

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

In the Matter of the Application of)	
KCP&L Greater Missouri Operations)	<u>File No. ER-2016-0156</u>
Company for Authority to Implement a)	Tariff No. YE-2016-0223
General Rate Increase for Electric)	
Service)	

**LIST OF ISSUES, ORDER OF WITNESSES,
ORDER OF CROSS-EXAMINATION AND
ORDER OF OPENING STATEMENTS**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and states:

In preparing this list of issues Staff has solicited input from the parties, receiving input from them even on Thursday, September 8, 2016, attempted to list all the issues, and attempted to obtain consensus on the descriptions of the issues. This is Staff’s best effort to list and describe all the issues in this case. To the extent errors in issues or listed witnesses are discovered, Staff will advise the Commission. Staff also worked closely with the parties in developing the hearing schedule that follows.

The parties are:

- Brightergy—Brightergy, LLC
- DE—Missouri Division of Energy
- Dogwood—Dogwood Energy, LLC
- GMO—KCP&L Greater Missouri Operations Company
- Kansas City—City of Kansas City
- MECG—Midwest Energy Consumers Group
- MIEC—Missouri Industrial Energy Consumers
- Public Counsel—The Office of the Public Counsel
- Renew Missouri
- Staff—Staff of the Missouri Public Service Commission
- St. Joseph—City of St. Joseph, Missouri
- UE—Union Electric Company d/b/a Ameren Missouri
- Unions—IBEW Local Unions 412, 1464 & 1613

List of Issues

I. Cost of Capital

- A. Return on Common Equity – what return on common equity should be used for determining rate of return?
- B. Capital structure – what capital structure should be used for determining rate of return?
- C. Cost of debt – what cost of debt should be used for determining rate of return?

II. Crossroads

- A. Should the increased transmission costs GMO incurs to transmit energy from its Crossroads Energy Center at Clarksdale, Mississippi to its service area in Missouri due to Entergy's entry in MISO be included in GMO's revenue requirement?¹
- B. Should Crossroads be excluded from GMO's rate base?

III. Fuel Adjustment Clause

- A. Has GMO met the criteria for the Commission to authorize it to continue to have a fuel adjustment clause?
- B. Should the Commission authorize GMO to continue to have a fuel adjustment clause?
- C. What costs should flow through GMO's fuel adjustment clause?
- D. What revenues should flow through GMO's fuel adjustment clause?
- E. How should the Commission address in GMO's fuel adjustment clause moving from district specific rates to GMO-wide rates?
- F. What is the appropriate sharing mechanism of the difference between actual and base fuel costs in GMO's FAC?
- G. What FAC-related reporting requirements should the Commission impose?

IV. Transmission Fees Expense and Transmission Revenues

- A. What level of transmission fees expense should the Commission recognize in GMO's revenue requirement?
- B. Should the Commission authorize GMO prospectively to compare its actual transmission expenses that it does not recover through its fuel adjustment clause with the level of transmission expense used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?
- C. What level of transmission revenues should the Commission recognize in GMO's revenue requirement?

¹ If the Commission includes the additional transmission costs due to Entergy's entry into MISO in GMO's revenue requirement, at what value should the Commission include Crossroads in GMO's rate base?

- D. Should the Commission authorize GMO prospectively to compare its actual transmission revenues that do not flow through its fuel adjustment clause with the level of transmission revenue used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?
- E. What level of RTO administrative fees should the Commission recognize in GMO's revenue requirement?
- F. Should the Commission authorize GMO prospectively to compare its actual RTO administrative fees with the level of RTO administrative fees used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?

V. Line Loss Study— Which data set containing the results of a loss analysis of the individual rate districts should be used in calculating GMO company-wide energy loss factors that are then utilized in the determination of GMO's hourly loads, fuel costs, revenue requirement, and rate design?

VI. Lake Road Plant electric/steam allocation factors—What factors should the Commission use to allocate GMO's total rate base, expenses and revenues of its Lake Road Plant to its electric customers to account for GMO contemporaneously using the Lake Road Plant to serve its steam customers?

VII. RESRAM Prudence Review (Solar rebates)—Should the Commission authorize GMO to recover through its RESRAM (renewable energy standard rate adjustment mechanism) charges the \$2.6 million in solar rebates it paid to qualifying customers that GMO incurred subsequent to August 31, 2012, and paid in excess of the Commission-approved \$50 million aggregate level it agreed to in Case No. ET-2014-0059?

VIII. MEEIA Cycle 1 (2013-2015)—Should billing determinants—customer usage data required to develop the rates that appear on the rate schedules—be adjusted in this rate case, and outside of the MEEIA Cycle 1 Stipulation, for MEEIA measures installed during the period August 1, 2014 – March 31, 2016? If so, how?

