

Exhibit No.:
Issue: Policy
Witness: Natelle Dietrich
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: ER-2016-0285
Date Testimony Prepared: March 1, 2017

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TRUE-UP DIRECT TESTIMONY

OF

NATELLE DIETRICH

Staff Exhibit No. 245
Date 3-16-17 Reporter XF
File No. ER-2016-0285

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2016-0285

Jefferson City, Missouri
March 2017

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TABLE OF CONTENTS OF
TRUE-UP DIRECT TESTIMONY
OF
NATELLE DIETRICH
KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2016-0285

EXECUTIVE SUMMARY..... 1
TRUE-UP..... 2
NON-UNANIMOUS STIPULATIONS AND AGREEMENTS 2

1 TRUE-UP DIRECT TESTIMONY

2 OF

3 NATELLE DIETRICH

4 KANSAS CITY POWER & LIGHT COMPANY

5 CASE NO. ER-2016-0285

6 Q. Please state your name and business address.

7 A. My name is Natelle Dietrich. My business address is 200 Madison Street,
8 Jefferson City, Missouri 65101.

9 Q. Are you the same Natelle Dietrich that previously filed Direct Testimony in
10 this case on November 30, 2016 and December 14, 2016 and surrebuttal testimony in this case
11 on January 27, 2017?

12 A. Yes I am.

13 **EXECUTIVE SUMMARY**

14 Q. What is the purpose of your testimony?

15 A. The purpose of this testimony is to sponsor the results of true-up audits of
16 KCPL pursuant to the Commission's August 10, 2016 *Order Adopting Procedural Schedule*
17 *And Delegating Authority*. The true-up period is through December 31, 2016.

18 Q. Please summarize your true-up direct testimony.

19 A. In its August 10, 2016 *Order Adopting Procedural Schedule And Delegating*
20 *Authority*, the Commission ordered the true-up period for this rate case to be through
21 December 31, 2016. The Commission ordered the use of the twelve months ended December
22 31, 2015 as the test year, updated for known and measurable changes through June 30, 2016.

1 Staff's true-up run supports its recommendation to the Commission for the amount of
2 the rate revenue increases Staff recommends the Commission order for KCPL. Staff's
3 recommendations are based on its revenue requirement results for KCPL based on actual
4 historical information through the period ending December 31, 2016. This recommendation
5 is in Staff's separately filed True-up Direct Account Schedules for KCPL.

6 The same Staff members who prepared the rate revenue recommendations presented in
7 Staff's direct testimony in this case performed Staff's true-up revenue requirement
8 calculations.

9 **TRUE-UP**

10 In making its true-up revenue requirement recommendations, Staff reviewed all cost-
11 of-service components (capital structure, return on rate base, rate base, depreciation expense,
12 and operating expenses) that comprise KCPL's revenue requirement.

13 Q. What are the results of Staff's true-up audits?

14 A. Staff's updated revenue requirement for the December 31, 2016, true-up is
15 \$12,240,459 based on recommended rate of return of 8.65%. (Staff witness Dr. Woolridge),
16 including an adjustment to reflect the non-unanimous, but non opposed, stipulations and
17 agreements reached between KCPL and various parties including Staff.

18 **NON-UNANIMOUS STIPULATIONS AND AGREEMENTS**

19 Q. Have there been any Stipulations and Agreements in this case that would
20 impact the revenue requirement of KCPL?

21 A. Yes. On February 10, 2017, the *Non-Unanimous Partial Stipulation And*
22 *Agreement* was filed with the Commission to resolve the following issues:

True-Up Direct Testimony of
Natelle Dietrich

- 1 1. Hedging & Cross-Hedging
- 2 2. Prospective tracking of Regulatory Asset and Liability Recovery
- 3 3. Economic Relief Pilot Program ("ERPP")
- 4 4. Advanced Meter Infrastructure ("AMI") Meter Opt-Out Program
- 5 5. Customer Disclaimer
- 6 6. Management Expense
- 7 7. FAC (Not requesting to include in its FAC costs that are currently
- 8 excluded – Administration charges – FERC assessment charges and
- 9 NERC assessment charges)
- 10 8. Cost allocation manual ("CAM")
- 11 9. Tracking of forecasted costs for transmission costs/revenues and
- 12 property taxes

13 On February 22, 2017, the *Nonunanimous Stipulation And Agreement Regarding*
14 *Pensions and Other Post Employment Benefits ("OPEBs")* was filed with the Commission to
15 resolve Pensions and OPEBs.

16 Q. Does this conclude your direct testimony?

17 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

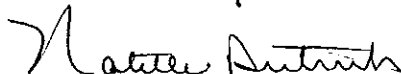
In the Matter of Kansas City Power & Light)
Company's Request for Authority to) Case No. ER-2016-0285
Implement A General Rate Increase for)
Electric Service)
)

AFFIDAVIT OF NATELLE DIETRICH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Natelle Dietrich and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.

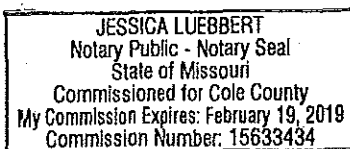
Further the Affiant sayeth not.

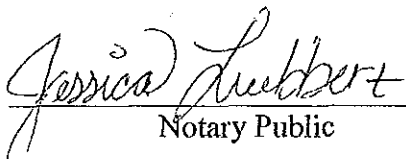


Natelle Dietrich

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 1st day of March, 2017.





Notary Public