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Revenue Requirement at Update
True-up Allowance for Changes
Additional Amortizations

Witness: Cary G. Featherstone

Sponsoring Party: MoPSC Staff

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MISSOURI PUBLIC SERVICE COMMISSION

**REGULATORY REVIEW DIVISION
UTILITY SERVICES - AUDITING**

DIRECT TESTIMONY

OF

CARY G. FEATHERSTONE

**KANSAS CITY POWER & LIGHT COMPANY
GREAT PLAINS ENERGY, INC.
CASE NO. ER-2014-0370**

*Jefferson City, Missouri
April 2015*

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DIRECT TESTIMONY
OF
CARY G. FEATHERSTONE
KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2014-0370

Q. Please state your name and business address.

A. Cary G. Featherstone, Fletcher Daniels State Office Building, 615 East 13th Street, Kansas City, Missouri.

Q. By whom are you employed and in what capacity?

A. I am a Regulatory Auditor with the Missouri Public Service Commission.

SHORT FORMS

Q. What short forms will Staff use?

A. Staff will use the following short forms:

- "Commission" for the Missouri Public Service Commission;
- "Staff" for the Staff of the Missouri Public Service Commission;
- "Public Counsel" or "OPC" for the Office of the Public Counsel;
- "KCPL" or "Company" for Kansas City Power & Light Company;
- "Regulatory Plan" for KCPL's experimental alternative regulatory plan the Commission approved in Case No. EO-2005-0329;
- "GMO" for KCP&L Greater Missouri Operations Company;
- "Great Plains" or "GPE" for Great Plains Energy, Inc.;
- "GMO's MPS rate district." for GMO's service territory formerly served by Aquila's Missouri Public Service division (areas in and about Kansas City and Sedalia, Missouri);
- "GMO's L&P rate district" for GMO's service territory formerly served by St. Joseph Light & Power Company (in and about St. Joseph, Missouri).

1 **CREDENTIALS**

2 Q. Please describe your educational background.

3 A. I graduated from the University of Missouri at Kansas City in December 1978
4 with a Bachelor of Arts degree in Economics. My course work included study in the field of
5 Accounting and Auditing.

6 Q. What job duties have you had during your employment with the Commission?

7 A. I have assisted, conducted, and supervised audits and examinations of the
8 books and records of investor-owned, public utility companies operating within the state of
9 Missouri. I have participated in examinations of electric, industrial steam, natural gas, water,
10 sewer and telecommunication companies. I have been involved in cases concerning
11 proposed rate increases, earnings investigations, and complaint cases, as well as cases
12 relating to mergers and acquisitions, and certifications.

13 Q. Have you previously testified before this Commission?

14 A. Yes. Schedule CGF-d1 attached to this testimony contains a list of rate cases
15 in which I testified, in writing or orally. In addition, I also identify in Schedule CGF-d1
16 other cases where I directly supervised and assisted Staff in audits of public utilities, but
17 where I did not testify.

18 Q. With reference to Case No. ER-2014-0370, have you examined and studied
19 the books and records of KCPL regarding its electric operations?

20 A. Yes, with the assistance other members of Staff.

21 Q. What knowledge, skill, experience, training and education do you have with
22 regard to KCPL's general rate increase tariff filing that is the subject of this case, Case
23 No. ER-2014-0370?

1 A. I have acquired knowledge of the ratemaking and regulatory process through
2 my employment with the Commission. I have participated in numerous rate cases, complaint
3 cases, merger cases and certificate cases, and filed testimony on a variety of topics. I have
4 also acquired knowledge of these topics through review of Staff work papers from prior rate
5 cases filed before this Commission (including Staff work papers specifically relating to
6 KCPL). I have previously examined generation and generation-related topics; conducted and
7 participated in several construction audits involving plant and construction records,
8 specifically the costs of construction projects relating to power plants. I have also been
9 directly involved in the fuel and fuel-related areas for power plant production, purchased
10 power and off-system sales on numerous occasions.

11 In particular, I have been involved in many KCPL general electric rate cases,
12 most recently Case No. ER-2012-0174, three under its Regulatory Plan, and others in the
13 early 1980s, in particular the rate case concerning the in-service of the Wolf Creek
14 Nuclear Generating Station ("Wolf Creek"). All of these rate cases are identified in Schedule
15 CGF-d1 attached to this testimony. I was also involved in KCPL's steam rate cases in the
16 early 1980's when KCPL had steam operations in downtown Kansas City before it sold them
17 to Trigen-Kansas City Energy Corporation (now known as Veolia Energy Kansas City)
18 in 1990.

19 I also have participated in many electric and steam rate cases involving KCPL's
20 affiliate GMO, previously named Aquila, Inc. ("Aquila"). KCPL's parent, Great Plains,
21 acquired GMO in July 2008 after the Commission approved the acquisition in Case No.
22 EM-2007-0374. GMO has two rate districts—L&P (in and about St. Joseph, Missouri) and
23 MPS (the remainder of its service territory which includes areas in and about Kansas City

1 and Sedalia, Missouri). Prior to Great Plains' acquisition of GMO, I was involved in many
2 Aquila rate cases and acquisition reviews for GMO's L&P and MPS rate districts. GMO
3 provides steam service in its L&P rate district that uses some of the same facilities it uses for
4 providing electric service in its L&P rate district. Until 2002 Aquila went by the name of
5 UtiliCorp United, Inc.

6 Since GMO became an affiliate of KCPL, they have consolidated their operations;
7 operationally, KCPL runs GMO. Therefore, for this rate case, I reviewed testimony, work
8 papers and responses to data requests from both KCPL and GMO, along with documents
9 such as data request responses and work papers in prior cases involving rates, electric and
10 steam, for what are now referred to as GMO's MPS and L&P rate districts. I conducted and
11 participated in interviews of KCPL personnel relating to this rate case, and I performed
12 extensive discovery concerning aspects of the construction and operation of KCPL's electric
13 operations. Over the years I have had many discussions with KCPL personnel regarding a
14 variety of regulatory topics, including KCPL's rate case & regulatory activities, earnings
15 reviews, regulatory plans, depreciation, de-commissioning trust funds for Wolf Creek, and
16 merger, acquisition and sale transactions.

17 I participated in the Staff's review of the 1996 merger application of KCPL and GMO
18 (then doing business as UtiliCorp United, Inc.) in Case No. EM-96-248, where they applied
19 for Commission authority to consolidate their operations. After that merger did not close
20 because KCPL's shareholders did not approve it, I participated in acquisition cases in
21 1998 and 1999, involving KCPL and GMO. In Case No. EM-97-515, KCPL and Westar
22 Energy (then called Western Resources) sought authority to merge. I participated in
23 Case No. EM-2000-292, where St. Joseph Light & Power Company and UtiliCorp sought

1 Commission authority to merge. That merger closed December 2000. I also participated in
2 Case No. EM-2000-0369, where UtiliCorp and The Empire District Electric Company sought
3 Commission authority to merge. That merger did not close.

4 In addition to the foregoing cases, during my employment at the Commission I have
5 been involved in many other reviews and investigations that were initiated by applications
6 KCPL or GMO filed.

7 Q. What is the purpose of your direct testimony?

8 A. I present an overview of the results of Staff's review of KCPL's annual
9 revenue requirement in response to KCPL's general rate increase request made on October
10 30, 2014. I provide an overview of Staff's work on each component of the revenue
11 requirement calculation Staff used for determining an appropriate annual revenue
12 requirement for KCPL in this case. Several members of Staff had specific assignments
13 relating to different components of Staff's revenue requirement calculation for KCPL. The
14 members of Staff who contributed to the Staff's Cost of Service Report are identified in the
15 report to the sections for which they are responsible and verify, and their credentials are
16 included in an appendix to the report. Results for the different revenue requirement
17 calculation components are contained in Staff's Accounting Schedules. Using historic
18 financial information from KCPL's actual operations through the update period ending
19 December 31, 2014 to develop a comprehensive annual revenue requirement, Staff applies
20 annualization and normalization ratemaking techniques to make adjustments to reflect the
21 costs of KCPL's ongoing operations in the future.

22 Staff refers to the revenue requirement model it uses as "Exhibit Modeling System"
23 or "EMS," and refers to its EMS modeling results based on various inputs as "EMS runs."

1 Staff estimates a utility's annual revenue requirement based on the work product of members
2 of the Regulatory Review Division of the Commission. Staff's EMS run results that support
3 its revenue requirement for KCPL are the Accounting Schedules that are separately filed as
4 an exhibit in the case. My direct testimony and the Staff's Cost of Service Report present
5 and support Staff's revenue requirement for KCPL found in the Accounting Schedules.

6 **EXECUTIVE SUMMARY**

7 Q. Please summarize your testimony.

8 A. I sponsor Staff's Cost of Service Report and Accounting Schedules in this rate
9 proceeding that are being filed concurrently with this testimony. Staff's Cost of Service
10 Report supports Staff's recommendation of the amount of the rate revenue increase for
11 KCPL's Missouri jurisdictional operations based on actual historical information through the
12 update period ending December 31, 2014. In addition, Staff has added an estimate of the
13 projected rate revenue increase for true-up items as an allowance to its December 31, 2014,
14 result to reflect what Staff currently expects when the true-up based on the ending date of
15 May 31, 2015 is completed. Staff will revise its recommendation of the amount of the
16 revenue requirement increase for KCPL based actual results for the true-up period ending
17 May 31, 2015, when that information becomes available. Staff's rate revenue requirement
18 recommendation for KCPL being filed based on the test year updated through December 31,
19 2014, is found in Staff's separately filed Accounting Schedules.

