

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

REBUTTAL TESTIMONY OF

CHARLES H. TICKLES

**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. 07-KCPE-905-RTS

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

2 A: My name is Charles H. Tickles. 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 (“KCPL” or the
6 “Company”) as Vice President Information Technology.

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

8 A: My responsibilities include management and coordination of all corporate
9 information technology (“IT”) business applications, corporate IT architecture and
10 infrastructure including telecommunications.

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

12 A: I graduated from the University of Kansas in 1980 with a Bachelor of Science degree
13 in Mechanical Engineering. In 1993, I completed the Edison Electric Institute Senior
14 Middle Management Program, and in 2001, I graduated from the Rockhurst

1 University Executive Fellows Program with a Master of Business Administration
2 degree. I began employment at KCPL in 1980 as a Grade I Engineer and was
3 promoted to a Grade II Engineer in 1984. Subsequently, I served as Superintendent
4 of Computer Applications from 1984-1988, Manager of Computer Applications from
5 1988-1994, Manager of System Applications from 1994-1996 and Director of
6 Information Systems from 1996-2000. In 2000, I became Senior Director of
7 Information Technology, and in 2007 I became Vice President Information
8 Technology, the title I hold today.

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

11 A: I submitted written testimony in the pending merger proceedings before the KCC and
12 Missouri Public Service Commission.

13 **Q: What is the purpose of your Rebuttal Testimony?**

14 A: The purpose of my testimony is to provide supporting documentation concerning the
15 various IT maintenance projects and associated costs that Citizens’ Utility Ratepayers
16 Board (“CURB”) witness Andrea Crane and KCC Staff witness Justin Grady did not
17 consider in preparing their respective IT maintenance adjustments ACC-33 and IS-5.

18 **Q: Please describe the IT projects and associated costs that Ms. Crane did not**
19 **consider in her IT maintenance adjustment.**

20 A: Ms. Crane did not include two projects. She did not include the Data Center
21 equipment hardware maintenance project, which is necessary to provide ongoing
22 maintenance coverage for the Data Center equipment beyond the purchased warranty
23 period. The maintenance agreement covers the time period from May 1, 2007 to

1 April 30, 2008. As shown on the attached purchase order (KCPL0000184649) to
2 Hewlett Packard, which is attached hereto as Schedule CHT-3, the annualized cost is
3 \$198,670.

4 **Q: Please describe the second project Ms. Crane did not include.**

5 A: Ms. Crane did not include the Integrated Mobile software project. This project
6 provides Customer Service field personnel with real-time access to Facilities
7 Mapping and Customer Information to support field service activities such as
8 connects, disconnects, field collections, and service investigations. Phase I
9 implementation and acceptance for this project was delayed, which resulted in a
10 reduction in the actual maintenance support cost. Final acceptance and start of
11 maintenance occurred in July of 2007. The maintenance agreement covers the time
12 period from July 1, 2007 to June 30, 2008. The resulting annual maintenance cost is
13 \$162,576, as shown in the attached invoice (IN-0004651) from Intergraph, which is
14 attached hereto as Schedule CHT-4.

15 **Q: Please summarize the effects of the two items Ms. Crane did not include in her**
16 **IT maintenance adjustment.**

17 A: Based on the supporting information I have provided, Ms. Crane overstated her
18 adjustment by \$165,631, the Kansas jurisdictional effect of the two items described
19 above.

20 **Q: Does Ms. Crane acknowledge that certain adjustments might be necessary to her**
21 **proposed IT maintenance adjustment?**

22 A: Yes, she does. She states in her direct testimony that “if adequate supporting
23 documentation is provided during the rebuttal stage of this case, I will revise my

1 recommendation, if appropriate.” Based on the discussion above and the supporting
2 schedules, I believe the Company has provided appropriate support for an adjustment
3 to Ms. Crane’s IT maintenance adjustment.

4 **Q: Please discuss your concerns with Mr. Grady’s adjustment IS-5.**

5 A: Mr. Grady also did not include the two projects discussed above. Additionally, he did
6 not include another project that the Company included in its IT maintenance
7 adjustment, the Netbackup project.

