

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

In the Matter of the Application of Kansas)
City Power & Light Company for Authority to) **File No. ER-2018-0145**
Implement a General Rate Increase for)
Electric Service)

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company for) **File No. ER-2018-0146**
Authority to Implement a General Rate)
Increase for Electric Service)

**CORRECTED 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, 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.¹ To the extent errors in issues or listed witnesses are discovered, the Commission will be advised as soon as possible. All parties do not agree that the issues listed herein are actually issues in this case. In order to prevent the need for filing multiple lists of issues, the parties have agreed to include all issues whether agreed to by opposing parties.

The parties for Case No. ER-2018-0145 are:

- AEMA—Advanced Energy Management Alliance
- DE—Missouri Division of Energy
- KCPL—Kansas City Power & Light Company
- MECG—Midwest Energy Consumers Group
- MIEC—Missouri Industrial Energy Consumers

¹ Despite Staff’s best efforts, not every party agrees with the wording of the issues

MJMEUC-Missouri Joint Municipal Electric Utility Commission
OPC—The Office of the Public Counsel
Renew Missouri
Staff

The parties for Case No. ER-2018-0146 are:

AEMA—Advanced Energy Management Alliance
DE—Missouri Division of Energy
Dogwood Energy, LLC
GMO—KCP&L Greater Missouri Operations Company
MECG—Midwest Energy Consumers Group
MIEC—Missouri Industrial Energy Consumers
MJMEUC-Missouri Joint Municipal Electric Utility Commission
OPC—The Office of the Public Counsel
Renew Missouri
Staff

LIST OF ISSUES

I. Commission Raised Issues

- A. Staff's Investigation into KCPL's and GMO's Review and Response Time Regarding the Approval of Net Metering and Solar Rebate Applications for Systems Over 10 kW.
- B. KCPL and GMO Line Extension Issue.

II. Cost of Capital

- A. Return on Common Equity – what return on common equity should be used for determining rate of return for each utility?
- B. Capital Structure – what capital structure should be used for determining rate of return for each utility?
- C. Cost of Debt – what cost of debt should be used for determining rate of return for each utility?
- D. Should short-term debt be included in the capital structure of each utility? If so, at what level and at what cost?

III. Crossroads Energy Center (GMO)

- 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 this generating facility being located outside of GMO's regional transmission organization be included in GMO's revenue requirement? If so, how much?
- B. If the Commission includes transmission costs in GMO's revenue requirement, at what value should the Commission include Crossroads in GMO's rate base?

IV. GPE/Westar Merger – Transition Costs

- A. What level, if any, of transition costs should be included in KCPL's and GMO's revenue requirement?
- B. Do KCPL and GMO have adequate record keeping to identify and measure prospective transition costs?

V. Fuel Adjustment Clause (“FAC”)

- A. Fuel Cost Definition – Should the Commission order KCPL and GMO to adopt the definition of “fuel costs” proposed by OPC?
- B. Wind Purchase Power Agreements (“PPAs”) –Should the Commission order KCPL to exclude the cost of wind PPAs from the FAC?
- C. FERC Order 668 – Should the Commission take any action based on OPC's testimony regarding FERC Order 668?
- D. What is the appropriate base factor for each utility's FAC?
- E. Should the cost of fuel for the Montrose plants be included in the estimation of KCPL's FAC base cost?
- F. Should the cost of fuel for the Sibley plants be included in the estimation of GMO's FAC base cost?

VI. Transmission Fees Expense and Transmission Revenues

- A. Should the Commission accept KCPL's and GMO's revenue adjustment R-80 to adjust utility transmission revenues in its cost of service to reflect MPSC-authorized vs. FERC-authorized ROEs?
- B. Should the adjustments for Transource incentives as proposed by KCPL and GMO be adjusted for KCPL's and GMO's cost of debt?

VII. Severance - Should employee severance expenses be reflected in the cost of service for KCPL?

VIII. Kansas City Earnings Tax - What level of Kansas City Earnings Tax expense should the Commission recognize when determining KCPL's revenue requirement?

IX. Bad Debt

- A. Should bad debt expense be grossed-up for the revenue requirement change the Commission finds for KCPL and GMO in these cases?
- B. What level of bad debt expense should the Commission recognize in each company's revenue requirement?

