

Exhibit No.:
Issue: Annualized/Normalized Revenues;
Witness: Marisol E. Miller
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
and KCP&L Greater Missouri
Operations Company
Case Nos.: ER-2018-0145 and ER-2018-0146
Date Testimony Prepared: July 27, 2018

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: ER-2018-0145 and ER-2018-0146

REBUTTAL TESTIMONY

OF

MARISOL E. MILLER

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY and
KCP&L GREATER MISSOURI OPERATIONS**

**Kansas City, Missouri
July 2018**

REBUTTAL TESTIMONY

OF

MARISOL E. MILLER

Case Nos. ER-2018-0145 and ER-2018-0146

1 **Q: Please state your name and business address.**

2 A: My name is Marisol E. Miller. My business address is 1200 Main, Kansas City, Missouri
3 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L” or “Company”) as
6 Manager – Regulatory Affairs.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations Company
9 (“GMO”) (collectively, the “Company”).

10 **Q: Are you the same Marisol E. Miller who filed Direct Testimony in both ER-2018-**
11 **0145 and ER-2018-0146?**

12 A: Yes, I am.

13 **Q: What is the purpose of your testimony?**

14 A: The purpose of my testimony is to clarify differences between the Company calculated
15 annualized/normalized revenues and Missouri Public Service Commission (“Staff”)
16 calculated revenues prepared by witness Kim Cox.

1 **ANNUALIZED/NORMALIZED REVENUES**

2 **Q: Do you agree with the calculation of annualized/billed revenue prepared by Staff**
3 **witness Kim Cox?**

4 A: No. While adjustments to monthly kWh sales for weather normalization, customer
5 growth, and energy efficiency, etc. were expected, there were issues/errors found in the
6 adjustment to monthly kWh sales and other billing determinants used in the calculation of
7 test year revenues. The most significant issues are described in the rebuttal testimony of
8 Company witness Al Bass.

9 **Q: Weren't these issues specific to kWh sales only?**

10 A: Not exclusively. KWh sales are the foundation for the calculation of test year revenues,
11 however, any adjustments including weather normalization, customer growth, energy
12 efficiency, etc. will have a ripple effect to the resulting test year revenues, since all billing
13 determinants are impacted by the above.

14 **Q: Company witness Al Bass explains that these issues have been discussed with Staff**
15 **and it's expected that these errors will be adjusted/corrected. If that happens, will**
16 **the revenue impacts you are raising be resolved?**

17 A: For some of the issues identified and discussed with Staff, like formula errors and general
18 differences that we were able to clarify and reach agreement on, etc., likely yes.
19 However, there are some issues that remain uncertain as to resolution.

20 **Q: Please explain what other revenue issues remain.**

21 A: MPSC Staff did not make an adjustment to adjust kW demand as outlined in the Missouri
22 Energy Efficiency Investment Act (MEEIA) Stipulation & Agreement (S&A) filed on

1 November 23, 2015 filed in MO docket No. EO-2015-0241 and EO-2015-0240. That
2 agreement outlines the following:

3 c. Test period kW demand for each customer class will be adjusted by:

4 (i) Adding back the monthly kW demand savings by customer class
5 incurred during the test period from all active MEEIA programs,
6 excluding Home Energy Reports, Income Eligible Home Energy Reports
7 and Demand Response Incentive programs, determined using the same
8 methodology as described for kWh savings in Tariff Sheet 49K and 49L
9 (KCP&L) and in Tariff Sheet 138.4 and 138.5 (GMO) and then:

10 (ii) Subtracting the cumulative annual kW demand savings from the first
11 month of the test period through the month ending where actual results are
12 available (most likely two months prior to the true-up date) by customer
13 class from all active MEEIA programs, excluding Home Energy Reports,
14 Income-Eligible Home Energy Reports and Demand Response programs,
15 determined using the same methodology as described for kWh savings in
16 Tariff Sheet 49K and 49L (KCP&L) and in Tariff Sheet 138.4 and 138.5
17 (GMO).

18 This adjustment was not made to the billing demands in the test year, as required by the
19 MEEIA S&A. Similar language for an adjustment of energy usage is included in the
20 MEEIA S&A and these kWh were adjusted by MPSC Staff in the test year billing
21 determinants as appropriate. It's unclear as to why kWh were appropriately addressed
22 and kW were not addressed as outlined and required by the MEEIA S&A. As such,
23 estimated test year revenues were likely overstated. Additionally, there are concerns
24 regarding GMO revenues that may continue and become more pronounced in True-up.

25 **Q: Please elaborate on your GMO revenue concerns.**

26 A: My concern lies primarily in the GMO jurisdiction and the revenue impacts resulting
27 from the Staff's annualization of pre-consolidated billing determinants as described by
28 Company witness, Al Bass. Additionally, because it's unclear how the apparent
29 overstatement of determinants and revenues may be further change once updated
30 consolidated billing determinants through June of 2018 are available, the Company is

1 unable to fully size the differences it has with Staff's estimated revenues. Utilization of
2 consolidated billing determinants may be appropriate in this case, but depending on how
3 customer growth factors, weather normalization, etc. are applied to these consolidated
4 billing determinants, the resulting calculated revenues can vary significantly. It is the
5 Company's hope that discussion with Staff will more closely clarify or align current
6 differences and continued revenue concerns regarding will be resolved by True-up.

7 **Q: Have these issues been discussed with MPSC Staff?**

8 A: Yes.

9 **Q: Does that conclude your testimony?**

10 A: Yes, it does.

**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) Case No. ER-2018-0145
A General Rate Increase for Electric Service)

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority to) Case No. ER-2018-0146
Implement A General Rate Increase for Electric)
Service)

AFFIDAVIT OF MARISOL E. MILLER

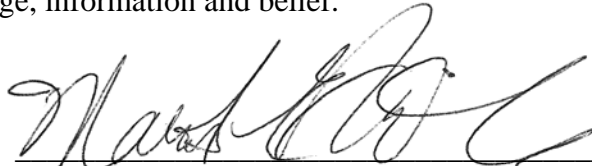
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Marisol E. Miller, being first duly sworn on his oath, states:

1. My name is Marisol E. Miller. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Supervisor – Regulatory Affairs.

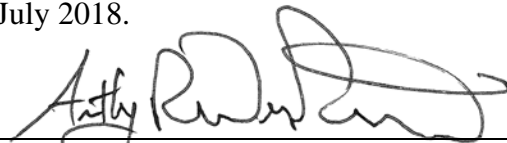
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of four (4) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Marisol E. Miller

Subscribed and sworn before me this 27th day of July 2018.



Notary Public

My commission expires: 4/26/2021