8 **Q: Please describe this project.**

9 A: KCPL initiated the Netbackup project to enhance the Data Center tape backup and
10 recovery processes, including Email archiving. It was included in the Company’s
11 response to KCC Staff Data Request No. 237. That response, which is attached
12 hereto as Schedule CHT-1, provided IT maintenance costs as of May 2007 for
13 projects with annual costs less than \$100,000.

14 **Q: What is the annualized cost of the Netbackup project?**

15 A: As shown on the attached invoice (200001393) from Symantic, which is attached
16 hereto as Schedule CHT-2, the annualized cost is \$95,485. This annualized cost
17 (Kansas jurisdictional allocation of \$44,200) should be considered in determining the
18 IS-5 adjustment, along with the \$165,631 for the two items discussed above related to
19 both Mr. Grady and Ms. Crane.

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

21 A: Yes, it does.

Company Name: KCPL
Case Description: Kansas Rate Case Filing 2-1-07
Case: 07-KCPE-905-RTS

Response to Grady Justin Interrogatories – Set KCC_20070607

Date of Response:
Responding Witness:

Question No. :237

For each of the 14 items included on the spreadsheet entitled ""Wkp-26b-General Mtce Annualization - Expenses as paid (<\$100K)" please provide: 1. A listing, by month, and by FERC account, of all expenses incurred thus far in 2007 for this item. 2. The latest contracted annual expense amount for the item and the dates for which the contract is in effect.

RESPONSE:

See attached file for an update to spreadsheet entitled “Wkp-26b-General Mtce Annualization – Expenses as paid (<\$100K)”

Prepared by: Angela Hatcher, Accounting

Attachments:

Q237_KCC Wkp-26b-General Mtce Annualization 6-12-2007.xls
Q237KCC_Verification.pdf

**Software and Hardware, 2007 Increases
Vouchers (not amortized)**

Invoices	2006 Vouchers	Bgt 2006	2006 Costs	Bgt 2007	2007 Vouchers	FERC Account	Month	2007 Costs- May YTD	6/12/2007 Notes	Notes	Budgeted in 2007
EVA Disk hardware maintenance		-		95,000				-	Planning to use budgeted dollars	Estimate, no contract	budgeted in Mar 2007; \$95,000
Enterprise Vault software support		-		37,431					This invoice is now being amortized to account 935000 and it's for both line items (Netbackup & Enterprise Vault Software Support)	Estimate, no contract	budgeted in Jun 2007; \$37,431
Netbackup	00762646 00744482 00752051	-	67,622	84,050	00809794	165008	1/2/2007	42,410	Have not purchased yet - Planning to use budgeted dollars	\$398 - Apr 2006 (00762646) \$67,077 - Jan 2006 (00744482) \$147 - Feb 2006 (00752051)	budgeted in Jan 2007; \$84,050
Patrol MQ software support		-		4,223				-	Estimate, no contract	Estimate, no contract	budgeted in Feb 2007; \$4223
MQ Software software support/WebSphere	00772995 00779100 00781569	-	73,668	84,185				-	Planning to use budgeted dollars	\$1671 - Jun 2006 (00772995) \$30,047 - Jul 2006 (00779100) \$41,951 - Jul 2006 (00781569)	budgeted in Jun 2007; \$84,145
Archiving System software support	00770688	-	43,659	15,000				-	Planning to use budgeted dollars	\$43,659 - May 2006 business (00770688)	budgeted in Jun 2007; \$15,000
Netmotion software support	00779334	-	11,750	12,000	00830558	935000	4/19/2007	11,750		\$11,750 - Jul 2006 business (00779334)	budgeted in Jan 2007; \$12,000
RSA software support	00743997 00782686	-	11,500	7,300	00831449 00829786	921000 935000	5/7/2007 5/16/2007	5,897 16,219		\$3731 - Jan 2006 business (00743997) \$7769 Aug 2006 business (00782686)	budgeted in Jan 2007; \$7,300
Utilities International, UI Planner software support		-	-	70,000				-	Contract has been negotiated; maintenance should be \$60k.	currently negotiating	budgeted in Sep 2007; \$70,000
Lodestar, software support	00794188 00768693	-	97,900	60,000				-	Planning to use budgeted dollars	Oct 2006 business (00794188) May 2006 business (00768693)	budgeted in Dec 2007; 60000
Corasworks, software support	00750727	-	10,000	10,000	00809792	935000	1/2/2007	10,000		Mar 2006 business	budgeted in Feb 2007; \$10,000
Synergy, Sharepoint audit software support	00754203	-	1,913	2,000	00829704	935000	4/17/2007	1,913		Mar 2006 business	budgeted in Feb 2007; \$2,000
Epay software support		-		6,000				-	Need to relicense due to HR Payroll upgrade. Planning to use budgeted dollars.	Project has not started; will have to relicense due to HR Payroll upgrade. Estimate to pay in Mar 2007.	budgeted in Jan 2007; \$6,000
SOX Express software support	00743734	-	25,200	30,000	00809793	935000	1/2/2007	27,232		Jan 2006 business (00743734). Paid by Audit Dept.	budgeted in Jun 2007; \$30,000
Total		-	343,212	517,189							