20 I present an overview of the results of Staff's review of KCPL's revenue requirement
21 started in response to KCPL's general rate increase request made on October 30, 2014.
22 Several members of Staff participated in Staff's examination of KCPL's books and records
23 for all the relevant and material components that make up the revenue requirement
24 calculation. These components can be broadly defined as (1) capital structure and return on

1 investment, (2) rate base investment and (3) income statement results, including revenues,
2 operating and maintenance expenses, depreciation and amortization expense, and the taxes
3 related to revenues and these expenses, including income taxes. I provide an overview of the
4 Staff's work on each of these broadly defined components.

5 Q. Based on its review of the test year ending March 31, 2014, updated through
6 December 31, 2014, what is Staff's recommendation concerning KCPL's revenue
7 requirement?

8 A. Staff recommends a return on equity ("ROE") range of 9.00% to 9.50%, with
9 a mid-point of 9.25%, which yields the rate of return range of 7.28% to 7.53%. Staff
10 recommendation for rate of return appears as:

11 **Staff's Recommended Cost of Capital**

<u>Type of Capital</u>	<u>Ratio</u>	<u>Embedded Cost</u>	<u>Weighted Cost of Capital Using Common Equity of 9.00%</u>	<u>Weighted Cost of Capital Using Common Equity of 9.25%</u>	<u>Weighted Cost of Capital Using Common Equity of 9.50%</u>
Common Equity	50.31%	-----	4.53%	4.65%	4.72%
Preferred Common Stock	0.55%	4.29%	0.02%	0.02%	0.02%
Long-Term Debt	49.14%	5.55%	2.73%	2.73%	2.73%
Total	100%		7.28%	7.41%	7.53%

12
13 Staff's revenue requirement calculation, which is based on KCPL's actual costs
14 through December 31, 2014, and its current rates, indicates KCPL has an annual revenue
15 shortfall of between \$17.4 million to \$26.3 million. KCPL's current rates generate
16 approximately \$762.6 million annually for the test year ending March 31, 2014. With the

1 increase of between \$17.4 to \$26.3 million (2.28% to 3.4%), Staff's recommendation for
 2 total KCPL revenues are approximately \$780 to \$788.9 million annually. Because of cost
 3 increases related to generating plant environmental upgrades at La Cygne Units 1 and 2,
 4 upgrades to Wolf Creek and other plant additions occurring after the December 31, 2014,
 5 update period, as well as other changes in revenues and costs expected to occur through the
 6 true-up period through May 31, 2015 that are not known and measurable at this time, Staff's
 7 calculated annual revenue requirement for KCPL will change when it completes its true-up in
 8 this case. After it completes its audit of selected actual historical information from
 9 December 31, 2014, through May 31, 2015, Staff will make its true-up annual revenue
 10 requirement recommendation for KCPL in its true-up direct filing in this case, currently due
 11 July 7, 2015. Staff has included its current estimate of the revenue requirement impacts it
 12 expects during the true-up in the Allowance for Known and Measurable Changes/ True-up
 13 Estimate found on Schedule 1 of Staff's Accounting Schedules. With this estimate, Staff is
 14 anticipating KCPL's total revenue increase to be between \$82.4 and \$91.3 million as shown:

	<u>Weighted Cost of Capital Using Common Equity of 9.00%</u>	<u>Weighted Cost of Capital Using Common Equity of 9.25%</u>	<u>Weighted Cost of Capital Using Common Equity of 9.50%</u>
Revenue Requirement at December 31, 2014	\$17,383,073	\$21,851,199	\$26,283,864
Allowance for Known Changes at May 31, 2015	65,000,000	65,000,000	65,000,000
Total Revenue Requirement	\$82,383,073	\$86,851,199	\$91,283,864

16
 17 Q. What are the major factors impacting Staff's estimate of KCPL's annual
 18 revenue requirement increase in this case?

1 A. The following is a non-exhaustive list:

- 2 • Rate of Return;
- 3 • KCPL's ownership share of costs for new environmental equipment
4 installed at La Cygne Units 1 and 2 expected to be completed in the 2nd
5 quarter 2015, and included in the May 31, 2015 true-up;
- 6 • KCPL's ownership share of costs for upgrades at Wolf Creek relating to
7 the essential water supply expected to be completed in 2nd quarter 2015,
8 and included in the May 31, 2015 true-up;
- 9 • KCPL's customer meter replacement program for its Missouri jurisdiction;
- 10 • KCPL's fuel costs, including freight rate changes and purchased power
11 costs;
- 12 • KCPL's transmission costs;
- 13 • KCPL's pension and other post-employment benefits (OPEBs) costs; and
- 14 • KCPL's depreciation costs for different rates and new plant additions.

15 Q. Did you review any specific components of the revenue requirement
16 calculation Staff used for determining KCPL's revenue requirement in this case?

17 A. Yes. I examined the additional amortizations KCPL received in prior
18 rate cases (Case Nos. ER-2006-0314, ER-2007-0291 and ER-2009-0089) based on
19 KCPL's Regulatory Plan the Commission approved in Case No. EO-2005-0329 to
20 ensure that the amortizations are treated as agreed to in the Commission-approved
21 *Non-Unanimous Stipulation and Agreement Regarding Depreciation and Accumulated*
22 *Additional Amortizations* ("2010 Amortizations Stipulation") filed February 2, 2011, in Case
23 No. ER-2010-0355. As agreed, KCPL transferred the accumulated additional amortizations
24 to Accumulated Depreciation Reserve.

25 Staff witness Alan J. Bax and I examined the jurisdictional assignment and allocation
26 of KCPL's costs, i.e., the assignment and allocation of costs between the Missouri retail, the

1 Kansas retail and the wholesale markets, in order to identify the rate base investment and
2 income statement expenses to include in developing KCPL's revenue requirement for serving
3 its Missouri retail customers—the Missouri retail jurisdiction.

4 I also sponsor the non-firm off-system sales levels in this case— Adjustments to the
5 Accounting Schedule Rev-11.1 and Rev-12.1. The off-system sales levels were included in
6 Staff's fuel run and generation costs were reflected in the fuel and purchased power costs
7 included in Staff's recommendation.

8 **OVERVIEW OF KANSAS CITY POWER & LIGHT COMPANY'S FILING**

9 Q. Why did Staff review KCPL's books and records and calculate an annual
10 revenue requirement for KCPL in this case?

11 A. On October 30, 2014, KCPL filed tariff sheets designed to implement an
12 increase in its electric retail rate revenues in Missouri, exclusive of gross receipts, sales,
13 franchise and occupational fees or taxes, of \$120.9 million per year. The Commission
14 assigned the filing the docket number of Case No. ER-2014-0370. If implemented on an
15 equal percentage basis, KCPL's rate request would result in a 15.75% increase in existing
16 KCPL rates. KCPL's rate request is based, in part, on a proposed rate of return on equity of
17 10.3% applied to a 50.36% equity capital structure. This capital structure, in turn, is based on
18 the projected capital structure of KCPL's parent holding company Great Plains. [Source:
19 paragraphs 7 and 8 KCPL's Application- Minimum Filing Requirements page 3].

20 Staff reviewed KCPL's books and records, and calculated an annual revenue
21 requirement for KCPL, to independently evaluate KCPL's rate increase request.

22 Q. Earlier you testified that KCPL and GMO have consolidated their operations.
23 Did GMO also seek a general increase its electric rates?

1 A. No. Unlike the previous three KCPL rate cases since Great Plains acquired
2 GMO in July 2008, GMO did not file for a rate increase at the same time as KCPL.

3 Q. Has KCPL filed a similar rate case in Kansas?

4 A. Yes. On January 2, 2015, KCPL filed a rate case in Kansas seeking to
5 increase its electric rates in that state. The Kansas Corporation Commission designated that
6 case Docket No. 15-KCPE-116-RTS. In Kansas, KCPL requested a \$67.3 million per year
7 increase based on a test year ended June 30, 2014, adjusted for known and measurable
8 changes. This \$67.3 million per year represents a 12.53% increase over its current Kansas
9 revenues of \$536.7 million. KCPL's Kansas request is based on a ROE of 10.3% and a
10 50.48% equity capital structure (also based on the capital structure of its parent Great Plains).
11 It would result in a 7.94% total return on KCPL's investment in Kansas. [Source: paragraphs
12 3 and 11 KCPL's Kansas Application pages 2 and 5].

13 **BRIEF HISTORY OF GREAT PLAINS ENERGY AND KANSAS CITY**
14 **POWER & LIGHT COMPANY**

15 Q. Would you provide a brief overview of KCPL?

16 A. KCPL is an integrated, regulated electric utility that provides generation,
17 transmission, distribution service as part of its sale of electricity to retail customers in
18 Missouri and Kansas. Its employees also operate GMO under an operating agreement
19 between KCPL and GMO. KCPL, under the jurisdiction of the Federal Energy Regulatory
20 Commission (FERC), also sells electricity at wholesale to municipalities in Kansas and
21 Missouri. KCPL is a Missouri corporation incorporated in 1922. Through consolidations
22 involving a series of mergers and acquisitions, KCPL, and its predecessors, began providing
23 electric service to the public in the late 19th century. In 2001, KCPL reorganized its

1 corporate structure creating Great Plains as the holding company parent and KCPL surviving
2 as a wholly-owned subsidiary of Great Plains.

