

FILED
February 15, 2017
Data Center
Missouri Public
Service Commission

Exhibit No.:
Issue: Fuel Adjustment Clause; Transmission
Costs; Property Taxes; Critical
Infrastructure Protection; Renewable
Energy Standard Costs; Pre-MEEIA
Opt Out Cost Recovery; Electric
Vehicle Charging Station Tariff, Other
Tariff Changes

Witness: Tim M. Rush
Type of Exhibit: Direct Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2016-0285
Date Testimony Prepared: July 1, 2016

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2016-0285

DIRECT TESTIMONY

OF

TIM M. RUSH

Missouri Public
Service Commission

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
July 2016

Certain Schedules Attached To This Testimony Designated "(HC)"
Contain Highly Confidential Information.
All Such Information Should Be Treated Confidentially
Pursuant To 4 CSR 240-2.135.

KCP&L Exhibit No. 142NP
Date 2.6.17 Reporter MB
File No. ER-2016-0285

OPC Exhibit No. 6
Date 6/13/18 Reporter Bjb
File No. EX-2016-0294

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(H) A complete explanation of all the costs that shall be considered for recovery under the proposed RAM and the specific account used for each cost item on the electric utility's books and records:

The Federal Energy Regulatory Commission (FERC) Code of Federal Regulations is the basis for the Company's accounting codes. Fuel used in the production of steam for the generation of electricity (Coal Plants) is included in FERC account 501. Fuel used in the production of nuclear power generation is recorded in FERC account 518. Fuel used in other power generation (Combustion Turbines) is included in FERC account 547. Purchased Power is in FERC account 555. Transmission of electricity by others is included in FERC account 565, SPP Schedule 1-A fees are included in Accounts 561 and 575, and FERC Schedule 12 fees are in Account 928. Emission Allowance costs are in FERC account 509.

FERC Account Number 501

Subaccount 501000: coal commodity and transportation, side release and freeze conditioning agents, dust mitigation agents, accessorial charges as delineated in railroad accessorial tariffs [additional crew, closing hopper railcar doors, completion of loading of a unit train and its release for movement, completion of unloading of a unit train and its release for movement, delay for removal of frozen coal, destination detention, diversion of empty unit train (including administration fee, holding charges, and out-of-route charges which may include fuel surcharge), diversion of loaded coal trains, diversion of loaded unit train fees (including administration fee, additional mileage fee or out-of-route charges which may include fuel surcharge), fuel surcharge, held in transit, hold charge, locomotive release, miscellaneous handling of coal cars, origin detention, origin re-designation, out-of-route charges (including fuel surcharge), out-of-route movement, pick-up of locomotive power, placement and pick-up of loaded or empty private coal cars on railroad supplied tracks, placement and pick-up of loaded or empty private coal cars on shipper supplied tracks, railcar storage, release of locomotive power, removal, rotation and/or addition of cars, storage charges, switching, trainset positioning, trainset storage, and weighing], unit train maintenance, leases, taxes and depreciation, applicable taxes, natural gas costs, fuel quality adjustments, fuel hedging costs, fuel adjustments included in commodity and transportation costs, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers) and margins (cash or collateral used to secure or maintain the Company's hedge position with a brokerage or exchange), oil commodity transportation, storage, taxes, fees, and fuel losses, inventory adjustments, and insurance recoveries, subrogation recoveries and settlement proceeds for increased fuel expenses in the 501 Accounts.

Subaccount 501020: the allocation of the allowed costs in the 501000, 501300, and 501400 accounts attributed to native load;

Subaccount 501030: the allocation of the allowed costs in the 501000, 501300, and 501400 accounts attributed to off system sales;

Subaccount 501300: fuel additives and consumable costs for Air Quality Control Systems ("AQCS") operations, such as ammonia, hydrated lime, lime, limestone,

powder activated carbon, sodium bicarbonate, trona, sulfur, and RESPond, or other consumables which perform similar functions;

Subaccount 501400, 501420: residual costs and revenues associated with combustion product, slag and ash disposal costs and revenues including contractors, materials and other miscellaneous expenses.

Subaccount 501500, 501502, 501503, 501504, 501505, 501506, 501507, 501508, and 501509: non-internal-labor costs associated with fuel handling.

FERC Account Number 518

Subaccount 518000: nuclear fuel commodity and hedging costs;

Subaccount 518201: nuclear fuel waste disposal expense;

Subaccount 518100: nuclear fuel oil.

FERC Account Number 547

Subaccount 547000: natural gas and oil costs for commodity, transportation, storage, taxes, fees and fuel losses, hedging costs for natural gas, oil, and natural gas used to cross-hedge power purchases or sales, and settlement proceeds, insurance recoveries, subrogation recoveries for increased fuel expenses, and broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), and margins (cash or collateral used to secure or maintain the Company's hedge position with a brokerage or exchange).

Subaccount 547020: the allocation of the allowed costs in the 547000 and 547300 accounts attributed to native load;

Subaccount 547030: the allocation of the allowed costs in the 547000 and 547300 accounts attributed to off system sales;

Subaccount 547100, 547102: fuel handling costs other than internal labor [goods or services to purchase or acquire fuel or fuel transportation, including forecasts, market analyses or information, strategy development and contract or issue negotiation, to manage fuel purchases, including contract administration, to manage fuel inventories, to handle, pump or move fuel during or after receiving, including scheduling transportation, moving fuel in storage and transferring from one station to another]

Subaccount 547300: fuel additives and consumable costs for AQCS operations, such as ammonia or other consumables which perform similar functions

FERC Account Number 555

The following costs or revenues reflected in FERC Account Number 555:

Subaccount 555000: purchased power costs, energy charges from capacity purchases of any duration, insurance recoveries, and subrogation recoveries for purchased power expenses, hedging costs including broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers) and margins (cash or collateral used to secure or maintain the Company's hedge position with a brokerage or exchange), charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs including, energy, revenue neutrality, make whole and out of merit payments and distributions, over collected losses payments and distributions, Transmission