New items budgeted in 2007

1/2/2007-2:27:17 PM -2:27:17 PM

12/18/2006-10:48:17 PM

12/07 Resubmitted



symantec.

SYMANTEC
565 International Way
Springfield, OR, 97477
United States
Hotline: 408.517.8000
Fax: 541-335-5966
Collector Name: ZOFFMILT COLLECTOR
Collector Tel#: (800) 311-4433
Collector Em:
Taxpayer ID:



0 0 8 0 9 7 9 4
0 0 8 0 9 7 9 4

INVOICE	
NUMBER 200001393	
DATE 12-DEC-06	PAGE 1 of 1
PURCHASE ORDER NUMBER KCPL0000169719	
OUR REFERENCE	
SALES ORDER NUMBER 510623432	
CUSTOMER NUMBER 3445	LOCATION REF: BT-KANSAS CITY-

Attn: Accounts Payable
KANSAS CITY POWER & LIGHT COMPANY
PO BOX 411437
KANSAS CITY MO 64141 1437

KANSAS CITY POWER & LIGHT COMPANY
4400 E FRONT ST
KANSAS CITY MO 64120-1039

For Checks: Bank of America, File # 32168
P.O. Box 00090, San Francisco, CA 94160
For Wire: 1860 Gateway Blvd SWIFT: BOFAUS6S
Acct #: 12338-10287, ABA: 121000358
CONCORD CA 94520

Attn: Cindy Perez

SHIP DATE	SHIP VIA	SHIPPING REFERENCE				
TERMS	DUE DATE	SALESPERSON	CUSTOMER CONTACT			
30 NET	11 JAN 07					
ITEM	DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	TAX %	UNIT PRICE	EXTENDED AMOUNT
	This invoice is for Various Support Agreement(s) as per our Quote #510623432, your PO #KCPL0000169/19.					95,485.35
COMMENTS		SUBTOTAL	TAX %	TAX TOTAL	SHIPPING/HANDLING	TOTAL
871/165008/N/A		95,485.35	6.6%	6,302.02 USD	0.00	101,787.37 USD
GST# 12801-3208-RT QST# 1211858032 77-0181864						

KCPL

Kansas City Power & Light
 P. O. Box 418679
 1201 Walnut
 Kansas City, MO 64141-9679

Vendor: 0000002449
 HEWLETT PACKARD
 8000 FOOTHILLS BLVD
 MS 5521
 ROSEVILLE, CA 95747-5531
 USA
 Fax: 800-238-8197

Purchase Order

DUPLICATE

Purchase Order KCPL0000184649	Date 08/02/2007	Revision	Page 1
Purchasing Contact Cook, Stacey 816/556-2582 816/556-2644 Fax	Requestor Dickey, Kelli J 816-556-2200		
Payment Terms Net 30	Freight Terms F.O.B. Dest., Frt. Coll. KCPL		

