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-2016-0285
General Rate Increase for Electric Service	)	

KANSAS CITY POWER & LIGHT COMPANY'S
<u>POSITION STATEMENT</u>

Kansas City Power & Light Company ("KCP&L" or "Company") states the following for its Position Statement:

<u>LIST OF ISSUES</u>

I. Commission Raised Issues

A. Installation of AMI smart meters for residential and commercial customers

<u>KCP&L Position</u>: Tim Rush will be available to answer the Commission's questions regarding AMI smart meters for residential and commercial customers.

The Staff recommends that KCP&L keep track of the costs associated with the meter opt-out program in order to have cost data in KCP&L's next rate case to evaluate the one-time setup charge and recurring monthly meter read charge. The Company does not currently have any customers who have opted out of the AMI program. KCP&L has completed installation of all planned AMI meters. While the Company will keep track and report to the Commission in the next rate case on these costs, the Commission should be aware that KCP&L may not have any customers participate. The Commission should also be aware that a manual read will impact five different departments as there are many other costs other than the reading of the meter itself. These costs will be manually monitored as long as the customer has a non-standard meter.

B. Plug-in Electric Vehicle Rate

KCP&L Position: The Staff report stated that Staff analyzed and compared the KCP&L Schedule CCN tariff with the Georgia Power Plug-In Electric Vehicle-Time of Use ("PEV-TOU") rate and in Staff's opinion the Georgia model provides proper incentives to charge PEVs in off peak hours. While KCP&L generally agrees that the Georgia Power PEV-TOU model can provide an effective incentive for EV owners to charge their vehicles at home during off-peak times, it is not a proper comparison. The CCN tariff is for EV drivers charging at Company-owned and operated public EV charging stations. The Georgia PEV-TOU rate is one of three whole-house residential rates available to EV owners. And while the rate is titled PEV-TOU, ownership of an EV is not a requirement of the rate. A further difference is that the CCN charging stations are fully capable of participating in Company demand response events to minimize any impact on system peak. The Company shares Staff's desire to provide incentives for EV owners to manage their charging needs for the best utilization of electrical grid resources, but KCP&L believes that a PEV-TOU rate is premature.

C. Optional Residential Time-of-Use rates (hourly) and Time-of-Day rates

KCP&L Position: Multiple studies are underway within the KCP&L and GMO companies to explore dynamic rates and demand side efforts. As these studies have not been completed, it is unclear if time-of-use rates are the best means to address peak load issues. In Case No. ER-2014-0370, the Commission ordered KCP&L to complete a study regarding the redesign of its time-of-use rates within two years of the effective date of that order. That date would be September 15, 2017. Similarly, in ER-2016-0156, the Commission ordered GMO to study time-of-use rates for GMO including time-of-use residential and SGS rates, critical peak rates, Electric Vehicle time-of-use rates for standalone charging stations, time-of-use rates applicable to Electric Vehicle charging associated with an existing account, Real Time Pricing, Peak Time Rebates, and other rate types which could encourage load shifting/efficiency. GMO will propose rates based on this study no later than its next rate case or rate design case. These studies will provide more understanding of the role of dynamic rates and help determine an appropriate path forward for these rates. Finally, other work is being done within the Integrated Resource Planning process to examine demand side rates. This effort includes review of time-of-use as well as other rate designs that could be used by the Company. KCP&L recommends that the Commission allow the studies mentioned to be completed before moving onto the next step. The program outlined in the Staff report should be tabled until a time where its applicability can be verified. This will help ensure that right work is done at the right time to achieve a result that is part of an overall plan and avoid the likelihood of unproductive effort.

D. PACE-Property Assessed Clean Energy Programs

KCP&L Position: KCP&L has been involved with the purveyors of PACE financing in its service territory over the last 3-4 years for commercial properties and within the last year for residential properties. While the commercial PACE loans have been available for a few years, to the Company's knowledge, there have only been a couple of companies that jointly pursued a rebate from the Company's energy efficiency programs and PACE financing for their project. The offering of PACE financing programs in KCP&L's Missouri service area could provide synergistic benefits to a customer who combines the financing with KCP&L's energy efficiency programs.

E. PAYS-Pay As You Save Programs

KCP&L Position: Properly developed financing vehicles should have a positive impact on the participation of energy efficiency programs as well as increasing the overall customer value. However, the ultimate benefits may not outweigh the costs and risks associated with setting up utility on-bill financing programs, especially when there are additional options for funding that are available to all customers.

