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Exhibit No.: 209
Issue(s): Rate Treatment of
MEEIA Labor Costs
Witness: Dana E. Eaves
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2016-0285
Date Testimony Prepared: January 27, 2017

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENERGY RESOURCES

SURREBUTTAL TESTIMONY

OF

DANA E. EAVES

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2016-0285

~~Staff~~ Exhibit No. 209
Date 2-28-17 Reporter KF
File No. ER-2016-0285

Jefferson City, Missouri
January 2017

Surrebuttal Testimony of
Dana E. Eaves

1 Q. What factors influenced your decision to change your proposed
2 recommendation related to the rate treatment of costs associated with MEEIA labor?

3 A. Mr. Klote provided in his rebuttal testimony the quantity of employees for
4 whom it will seek cost recovery through its MEEIA Rider. KCPL is reporting it has included
5 12 full-time employees and 1 full-time position dedicated 50% to MEEIA, plus benefit
6 loadings in the DSIM Rider for cost recovery. Mr. Rush states "The same people who are
7 working on KCP&L MEEIA programs also work on GMO programs. There [sic] internal
8 labor costs are assigned to each utility program based on what activities they are doing."¹
9 KCPL includes these employees on a full-time basis and allocates a portion of their time from
10 KCPL to GMO for the administration of its approved energy efficiency programs. Since
11 KCPL has defined the KCPL staff positions and associated labor costs it plans to recover
12 through its DSIM Rider, KCPL has accounting methodologies in place that will provide a
13 reasonable assurance that KCPL is correctly recovering its general and MEEIA labor costs.

14 Q. Was labor part of cost-effectiveness testing of KCPL's portfolio of energy
15 efficiency programs?

16 A. Yes. Although it is not essential that labor is recovered through its MEEIA
17 rider to maintain consistency with this initial modeling, recovery of labor in KCPL's MEEIA
18 rider would improve the accuracy of future evaluation, measurement, & verification reviews.²

19 Q. Is there a process in place that would allow Staff to review the prudence and
20 the level of labor costs outside of a general rate case?

21

¹ Rebuttal Testimony of Tim M. Rush, page 11, lines 3-5.

² 4 CSR 240-20.093(1)(V)

Surrebuttal Testimony of
Dana E. Eaves

1 A. Yes. Staff is required to perform periodic prudence reviews,³ and as mentioned
2 earlier, KCPL has accounting methodologies in place that will provide a reasonable assurance
3 through its accounting practices that general and MEEIA labor costs are recovered correctly
4 for not only KCPL but GMO as well.

5 Q. Would there be a great deal of complexity in unwinding the accounting
6 processes currently in place that address general and MEEIA labor costs?

7 A. Yes. As Mr. Rush describes in his rebuttal testimony,⁴ to change accounting
8 processes mid-stream could be troublesome and cumbersome.

9 Q. Does this conclude your surrebuttal testimony?

10 A. Yes.

³ 4 CSR 240-20.093(10) Prudence Reviews. A prudence review of the costs subject to the DSIM shall be conducted no less frequently than at twenty-four (24)-month intervals.

⁴ Tim M. Rush Rebuttal Testimony, page 6, lines 16-23 through page 7, lines 1-3.

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-2016-0285

AFFIDAVIT OF DANA E. EAVES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW DANA E. EAVES and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

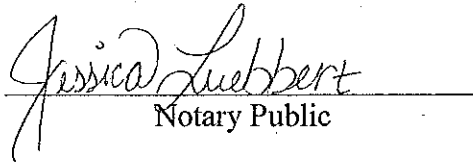
Further the Affiant sayeth not.


DANA E. EAVES

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 25th day of January, 2017.

JESSICA LUEBBERT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: February 19, 2019
Commission Number: 15633434


Notary Public