3 Q. Would you provide a brief overview of KCPL's parent, Great Plains?

4 A. Great Plains is a holding company incorporated in Missouri in 2001. It has
5 two wholly-owned subsidiaries—KCPL and GMO—that provide regulated retail utility
6 services in Missouri. It also owns KLT Inc., which has very small non-regulated operations
7 that presently are not active. Great Plains also wholly owns Great Plains Energy Services
8 Incorporated (GPES). GPES provided corporate services at cost to Great Plains Energy and
9 its subsidiaries, including KCPL and GMO until December 16, 2008, when, in a
10 restructuring, all employees of Great Plains and GPES were transferred to KCPL. Following
11 that restructuring, KCPL employees perform all the work for Great Plains and its
12 subsidiaries.

13 Q. Would you provide a brief overview of GMO?

14 A. GMO is also an integrated, regulated electric utility that provides generation,
15 transmission, distribution and sells electricity to retail customers in the northwestern, central
16 western and southern part state of Missouri. GMO is also a wholly-owned subsidiary of
17 Great Plains. As described earlier, it has two rate districts—MPS and L&P. GMO provides
18 electric retail service only in Missouri. In addition to serving retail customers, MPS, under
19 the jurisdiction of the FERC, sells electricity at wholesale to several municipalities in
20 Missouri. L&P does not. GMO is a Missouri corporation incorporated in 1987 and most
21 recently renamed in 2008. GMO's most recent prior name was Aquila, Inc., named in 2002,
22 and from 1985 to 2002 was called UtiliCorp United Inc. The predecessor company to
23 UtiliCorp United was Missouri Public Service Company which was formed from a merger in

1 1927 with Green Light & Power Company, which was incorporated in 1917 [Aquila 2005
2 Shareholder Report, page 5].

3 **STAFF FINDINGS AND RECOMMENDATIONS FOUND IN STAFF'S COST**
4 **OF SERVICE REPORT AND STAFF'S ACCOUNTING SCHEDULES**

5 Q. Did Staff only review KCPL's books and records in order to calculate a
6 revenue requirement for KCPL?

7 A. No. Staff also interviewed KCPL personnel. Staff reviewed KCPL's
8 responses to data requests issued in this and other cases. Staff reviewed the minutes of
9 meetings of the Boards of Directors of Great Plains, KCPL and GMO. In addition to the
10 books and records of KCPL, Staff reviewed the books and records of GMO for the last
11 several years, as well as the affiliates of KCPL and GMO. Those books and records
12 included: the general ledger, plant ledgers and various other documents, including FERC
13 Form 1s. In previous KCPL and GMO rate cases Staff toured most of KCPL's and GMO's
14 plant facilities, including the Iatan Energy Center (jointly owned by KCPL, GMO, and
15 others) where it saw the Iatan Unit 1 Air Quality Control System and the construction of
16 Iatan Unit 2, the Wolf Creek Nuclear Generating Station (47% owned by KCPL), Sibley
17 Generating Unit (GMO), Jeffrey Energy Center (GMO owns an 8% share of the units), Lake
18 Road Generating Station (GMO), as well as other KCPL generating units.

19 Q. Which members of Staff were assigned to work on this case?

20 A. Several Staff experts from the Regulatory Review Division were assigned to
21 work on this case. Their names follow with a brief description of their contribution to the
22 Staff's Cost of Service Report:

1 **Utility Services Department**

2 **Financial Analysis Unit--**

- 3 ■ Zephania Marevangepo -- Rate of Return and Capital Structure.

4 **Engineering and Management Services Unit--**

5 Derick A Miles, PE -- Depreciation Rates.

6 **Auditing Unit--**

- 7 ■ Cary G. Featherstone-- Overall Revenue Requirement Results, Jurisdictional
8 Allocations and Additional Amortization relating to the Regulatory Plan;
- 9 ■ V. William Harris—Lease Expenses; Operation and Maintenance Expense Non-
10 wage, Off-system Sales, Cash Working Capital;
- 11 ■ Charles R. Hyneman—Construction Audit of La Cygne Environmental
12 Equipment, Affiliated Transactions;
- 13 ■ Karen Lyons-- Fuel and Purchased Power Costs, Fuel Inventories, Warranty
14 Payments;
- 15 ■ Keith Majors— Pensions and Other Post-Retirement Employment Benefits,
16 Electric Revenues and Uncollectible Revenues (Bad Debts), Acquisition Savings,
17 Construction Accounting, Income Taxes, Deferred Income Taxes, and Deferred
18 Income Tax Reserve;
- 19 ■ Joel A. Molina-- Plant in Service, Accumulated Depreciation Reserve,
20 Depreciation Expense, Material and Supplies, Prepayments, PSC Assessments,
21 and Advertising Expenses; and
- 22 ■ Matthew R. Young—Payroll, Payroll Related Benefits, Payroll Taxes, and
23 Incentive Compensation.

24 **Utility Operations Department.**

- 25 • Alan J. Bax—Losses and Jurisdictional Allocations;
- 26 • Kory Boustead – Pre-MEEIA Income Eligible Weatherization (previously
27 referred to as Low-Income Weatherization Program), and Economic Relief
28 Pilot Program;
- 29 • Natelle Dietrich – Fuel Adjustment Clause - Policy;
- 30 • Dana E. Eaves– Fuel Adjustment Clause - Structure;
- 31 • Claire M. Eubanks, PE – Renewable Energy Standard;

- 1 • Randy S. Gross – KCPL Smart Grid Update, and Heat Rate and Efficiency
2 Testing;
- 3 • Jason Huffman– MEEIA Summary – Pre-MEEIA DSM Programs and Cost
4 Recovery Mechanism, and LED Street Lighting Pilot Tariff;
- 5 • Thomas M. Imhoff – Pre-MEEIA Income Eligible Weatherization (previously
6 referred to as Low-Income Weatherization Program);
- 7 • Robin Kliethermes - Electric Retail Rate Revenues;
- 8 • Shawn E. Lange – Fuel Model Results, Capacity Contract Prices and Energy,
9 Planned and Forced Outages, and La Cygne AQCS In-Service/Construction
10 Audit-Engineering review;
- 11 • Erin L. Maloney – Purchased Power Prices;
- 12 • Byron M. Murray – Tariff Issues, and Electric Vehicle Charging Stations;
- 13 • Michael L. Stahlman – Electric Vehicle Charging Stations, Economic
14 Considerations, and Pre-MEEIA Opt outs and costs; and
- 15 • Seoung Joun Won, PhD – Weather Normalization, 365-Days Adjustment
16 Weather variables, and Large Customer Adjustments/ Annualizations.

17 The work product of each of these Staff experts was used as a direct input to the
18 various adjustments contained in Staff's Accounting Schedules and revenue requirement
19 recommendation.

20 Q. Would you provide an overview of how the Staff assigned to this case worked
21 together to arrive at Staff's revenue requirement recommendation and true-up estimate?

22 A. All of the Staff members assigned to this case are, by education, training and
23 experience, experts at performing their regulatory responsibilities as members of Staff.
24 These regulatory experts rely on the work of each other to develop Staff revenue requirement
25 recommendations regarding filings public utilities make before the Commission. The work
26 of each Staff member is an integral part of the Staff's Cost of Service Report, including
27 Staff's Accounting Schedules, which contain the results of their collective efforts in Staff's
28 findings and recommendations. I relied on these findings and recommendations to develop

1 Staff's ultimate recommendations in this direct filing. Many of the individual sections
2 presented include references indicating reliance on the work of other contributing experts.

3 I relied on the work product of every Staff expert assigned to this case. Each Staff
4 expert provided the results of their review and analysis as inputs to the revenue requirement
5 calculation, and is identified in the sections of the report submitted by that expert. An
6 affidavit, credentials, and the qualifications of each Staff expert are included in the Report as
7 attachments. Each Staff expert assigned to this rate case will provide work papers of their
8 review and analysis to KCPL and to other parties as the Commission has ordered in setting
9 the procedural schedule in this case. Finally, each Staff expert assigned to this rate case will
10 be available to answer Commissioner questions and to be cross-examined by any party who
11 wishes to conduct cross-examination regarding information on how Staff's findings and
12 recommendations were developed and presented in Staff's Cost of Service Report, including
13 Staff's Accounting Schedules.

14 Q. What is your overall responsibility in this case?

15 A. I am one of two project coordinators assigned to identify the work scope for
16 the case, make Staff assignments, and supervise and oversee all work product development.
17 I specifically supervised all areas of the audit work assigned to and the responsibility of the
18 Auditing Unit. I worked closely with other Staff experts assigned to this rate case. I worked
19 with the depreciation and rate of return experts as well as the Utility Operations experts
20 assigned to revenues and fuel costs as well as the demand side management, low income
21 weatherization and Missouri Energy Efficiency Investment Act of 2009 ("MEEIA") costs.

22 I have overall responsibility to ensure the revenue requirement calculation using the
23 Staff's computer model (EMS) is timely completed. This involves all aspects of the elements

1 making up the revenue requirement recommendation. To this end, I, along with those under
2 my direct supervision, either developed directly, or was provided with, the information used
3 to support the Staff's revenue requirement recommendations for KCPL.

4 Q. Would you please provide examples of how information from Staff experts
5 was used to develop Staff's revenue requirement recommendation for KCPL?

6 A. Yes. Staff expert Zephania Marevangepo's recommendations from his capital
7 structure and rate of return analyses were provided as inputs to the revenue requirement
8 calculation and appear as part of Accounting Schedule 12. His findings are also in Staff's
9 Cost of Service Report, along with his schedules.

10 Staff expert Derick A. Miles provided the results of his depreciation analysis, which
11 also are reflected in Staff's Cost of Service Report, and in a schedule to the report.