F. Infrastructure Efficiency Tariff

KCP&L Position: KCP&L's existing tariffs provide mechanisms to consider the cost of facilities. There is no evidence that the KCP&L tariff and related processes are not adequately charging customers for the expansion of facilities on their behalf. Further, the KCP&L Economic Development Rider tariff explicitly includes language concerning facility utilization.

II. Cost of Capital

A. Return on Common Equity – what return on common equity should be used for determining rate of return?

KCP&L Position: 9.90%

B. Capital structure – what capital structure should be used for determining rate of return?

KCP&L Position: The actual per book capital structure of KCP&L at the end of the true-up period ending December 31, 2016, which the Company projects to be: 49.88% Common Equity and 50.12% Long-Term Debt.

C. Cost of debt – what cost of debt should be used for determining rate of return?

KCP&L Position: 5.51%

III. Fuel Adjustment Clause ("FAC")

A. Has KCP&L met the criteria for the Commission to authorize it to continue to have an FAC?

KCP&L Position: Yes.

B. Should the Commission authorize KCP&L to continue to have an FAC?

KCP&L Position: Yes.

C. What costs should flow through KCP&L's FAC?

KCP&L Position: All costs currently recovered in the FAC should continue to be recovered. In addition, all costs for the transmission of electricity by others, as reflected in charges assessed to KCP&L by Southwest Power Pool, Inc. ("SPP") should be included in the FAC. Costs represented by SPP, Federal Energy Regulatory Commission ("FERC"), and North American Electric Reliability Corporation ("NERC") administrative fees and assessments should also flow through the FAC.

D. What revenues should flow through KCP&L's FAC?

KCP&L Position: Revenues should include off-system sales revenue, revenue from the sale of renewable energy credits, and transmission revenues.

E. What is the appropriate sharing mechanism of the difference between actual and base fuel costs in KCP&L's FAC?

KCP&L Position: The 95%/5% mechanism should continue. If there is a change, it should be to eliminate the mechanism, not increase it.

F. What FAC-related reporting requirements should the Commission impose?

KCP&L Position: KCP&L agrees to continue to report the information that it currently provides, consistent with the Surrebuttal Testimony of Mr. Rush at pages 3-5. It opposes the recommendation of Staff witness David Roos regarding additional information related to the as-burned monthly fuel report that KCP&L currently provides, which would require changes to the General Ledger system and which are not required by the FAC statute or the FERC Uniform System of Accounts.

G. What is the appropriate base factor?

KCP&L Position: $0.01987, as set forth in Schedule TMR-3 at page 21, attached to the Direct Testimony of Tim Rush.

H. Should the Commission direct the parties to determine baseline heat rates for each of the utility's nuclear and non-nuclear generators, steam and combustion turbines and heat recovery steam generators?

KCP&L Position: No. The data that the Company provided in this case has complied with the Commission's heat rate regulations which are reasonable and adequate and do not need to be expanded.

I. If the Commission authorizes KCP&L to have a FAC, should KCP&L be allowed to add cost and revenue types to its FAC between rate cases?

KCP&L Position: Yes.

IV. Transmission Fees Expense and Transmission Revenues

A. What level of transmission fees expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: The Company requests that all transmission costs associated with the charges and revenues from Southwest Power Pool ("SPP") billings, and transmission costs to buy and sell energy, be recovered in rates through the FAC mechanism. This will provide for a direct link between transmission associated with the sale and purchase of energy and ensure appropriate recovery of transmission costs billed to KCP&L. Transmission costs incurred for the operation of KCP&L

transmission systems will not be included in the FAC, but will be recovered through base rates. The adjustment in this case reflects inclusion of the projected transmission costs for the average of 2017 and 2018. To the extent the Commission rejects inclusion of any portion of SPP transmission costs in the FAC, then in the alternative, the Company requests inclusion of the projected transmission costs and revenues for the average of 2017 and 2018, be included in base rates. If the actual costs are less than forecasted expense levels included in rates, then the difference will be credited to customers in the next rate case. If the actuals are greater than the amount in rates, then the Company would absorb the excess costs.