X. Dues and Donations

- A. What level of dues and donations expense should the Commission recognize in KCPL's and GMO's revenue requirements? .
- B. What level of Edison Electric Institute expense should the Commission recognize in KCPL's and GMO's revenue requirements?

XI. Bank Fees - What level of accounts receivable bank fee expense should the Commission recognize in each utility's revenue requirement

XII. Rate case Expense - What level of rate case expense should the Commission recognize in KCPL's and GMO's revenue requirements

XIII. Amortization - Should GMO continue the \$7.2 million additional plant amortization ordered in the prior rate case?

XXIV.Planned Generating Unit Retirements

- A. Should depreciation rates for the Montrose facilities and Sibley facilities be set to zero, or remain as ordered in the last rate cases?
- B. Is it prudent for KCPL to retire the Montrose facilities and for GMO to retire the Sibley facilities on or about December 31, 2018?
- C. If retirement of the facilities is considered prudent, should O&M costs for the Montrose facilities and Sibley facilities be excluded from cost of service as recommended by OPC?

- D. Should the Commission order deferral of depreciation expense for the Montrose facility, the Sibley facility, and Lake Road unit 4/6 upon their retirements?
- E. Should the Commission order additional employee and community requirements in connection with unit retirements?

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

XV. Revenues

- A. What if any further adjustments to revenues and billing determinants should be made for MEEIA Cycle 2?
- B. Should the revenue requirements for each utility reflect a revenue shortfall associated with potential prospective changes to the classes in which customers take service?
- C. What methodology should be utilized to measure customer growth for each utility?
- D. For each utility, should the billing determinants developed by Staff or the billing determinants developed by the utilities serve as the basis for any further adjustments ordered in these cases?
- E. What is a reasonable level of EDR and Urban Core discount to reflect in each utility's revenue requirement?

XVI. Load Research — Should the Commission order KCPL and GMO to utilize AMI metering to improve the quality of hourly load information available in future cases?

XVII. Rate Design/Class Cost of Service

CCOS

- A. What revenue neutral changes to class revenue responsibility, if any, should the Commission order for each utility?

Residential Rate Design

- B. What residential rate design should be ordered for each utility? .
- C. What residential customer charges should be ordered for each utility?
- D. Should KCPL's residential rate schedules be simplified and consolidated as recommended by Staff?
- E. Should the Commission order implementation of KCPL's and GMO's proposed Time of Use Pilots? If so, how?

Non-Residential Rate Design

- F. What Rate Designs should be ordered for each utility's non-residential classes?

CCOS Consolidation and Rate Design Consolidation

- G. Should the Commission order the completion of a consolidated utility study as recommended by OPC?
- H. Should the Commission order KCP&L and GMO to propose a single consolidated rate design in the next general rate case as recommended by OPC?

XVIII. Tariffs

- A. **Restoration Charge** – Should a restoration charge be added to each utility's tariffs as requested by KCPL and GMO; if so what adjustment to revenue is appropriate?
- B. **Special Contracts** – Should each utility's special contract tariffs be revised as proposed by KCPL and GMO?
- C. **Real Time Pricing** – Should the Commission eliminate each utility's Real Time Pricing tariffs, as proposed by KCPL and GMO?
- D. **Economic Development Rider** – Should the Commission revise each utility's Economic Development Rider tariff as proposed by Staff?
- E. **EDR Report** - Should the Commission order KCPL and GMO to review the continued eligibility of each customer currently participating in the EDR?
- F. **Other Studies** – Should the Commission order KCPL and GMO to complete the studies recommended by Staff, including (1) seasonal rates; (2) alignment of billing seasons between utilities; (3) study and retention of billing determinants to develop more complex rate designs including but not limited to coincident peak demand; and (4) development and recording of facility extensions by customer and/or class
- G. **Under-Utilized Infrastructure Tariff** - Should the Commission adopt the under-utilized infrastructure tariff proposed by KCP&L and GMO?

XIX. Riders

- A. **Renewable Energy Rider** – Should the Commission order implementation of a renewable energy rider for each utility? If so, should the unsubscribed energy flow through each utility's FAC, or should any other recommendations made by parties be adopted?
- B. **Solar Subscription Rider** – Should the Commission order the implementation of a solar subscription rider for each utility? If yes, should the Commission order each utility to include a low-income component, or should any other recommendations made by parties be adopted?
- C. **Standby Rider** – Should the Commission order changes to each utility's Standby Rider tariff, as recommended by the Division of Energy?