12 Staff experts Keith A. Majors, Robin Kliethermes and Seoung Joun Won worked
13 closely together and are sponsoring the revenue adjustment results.

14 Staff experts Shawn E. Lange, Erin L. Maloney and Karen Lyons worked together in
15 developing the Staff's fuel costs for KCPL in this case.

16 Staff expert Alan J. Bax developed the energy and demand jurisdictional allocators
17 used to allocate total company operations to KCPL's Missouri jurisdictional retail operations.

18 Q. Did Staff develop its revenue requirement recommendation for KCPL in this
19 rate case any differently than it has done so in the past for KCPL rate cases and for the rate
20 cases of other utilities?

21 A. No. Based on my extensive experience as a regulatory auditor, my many
22 years of experience as a project coordinator in numerous rate cases, the effect of the inputs
23 provided by the various Staff experts assigned to these rate cases, Staff's overall revenue

1 requirements for KCPL as presented in this testimony and the Staff's Cost of Service Report,
2 including the Accounting Schedules, are all reasonable. Staff developed its revenue
3 requirement for KCPL consistently with how Staff has developed revenue requirements for
4 other utilities, and the inputs provided by the various Staff experts assigned to the KCPL rate
5 case are reasonable.

6 Q. Does this April 2, 2015, filing by Staff present all of Staff's direct case?

7 A. No. Staff is scheduled to file its rate design recommendation for KCPL on
8 April 16, 2015.

9 **Test Year and Known & Measurable Period**

10 Q. What is a test year?

11 A. A test year is an historical year from which actual information is used as the
12 starting point for determining an annual revenue requirement for a utility to see if any
13 shortfall or excess of earnings exists. Adjustments are made to that information so that, as
14 adjusted, it reflects the normal annual revenues and operating costs of the cost-of-service,
15 rate-regulated utility. Those normal annual revenue and operating costs to provide utility
16 service in the future form the basis for determining what the utility's rates need to be to give
17 it the opportunity to collect in the future sufficient revenues both to pay for those ongoing
18 costs and to earn a reasonable profit. In determining ongoing revenues and costs to develop
19 the utility's annual revenue requirement, the first step is to identify the levels of the test year
20 costs, which serve as the starting point for making all the adjustments to arrive at the revenue
21 requirement recommendation. The Commission concisely stated the purpose of using a test
22 year in its Order in KCPL's 1983 general rate case, Case No. ER-83-49:

23 The purpose of using a test year is to create or construct a
24 reasonable expected level of earnings, expenses and

1 investments during the future period in which the rates, to be
2 determined herein, will be in effect. All of the aspects of the
3 test year operations may be adjusted upward or downward to
4 exclude unusual or unreasonable items, or include unusual
5 items, by amortization or otherwise, in order to arrive at a
6 proper allowable level of all of the elements of the Company's
7 operations. The Commission has generally attempted to
8 establish those levels at a time as close as possible to the period
9 when the rates in question will be in effect.

10 Q. Is the test year important?

11 A. Yes. It is important to synchronize and capture—"match"—all revenues and
12 costs in the test year, and more importantly the update period, in order to develop a
13 relationship between the various components used in the ratemaking process and keep those
14 relationships properly aligned. To determine the proper level of utility rates, Staff examines
15 the major elements of the utility's operations. These include rate base items such as plant-in-
16 service, accumulated depreciation, deferred income tax reserves, fuel stocks, material and
17 supplies, and other investment items. Also essential in this process is a review of the utility's
18 revenues and expenses, making adjustments through the annualization and normalization
19 processes. These items include: payroll; payroll-related benefits; payroll taxes; fuel and
20 purchased power costs, including the updating of current fuel prices; operation and
21 maintenance costs for non-payroll-related costs such as material and equipment costs, small
22 tool costs, and outside vendor costs for equipment repairs needed for the maintenance and
23 upkeep of the electric system. Depreciation and amortization expenses and taxes, including
24 federal, state, local and property taxes, are all considered in setting rates.

25 It is important to maintain a representative relationship between rate base, revenues
26 and expenses at a point in time near to when new prospective rates become effective in order
27 for a public utility to have an opportunity to earn a fair and reasonable return. An attempt is

1 made in the regulatory process to set rates to properly reflect the levels of investment and
2 expenses necessary to serve the retail customers who provide revenues to the utility.

3 Q. What is the test year in this case?

4 A. The ordered test year is the twelve months ended March 31, 2014. The
5 Commission approved and ordered the test year in its December 12, 2014, *Order Setting*
6 *Procedural Schedule and Establishing Test Year and Other Procedural Requirements*. Staff
7 made annualization, normalization and disallowance adjustments to the test year results when
8 the unadjusted results did not fairly represent KCPL's most current ongoing annual level of
9 revenues and operating costs.

10 Q. What update period did the Commission order in this case?

11 A. The period ending December 31, 2014.

12 Q. What true-up cutoff date did the Commission order in this case?

13 A. May 31, 2015.

14 Q. Has Staff projected the change in KCPL's revenue requirement it expects after
15 the May 31, 2015 true-up?

16 A. Yes. Staff has included a projection in the allowance for known and
17 measurable changes that likely will cause Staff to change its revenue requirement
18 recommendation for KCPL after it completes its true-up review. The "Allowance" can be
19 seen on Accounting Schedule 1.

20 Q. Why are the update and true-up cutoff dates important?

21 A. The update period is critical to the development of new rates. New rates from
22 general rate cases such as this one normally take about eleven months from the time the case
23 is filed until the new rates take effect. A utility's revenue requirement based on the historical

1 test year may change significantly while its case is being processed. To better match new
2 rates with the utility's ongoing revenue requirement, the Commission may order update and
3 true-up periods. Test year information is updated to reflect changes through the update cut-
4 off date—in this case December 31, 2014—and major changes through the true-up date—in
5 this case May 31, 2015.

6 Selecting a “known and measurable date” or “known and measurable period” is even
7 more important than the test year to synchronize and capture—“match”—all revenues and
8 expenses, as this updated information, along with the results of the true-up, will form the
9 basis for changing rates. Just as with the test year, a proper determination of revenue
10 requirement is dependent upon a consideration of all material components of the rate base,
11 return on investment, current level of revenues, along with operating costs, *at the same point*
12 *in time*, as stated by the Commission. This ratemaking principle is common to all rate cases
13 and common to how the Commission has established rates using all material and relevant
14 cost components in the revenue requirement calculation. The December 31, 2014, date for
15 the known and measurable period was chosen to enable the parties and Staff an update period
16 that provides sufficient time to obtain actual information from KCPL upon which to perform
17 analyses and make calculations regarding various components to the revenue requirement
18 and still base Staff's revenue requirement recommendation on very recent information.

19 In Case No. ER-83-49, regarding the need for a true-up, the Commission stated that it
20 would not “consider a true-up of isolated adjustments, but will examine only a package of
21 adjustments designed to maintain the proper revenue-expense-rate base match at a proper
22 point in time.” [26 Mo P.S.C. (N.S.) 104, 110 (1983)] This concept of developing a revenue
23 requirement calculation based on a consideration of all relevant factors has been a

1 long-standing approach to ratemaking in this state, and is the approach Staff is following in
2 this case.

3 The update cutoff date of December 31, 2014, is as close to the Staff's direct filing
4 date of April 2, 2015, as possible, but still allow the parties and Staff reasonable time to
5 prepare and file a direct case based on available historical information as near to the direct
6 filing date as possible.

7 **Revenue Requirement Ratemaking Adjustments**

8 Q. Does Staff make any adjustments to the utility's actual historical accounting
9 information to determine the annual revenue requirement it recommends the Commission use
10 for setting that utility's rates?

11 A. Yes. The ratemaking process includes making adjustments to actual
12 historical accounting information so that it reflects the normal, on-going operations of
13 the utility. This process generally uses four approaches to reflect changes determined to be
14 reasonable and appropriate. They are annualization, normalization, disallowances, and *pro*
15 *forma* adjustments.

16 Q. What is an annualization adjustment?

17 A. An annualization adjustment is made to a cost or revenue shown on the
18 utility's books to reflect a full year's impact of that cost or revenue. Examples are employee
19 pay raises during the test year and employees starting employment during the updated test
20 year. Both of these events require annualization adjustments so that the full annual salaries
21 of all employees are reflected in the updated test year. If not annualized, the utility's payroll
22 would be understated, since the increased payroll cost to the utility due to such employees
23 will continue into the future. Another example is where new customers start taking service

1 during or at the end of the updated or trued-up test year. Their usage needs to be annualized
2 to reflect a full 12-months of revenues from them. If the utility's revenues from these
3 customers are not normalized, then the utility's revenues will be understated, causing its
4 revenue requirement to be overstated and its new rates to be too high.

5 In this case Staff annualized revenues, payroll costs, fuel costs and other accounting
6 information.

7 Q. What is a normalization adjustment?

8 A. A normalization adjustment is made to revise an actual cost to reflect the cost
9 at a normal, on-going level. Utility revenues and costs that were incurred in the test year that
10 are determined not to be typical, are unusual, or relate to abnormal events generally are
11 adjusted to remove the revenue or cost effects of those atypical, abnormal or unusual events.
12 For example, some utility revenues and costs vary with changing weather temperatures;
13 therefore, adjustments are made to normalize them. Unusually hot or cold weather
14 significantly impacts utility revenues from those customers whose utility service usage is
15 weather sensitive as well as the utility's cost to serve those customers, both of which may
16 impact revenues and costs, and may distort how representative of the future the actual levels
17 of test year revenues and costs are. Because utility rates are set using normalized inputs,
18 adjustments to actual historical test-year input levels must be made when unusual or
19 abnormal events cause the actual historical customer usage to be higher or lower than
20 normal. To adjust them, temperatures during the test year are compared to normal annual
21 daily temperatures that are based on actual temperature measurements taken over a
22 substantial period of time, many times a 30-year time horizon. Weather-sensitive revenues
23 are adjusted in the test year to reflect normal weather temperatures. The resulting weather-

1 normalized sales volumes are also used as the basis for the utility's fuel and purchased power
2 costs, so that they too reflect normal weather temperatures.

