

*Exhibit No.:*  
*Issue(s):* Revenue Adjustment  
*Witness:* Michael L. Stahlman  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* True-Up Direct  
Testimony  
*Case No.:* ER-2016-0285  
*Date Testimony Prepared:* March 1, 2017

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**TARIFF AND RATE DESIGN UNIT**

**TRUE-UP DIRECT TESTIMONY**

**OF**

**MICHAEL L. STAHLMAN**

~~Staff~~ Exhibit No. 254  
Date 3-16-17 Reporter XF  
File No. ER-2016-0258

**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. ER-2016-0285**

*Jefferson City, Missouri*  
*March 2017*



1           **Q.     Do other witnesses for Staff discuss the energy efficiency adjustment for**  
2 **Kansas City Power & Light Company's ("KCPL") MEEIA Cycle 2 kWh savings?**

3           A.     Yes. Staff witness Dr. Seoung Joun Won discusses paragraph II.10.a. of the  
4 Cycle 2 Stipulation and Ms. Sarah Kliethermes discusses paragraph II.10.c. of the Cycle 2  
5 Stipulation. This testimony discusses paragraph II.10.b. of the Cycle 2 Stipulation.

6           **Q.     What adjustment did Staff make for MEEIA cycle 2 kWh savings?**

7           A.     Staff made a true-up energy efficiency adjustment consistent with the method  
8 in KCPL's Tariff Sheets 49K and 49L which was prescribed by paragraph II.10.b. of Cycle 2  
9 Stipulation.

10          **Q.     How was this adjustment made for true-up revenue?**

11          A.     Staff used the information from Staff Witness Dr. Won to subtract annualized  
12 MEEIA kWh energy savings from the weather normalized kWh usage. The process to adjust  
13 the actual billing determinates is identical to the weather normalization process described on  
14 pages 66 and 67 of the COS Report. This process uses the relationship between percentage of  
15 usage priced in the first rate block and the second rate block to distribute normalized and  
16 annualized monthly kWh to the rate blocks for the Residential (RES), Small General Service  
17 (SGS), Medium General Service (MGS), and Large General Service (LGS) classes. For the  
18 Large Power (LP) class, Staff subtracted the annualized MEEIA kWh energy savings from the  
19 kWh that was weather normalized and annualized in order to calculate the adjusted revenue.

20          **Q.     Where can this adjustment be found?**

21          A.     It was performed in the "WN Factor & MEEIA" and various class tabs of the  
22 "Revenue2" workpaper, and in the LPS Adjustment – True Up workpaper for the LP class.

True-Up Direct Testimony of  
Michael L Stahlman

1 Q. Have you compared the normalized and annualized kWh through the true-up  
2 period in the last rate case ER-2014-0370 to the normalized and annualized kWh in this rate  
3 case?

4 A. Yes, the ending kWh in Staff witness Robin Kliethermes' true-up direct  
5 workpaper for Case No. ER-2014-0370 included approximately 53.5 more kWh than my  
6 calculation for true-up kWh, prior to Staff's MEEIA Cycle 2 adjustment.

7 Q. Was this difference uniform across classes?

8 A. No. Provided below is my calculation of class kWh, prior to the MEEIA Cycle  
9 2 adjustment, and the change in kWh from Staff's true-up direct kWh by class in Case No.  
10 ER-2014-0370:

Class	True-up Pre Cycle 2	Change from ER-2014-0370 True-up Direct
Residential	2,582,959,915	(49,646,318)
Small GS	423,987,280	6,401,414
Medium GS	1,184,492,097	70,749,620
Large GS	2,211,659,380	14,548,879
Large Power	2,017,698,353	(94,685,901)
Lighting	85,125,176	(861,375)

11

12 These results show that kWh for the RES class decreased by approximately 50 million kWh  
13 while kWh actually increased for all other rate classes except LP. Much, if not all, of the  
14 change in kWh was due to customers leaving the LP class and moving to the LGS and MGS  
15 classes.

16 Q. What are Staff's ending true-up kWh per class for this case, after application of  
17 the MEEIA Cycle 2 adjustment?

True-Up Direct Testimony of  
Michael L Stahlman

1           A.     The MEEIA Cycle 2 Adjustment, and ending kWh per class, are provided in  
2 the table below.

	Cycle 2	True-Up Post-
Class	Adjustment	MEEIA Cycle 2
	Adjustment	Adjustment
Residential	(12,250,320)	2,570,709,595
Small GS	(3,757,780)	420,229,500
Medium GS	(4,548,724)	1,179,943,373
Large GS	(9,311,093)	2,202,348,287
Large Power	(26,500)	2,017,671,853
Lighting	-	85,125,176

3

4           **Q.     Does that conclude your testimony?**

5           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 ) Case No. ER-2016-0285  
Implement A General Rate Increase for )  
Electric Service )

**AFFIDAVIT OF MICHAEL L. STAHLMAN**

STATE OF MISSOURI     )  
                                  )     ss.  
COUNTY OF COLE     )

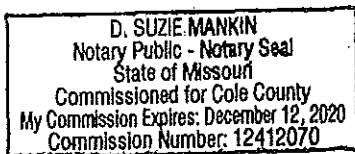
COMES NOW MICHAEL L. STAHLMAN, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing True-Up Direct Testimony; and that the same is true and correct according to his best knowledge and belief.

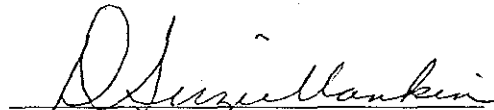
Further the Affiant sayeth not.

  
\_\_\_\_\_  
MICHAEL L. STAHLMAN

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 15<sup>th</sup> day of March, 2017.



  
\_\_\_\_\_  
Notary Public