XX. Injuries and Damages (KCPL) – What level of injuries and damages expense should the Commission recognize in KCPL’s revenue requirement.

XXI. Regulatory Assessments - Should the Missouri PSC assessments for both KCPL and GMO be excluded from prepayments and included in the cash working capital calculation for each utility?

XXII. Asset Retirement Obligations – Should each utility reflect in rates a change in accounting policy for asset retirement obligations as a result of the Westar and Great Plains Energy merger?

XXIII. Income Eligible Weatherization Program

- A. Should the funding in rates for each utility’s Income Eligible Weatherization Program include the cost of Vintage 2 Throughput Disincentive?
- B. Should GMO be required to budget and contract for the full \$500,000 currently allowed for weatherization funding?

XXIV. Indiana Model – Should the Commission order each utility’s Demand Response Incentive Tariff be modified to incorporate the Indiana Model, as proposed by AEMA?

XXV. Clean Charge Network - Including Remand

- A. How should the Clean Charge Network be treated?
- B. Electric Vehicle Make Ready Model – Should the Commission modify each utility’s line extension tariffs to subsidize installations of customer-owned separately metered charging equipment under specified circumstances?
- C. EV Charging Separately Metered Rate – Should the Commission create an SGS subclass to facilitate time-differentiated separately-metered customer owned EV charging under specified circumstances?

XXVI. Payroll Expense—What level of payroll overtime expense should the Commission recognize in each utility’s revenue requirement?

XXVII. Income Taxes

- A. By which method and over what time period should each utility flow back the Excess Deferred Income Taxes listed below, created as a result of the Tax Cut and Jobs Act, to ratepayers?
 - 1. Protected Plant
 - 2. Unprotected Plant
 - 3. Net Operating Losses
 - 4. Miscellaneous
- B. Should KCPL and GMO reflect the reduction in the Missouri State Income Tax rate, effective 2020, in excess and accumulated deferred income taxes?
- C. Should the Commission order each utility to refund savings related to the Tax Cut and Jobs Act for the “stub period” (January 1, 2018, through the effective day of rates)?
- D. If the Commission orders the refunding of cost savings from the Tax Cuts and Jobs Act realized by each utility during the “stub period,” how should such a refund be designed?
- E. What amount of accumulated deferred income tax assets for net operating losses should the Commission recognize in each utility’s revenue requirement?
- F. Should KCPL and GMO include in rate base and amortize to expense a Net Operating Loss Asset?

XXVIII. Management Expense – What level of management expense should be included in each utility’s revenue requirement?

XXIX. Wolf Creek Litigation (KCPL) – Should a portion of the Wolf Creek litigation settlement be returned to ratepayers?

XXX. Spearville Arbitration (KCPL) – Should the legal costs associated with the Spearville Arbitration be removed from the test year

XXXI. Customer Data Security

- A. Should the Commission order KCPL and GMO to adopt the “Green Button” data security protocols?
- B. Should the Commission order KCPL and GMO to adopt and implement a policy to obtain consent to disclose customer information?
- C. Should the Commission order KCPL and GMO to adopt and implement the Green Button software platform?
- D. Should the Commission order KCPL and GMO to adopt Data Modeling Standards including the use of “15/15 Rule” for residential and “4/80” for non-residential aggregated data release?
- E. Should the Commission order KCPL and GMO to annually file their Cybersecurity Plans and a privacy impact assessments?

XXXII. Economic Relief Pilot Program (ERPP) – Should GMO’s budget be increased by approximately \$472,000 (split evenly between shareholders and rate payers) in order to be consistent with KCPL’s budget?

XXXIII. Bill and Website Information

- A. Should KCPL and GMO customers’ billings include the following:
 - a) Label the FAC charge as the Fuel Adjustment Charge;
 - b) Label the DSIM charge as the Energy Efficiency Programs Charge;
 - c) Label the RESRAM charge as the Renewable Energy Standards Charge;
 - d) Include a bill insert at least once every twelve months that explains the Fuel Adjustment Charge, Energy Efficiency Programs Charge and the Renewable Energy Standards Charge; and
 - e) Include on every bill for every customer class that includes a non-utility charge a statement that non-payment of the non-utility charge will not result in the termination of electrical service.
- B. Should KCPL and GMO maintain accurate, understandable descriptions of the fuel adjustment, energy efficiency program, and renew energy portfolio charges on their website?