3 Maintenance and operation costs relating to production equipment, such as coal-fired
4 generating units may also be normalized. If unusual events like major maintenance on
5 turbines have occurred during the test year, then accounts where the costs associated with
6 them may be adjusted to reflect a normal level. If normalization adjustments are not made,
7 the utility's revenues and costs, which both directly impact earnings, would be either too high
8 or too low to properly reflect the utility's future ongoing revenues and costs. For example,
9 cooler-than-normal weather in the summer will negatively impact an electric utility's
10 revenues, since the demand for electricity for air conditioning is decreased relative to a
11 "normal" year. Staff proposes adjustments to normalize the costs and revenues of events that
12 are expected to vary from the "normal" year.

13 In this case, Staff, based on an examination of actual historical events, has made both
14 a weather adjustment for revenues, and normalized non-payroll operation and maintenance
15 expenses.

16 Q. What is a disallowance?

17 A. A disallowance is an adjustment to remove an item from the utility's revenue
18 requirement. Typically a disallowance is made to remove a cost because the cost is not
19 expected to recur, it was not necessary for providing utility service, it provided no benefit to
20 ratepayers, or it was imprudent. One example of costs that are disallowed are certain
21 advertising costs. While some advertising costs benefit ratepayers and should be included in
22 rates, others do not, and should be disallowed. In this case Staff disallowed certain of
23 KCPL's advertising costs.

1 Q. What is a *pro forma* adjustment?

2 A. This type of adjustment is made to reflect increases and decreases to a utility's
3 revenue requirement caused by the implementation of a rate increase or decrease. *Pro forma*
4 adjustments are made because of the need to reflect the impact of items and events that occur
5 subsequent to the test year. These items and events may significantly impact the revenue,
6 expense and the rate base relationship, and should be recognized to address the objective of
7 forward-looking rates. Caution must be taken when making *pro forma* adjustments to ensure
8 that all material items and events subsequent to the test year are examined to avoid failing to
9 recognize offsetting adjustments. In addition, some post-test year items and events may not
10 have occurred yet (be known) and/or may not have been sufficiently measured (be
11 measurable). As a result, quantification of some *pro forma* adjustments may be more
12 difficult than others. A true-up audit that considers a full range of items and events that
13 occur subsequent to the test year and update period attempts to address the maintenance of a
14 proper relationship between revenues, expenses and investment, as well as address the
15 difficulty in making *pro forma* adjustments.

16 The most common example of a *pro forma* adjustment is the grossing up of a net
17 income deficiency for income tax purposes. This involves calculating the revenue
18 requirement before income taxes. If rates need to be adjusted to increase utility revenues,
19 then those revenues need to be factored up for income taxes. This is necessary because every
20 additional revenue dollar collected in rates is subject to income tax.

21 **Revenue Requirement Calculation**

22 Q. In the context of determining rates for public utilities, what is "revenue
23 requirement"?

1 A. “Revenue requirement” is the amount of the annual revenues that a utility’s
2 rates should be designed to allow it to collect each year. General electric rates in Missouri
3 are based on actual historical information. The revenue requirement is calculated using the
4 key elements decided by the Commission such as rate of return and capital structure on the
5 investment together with the costs to provide a particular utility service. This difference
6 between the revenue requirement from a cost of service calculation and revenues based on
7 existing rates identifies any revenue shortfall (need to increase rates) or excess (need to
8 decrease rates).

9 Q. How did Staff determine KCPL's revenue requirement?

10 A. Staff reviewed all the material and relevant components making up the
11 revenue requirement of KCPL, which are: rate of return and capital structure, rate base
12 investment, and revenues and expenses; as well as maintaining the relationship between each
13 of these components through the update period ending December 31, 2014. It will continue
14 to do so through the true-up period ending May 31, 2015.

15 Q. How do each of these components interrelate?

16 A. The ratemaking process for regulated utilities is a process whereby the
17 Commission makes rate decisions regarding how utilities charge customers for utility
18 services using a prescribed formula. This interrelationship may be seen through the
19 following formula:

20 **Revenue Requirement = Cost of Providing Utility Service**

21 **Or**

22 **RR = O + (V-D)R; where,**

23 RR = Revenue Requirement

24 O = Operating Costs (Payroll, Maintenance, etc.) Depreciation and
25 Taxes

1 V = Gross Valuation of Property Required for Providing Service
2 (including plant and additions or subtractions of other rate base
3 items)

4 D = Accumulated Depreciation Representing Recovery of Gross
5 Depreciable Plant Investment.

6 V-D = Rate Base (Gross Property Investment less Accumulated
7 Depreciation = Net Property Investment)

8 R = Rate of Return Percentage

9 (V-D)R = Return Allowed on Rate Base (Net Property Investment)

10 This formula is the traditional rate of return calculation this Commission relies on to
11 set just and reasonable rates. The result is the total revenue requirement for a utility. The
12 difference between that total amount and the total revenues the utility would bill an
13 annualized and normalized level of test year customers under existing rates is the incremental
14 change in revenues that rates need to be adjusted to allow the utility the opportunity to earn
15 the revenue requirement the Commission authorizes, including the Commission-authorized
16 return on rate base investment. The revenue requirement calculation allows for the recovery
17 of the proper level of utility costs, including income taxes.

18 **ORGANIZATION OF STAFF'S COST OF SERVICE REPORT**

19 Q. How is Staff's Cost of Service Report organized?

20 A. It is organized by each major revenue requirement category as follows:

21 I. Background of Great Plains Energy and Kansas City Power & Light Company

22 II. Executive Summary

23 III. Kansas City Power and Light Company's Rate Case Filing

24 IV. Economic Considerations

25 V. Kansas City Power & Light Company Electric Rates

26 VI. Rate of Return

- 1 VII. Rate Base
- 2 VIII. Income Statement – Revenues
- 3 IX. Income Statement – Expenses
- 4 X. Depreciation
- 5 XI. Regulatory Plan Additional Amortizations
- 6 XII. Current and Deferred Income Tax
- 7 XIII. Jurisdictional Allocations
- 8 XIV. Fuel Adjustment Clause (FAC)
- 9 XV. Other Miscellaneous Items
- 10 XVI. La Cygne Environmental Construction Project Continuation of Construction
- 11 Accounting
- 12 XVII. Transition Cost Recovery Mechanism
- 13 XVIII. Appendices

14 These categories have several subsections which identify in detail the specific
15 elements of Staff's revenue requirement recommendation for KCPL.

16 **OVERVIEW OF STAFF'S FILING, FINDINGS AND RECOMMENDATIONS**

17 Q. Please identify the findings of Staff's review of KCPL's rate increase request.

18 A. Staff conducted a review of KCPL's October 30, 2014, rate increase filing and
19 has identified the following areas in its findings and recommendations.

20 **Overall Revenue Requirement**

21 Q. How did Staff determine its revenue requirement for KCPL?

22 A. Staff identified many areas impacting KCPL's revenue requirement. Because
23 of higher expected cost increases for plant additions and other cost increases, the initial
24 revenue requirement developed as of the December 31, 2014, update case will change for the
25 May 31, 2015 true-up.

1 The May 31, 2015, true-up in this rate case will include various cost increases and
2 decreases. Staff will perform the true-up audit and provide a new recommendation regarding
3 the revenue requirement at that time based on KCPL's actual costs.

4 There are other costs that will likely change and, therefore, materially affect Staff's
5 current calculation of KCPL's revenue requirement. Those other costs include payroll;
6 payroll-related benefits, such as pensions and medical costs; and fuel costs, including fuel
7 commodity and freight price changes.

8 Rate of Return

9 The rate of return Staff used to calculate its revenue requirement recommendation for
10 KCPL in this case is based on Great Plains' capital structure and corporate results. Zephania
11 Marevangepo, of the Commission's Financial Analysis Unit, determined that the appropriate
12 rate of return on equity is a range of 9.25% to 9.75% with a mid-point of 9.50% which results
13 in an overall rate of return on investment of 7.41% to 7.66%. Mr. Marevangepo examined
14 Great Plains' capital structure and KCPL's cost of money and provided Staff's proposed rate
15 of return, which Staff used to calculate its revenue requirement recommendation for KCPL in
16 this case.

17 Rate Base

18 Plant in Service and Accumulated Depreciation Reserve are reflected in KCPL's rate
19 base as of December 31, 2014. All plant additions and retirements were included in the
20 revenue requirement calculation as of December 31, 2014. Staff will add plant additions and
21 retirements through the end of the true-up period, May 31, 2015.

1 Cash Working Capital has been included in rate base using a lead-lag study
2 developed by KCPL and Staff over the last several rate cases. This has been updated to
3 reflect changes in this case.

4 Fuel Stock (Coal, Oil and Nuclear) Inventories, Material & Supplies and Prepayments
5 were included as of the December 31, 2014. These items will be re-examined in the true-up.