The annualized transmission fees at the end of the true-up period ending December 31, 2016, should be recognized in rates and included in the FAC or afforded tracking treatment. If transmission fees are not included in the FAC, $40,764,161 of annual forecast Missouri jurisdiction transmission fees expense should be added to the revenue requirement. If the forecast amount recognized in revenue requirement exceeds actual transmission fee expense during the period rates are in effect, such amounts shall be credited to customers in a subsequent rate case.

B. Should the Commission authorize KCP&L 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?

KCP&L Position: Yes, if the transmission fees are not included in the FAC.

C. Should the Commission accept KCP&L's revenue adjustment R-80 to remove utility transmission revenues from its cost of service?

KCP&L Position: Yes. This adjustment provides for the Company's retail customers to bear responsibility for the return on transmission rate base at the MPSC-authorized level. Essentially, the adjustment reduces the amount of transmission revenue that is credited against the gross transmission revenue requirement so that the adjusted revenue credit is consistent with the Company's MPSC-authorized ROE rather than the ROE allowed by the Federal Energy Regulatory Commission ("FERC").

D. Should the adjustment for Transource incentives as proposed by KCP&L be adjusted for KCP&L's cost of debt?

KCP&L Position: Yes.

E. What level of transmission revenues should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: The Company annualized transmission revenue recorded in FERC accounts 456009, 456100 and 456109 based on an average of 2017-2018 forecasted levels. This was due to the overall increase in transmission revenues that KCP&L is incurring over test year levels. By using this projected level, KCP&L is better able to match the actual transmission revenues levels with the rate period in which they are offsetting rates for customers.

F. Should the Commission authorize KCP&L 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?

KCP&L Position: Yes.

G. What level of RTO administrative fees, FERC Assessment Fees, and NERC Assessment Fees should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: The Commission should include RTO administrative fees, FERC Assessment Fees, and NERC Assessment Fees in KCP&L's revenue requirement. There are two main components to the SPP Administrative Charge that should be recognized in KCP&L's rates. First is the administrative charge rate cap under Schedule 1-A, the maximum amount allowed to be collected by the SPP on a $/MWh basis, that is approved by FERC. This cap serves as a limit on the annual administration charge in order to provide SPP customers a level of certainty and predictability regarding SPP's year-to-year administrative costs. Since 2014 SPP's Administrative Charge cap was $0.39/MWh. On December 7, 2016, SPP raised the cap to $0.43/MWh.

Second is the actual tariff administrative charge under Schedule 1-A that is approved by the SPP Board of Directors based on SPP's financials. For 2016 the administrative charge was $0.37/MWh In 2017, the Schedule 1-A administrative charge was increased to $0.419/MWh.

The Commission should also recognize in KCP&L's revenue requirement the FERC Assessment Charge that SPP assesses KCP&L and other SPP members under Schedule 12. NERC fees should also be included.

H. Should the Commission authorize KCP&L 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?

KCP&L Position: Yes.

I. Is there currently regulatory lag preventing KCP&L from achieving its authorized return and, if so, does the amount of such regulatory lag experienced currently and in the recent past by KCP&L justify adoption of its tracker proposal for transmission expense in this proceeding?

KCP&L Position: Yes.

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

KCP&L Position: Yes. This adjustment recalculates the transmission for others revenues received from other transmission customers, which are credited against the gross retail revenue requirement, by changing the return on equity ("ROE") in the KCP&L Transmission Formula Rate to the ROE that KCP&L requested in this case. This adjustment corrects the situation where the crediting of transmission for others revenues results in Missouri retail customers paying less than the MoPSC authorized rate of return. This adjustment should be revised to reflect the ROE ultimately authorized by the Commission in this case.

VI. Property Tax Expense

A. What level of property tax expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: KCP&L is requesting recovery of projected property taxes in this case. The Company has included projected property taxes reflective of the average of 2017 and 2018.

B. Should the Commission authorize KCP&L prospectively to compare its actual property tax expense with the level of property tax 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?

KCP&L Position: Yes. Property tax expenses have been escalating over the past five years as described more fully by Company witness Ronald A. Klote. Property taxes are determined by Missouri state assessors, are a significant component of the Company's cost of service, and amounts assessed are out of the control of the Company to manage. Cost of service components, such as property taxes, that are out of Company management's control to contain or manage are significant contributors to regulatory lag and impact the Company's ability to earn returns reasonably close to returns allowed by this Commission. Additionally, in the event of declines in property tax levels in the future, a tracker will protect customers from paying for property tax in excess of amounts actually experienced by the Company. Property taxes, like pension costs, are costs ideally addressed through regulatory mechanisms such as riders and trackers.