XXXIV. One CIS

- A. Is One CIS fully operational and used for service?
- B. If the One CIS is not fully operational and in service, should the Commission reduce each utility's ROE?
- C. Should the Commission adopt OPC's proposal to disallow One CIS costs?
- D. Should the Commission adopt OPC's recommendation to order tracking of One CIS costs in connection with Westar Energy, Inc's implementation of One CIS?

XXXV. CNPPID Hydro Purchase Power Agreement (KCPL) – Should the Commission disallow recovery of costs associated with this contract?

XXXVI. Distributed Energy Resources (DERs) Data

- A. Should the Companies' Net Metering Interconnection Agreement, Parallel Generation Contract Service (Cogeneration Purchase Schedule), and Standby Service Rider include language regarding maintaining and aggregating information related to customer generator systems?
- B. Should the Companies' Net Metering Interconnection Agreement, Parallel Generation Contract Service (Cogeneration Purchase Schedule), and Standby Service Rider include language regarding maintaining and aggregating information related to customer generator systems?

Hearing Schedule

Hearings will start each day at 8:30 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 p.m.

September 17 Opening Statements

- KCPL/GMO
- Staff
- OPC
- MIEC
- MEEG
- DE
- Renew Missouri
- Dogwood
- MJMEUC
- AEMA

Policy

- Ives (Company)
- Dietrich (Staff)
- Schallenberg (OPC)
- Meyer (MEEG)

Commission Raised Issues

- Robinson (Company)
- Lutz (Company)
- Cunigan (Staff)
- Lange, Sarah (Staff)

Management Expense

- Klote (Company)
- Busser (Company)
- Conner (OPC)

Indiana Model

- Winslow (Company)
- Crawford (Company)
- Fortson (Staff)
- Marke (OPC)
- Owen (Renew Missouri)

- Papanastassiou (AEMA)
- Hyman (DE)

September 18

Bad Debt Expense

- Nunn (Company)
- Nieto (Staff)
- Riley (OPC)
- Schallenberg (OPC)

Dues and Donations

- Nunn (Company)
- Danforth (Company)
- Nieto (Staff)

Injuries and Damages

- Higley (Company)
- Nunn (Company)
- Lyons (Staff)

Customer Data Security

- Johnson (Company)
- Ives (Company)
- Rush (Staff)
- Marke (OPC)
- Kremer (DE)

GPE/Westar Merger – Transition Costs (PM)

- Klote (Company)
- Majors (Staff)
- Schallenberg (OPC)

September 19

Amortization

- Klote (Company)
- Beck (Staff)
- Robinett (OPC)

Regulatory Assessments

- Nunn (Company)
- Lyons (Staff)

Bank Fees

- Gilligan (Company)
- Klote (Company)
- Nunn (Company)
- Lyons (Staff)
- Riley (OPC)
- Schallenberg (OPC)

One CIS

- Archibald (Company)
- Ives (Company)
- Caisley (Company)
- Featherstone (Staff)
- Marke (OPC)
- Robinett (OPC)

Income Eligible Weatherization (PM)

- Rush (Company)
- Young (Staff)
- Rogers (Staff)
- Marke (OPC)
- Kroll (DE)

CNPPID Hydro Contract

- Crawford (Company)
- Mantle (OPC)

September 20

FAC

- Herrington (Company)
- Crawford (Company)
- Rush (Company)
- Lucia (Staff) - KCPL
- Mastrogiannis (Staff) – GMO
- Riley (OPC)
- Mantle (OPC)

Revenues

- Bass (Company)
- Miller (Company)
- Fangman (Company)
- Rush (Company)
- Kliethermes, Robin (Staff)
- Lange, Sarah (Staff)
- Young (Staff)
- Cox (Staff)
- Roling (Staff)
- Nieto (Staff)

Load Research

- Miller (Company)
- Won (Staff)

Riders

- Miller (Company)
- Lutz (Company)
- Eubanks (Staff)
- Cunigan (Staff)
- Mastrogiannis (Staff)
- Lucia (Staff)
- Marke (OPC)
- Fracica (Renew)
- Hyman (DE)
- Epperson (DE)
- Meyer (DE)
- Chriss (MECG)

September 21

ROE

- Ives (Company)
- Hevert (Company)
- Smith (Staff)
- Schallenberg (OPC)
- Gorman (MECG)