6 Prepaid Pension Asset relates to previous Stipulations and Agreements from KCPL's
7 Regulatory Plan the Commission adopted in Case No. EO-2005-0329 and KCPL's 2006 rate
8 case (Case No. ER-2006-0314), KCPL's 2007 rate case (Case No. ER-2007-0291), KCPL's
9 2009 rate case (Case No. ER-2009-0089), KCPL's 2010 rate case (Case No. ER-2010-0355)
10 and KCPL's 2012 rate case (Case No. ER-2012-0174).

11 Accumulated Deferred Income Taxes Reserves were included as an offset to rate base
12 as of December 31, 2014. Deferred tax reserves will be updated for the true-up.

13 "Regulatory Plan Amortization Case ER-2006-0314" reflects the additional
14 amortization amounts that accumulated since the date the 2006 rate case rates went into
15 effect on January 1, 2007, as a result of the Commission's Order in Case No. ER-2006-0314.

16 "Regulatory Plan Amortization Case No. ER-2007-0291" reflects the additional
17 amortization amounts that accumulated since the date the 2007 rate case rates went into
18 effect on January 1, 2008, as a result of the Commission's Order in Case No. ER-2007-0291.

19 "Regulatory Plan Amortization Case No. ER-2009-0089" reflects the additional
20 amortization amounts that accumulated since the date the 2009 rate case rates
21 went into effect on September 1, 2009, as a result of the Commission's Order in
22 Case No. ER-2009-0089.

1 All the additional amortizations accumulated from the date the Commission
2 authorized them in each of the cases referenced above through the effective date of
3 rates in Case No. ER-2010-0355, May 4, 2011. Staff verified that the three regulatory
4 plan amortizations were included in the accumulated depreciation reserve, which is the
5 treatment agreed to in a Stipulation and Agreement the Commission approved in Case No.
6 ER-2010-0355.

7 Other rate base components for customer deposits, customer advances for
8 construction, deferred SO₂ allowances, and other regulatory liability for emission allowance
9 sales are included through end of the update period of December 31, 2014.

10 **INCOME STATEMENT**

11 **Revenues**

12 Staff annualized and normalized revenues through December 31, 2014, to reflect an
13 annual ongoing level of weather normalized revenues on a Missouri jurisdictional basis.
14 Staff applied a weather normalization adjustment to the test year level of revenues (April
15 2013 through March 2014). Revenues will be trued-up through May 31, 2015.

16 **Expenses**

17 Fuel costs in this case are based on coal and natural gas prices as of December 31,
18 2014, or January 1, 2015, essentially the same date. Purchased power costs were also
19 included through December 31, 2014. Other inputs, such as fuel mix, and station outages
20 and transmission and distribution line losses, were determined using historical information.
21 Fuel and purchased power costs will be trued-up through May 31, 2015.

22 Payroll, payroll related benefits, and payroll taxes were annualized through December
23 31, 2014. Payroll will be updated in the true-up as of May 31, 2015.

1 Operations and maintenance costs, other than payroll costs, were included in the case
2 based on calendar year 2014 levels.

3 Depreciation expense was annualized based on Commission-ordered depreciation
4 rates. The depreciation rates were applied to Staff's recommended adjusted plant-in-service
5 jurisdictional amounts, resulting in total annualized Missouri jurisdictional depreciation
6 expense. Depreciation expense will be updated for May 31, 2015, based on plant levels
7 included in the true-up.

8 Staff calculated income taxes based on the results of the revenue requirement
9 calculation as of December 31, 2014. The income tax expense amount will be trued-up as of
10 May 31, 2015. The deferred income tax reserve will also be trued-up as of May 31, 2015,
11 from the level reflected as of December 31, 2014.

12 **ALLOWANCE TO THE REVENUE REQUIREMENT**

13 Q. Has Staff included a true-up allowance in its direct filing?

14 A. Yes. Staff is including its current best estimate of the revenue requirement
15 change it expects its true-up review (through May 31, 2015) to be. Staff obtained this
16 estimate from KCPL. It is designed to include the revenue requirement impacts of plant
17 additions that are expected to be complete by the true-up ending period of May 31, 2015, and
18 other projected cost increases beyond the update period. The Commission has authorized the
19 use of updating the case through end of May 31, 2015, primarily to address KCPL's
20 significant increases for plant additions and also expected increases for transmission and
21 pension costs.

22 Q. Why is this true-up estimate so high?

23 A. Primarily because KCPL is in process of completing construction of two
24 major environmental plant additions to La Cygne Units 1 and 2, and upgrades at Wolf Creek

1 to replace the essential water system. KCPL is also in the process of systematically replacing
2 customer meters in Missouri. None of these costs are included in Staff's determination of
3 KCPL's revenue requirement based on the updated period (December 31, 2014.) It expected
4 this meter replacement program will result in an increase in plant and corresponding increase
5 to revenue requirement increase. An estimate for these plant additions is included in the
6 allowance for the true-up. There will be other typical plant additions that will occur during
7 the five months between the update period of December 31, and the true-up period of May
8 31, 2015 that will be included in the true-up.

9 Other cost increases for transmission, pension and depreciation are expected to cause
10 an increase to rate revenues during the true-up period.

11 Staff will examine fuel and purchased power costs as part of its true-up audit. Staff
12 anticipates additional costs for payroll, payroll-related benefits through the end of the
13 December 31, 2010, true-up period. There may be some offsetting (reduction) benefits
14 reflected in the true-up relating to deferred income tax reserves and some potential fuel cost
15 reductions.

16 The purpose of a true-up audit is to capture all cost increases and decreases for rate
17 base and expenses along with all revenues changes for customer growth and any related fuel
18 impacts for revenue changes. Income taxes are also considered to complete the true-up.

19 Q. Does this conclude your direct testimony?

20 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

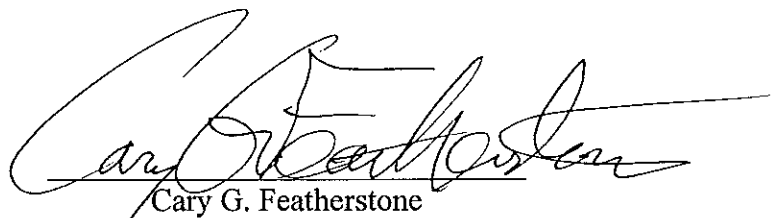
In the Matter of Kansas City Power & Light)
Company's Request for Authority to)
Implement a General Rate Increase for Electric)
Service)

Case No. ER-2014-0370

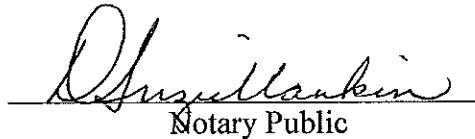
AFFIDAVIT OF CARY G. FEATHERSTONE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Cary G. Featherstone, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 33 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.


Cary G. Featherstone

Subscribed and sworn to before me this 2nd day of April, 2015.


Notary Public

D. SUZIE MANKIN
Notary Public - Notary Seat
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Kansas City Power & Light)
Company's Request for Authority to)
Implement a General Rate Increase for)
Electric Service

Case No. ER-2014-0370

**ERRATUM TO STAFF WITNESS
CARY G. FEATHERSTONE'S DIRECT TESTIMONY**

COMES NOW the Staff of the Missouri Public Service Commission and provides the following correction to the direct testimony of Staff witness Cary G. Featherstone that it filed on April 3, 2015:

1. On pages two and three of his direct testimony Staff witness Cary G. Featherstone references Schedule CGF-d1 that "contains a list of rate cases in which [he] testified, in writing or orally" and "other cases where [he] directly supervised and assisted Staff in audits of public utilities, but where [he] did not testify."

2. No party brought the omission to Staff's attention, and Staff just realized it inadvertently omitted the referenced Schedule CGF-d1 when filing Staff witness Cary G. Featherstone's direct testimony. Attached is the omitted schedule.

WHEREFORE, the Staff of the Missouri Public Service Commission respectfully makes the foregoing correction to the prefiled direct testimony of Staff witness Cary G. Featherstone that it filed on April 3, 2015.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 11th day of June, 2015.

/s/ Nathan Williams

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2014	SR-2014-0247 Coordinated	Central Rivers Wastewater Utility Inc.	Surrebuttal Testimony/Rebuttal of Supplemental Direct	Stipulated
2014	EU-2015-0094 Coordinated	Kansas City Power & Light Company (electric accounting order request)	Supervised- no testimony filed	pending
2014	EU-2014-0255 Coordinated	Kansas City Power & Light Company (electric continuance of construction accounting request)	Supervised- no testimony filed	pending
2014	HR-2014-0066 Coordinated	Veolia Energy Kansas City Company (former Trigen Kansas City Energy Company) (steam rate increase)	Direct- sponsor Utility Services Cost of Service Report	Stipulated
2014	GR-2014-0007 Coordinated	Missouri Gas Energy division of Laclede Gas Company (natural gas rate increase)	Direct- sponsor Utility Services Cost of Service Report Supplemental Direct- sponsor true-up revenue requirement Rebuttal Surrebuttal- update true-up revenue requirement	Pending

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2013 2012	HC-2012-0259 Consolidated with HC-2010-0235 Coordinated	KCP&L Greater Missouri Operations Company Ag Processing complaint against GMO's Quarterly Cost Adjustment (industrial steam fuel clause)	Additional Surrebuttal Report and Rebuttal	Pending
2010	HC-2010-0235	Ag Processing complaint against GMO's Quarterly Cost Adjustment (industrial steam fuel clause).	Deposition	Contested
2007 2008	HR-2007-0028, HR-2007-0399 and HR-2008-0340	Aquila, Inc., d/b/a Aquila Networks- L&P (industrial steam fuel clause review)		
2012	ER-2012-0175 Coordinated	KCPL Greater Missouri Operations Company (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy; plant valuation; capacity planning; Jurisdictional Allocation Factors; Rebuttal- capacity planning Surrebuttal- plant valuation; capacity True-up Direct	Contested