See shipping instructions in KCPL terms 2007-01

Ship To: 1201 WALNUT BLDG. DELIVERIES
 9-11 AM AND 1-4 PM ONLY
 KANSAS CITY, MO 64106
 USA

Tax Exempt? N Tax Exempt ID:

KCPL Terms 2007-01 Apply

Line-Sch	Item	Delivery Date	Quantity	UOM	Unit Price	Ext Price	Price Type
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IF THE FOB TERMS SET FORTH IN THIS PURCHASE ORDER SPECIFY FREIGHT COLLECT, SHIPMENTS MUST BE MADE IN ACCORDANCE WITH KCP&L ROUTING INSTRUCTIONS. FOR SHIPPING INSTRUCTIONS PLEASE CONTACT EITHER LOGISTICS PLANNING SERVICES AT 877-539-7447, THE KEYFREIGHT WEBSITE (www.keyfreight.net/kcpl), OR THE KCP&L BUYER. DO NOT SHIP C.O.D. PLEASE PROVIDE THE KCP&L PURCHASE ORDER NUMBER TO THE CARRIER AND INSTRUCT THEM TO INCLUDE THE PURCHASE ORDER NUMBER ON ALL SHIPPING DOCUMENTS.

1- 1		07/27/2007	1	EA	121,951.43	121,951.43	Max. Cost
	Requisition: 0000251772				Schedule Total	<u>121,951.43</u>	

HP ref# 41675171; P24 support for KCPLFMRP; Serial# USE4414CCP; 5/01/07 to 4/30/08.

See page 7 of 9 on quote with Service Agreement ID # 1033 5168 0903 for payment schedule. Standard 2007
 KCPL PO terms apply.

Item ID	Item Total	<u>121,951.43</u>
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2- 1		07/27/2007	1	EA	76,718.64	76,718.64	Max. Cost
	Requisition: 0000251772				Schedule Total	<u>76,718.64</u>	

HP ref# 41675517; P24 support for KCPL801RP; Serial# USE4414CBR; 5/01/07 to 4/30/08

See page 7 of 7 of quote with Service Agreement ID # 1033 5173 4289 for 07-08 term cost. Standard 2007
 KCPL PO terms apply.

Item ID	Item Total	<u>76,718.64</u>
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Total PO Amount	<u>198,670.07</u>
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All shipments, shipping papers, invoices, and correspondence must be identified with our Purchase Order Number. Overshipments will not be accepted unless authorized by Buyer prior to shipment.

Send Invoices to: P.O. Box 411437 Kansas City, Missouri 64141-1437 Payment Inquiries Call: 816-556-2200
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Contract #: IN-0004651 **Policy #:** PROJECT
Coverage Period: 07/01/2007 thru 06/30/2008 **PO #:** QUOTE WORKING
Billing Terms: Prepaid **Pay Terms:** NET 30

Customer: Kansas City Power & Light Company

Customer Code: MDC-946

Site(s): 00099269

Bill To:

Accounts Payable
P O Box 411437

Kansas City, MO
64141-1437
USA

Attn: Erica
Phone: 816-556-2200
FAX:
e-mail:

Executive Summary

Hardware Maintenance Charge*:	0.00
Software Maintenance Charge*:	162,576.00
Total Service Amount:	\$ 162,576.00

* Totals are exclusive of sales tax.

Offered By

Intergraph

Name: Davis, Renecer
Department: SG&I Maintenance Contract Administration
Phone: 256-730-1321
FAX: 256-730-5641
e-mail path: renecer.davis@intergraph.com
Issue Date: 8/14/07

Accepted By

Company _____
By _____
Name/Title: _____
POC Phone: _____
POC FAX: _____
POC e-mail: _____
Date signed: _____

All services provided hereunder are subject to Intergraph's Maintenance Service Contract Terms & Conditions (T's & C's) for both software and hardware (SG&I020207). Copies of these T's & C's are provided via the Web at http://support.intergraph.com/documents/US-Maintenance_HW-SW_terms_conditions.pdf.

Quotations shall remain valid and all prices quoted herein shall remain firm for a period of 90 days from the quotation issue date. Execution of Service Quotations shall be deemed acceptance of Intergraph's T's & C's.