

Exhibit No.:  
Issue: Application for Merger  
Witness: Steve W. Chriss  
Type of Exhibit: Rebuttal Testimony  
Sponsoring Party: Midwest Energy Consumers Group  
Case No.: EM-2018-0012  
Date Testimony Prepared: January 16, 2018

**FILED<sup>2</sup>**

MAR 19 2018

Missouri Public  
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

IN THE MATTER OF THE APPLICATION OF )  
GREAT PLAINS ENERGY INCORPORATED FOR ) CASE NO. EM-2018-0012  
APPROVAL OF ITS MERGER WITH )  
WESTAR ENERGY, INC. )

REBUTTAL TESTIMONY AND EXHIBITS OF

STEVE W. CHRISS

ON BEHALF OF

MIDWEST ENERGY CONSUMERS GROUP

*M E C G* Exhibit No. 401  
Date 3/12/18 Reporter JWS  
File No. Em-2018-0012

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**Exhibits**

**Exhibit SWC-1: Witness Qualifications Statement**

1 **Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Steve W. Chriss. My business address is 2001 SE 10th St.,  
4 Bentonville, AR 72716-0550. I am employed by Wal-Mart Stores, Inc. as Director,  
5 Energy and Strategy Analysis.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

7 A. I am testifying on behalf of the Midwest Energy Consumers Group ("MECG"). MECG  
8 is an incorporated association representing the interests of large commercial and  
9 industrial users of electricity. Walmart is a member of MECG and is a large customer  
10 of Kansas City Power & Light ("KCP&L") and KCP&L – Greater Missouri Operations  
11 ("GMO") in Missouri and of KCP&L and Westar Energy, Inc. ("Westar") in Kansas.

12 **Q. IS MECG FILING REBUTTAL TESTIMONY FROM ANOTHER WITNESS AS WELL?**

13 A. Yes. MECG is also filing the Rebuttal Testimony of Michael L. Brosch.

14 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

15 A. In 2001, I completed a Master of Science in Agricultural Economics at Louisiana State  
16 University. From 2001 to 2003, I was an Analyst and later a Senior Analyst at the  
17 Houston office of Econ One Research, Inc., a Los Angeles-based consulting firm. My  
18 duties included research and analysis on domestic and international energy and  
19 regulatory issues. From 2003 to 2007, I was an Economist and later a Senior Utility  
20 Analyst at the Public Utility Commission of Oregon in Salem, Oregon. My duties  
21 included appearing as a witness for PUC Staff in electric, natural gas, and

1 telecommunications dockets. I joined the energy department at Walmart in July  
2 2007 as Manager, State Rate Proceedings. I was promoted to Senior Manager,  
3 Energy Regulatory Analysis, in June 2011. I was promoted to my current position in  
4 October, 2016. My Witness Qualifications Statement is attached as Exhibit SWC-1.

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE MISSOURI PUBLIC**  
6 **SERVICE COMMISSION (“COMMISSION”)?**

7 A. Yes. I submitted testimony in Case Nos. ER-2010-0036, EO-0212-0009, EC-2014-  
8 0224, ER-2014-0258, ER-2016-0023, ER-2016-0179, EA-2016-0208, and EA-2016-  
9 0358.

10 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**  
11 **REGULATORY COMMISSIONS?**

12 A. Yes. I have submitted testimony in over 160 proceedings before 37 other utility  
13 regulatory commissions. I have also submitted testimony before several Missouri  
14 House and Senate Committees and the Kansas House Standing Committee on  
15 Utilities and Telecommunications. My testimony has addressed topics including, but  
16 not limited to, cost of service and rate design, return on equity, revenue  
17 requirements, ratemaking policy, large customer renewable programs, qualifying  
18 facility rates, telecommunications deregulation, resource certification, energy  
19 efficiency/demand side management, fuel cost adjustment mechanisms, decoupling,  
20 and the collection of cash earnings on construction work in progress.