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SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2012	ER-2012-0174 Coordinated	Kansas City Power & Light Company (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy; Additional Amortizations Regulatory Plan; Jurisdictional Allocation Factors; Iatan 2 Advanced Coal Credits; Rate Analysis Rebuttal- Iatan 2 Advanced Coal Credits; Interim Energy Charge Surrebuttal- Iatan 2 Advanced Coal Credits; Interim Energy Charge	Contested
2011	SA-2010-0219 and SC-2010-0161 Coordinated	Canyon Treatment Facility LLC (sewer certificate and complaint case)	Recommendation Memorandum	Stipulated
2011	HR-2011-0241 Coordinated	Veolia Energy Kansas City Company (former Trigen Kansas City Energy Company) (steam rate increase)	Direct- sponsor Utility Services Cost of Service Report	Stipulated

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SUMMARY OF RATE CASE INVOLVEMENT

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2010	ER-2010-0356 Coordinated	KCP&L Greater Missouri Operations Company (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy; plant valuation; capacity planning; jurisdictional allocations; Rebuttal- capacity planning Surrebuttal- plant valuation; capacity True-up Direct True-up Rebuttal	Contested
2010	ER-2010-0355 Coordinated	Kansas City Power & Light Company (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy; Additional Amortizations Regulatory Plan; Jurisdictional Allocations Rate Analysis Rebuttal- jurisdictional allocation Surrebuttal- True-up Direct True-up Rebuttal	Contested
2010	SR-2010-0110 and WR-2010-0111 Coordinated	Lake Region Water and Sewer Company (water & sewer rate increase)	Direct- sponsor Utility Services Cost of Service Report Surrebuttal True-up Direct Reports to Commission	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2009	HR-2009-0092 Coordinated	KCPL Greater Missouri Operations Company (former Aquila, Inc. Missouri electric properties) (industrial steam rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy	Stipulated
2009	ER-2009-0090 Coordinated	KCPL Greater Missouri Operations Company (former Aquila, Inc. Missouri electric properties) (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy Surrebuttal-plant valuation; capacity planning	Stipulated
2009	ER-2009-0089 Coordinated	Kansas City Power & Light Company (electric rate increase)	Direct- sponsor Utility Services Cost of Service Report; policy; Additional Amortizations and Iatan 1 construction Rebuttal-jurisdictional allocations Surrebuttal-allocations	Stipulated
2008	HR-2008-0300 Coordinated	Trigen Kansas City Energy (steam rate increase)	Direct - sponsor Utility Services portion of the Cost of Service Report, overview of rate case, plant review and plant additions, fuel and income taxes	Stipulated
2007	HO-2007-0419 Coordinated	Trigen Kansas City Energy [sale of coal purchase contract] (steam)	Recommendation Memorandum	Stipulated

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2007	ER-2007-0004 Coordinated	Aquila, Inc., d/b/a Aquila Networks- MPS and Aquila Networks- L&P (electric rate increase)	Direct-fuel clause, fuel, capacity planning Rebuttal Surrebuttal- fuel clause	Contested
2006	WR-2006-0425 Coordinated	Algonquin Water Resources (water & sewer rate increases)	Rebuttal- unrecorded plant; contributions in aid of construction Surrebuttal unrecorded plant; contributions in aid of construction	Contested
2006	ER-2006-0314 Coordinated	Kansas City Power & Light Company (electric rate increase)	Direct-construction audits Rebuttal- allocations Surrebuttal- allocations	Contested
2005	HR-2005-0450 Coordinated	Aquila, Inc., d/b/a Aquila Networks- L&P (industrial steam rate increase)	Direct	Stipulated
2005	ER-2005-0436 Coordinated	Aquila, Inc., d/b/a Aquila Networks- MPS and Aquila Networks- L&P (electric rate increase)	Direct- interim energy charge; fuel; plant construction; plant commercial in-service; capacity planning, plant valuation Rebuttal Surrebuttal	Stipulated
2005	EO-2005-0156 Coordinated	Aquila, Inc., d/b/a Aquila Networks- MPS (electric- South Harper Generating Station asset valuation case)	Rebuttal- plant valuation Surrebuttal- plant valuation	Stipulated

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2005	HC-2005-0331 Coordinated	Trigen Kansas City Energy [Jackson County Complaint relocation of plant for Sprint Arena] (steam complaint case)	Cross examination- relocation of plant assets	Contested
2004	GR-2004-0072 Coordinated	Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P (natural gas rate increase)	Direct- acquisition adjustment; merger savings tracking Rebuttal	Stipulated
2004	HM-2004-0618 Coordinated	Trigen- Kansas City Energy purchase by Thermal North America (steam - sale of assets)	Supervised Case— Did not file testimony	Stipulated
2003	ER-2004-0034 and HR-2004-0024 (Consolidated) Coordinated	Aquila, Inc., (formerly UtiliCorp United Inc) d/b/a Aquila Networks-MPS and Aquila Networks-L&P (electric & industrial steam rate increases)	Direct- acquisition adjustment; merger savings tracking Rebuttal Surrebuttal Deposition	Stipulated
2002	ER-2002-424 Coordinated	Empire District Electric Company (electric rate increase)	Direct- fuel-interim energy charge Surrebuttal	Stipulated
2001	ER-2001-672 and EC-2002-265 Coordinated	UtiliCorp United Inc./Missouri Public Service Company (electric rate increase)	Verified Statement Direct- capacity purchased power agreement; plant recovery Rebuttal Surrebuttal	Stipulated
2001	ER-2001-299 Coordinated	Empire District Electric Company (electric rate increase)	Direct- income taxes; cost of removal; plant construction costs; fuel- interim energy charge Surrebuttal True-Up Direct	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2000	EM-2000-369 Coordinated	UtiliCorp United Inc. merger with Empire District Electric Company (electric acquisition/ merger case)	Rebuttal-acquisition adjustment; merger costs/savings tracking	Contested (Merger eventually terminated)
2000	EM-2000-292 Coordinated	UtiliCorp United Inc. merger with St. Joseph Light & Power Company (electric, natural gas and industrial steam acquisition/ merger case)	Rebuttal-acquisition adjustment; merger costs/savings tracking	Contested (Merger closed)
1999	EM-97-515 Coordinated	Kansas City Power & Light Company merger with Western Resources, Inc. (electric acquisition/ merger case)	Rebuttal-acquisition adjustment; merger costs/savings tracking	Stipulated (Merger eventually terminated)
1998	GR-98-140 Coordinated	Missouri Gas Energy Division of Southern Union Company (natural gas rate increase)	Testimony in Support of Stipulation And Agreement	Contested
1997	EM-97-395	UtiliCorp United Inc./Missouri Public Service (electric-application to spin-off generating assets to EWG subsidiary)	Rebuttal- plant assets & purchased power agreements	Withdrawn
1997	ER-97-394 and EC-98-126 Coordinated	UtiliCorp United Inc./Missouri Public Service (electric rate increase and rate complaint case)	Direct- fuel & purchased power; fuel inventories; re-organizational costs Rebuttal Surrebuttal	Contested
1997	EC-97-362 and EO-97-144	UtiliCorp United Inc./Missouri Public Service (electric rate complaint case)	Direct- - fuel & purchased power; fuel inventories Verified Statement	Contested Commission Denied Motion
1997	GA-97-133	Missouri Gas Company (natural gas—certificate case)	Rebuttal- natural gas expansion	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1997	GA-97-132	UtiliCorp United Inc./Missouri Public Service Company (natural gas—certificate case)	Rebuttal- natural gas expansion	Contested
1996	ER-97-82	Empire District Electric Company (electric-- interim rate increase case)	Rebuttal- fuel & purchased power	Contested
1996	GR-96-285 Coordinated	Missouri Gas Energy Division of Southern Union Company (natural gas rate increase)	Direct- merger savings recovery; property taxes Rebuttal Surrebuttal	Contested
1996	EM-96-149 Coordinated	Union Electric Company merger with CIPSCO Incorporated (electric and natural gas-- acquisition/merger case)	Rebuttal- acquisition adjustment; merger costs/savings	Stipulated
1996	GA-96-130	UtiliCorp United, Inc./Missouri Pipeline Company (natural gas-- certificate case)	Rebuttal- natural gas expansion	Contested
1995	ER-95-279 Coordinated	Empire District Electric Company (electric rate increase)	Direct- fuel & purchased power; fuel inventories	Stipulated
1995	GR-95-160 Coordinated	United Cities Gas Company (natural gas rate increase)	Direct- affiliated transactions; plant	Contested
1994	GA-94-325 Coordinated	UtiliCorp United Inc., expansion of natural gas to City of Rolla, MO (natural gas-- certificate case)	Rebuttal- natural gas expansion	Contested
1994	GM-94-252 Coordinated	UtiliCorp United Inc., acquisition of Missouri Gas Company and Missouri Pipeline Company (natural gas--acquisition case)	Rebuttal- acquisition of assets case	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1994	ER-94-194	Empire District Electric Company (electric rate increase)	Supervised Case— Did not file testimony	
1993	GM-94-40	Western Resources, Inc. and Southern Union Company (natural gas-- sale of Missouri property)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Stipulated
1993	TR-93-181	United Telephone Company of Missouri (telephone rate increase)	Direct- directory advertising Surrebuttal	Contested
1993	TC-93-224 and TO-93-192 Coordinated Directory	Southwestern Bell Telephone Company (telephone-- rate complaint case)	Direct- directory advertising Rebuttal Surrebuttal	Contested
1991	EM-91-290	UtiliCorp United Inc./ Missouri Public Service and Centel acquisition (electric – acquisition/ merger case)	Recommendation Memorandum	Stipulated
1991	GO-91-359 Coordinated	UtiliCorp United Inc., Missouri Public Service Division (natural gas-- accounting authority order)	Memorandum Recommendation- Service Line Replacement Program cost recovery deferral	Stipulated
1991	EO-91-358 and EO-91-360 Coordinated	UtiliCorp United Inc., Missouri Public Service Division (electric-- accounting authority orders)	Rebuttal- plant construction cost deferral recovery; purchased power cost recovery deferral	Contested
1991	EM-91-213	Kansas Power & Light - Gas Service Division (natural gas-- acquisition/merger case)	Rebuttal- acquisition adjustment; merger costs/savings tracking	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1990	GR-90-152	Associated Natural Gas Company (natural gas rate increase)	Rebuttal- acquisition adjustment; merger costs/savings	Stipulated
1990	GR-90-198 Coordinated	UtiliCorp United, Inc., Missouri Public Service Division (natural gas rate increase)	Direct- Corporate Costs and Merger & Acquisition Costs	Stipulated
1990	ER-90-101 Coordinated	UtiliCorp United Inc., Missouri Public Service Division (electric rate increase- Sibley Generating Station Life Extension Case)	Direct- Corporate Costs and Merger & Acquisition Costs Surrebuttal	Contested
1990	GR-90-50 Coordinated	Kansas Power & Light - Gas Service Division (natural gas rate increase)	Direct- prudency review of natural gas explosions	Stipulated
1989	TR-89-182 and TC-90-75	GTE North, Incorporated (telephone rate increase)	Direct- directory advertising Rebuttal Surrebuttal	Contested Decided Feb 9, 1990
1988	TC-89-14 Coordinated Directory	Southwestern Bell Telephone Company (telephone-- rate complaint case)	Direct- directory Surrebuttal advertising Surrebuttal Deposition	Contested
1988	GR-88-115 Coordinated	St. Joseph Light & Power Company (natural gas rate increase)	Supervised Case-- Did not file testimony Deposition	Stipulated
1988	HR-88-116	St. Joseph Light & Power Company (industrial steam rate increase)	Supervised Case-- Did not file testimony Deposition	Stipulated