Alternatively, should GMO's annualized and normalized sales and sales revenues and net system input reflect decreased energy and demand due to MEEIA programs in Cycle 1 from the test period up to and including the true-up?

IX. Depreciation Rates—What depreciation rates should the Commission order GMO to use?

X. Depreciation Study Costs—What level of depreciation study costs should the Commission recognize in GMO's revenue requirement?

XI. Amortization Periods Ending Before the End of the True-up Period

- A. Should the Commission include in GMO's revenue requirement amounts designed to return to retail customers the amounts related to amortizations that GMO collected from those customers through its rates for GMO's 2010 and 2012 rate case expense, FAS 87 prepaid pension asset, St. Joseph Light & Power transition costs, Renewable Energy Standard costs and latan 2 operations & maintenance costs from the time the amortization periods amortizations ended until new rates in this case? If so, how?
- B. Should the Commission include in GMO's revenue requirement amounts designed to return to retail customers the amounts related to amortizations that GMO collected from those customers through its rates for L&P prepaid pension asset, and should those amounts be included in GMO's pension tracking mechanism?

XII. Hedging and Cross-Hedging

- A. Should GMO cease hedging its natural gas purchases?
- B. Should GMO cease cross-hedging purchased power with natural gas futures?
- C. How should GMO account for its hedging costs?

XIII. Advanced Meter Infrastructure Meters—

- A. Should the Commission order GMO to allow customers the option of not having an Advanced Meter Infrastructure meter at the customer's residence?
- B. If so, what is the appropriate opt-out charge?

XIV. Greenwood Solar Energy Center— Should the Commission allocate any of the capital costs, operating and maintenance costs, revenues, energy, SRECs, etc., attributable to the Greenwood Solar Energy Center between GMO and KCP&L? If so, how should it be allocated?

XV. Bad Debt Expense – What level of bad debt expense should the Commission recognize in GMO's revenue requirement?

XVI. Prepayments

- A. What level of prepayments should the Commission recognize when determining GMO's revenue requirement?
- B. Where should GMO record its PSC assessments?

XVII. Late Payment Revenues—What level of late payment revenues should the Commission recognize when determining GMO's revenue requirement?

XVIII. Transource Missouri FERC Incentives—Has GMO proposed to include CWIP FERC incentives in its cost of service for the Iatan-Nashua and Sibley-Nebraska City transmission projects that it agreed to forego in File No. EA-2016-0098?

Alternatively, what level of adjustment should be made, per File No. EA-2013-0098, to the transmission expenses that are allocated to GMO by SPP for the Transource Missouri Sibley-Nebraska City and Iatan-Nashua transmission projects?

XIX. Payroll Expense—What level of payroll expense should the Commission recognize in GMO's revenue requirement?

XX. Dues and Donations—What level of dues and donations expense should the Commission recognize when determining GMO's revenue requirement?

XXI. Short-term Incentive Compensation—What level of short-term incentive compensation should the Commission recognize in GMO's revenue requirement?

XXII. Supplemental Employee Retirement Plan (SERP)

- A. What level of SERP expense should the Commission recognize in GMO's revenue requirement?
- B. Should SERP expense be capitalized?
- C. Should KCPL employee SERP expense be allocated to GMO?

XXIII. Rate Case Expense

- A. Should the Commission require GMO's shareholders to bear part of GMO's rate case expense?
- B. What level of rate case expense should the Commission recognize in GMO's revenue requirement?

XXIV. Class cost of service, rate design, tariff rules and regulations

- A. Should the Commission eliminate the MPS and L&P rate districts, and order GMO-wide rates?
- B. Rate design
 - a) What is an appropriate residential rate design?
 - b) What is an appropriate residential customer charge under the appropriate rate design?
 - c) What customer impact mitigation measures, if any, should be used for the LPS, LGS, and SGS classes?
 - d) What billing determinants should be used for determining the rates to collect GMO's cost of service?

- e) What adjustment should be made to account for any changes in retail revenue attributable to customers being placed on their most advantageous rate as a result of the rate design approved in this case?
- f) When should GMO revise its load research to account for the elimination of the MPS and L&P rate districts?
- g) Should the Commission order GMO to file a rate design case once a year of hourly data is available under the new classes and implemented rates?
- h) Should the Commission order GMO to file a Class Cost of Service Study with supporting data in its next rate case?
- i) Should the Commission allow GMO to freeze its time differentiated rates, including Time of Use (“TOU”)?
- j) Should the Commission order GMO to file a proposal to make TOU rates available to all customers including a study of applicable TOU determinants?
- k) Should the Commission order GMO specifically to study time of use rates and summer/shoulder/winter rates, and to include its proposals for such rates in its next rate filing?
- l) Should the Commission order a working group be formed to evaluate the impacts, for residential and small general service class, of transitioning to inclining block rates on lower income and electric space heating and cooling users and to consider the merits of more extensive block rate modifications?

