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Witness: Robin Kliethermes
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Case No.: ER-2018-0145 and
ER-2018-0146
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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF AND RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

ROBIN KLIETHERMES

**KANSAS CITY POWER AND LIGHT COMPANY
CASE NO. ER-2018-0145**

AND

**KCP&L GREATER MISSOURI OPERATIONS COMPANY
CASE NO. ER-2018-0146**

*Jefferson City, Missouri
July 2018*

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MEEIA CYCLE 2 ADJUSTMENT TO LARGE POWER 2

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MEEIA CYCLE 2 ADJUSTMENT TO LARGE POWER

1 Q. Have you reviewed KCPL's and GMO's calculation of the MEEIA Cycle 2
2 adjustment on the Large Power class?
3

4 A. Yes.

5 Q. Do you disagree with how Ms. Miller applied the MEEIA Cycle 2 adjustments
6 as calculated by KCPL and GMO witness Al Bass to the Large Power class billing
7 determinants?

8 A. In part, yes. KCPL's and GMO's MEEIA Cycle 2 revenue adjustment for the
9 Large Power class is essentially calculated in two parts: an adjustment to a participating
10 customer's kWh of usage per month and an adjustment to a participating customer's monthly
11 demand of kW. KCPL's and GMO's adjustment to a participating customer's kWh of usage
12 per month is calculated using a similar methodology as Staff; however, unlike KCPL and
13 GMO, Staff did not make the same adjustment, which Staff views as inaccurate, to a
14 participating customer's monthly demand.

15 Q. Why is KCPL's and GMO's adjustment to a participating customer's monthly
16 demand inaccurate?

17 A. KCPL and GMO developed a general demand factor, or a percentage in which
18 to adjust a customer's monthly demand, based on whether that customer participated in a
19 MEEIA Cycle 2 energy efficiency program regardless of the type of program in which the
20 customer participated. For example, using KCPL's and GMO's method a customer that
21 received a rebate for an HVAC system receives the same demand adjustment as a customer
22 that received a lighting rebate.

1 Q. Can different types of MEEIA programs impact a customer's monthly demand
2 differently?

3 A. Generally yes. However, the Companies have not provided hourly demand
4 load shapes for each measure type, so it is difficult to determine the level of impact each
5 measure type may have on a customer's monthly demand.

6 Q. What demand components of a Large Power customer's bill did KCPL and
7 GMO adjust in order to calculate the MEEIA Cycle 2 revenue adjustment for a Large Power
8 Customer?

9 A. KCPL and GMO adjusted a participating customer's monthly metered demand,
10 billing demand, and facilities demand. A customer's monthly metered demand is used to
11 establish the customer's Hours of Use, which determines the level of kWh distributed to each
12 Hours of Use rate block. A customer's billing demand is either the customer's metered
13 demand or the minimum billing demand as established in the tariff, whichever is higher. For
14 purposes of calculating revenue, a customer's billing demand should not be less than the
15 minimum demand as established in the tariff.¹ Lastly, a customer's facility demand is the
16 highest metered demand measured in the last 12 months, but no less than the minimum
17 demand as established in the tariff.

18 Q. Did the Companies' MEEIA demand adjustment take into consideration
19 minimum billing demand?

20 A. No. KCPL and GMO did not consider customers whose billing demands were
21 at the minimum when the customer's billing demand was decreased due to the customer's
22 participation in a MEEIA energy efficiency program.

¹ GMO's Large Power class includes the complexity of base and seasonal billing demand, but the same general concept applies.

1 Q. Did the Companies' MEEIA demand adjustment take into consideration that a
2 customer's peak demand determinant used to set a customer's facilities charge may be in
3 effect for 12 months unless a higher demand is established in less than 12 months?

4 A. No. KCPL and GMO decreased a participating customer's billed facility
5 demand for every month prior to the installation of an energy efficiency measure by the
6 general demand factor, creating an assumption that the customer's facility demand in those
7 months would be lower if the energy efficiency measure had been installed at the beginning of
8 the test period. However, the Companies failed to evaluate if the reduction of the customer's
9 facilities demand was reasonable, given measured demands that occurred after the installation
10 of the energy efficiency measure. As explained above, a customer's facility demand is the
11 highest metered demand measured in the last 12 months; therefore, if a customer's metered
12 demand was higher, then a customer's facility demand should not be decreased since the
13 customer will be responsible for paying the higher demand for the next 12 months. This
14 higher demand should have been used by KCPL and GMO.

15 Q. Can other load changes impact a customer's metered demand and energy usage
16 other than MEEIA?

17 A. Yes. Weather, installation of energy efficient measures other than those offered
18 through MEEIA, operational shift changes, or changes in the overall operational process are
19 examples of events that can change a non-residential² customer's metered demand regardless
20 of a MEEIA energy efficiency measure, and should also be considered when calculating a
21 demand adjustment.

² Residential customers do not have demand charges.

1 **RESPONSE REGARDING RESTORATION CHARGE**

2 Q. Have you reviewed KCPL's and GMO's requested tariff revision to include a
3 restoration charge?

4 A. Yes.

5 Q. Have you reviewed KCPL's and GMO's testimony concerning this tariff
6 revision?

7 A. KCPL and GMO did not provide testimony concerning this tariff revision.

8 Q. Did KCPL and GMO include revenue associated with this charge in their
9 direct cases?

10 A. No.

11 Q. Has Staff included revenue associated with this charge in its direct cases?

12 A. No. Staff recommends rejection of this tariff revision as will be more fully
13 explained in the CCoS and Rate Design rebuttal testimony of Deborah Bernsen.

14 Q. Based on the incidence of customers disconnecting and reconnecting from the
15 system as described in the requested reconnection charge tariff, has Staff calculated an
16 approximate level of revenue that KCPL and GMO could collect under the reconnection
17 charge, if authorized?

18 A. Yes. Based on the test year, approximately 2,300 GMO customers and
19 4,900 KCPL customers would have triggered the charge, resulting in approximately \$225,000
20 of additional annual revenue for GMO and \$675,000 of additional annual revenue for KCPL.

21 Q. Does this conclude your rebuttal testimony?

22 A. Yes.

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-2018-0145
)
)
) and

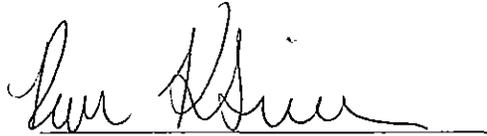
In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service)
) Case No. ER-2018-0146
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AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

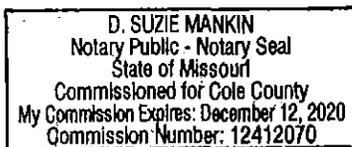
COMES NOW ROBIN KLIETHERMES and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony* and that the same is true and correct according to her best knowledge and belief.

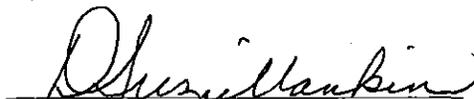
Further the Affiant sayeth not.


ROBIN KLIETHERMES

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 26th day of July, 2018.




Notary Public