21

1 Q. ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?

2 A. Yes. I am sponsoring the exhibits listed in the Table of Contents.

3 Q. HAS WALMART ESTABLISHED CORPORATE RENEWABLE ENERGY GOALS?

4 A. Yes. Walmart has established aggressive and significant renewable energy goals,  
5 including: (1) to be supplied 100 percent by renewable energy<sup>1</sup> and (2) by 2025, to  
6 be supplied by 50 percent renewable energy. Additionally, Walmart has set a  
7 science-based target to reduce emissions in our operations by 18 percent by 2025  
8 through the deployment of energy efficiency and consumption of renewable  
9 energy.<sup>2</sup> It is my understanding that other members of MCEG have also established  
10 corporate renewable energy goals.

11

12 **Purpose of Testimony and Summary of Recommendations**

13 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

14 A. The purpose of my testimony is to address aspects of the application of Great Plains  
15 Energy Incorporated (“GPE”), KCP&L, and Westar (collectively “Joint Applicants”) for  
16 the merger between GPE and Westar to form a new combined company.

17 Q. PLEASE SUMMARIZE MCEG’S RECOMMENDATIONS TO THE COMMISSION.

18 A. MCEG’s recommendations to the Commission are as follows:

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<sup>1</sup> <http://corporate.walmart.com/global-responsibility/environmental-sustainability>

<sup>2</sup> <http://news.walmart.com/2016/11/04/walmart-offers-new-vision-for-the-companys-role-in-society>

1           1) MECG does not oppose the Joint Applicants' proposal to credit customers  
2           \$50 million within 120 days of closing. This credit will provide customers  
3           with some relatively immediate cost relief and provide the operating utilities  
4           an incentive to ensure they are delivering merger savings.

5           2) MECG recommends that bill credits be allocated to customer classes for  
6           KCP&L and GMO on an energy basis, in a manner similar to that proposed by  
7           the Joint Applicants for the jurisdictional allocator. Furthermore, MECG  
8           recommends that the bill credit be allocated within the non-residential  
9           customer classes on an energy basis.

10          3) As a condition of transaction approval, the Commission should require that  
11          KCP&L and GMO, within 60 days of the close of the transaction, convene a  
12          stakeholder process for the development of one or more new renewable  
13          energy offerings for each utility to be proposed for Commission approval  
14          within one year of the close of the transaction.

15          **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION**  
16          **ADVOCATED BY THE JOINT APPLICANTS INDICATE MECG'S SUPPORT?**

17          A. No. The fact that an issue is not addressed herein or in related filings should not be  
18          construed as an endorsement of any filed position.

19

1 **Bill Credits**

2 **Q. WHAT IS YOUR UNDERSTANDING OF THE JOINT APPLICANTS' PROPOSED BILL**  
3 **CREDIT?**

4 A. My understanding is that the Joint Applicants propose one-time upfront bill credits  
5 of \$50 million within 120 days of closing. The Joint Applicants propose to allocate  
6 the \$50 million among the utility jurisdictions in Kansas and Missouri based on the  
7 proportion of jurisdictional retail MWH sales for the quarter ending twelve-month  
8 period prior to the closing of the merger transaction. *See* Direct Testimony of Darrin  
9 R. Ives, page 8, line 14 to line 22.

10 **Q. HAVE THE JOINT APPLICANTS PROPOSED A METHODOLOGY TO ALLOCATE THESE**  
11 **CREDITS TO THE CUSTOMER CLASSES OF KCP&L AND GMO AND TO CREDIT**  
12 **INDIVIDUAL CUSTOMERS?**

13 A. No. The Joint Applicants state that they propose to develop an "appropriate"  
14 methodology for Commission approval. *Id*, page 8 line 22 to page 9, line 2.

15 **Q. DOES MECG OPPOSE THE JOINT APPLICANTS' PROPOSAL TO CREDIT CUSTOMERS**  
16 **\$50 MILLION WITHIN 120 DAYS OF CLOSING?**

17 A. No. MECG does not oppose the Joint Applicants' proposal to credit customers \$50  
18 million within 120 days of closing. This credit will provide customers with some  
19 relatively immediate cost relief and provide the operating utilities an incentive to  
20 ensure they are delivering merger savings.

1       **Q.     DOES MECG RECOMMEND A METHODOLOGY FOR THE ALLOCATION OF CREDITS**  
2       **TO THE CUSTOMER CLASSES OF KCP&L AND GMO?**

3       A.     MECG recommends that bill credits be allocated to customer classes for KCP&L and  
4       GMO on an energy basis, in a manner similar to that proposed by the Joint  
5       Applicants for the jurisdictional allocator.

