

In the Matter of:
BEFORE PUBLIC SERVICE COMMISSION

HR-2018-0231

October 25, 2018



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BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS

Procedural Conference

October 25, 2018

Jefferson City, Missouri

Volume 2

In The Matter of The Propriety Of)
The Rate Schedules For Steam Service) File No. HR-2018-0231
Of KCP&L Greater Missouri Operations)
Company)

NANCY DIPPELL, Presiding
SENIOR REGULATORY LAW JUDGE

REPORTED BY:
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TIGER COURT REPORTING, LLC

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1 JUDGE DIPPELL: Okay. We are on the record. We
2 are here in Case No. HR-2018-0231 in The Matter Of The Propriety
3 Of The Rate Schedules For Steam Service of KCP&L Greater
4 Missouri Operations Company. We here today for a prehearing
5 conference or a procedural conference in these otherwise unusual
6 procedural cases.

7 My name is Nancy Dippell. I'm the regulatory
8 law judge assigned to this case. And we'll begin by asking the
9 attorneys to make their entries of appearance. Start with
10 Staff.

11 MR. BERLIN: Yes, Judge. Appearing on behalf of
12 the Staff are Bob Berlin and Travis Pringle of the Commission's
13 office address.

14 JUDGE DIPPELL: And Office of Public Counsel.

15 MR. POSTON: Marc Poston appearing for the
16 Office of Public Counsel.

17 JUDGE DIPPELL: KCP&L, GMO?

18 MR. FISCHER: On behalf of steam operations of
19 KCPL Greater Missouri Operations Company, James Fischer, 101
20 Madison, Suite 400, Jefferson City, Missouri 65101.

21 JUDGE DIPPELL: Midwest Energy Consumers Group?

22 MR. WOODSMALL: David Woodsmall on behalf of
23 MECG.

24 JUDGE DIPPELL: I guess that is it. So these
25 are the tax impact cases. This one is a little more unusual

1 than the others. We have several of these cases going on at the
2 Commission right now. This one is dealing with steam service,
3 which is not the same kind of rate entity that some of the
4 others are given that its customers are all industrial and
5 there's a fewer number of them.

6 So the Company filed its responses to my order
7 yesterday and I'm going to ask you guys where you see this going
8 from here. Mr. Fischer?

9 MR. FISCHER: From the Company's perspective we
10 have been talking with our customers and the facility and it's
11 been constructive. We would like to continue to talk to see if
12 there is a way we can resolve the matter without having a
13 hearing of any sort. I think the Company did file to recognize
14 the tax impact as our pleading showed we think there's a
15 substantial revenue deficiency and will probably end up in a
16 rate increase. We would request the Commission just continue to
17 monitor this situation. We'd like to continue to talk to Mr.
18 Woodsmall and other customer representatives if there are any to
19 try to resolve it and keep you informed.

20 JUDGE DIPPELL: Mr. Woodsmall?

21 MR. WOODSMALL: I was out in Topeka yesterday
22 and talked with some of the KCP&L representatives they. They
23 are in Saint Joe today talking with some of the customers
24 directly. I agree with Mr. Fischer. I would just propose that
25 we give you a status report or something in the near future

1 rather than just letting it linger, we provide some status
2 report. We would like to have further discussions as well
3 rather than push this to hearing which may cause an even larger
4 rate increased to be filed more immediately. We would just like
5 to help it sit for a little bit.

6 JUDGE DIPPELL: And Staff?

7 MR. BERLIN: Staff is supportive of their
8 efforts.

9 MR. POSTON: We are as well.

10 JUDGE DIPPELL: My only concern is with the
11 cumulated tax.

12 MR. WOODSMALL: EDIT.

13 JUDGE DIPPELL: Yeah. It seems like that is
14 somehow going to have to be accounted for in something.

15 MR. FISCHER: I think at some point it will be
16 reflected in our discussions and have it resolved. If you defer
17 it and it goes to the bottom of the line it is going to cause
18 the Company to need to do something sooner rather than later. I
19 think that will be part of the discussions held and how we
20 resolve it.

21 MR. WOODSMALL: I don't think absent some
22 Commission order right now the flow back of that EDIT is going
23 to be lost for customer benefits. It can be addressed at some
24 point in the future and Staff's expert may have a better idea on
25 that, but that's my understanding.

1 JUDGE DIPPELL: Okay. Okay. Well, the other
2 cases are kind of going with a procedural schedule set up in a
3 couple of weeks. They're going to file a procedural schedule.
4 Are you talking about something a little longer than that?

5 MR. FISCHER: Yes. From our perspective we'd
6 like about 90 days or so to continue these discussions if that's
7 acceptable to Staff and the Commission.

8 JUDGE DIPPELL: Well, in that case I will just
9 issue an order asking for Staff's update in 90 days and we will
10 take it from there I guess.

11 MR. FISCHER: That's great.

12 JUDGE DIPPELL: You are welcome to stay and talk
13 now if you want or leave and do it another day. We will go
14 ahead and conclude. We are off the record.

15 (Off the record.)

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CERTIFICATE OF REPORTER

I, Lisa M. Banks, CCR within and for the State of Missouri, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



Lisa M. Banks, CCR No. 1081

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