C. Tariff rules and regulations

- 1) Special Contracts—Should GMO’s tariff include a “special contract rate” schedule?
- 2) Service extensions—Should GMO be allowed to modify its line extension tariff provisions?
- 3) Miscellaneous tariff changes- Should the Commission allow the miscellaneous proposed tariff changes not specifically addressed elsewhere in this list?

D. Customer Disclaimer

- 1) Should the Commission order GMO to deploy a disclaimer indicating “rebates are subject to change” for net metering/solar rebate and MEEIA programs?

XXV. Income-Eligible Weatherization Program

- A. At what level should low-income weatherization program be funded when the program transitions out of GMO’s Cycle 2 MEEIA back to a ratepayer funded program?

XXVI. Economic Relief Pilot Program - should the funding levels of the program be modified?

- A. At what level should Economic Relief Pilot Program be funded?
- B. Should the Commission order a third party to evaluate the program?

XXVII. Expense Trackers in rate base - Should GMO's expense trackers in rate base be excluded from rate base? Should there be a general policy concerning the inclusion of expense trackers in rate base?

XXXVIII. Employee Meal Expense Policy—Should there be an adjustment associated with GMO's expense accounts?

XXVIII. Income Taxes—What level of GMO's income tax expense should the Commission recognize in GMO's revenue requirement?

XXIX. Transmission Revenue ROE adjustment/Transource adjustment- Should transmission revenues be adjusted to reflect differences between MoPSC and FERC authorized ROEs?

Hearing Schedule

Hearings will start each day at 8:30 a.m. and, to the extent possible given many participants' travel requirements, issues will be handled upon the conclusion of the preceding issue. The parties intend to maintain this hearing schedule and acknowledge that it may be necessary to hold hearings after 5:00 p.m. (Sept. 15, 16, 19, 20, 22 & 23)

SEPT. 15: Opening Statements

- GMO
- Staff
- Public Counsel
- MIEC
- MECG
- Renew Missouri
- DE
- Dogwood
- Brightergy
- Unions
- St. Joseph
- Kansas City
- UE

Policy

- Darrin Ives (GMO)
- Natelle Dietrich (Staff)

Payroll (Issue XIX)

- Ronald Klote (GMO)
- Matthew Young (Staff)

SERP (Issue XXII)

- Ronald Klote (GMO)
- Keith Majors (Staff)
- Charles Hyneman (Public Counsel)

Prepayments (Issue XVI)

- Ronald Klote (GMO)
- Michael Taylor (Staff)
- Charles Hyneman (Public Counsel)

ROE, Capital Structure (Issue I)

- David Murray (Staff) (out of order)

Hedging & FAC (Issues III & XII)

- Dana Eaves (Staff) (out of order)

SEPT. 16: Transmission Expense/ Transmission Revenues/RTO Fees (Issue IV)

- John Carlson (GMO)
- Tim Rush (GMO)
- Darrin Ives (GMO)
- Karen Lyons (Staff)
- Mark Oligschlaeger (Staff)
- Charles Hyneman (Public Counsel)
- Lena Mantle (Public Counsel)

Employee Meal Expense (Issue XXVIII)

- Steven Busser (GMO)
- Ronald Klote (GMO)
- Charles Hyneman (Public Counsel)

Crossroads (Issue II)

- Scott Heidbrink (GMO)
- Tim Rush (GMO)
- Darrin Ives (GMO)
- Wm. Edward Blunk (GMO)
- Burton Crawford (GMO)
- John Carlson (GMO)

- Cary Featherstone (Staff)
- Dan Beck(Staff)
- Michael Stahlman (Staff)
- Lena Mantle (Public Counsel)

Expense Trackers in Rate Base (Issue XXVII)

- Ronald Klote (GMO)
- Mark Oligschlaeger (Staff)
- Chuck Hyneman (Public Counsel)

Income Taxes (Issue XXIX)

- Melissa Hardesty (GMO)
- Keith Majors (Staff)
- Charles Hyneman (Public Counsel)

Charles Hyneman (Public Counsel) out of order for all other issues listed to testify

SEPT. 19: ROE/Capital Structure (Issue I)

- Kevin Bryant (GMO)
- Robert Hevert (GMO)
- Charles Hyneman (Public Counsel)
- Michael Gorman (Public Counsel)

Income-Eligible Weatherization Program (Issue XXV)

- Kory Boustead (Staff)
- Sharlet Kroll (DE)
- Geoff Marke (Public Counsel)

Greenwood Solar Station (Issue XIV)

- Tim Rush (GMO)
- Karen Lyons (Staff)
- Geoff Marke (Public Counsel)
- Don Johnstone (Public Counsel)
- Martin Hyman (DE)

