

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

DIRECT TESTIMONY OF

LAURA BECKER

**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 BEGIN THE
IMPLEMENTATION OF ITS REGULATORY PLAN**

DOCKET NO. 06-KCPE-____ - ____

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

2 A: My name is Laura Becker. My business address is 1201 Walnut, Kansas City, Missouri
3 64106-2124.

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

5 A: I am employed by Kansas City Power and Light Company ("KCPL") as a Regulatory
6 Analyst in the Regulatory Affairs department.

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

8 A: My primary responsibility is maintaining KCPL's Load Research program. My other
9 responsibilities include the development of the Bill Frequency initiative for the 2006 rate
10 case and evaluating and developing new tariffs related to KCPL's Demand Response,
11 Efficiency, and Affordability programs.

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

13 A: I received a Bachelor of Science degree in Geological Engineering from the University of
14 Arizona in 1981, a Master of Science degree in Mining Engineering from the University

1 of Montana at Butte in 1984, and a Bachelor of Art degree in Secondary Education
2 Mathematics from the University of Missouri at Kansas City in 1990. I have been
3 employed by KCPL for eight years; first in the Marketing Analysis and Decision Support
4 department and currently in the Regulatory Affairs department. I also have prior electric
5 utility experience at Salt River Project, Phoenix, Arizona in the Fuels and System
6 Planning departments with responsibilities including development of, securing liability
7 bonding for and meeting compliance regulations of a company-owned coal operation as
8 well as modeling long-term utility strategies.

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

10 A: The purpose of my testimony is to discuss KCPL's Load Research program. I will
11 discuss the historical background of the program, the current sample design, the
12 methodology employed for the sampling, and the use of the Cellnet metering network for
13 this program.

14 **Q: What is Load Research?**

15 A: Load Research is a methodology that estimates how much and when a group of similar
16 customers (a "customer class") use electricity. Load data is collected from a
17 representative sample for each customer class. This load data is 15-minute measurements
18 of kilowatt demand for each customer class. The data is aggregated on an hourly basis.
19 This hourly data is then analyzed to produce load profiles that show how demand varies
20 over time and how each customer class contributes to the total KCPL system load.

21 **Q: How does KCPL use the data from its load research analysis?**

22 A: KCPL uses its load research analysis data to determine the contribution of each customer
23 class to total system load. The summation of the customer class load profiles plus

1 adjustments made to include Line Loss, Company Use, Lighting and Unaccounted For
2 are calibrated to equal the hourly Net System Input. KCPL uses this data to allocate its
3 costs among the customer classes.

4 **Q: Does KCPL perform a single load research analysis for its entire bi-state service**
5 **territory?**

6 A: No, because KCPL's service territory extends into two states, KCPL performs separate
7 load research analyses for each state, which ultimately results in separate customer class
8 load profiles for Missouri and Kansas.

9 **Q: How was this jurisdictional load research analysis accomplished?**

10 A: The representative sample for each customer class was utilized but instead of applying
11 the total number of customers in a customer class to determine the total hourly loads, the
12 per-state number of customers was used.

13 **Q: What is the historical background of the Load Research sample?**

14 A: The former load research sample was last designed and implemented in 1994. Because
15 changes in customer energy usage patterns, and therefore the sample points, can become
16 non-representative of their class, load research is usually re-sampled every three to five
17 years. By 2003, KCPL's sample was nine years old and a redesigning and re-sampling
18 project was undertaken.

19 **Q: What do you mean by "redesigning" the load research sample?**

20 A: The load research design from 1994 was designed with four classes of customers:
21 Residential, Residential Heat, Commercial and Industrial. The strata (*i.e.*, subsets) in the
22 two residential classes were based on peak summer month and peak winter month energy
23 usage. The strata in the Commercial and Industrial classes were based on peak summer

1 month demand. When the project to redesign the Load Research program began, KCPL
2 consulted with the MPSC Staff to ask their advice on how best to design the Load
3 Research program. This collaboration resulted in the decision to design load research
4 based on the rate classes, namely, Residential, Residential Heat, Small General Service,
5 Medium General Service, and Large General Service. Because KCPL collects meter data
6 for all Large Power Service customers, a class design was not necessary. The Residential
7 strata were designed as before, with the strata based on peak summer month and peak
8 winter month energy usage. The new Small, Medium and Large General Service and
9 Large Power Service class designs are also based on peak summer month and peak winter
10 month energy usage.

11 **Q: How were the individual strata break points determined for each rate class?**

12 A: The breakpoints for each of the rate class strata were determined using the traditional
13 Dalenius-Hodges technique. For each class of customers, every KCPL customer that had
14 energy data available for both the winter (January 2003) and summer (August 2003) peak
15 months was analyzed to determine strata breakpoints. Once the strata were defined, the
16 Neyman allocator technique was applied to determine the number of sample points
17 needed for each strata to achieve +/-10% relative precision at the 90% confidence level.

18 **Q: What was the number of strata determined for each customer class?**

19 A: The Residential class, Residential Heat class, Medium General Service class, and the
20 Large General Service class each have four strata. The Small General Service class has
21 six strata.

1 **Q: How many total sample points were deemed necessary to achieve a statistically**
2 **sound load research sample?**

3 A: In total, the recommended minimum number of sample points for the five classes was
4 422. These sample points were utilized for both Missouri and Kansas analysis.

5 **Q: How many additional customers are metered for load research purposes?**

6 A: All customers with a peak demand greater than 1 MW are metered. The number of
7 customers that have a peak demand greater than 1 MW is approximately 291. This count
8 includes the entire Large Power Class of customers.

9 **Q: When was the new load research sample implemented?**

10 A: Within a week of having the randomly selected sample points that would represent each
11 class, demand data was being collected. Cellnet-metered locations provided the first
12 sample points with hourly data. By May of 2004, enough of the total number of meters
13 had been installed and collecting data that the first analysis of the new Load Research
14 program could be performed.

15 **Q: How many sample points are providing meter data from Cellnet meters?**

16 A: Approximately 500 Cellnet meters are providing hourly demand data. The remaining
17 300-plus sample points are metered with traditional metering/recorders.

18 **Q: How were the customer class loads estimated from the sample points for a customer**
19 **class?**

20 A: The mean-per-unit analytical methodology was used. The mean-per-unit analysis method
21 uses the average hourly demand for a customer class and multiplies the demand by the
22 total number of customers for that customer class.

1 Q: **Please provide an example of this analytical method.**

2 A: An example of this method is provided in Schedule LMB-1 using KCPL's 2005 system
3 peak hour, which occurred on July 22, 2005 between 16:00 and 17:00.

4 Q: **How did the new load research sample perform?**

5 A: For KCPL's 2005 system peak hour, with 90% confidence, the precisions for Kansas
6 were as follows: Residential Class – 9.01, Residential Heat Class – 10.0, Small General
7 Service – 15.7, Medium General Service – 11.7, and Large General Service – 8.4. After
8 line losses and proof of revenue adjustment, load research data was within 0.2% of the
9 Net System Input for the test period from October 2004 through September 2005.

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

11 A: Yes, it does.

Kansas Residential Class

July 22, 2005

16:00 – 17:00

Res Class Stratum	Population Weight	Kansas Population	Sample Mean - kW	Class Total
LoSumLoWin	0.51089	78,946	2.6085	205,931
LoSumHiWin	0.06145	9,496	3.1645	30,050
HiSumLoWin	0.16747	25,878	5.1472	133,200
HiSumHiWin	0.26019	40,205	6.1822	248,554
Total	1.00000	196,653	17.1024	617,735

Schedule LMB-1