Capital Structure

- Hevert (Company)
- Ives (Company)
- Smith (Staff)
- Schallenberg (OPC)
- Gorman (MECG)

Cost of Debt

- Hevert (Company)
- Smith (Staff)
- Schallenberg (OPC)
- Gorman (MECG)

September 24

Crossroads

- Rush (Company)
- Crawford (Company)
- Featherstone (Staff)
- Mantle (OCP)
- Meyer (MECG)

Asset Retirement Obligations

- Klote (Company)
- Featherstone (Staff)
- Schallenberg (OPC)
- Robinett (OPC)

Income Taxes

- Hardesty (Company)
- Klote (Company)
- Ives (Company)
- Lyons (Staff)
- Oligschlaeger (Staff)
- Lange, Sarah (Staff)
- Riley (OPC)
- Schallenberg (OPC)
- Brosch (MECG)

Kansas City Earnings Tax

- Hardesty (Company)
- Lyons (Staff)

September 25

Transmission Expense and Revenue

- Frerking (Company)
- Majors (Staff)

Payroll

- Klote (Company)
- Nieto (Staff)

Severance Expenses

- Klote (Company)
- Majors (Staff)
- Conner (OPC)

Tariff Issues

- Lutz (Company)
- Miller (Company)
- Rush (Company)
- Fangman (Company)
- Lange, Sarah (Staff)
- Bernsen (Staff)
- Marke (OPC)
- Hyman (DE)
- Meyer (Dogwood)
- Janssen (Dogwood)

September 26

Clean Charge Network - Remand

- Rush (Company)
- Caisley (Company)
- Murray (Staff)
- R. Kliethermes (Staff)
- Lange, Sarah (Staff)
- Marke (OPC)
- Hyman (DE)

Bill and Website Information

- Marke (OPC)
- Mantle (OPC)

ERPP

- Rush (Company)
- Kroll (DE)
- King (Staff)
- Marke (OPC)

DER Data

- Eubanks (Staff)
- Hyman (DE)

September 27

Rate Case Expense

- Ives (Company)
- Majors (Staff)
- Conner (OPC)

Rate Design/Class Cost of Service

- Miller (Company)
- Lutz (Company)
- Sullivan (Company)
- Winslow (Company)
- Caisley (Company)
- Ives (Company)
- Rush (Company)
- Lange, Sarah (Staff)
- Kliethermes (Staff)
- Pavlovic (OPC)
- Marke (OPC)
- Robinett (OPC)
- Schallengberg (OPC)
- Hyman (DE)
- Brubaker (MIEC)
- Scripps (Renew Missouri)

September 28

Greenwood Solar Allocations

- Rush (Company)
- Lyons (Staff)
- Marke (OPC)

Wolf Creek Litigation

- Klote (Company)
- Young (Staff)

Spearville Arbitration

- Klote (Company)
- Young (Staff)

Planned Generation Unit Retirements

- Ives (Company)
- Crawford (Company)
- Beck (Staff)
- Lyons (Staff)
- Robinett (OPC)
- Mantle (OPC)

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:

KCPL/GMO witnesses

AEMA, MJMEUC, Dogwood, Renew Missouri, DE, MIEC, MECG, Staff, OPC

Staff witnesses

Dogwood, MJMEUC, AEMA, Renew Missouri, MIEC, MECG, DE, OPC, KCPL/GMO

OPC witnesses

AEMA, MJMEUC, Dogwood, Renew Missouri, MIEC, MECG, DE, Staff, KCPL/GMO

MIEC/MECG witnesses

AEMA, MJMEUC, Dogwood, Renew Missouri, DE, OPC, Staff, KCPL/GMO

DE witness

Renew Missouri, AEMA, MJMEUC, Dogwood, MIEC, MECG, OPC, Staff, KCPL/GMO

Renew Missouri

DE, AEMA, MJMEUC, Dogwood, MIEC, MECG, OPC, Staff, KCPL/GMO

AEMA witnesses

DE, MJMEUC, Dogwood, MIEC, MECG, OPC, Renew Missouri, Staff, KCPL/GMO

Dogwood witnesses

MJMEUC, MIEC, MECG, AEMA, Renew Missouri, DE, OPC, Staff, KCPL/GMO

Respectfully submitted,

/s/ Nicole Mers

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 12th day of September, 2018.

/s/ Nicole Mers