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1987	HO-86-139 Coordinated	Kansas City Power & Light Company (district steam heating-- discontinuance of public utility and rate increase)	Direct- policy testimony on abandonment of steam service Rebuttal Surrebuttal	Contested
1986	TR-86-117 Coordinated	United Telephone Company of Missouri (telephone rate increase)	Withdrawn prior to filing	Withdrawn
1986	GR-86-76 Coordinated	KPL-Gas Service Company (natural gas rate increase)	Withdrawn prior to filing	Withdrawn
1986	TR-86-55 Coordinated	Continental Telephone Company of Missouri (telephone rate increase)	Supervised Case-- Did not file testimony	Stipulated
1986	TR-86-63 Coordinated	Webster County Telephone Company (telephone rate increase)	Supervised Case-- Did not file testimony	Stipulated
1986	TR-86-14 Coordinated	ALLTEL Missouri, Inc. (telephone rate increase)	Supervised Case-- Did not file testimony	Stipulated
1985	ER-85-128 and EO-85-185 Coordinated	Kansas City Power & Light Company (electric rate increase- Wolf Creek Nuclear Generating Unit Case)	Supervised Case-- Direct- fuel inventories; coordinated Wolf Creek Nuclear construction audit	Contested
1984	EO-84-4	Investigation and Audit of Forecasted Fuel Expense of Kansas City Power & Light Company (electric-- forecasted fuel true-up)	Direct	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1983	TR-83-253	Southwestern Bell Telephone Company (telephone rate increase - ATT Divestiture Case)	Direct- revenues & directory advertising	Contested
1983	ER-83-49	Kansas City Power & Light Company (electric rate increase)	Direct- fuel & fuel inventories Rebuttal Surrebuttal	Contested
1983	EO-83-9	Investigation and Audit of Forecasted Fuel Expense of Kansas City Power & Light Company (electric-- forecasted fuel true-up)	Direct	Contested
1982	TR-82-199	Southwestern Bell Telephone Company (telephone rate increase)	Direct- revenues & directory advertising	Contested
1982	ER-82-66 and HR-82-67	Kansas City Power & Light Company (electric & district steam heating rate increase)	Direct- fuel & purchased power; fuel inventories Rebuttal Surrebuttal	Contested
1981	TO-82-3	Southwestern Bell Telephone Company Investigation of Equal Life Group and Remaining Life Depreciation Rates (telephone-- depreciation case)	Direct- construction work in progress	Contested
1981	TR-81-302	United Telephone Company of Missouri (telephone rate increase)	Direct- construction work in progress	Stipulated
1981	TR-81-208	Southwestern Bell Telephone Company (telephone rate increase)	Direct-cash working capital; construction work in progress; income taxes-flow-through Rebuttal Surrebuttal	Contested

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<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
1981	ER-81-42	Kansas City Power & Light Company (electric rate increase)	Direct-payroll & payroll related benefits; cash working capital Rebuttal	Contested
1980	TR-80-235	United Telephone Company of Missouri (telephone rate increase)	Direct- construction work in progress Rebuttal	Contested
1980	GR-80-249 Coordinated	Rich Hill-Hume Gas Company (natural gas rate increase)	No Testimony filed- revenues & rate base	Stipulated
1980	GR-80-173	The Gas Service Company (natural gas rate increase)	Direct Deposition	Stipulated
1980	HR-80-55	St. Joseph Light & Power Company (industrial steam rate increase)	Direct	Stipulated
1980	OR-80-54	St. Joseph Light & Power Company (transit rate increase)	Direct	Stipulated
1980	ER-80-53	St. Joseph Light & Power Company (electric rate increase)	Direct	Stipulated

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SUMMARY OF RATE CASE INVOLVEMENT
CASES SUPERVISED AND ASSISTED:

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2014	WR-2015-0104	Spokane Highlands Water	Supervised Case-	pending
2014	WR-2015-0020	Gascony Water Company	Supervised Case-	withdrawn
2014	SM-2015-0014	Raccoon Creek acquisition of West 16, WPC and Villages (Sewer acquisition case)	Supervised Case-	Stipulated
2013	SA-2014-0005	Central Rivers Wastewater (sewer certificate case)	Supervised Case-	Stipulated
2013	SC-2013-0332	West 16 th Street (Public Counsel complaint case)	Supervised Case-	Stipulated
2013	WR-2013-0326	Woodland Manor (water informal rate increase)	Supervised Case-	Stipulated
2013	SR-2013-0053	WPC Sewer	Supervise Case-	Stipulated
2013	WM-2013-0329	Bilyean Ridge Water	Supervise Case-	Stipulated
2012	WR-2012-0163	Tandy County (water informal rate increase)	Supervised Case- Recommendation Memorandum	Stipulated
2011	WO-2022-0328	Algonquin Liberty Water purchase of Noel Water	Supervised Case- Recommendation Memorandum	Stipulated
2010	SR-2010-0320 Coordinated	Timber Creek Sewer Company	Supervised Case— Did Not File Testimony	Pending

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CASES SUPERVISED AND ASSISTED:

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2010	WR-2010-0202	Stockton Water Company	Recommendation Memorandum	Stipulated
2010	EO-2010-0211	KCP&L Greater Missouri Operations---- Liberty service center sale	Recommendation Memorandum	Stipulated
2009	EO-2010-0060	KCP&L Greater Missouri Operations----- Blue Springs service center sale	Recommendation Memorandum	Withdrawn
2009	WR-2010-0139 SR-2010-0140	Valley Woods Water Company	Recommendation Memorandum	Stipulated
2008	QW-2008-0003	Spokane Highlands Water Company (water- informal rate increase)	Recommendation Memorandum	Stipulated
2007	SR-2008-0080 QS-2007-0008	Timber Creek (sewer- informal rate increase)	Recommendation Memorandum	Stipulated
2006	WR-2006-0250 Coordinated	Hickory Hills Water (water- informal rate increase)	Supervised Case— Did Not File Testimony	Contested
2006	HA-2006-0294 Coordinated	Trigen Kansas City Energy (steam- expansion of service area)	Recommendation Memorandum & Testimony	Contested
2005	Case No. WO-2005-0206 Coordinated	Silverleaf sale to Algonquin (water & sewer- sale of assets)	Supervised Case— Did not file testimony	Stipulated

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SUMMARY OF RATE CASE INVOLVEMENT
CASES SUPERVISED AND ASSISTED:

<u>Year</u>	<u>Case No.</u>	<u>Utility</u>	<u>Type of Testimony/Issue</u>	<u>Case</u>
2005	GM-2005-0136 Coordinated	Partnership interest of DTE Enterprises, Inc. and DTE Ozark, Inc in Southern Gas Company purchase by Sendero SMGC LP (natural gas -- sale of assets)	Recommendation Memorandum	Stipulated
2003	QW-2003-016 QS-2003-015	Tandy County (water & sewer informal rate increase)	Recommendation Memorandum	Stipulated