgets of NERC and SPP, proposed budget funding obligations in 2008 of
5 approximately \$486,000 and an expected funding obligation of \$693,000 in 2009. No
6 adjustment to test year costs has been reflected in the direct filing.

7 **Q: Please describe the FERC Administrative Fee adjustment.**

8 A: FERC administrative fees contain assessments to public utilities as per Part 382 of
9 FERC's regulation for federal regulatory costs based on energy delivered under point-to-
10 point transmission service and network integration service to all energy delivered to
11 bundled retail and grandfathered loads. These fees are re-assessed each year based on
12 increases in energy served as well as additional FERC budget increases in order to
13 provide certain federal regulatory functions – including new statutory requirements of
14 reliability compliance and enforcement.

15 KCP&L had 2007 actual expenditures of \$729,000 and proposed budget funding
16 obligations in 2008 and 2009 of approximately \$708,000 and \$819,000, respectively.

17 KCP&L has increased its test year cost of service by \$90,000 to reflect an annualized cost
18 level, as shown in Schedule JPW-2, Adj-37, attached to the Direct Testimony of
19 Company witness John P. Weisensee.

20 **Q: Does that conclude your testimony?**

21 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) Docket No. 09-KCPE-____-RTS
Continue the Implementation of Its Regulatory Plan)

AFFIDAVIT OF RICHARD A. SPRING

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Richard A. Spring, being first duly sworn on his oath, states:

1. My name is Richard A. Spring. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President, Transmission Policy, Planning and Compliance.

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 five (5) 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.

Richard A. Spring
Richard A. Spring

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

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4, 2011