MEEIA Cycle 1 (Issue VIII)

- Al Bass (GMO)
- Tim Rush (GMO)
- John Rogers (Staff)
- Robin Kliethermes (Staff)
- Geoff Marke (Public Counsel)

AMI Opt-Out (Issue XIII)

- Julie Dragoo (GMO)
- Martin Hyman (DE)
- J. Richmond Burdge (Public Counsel)
- Jerry Scheible (Staff)

RESRAM (Issue VII)

- Tim Rush (GMO)
- Kristin Riggins (GMO)
- Claire Eubanks (Staff)
- Geoff Marke (Public Counsel)

SEPT. 20: Rate Case Expense and Depreciation Study Costs (Issues XXIII & X)

- Darrin Ives (GMO)
- Matthew Young (Staff)
- Charles Hyneman (Public Counsel)

Lake Road Allocations (Issue VI)

- Tim Rush (GMO)
- Charles Poston (Staff)

Amortization Periods Ending Before the End of the True-Up (Issue XI)

- Ronal Klote (GMO)
- Karen Lyons (Staff)
- Charles Hyneman (Public Counsel)

Short-term Incentive Compensation (Issue XXI)

- Ronald Klote (GMO)
- Matthew Young (Staff)

Economic Relief Pilot Program (Issue XXVI)

- Tim Rush (GMO)
- Kory Boustead (Staff)
- Geoff Marke (Public Counsel)

SEPT. 22: Rate Design/Tariff Rules and Regulations (Issue XXIV)

- Bradley Lutz (GMO)
- Robin Kliethermes (Staff)
- Sarah Kliethermes (Staff)
- Geoff Marke (Public Counsel)
- Donald Johnstone (Public Counsel)
- Maurice Brubaker (MECG & MIEC)
- Martin Hyman (DE)
- Jessica Oakley (Brightergy)

FAC (Issue III)

- Burton Crawford (GMO)
- Wm. Edward Blunk (GMO)
- Tim Rush (GMO)
- Matt Barnes (Staff)
- Mantle (Public Counsel)

Transmission Revenue/ROE Adjustment/Transource Adjustment (Issues XVIII & XXX)

- Don Frerking (GMO)
- Karen Lyons (Staff)
- Keith Majors (Staff)
- Hyneman (cross done on Sept. 16)

Quality of Service

- Charles Caisley (GMO)
- Lisa Kremer (Staff)
- Charles Hyneman (Public Counsel)
- Geoff Marke (Public Counsel)

SEPT. 23: Depreciation (Issues IX & X)

- Chris Rogers (GMO)
- John Spanos (GMO)
- Burton Crawford (GMO)
- Derick Miles (Staff) (rates)
- Matthew Young (Staff) (study)

Bad Debt/Late Payments (Issues XV & XVII)

- Ronald Klote (GMO)
- Keith Majors (Staff)
- Charles Hyneman (Public Counsel)

Line Loss Study (Issue V)

- Tim Rush (GMO)
- Alan Bax (Staff)

Hedging (Issue XII)

- Dana Eaves (Staff) (out of order) & FAC
- Darrin Ives (GMO)
- Wm. Edward Blunk (GMO)
- Charles Hyneman (Public Counsel)
- James Burdge (Public Counsel)
- John Riley (Public Counsel)

Dues and Donations (Issue XX)

- Ronald Klote (GMO)
- Michael Taylor (Staff)

Order of Cross Examination

While for specific issues a different order of cross-examination may be more appropriate, generally, the order of cross-examination, based on adversity, is the following:

GMO witnesses:

UE, Unions, Kansas City, St. Joseph, DE, Renew Missouri, Brightergy, Dogwood, MIEC, MECG, OPC, Staff

Staff witnesses:

OPC, Unions, MIEC, MECG, Dogwood, Brightergy, Renew Missouri, DE, St. Joseph, Kansas City, UE, GMO

OPC witnesses:

Staff, Unions, MIEC, MECG, Dogwood, Brightergy, Renew Missouri, DE, St. Joseph, Kansas City, UE, GMO

MIEC/MECG witnesses:

OPC, Staff, Unions, Renew Missouri, Dogwood, Brightergy, DE, Kansas City, St. Joseph, UE, GMO

DE witnesses:

Staff, OPC, Unions, MIEC, MECG, Dogwood, Brightergy, Renew Missouri, St. Joseph, Kansas City, UE, GMO

Brightergy witness:

Renew Missouri, Staff, OPC, Unions, MIEC, MECG, Dogwood, DE, St. Joseph, Kansas City, UE, GMO

WHEREFORE, Staff files with the Commission the above list of issues, order of witnesses, order of cross-examination and order of opening statements.

Respectfully submitted,

/s/ Nathan Williams

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 8th day of September, 2016.

/s/ Nathan Williams