6       **Q.     DOES MECG RECOMMEND A METHODOLOGY FOR THE ALLOCATION OF CREDITS**  
7       **WITHIN THE NON-RESIDENTIAL CUSTOMER CLASSES?**

8       A.     Yes. Similar to the methodology for allocating credits among the customer classes,  
9       MECG recommends that customer credits be allocated within the non-residential  
10      classes on an energy basis.

11  
12   **Renewable Energy**

13      **Q.     DO THE JOINT APPLICANTS MAKE ANY SPECIFIC PROPOSALS AROUND RENEWABLE**  
14      **ENERGY?**

15      A.     No, however the Joint Applicants do note that the transaction may enable future  
16      expansion of the combined utilities' renewable generation fleet in the future. *See*  
17      Direct Testimony of Darrin R. Ives, page 22, line 15 to line 17.

18      **Q.     DO EITHER WESTAR OR KCP&L OFFER RENEWABLE ENERGY PROGRAMS TO LARGE**  
19      **CUSTOMERS?**

20      A.     Westar currently offers the Wind Generation Service tariff ("WGS"), which allows  
21      customers 200 kW or larger to purchase the utility's wind power in lieu of the Retail



1 Energy Cost Adjustment rate<sup>3</sup>. Westar has also filed for Kansas Corporation  
2 Commission approval of the proposed Direct Renewable Participation Service tariff  
3 for large customers.<sup>4</sup>

4 To my knowledge, KCP&L and GMO do not have any renewable offerings  
5 in Missouri.

6 **Q. HAVE OTHER MISSOURI UTILITIES PROPOSED PROGRAMS FOR LARGE CUSTOMER**  
7 **ACCESS TO RENEWABLE ENERGY?**

8 A. Yes. Recently, Ameren Missouri has proposed large customer access to renewable  
9 energy through its proposed Green Tariff (Case No. ET-2018-0063).

10 **Q. HAVE LARGE CUSTOMERS BECOME INCREASINGLY INSISTENT ON BEING ABLE TO**  
11 **ACCESS RENEWABLE ENERGY?**

12 A. Yes. In many states, access to renewable energy is a necessary part of economic  
13 development. My general understanding is several companies have made access to  
14 renewable energy an important consideration when locating or expanding  
15 operations.

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<sup>3</sup> [https://www.westarenergy.com/Portals/0/Resources/Documents/Tariffs/Wind\\_Gen\\_Serv\\_1025.pdf](https://www.westarenergy.com/Portals/0/Resources/Documents/Tariffs/Wind_Gen_Serv_1025.pdf)

<sup>4</sup> Kansas Corporation Commission Docket No. 18-WSEE-190-TAR.

1       **Q.     IS THE JOINT APPLICANTS' PROPOSED TRANSACTION AN OPPORTUNITY TO CREATE**  
2           **AND EXPAND RENEWABLE OFFERINGS FOR KCP&L AND GMO CUSTOMERS IN**  
3           **MISSOURI?**

4       **A.**    Yes. The region served by the combined utilities has tremendous renewable energy  
5           potential and MECG recognizes that the combined financial strength and customer  
6           footprint of KCP&L, GMO, and Westar can drive better resource economics than an  
7           individual utility on its own.

8                   MECG strongly encourages the Commission to consider how the creation and  
9           expansion of renewable offerings for KCP&L and GMO customers in Missouri can  
10          take advantage of the region's renewable energy potential, and address customer  
11          demand for renewable energy and increase the state's profile as a desirable location  
12          for business.

13       **Q.     WHAT IS MECG'S RECOMMENDATION TO THE COMMISSION IN REGARDS TO**  
14           **RENEWABLE OFFERINGS FOR CUSTOMERS?**

15       **A.**    As a condition of transaction approval, the Commission should require that KCP&L  
16           and GMO, within 60 days of the close of the transaction, convene a stakeholder  
17           process for the development of one or more new renewable energy offerings for  
18           each utility to be proposed for Commission approval within one year of the close of  
19           the transaction.

20       **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

21       **A.**    Yes.