C. Does the amount of regulatory lag experienced currently and in the recent past by KCP&L justify adoption of its tracker proposal for special ratemaking treatment of property tax expense in this proceeding?

KCP&L Position: Yes. See explanation above.

VII. Incentive Compensation

A. What methodology should be used to determine the level of incentive compensation included in KCP&L's cost of service used for setting rates in this case?

KCP&L Position: The Commission should include the Company's target incentive payout (less the non-utility metric and EPS metric components for the Officers incentive plan) as an accurate reflection of the level of ongoing incentive expense to the Company.

B. Should that level be based on data not known and measurable as of the true up cutoff date of December 31, 2016?

KCP&L Position: Incentive costs included by the Company is an averaging calculation based on known employee levels at December 31, 2016 and based on target levels less the inclusion of non-utility metrics and EPS metric components.

VIII. Supplemental Executive Retirement Program ("SERP")

A. What level of SERP expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: The Company's position is that the Commission should recognize a normalized SERP expense of $518,367. Normalization should be based on amounts actually paid for this type of personnel expense, rather than what is reflected as an accrued expense in the FAS 87. The Commission should reject OPC proposal of an arbitrary disallowance of lump sum SERP payments as they represent a normal and reasonable operating expense of the Company.

B. Should SERP expense be capitalized?

KCP&L Position: Yes. The Company agrees with Staff's proposed capitalization of a portion of the annualized SERP adjustment to maintain a consistent approach with how the Company records annual SERP costs on its books and records. Capitalization of such SERP expenses represent a standard accounting practice for such expenses.

IX. Severance- Should employee severance expenses be reflected in the cost of service?

KCP&L Position: Yes, severance costs are part of the recurring operating expense of the Company.

X. Kansas City Earnings Tax- What level of Kansas City Earnings Tax expense should the Commission recognize when determining KCP&L's revenue requirement?

KCP&L Position: The amount of Earnings Tax that will be recorded for the true up period ending December 31, 2016 will reflect a normalized amount of Kansas City Earnings Tax and should be used by the Commission in setting KCP&L's rates.

XI. Trackers in Rate Base-Should expense trackers be included in rate base?

KCP&L Position: Yes. The Company agrees with Staff that the unamortized balance of both Iatan 1 and Common and Iatan 2 Regulatory Assets should be included in rate base. Inclusion in rate base of these regulatory assets is consistent with sound regulatory practice and supported by Commission decisions subsequent to ER-2006-0314.

XII. Bad debt gross-up – Should bad debt expense be grossed-up for the revenue requirement change the Commission finds for KCP&L in this case?

KCP&L Position: Bad debt expense should be increased for the revenue requirement change that the Commission finds for KCP&L in this case as this will be the total revenue from which the uncollectable amounts will be written off.

XIII. Dues and Donations

A. What level of dues and donations expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: The Company has included due and donation expenses in its revenue requirement which reflect reasonable costs paid to organizations which benefit ratepayers. The Company disagrees with Staff's proposed disallowances because the disallowances go beyond Staff's own stated criteria and include dues and donations expenses which benefit ratepayers and are thus appropriate for recovery. These benefits include the growth and enhancement of the Kansas City area economy and environment.

B. What level of Edison Electric Institute expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: The Company records approximately 21% of the EEI annual membership dues invoice below the line. The remainder of the EEI annual membership dues should be included in rates.

C. What level of EPRI expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: All of the EPRI expenses should be included in KCP&L's revenue requirement. The sole rational provided by Dr. Marke is the fact that OPC, at the time of the filing of rebuttal testimony in this case, had not yet been able to obtain copies of five EPRI reports requested in a data request in the KCP&L-Greater Missouri Operations ("GMO") rate case proceeding, ER-2016-0156. These EPRI reports have been provided and there is no reason to disallow the EPRI expenses.

XIV. Credit Card Acceptance Fees-What level of Credit Card Fee expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: In order to reflect the greater customer participation levels, the credit card fee expense should be updated with the latest data available through December 2016.

XV. Bank Fees- What level of accounts receivable bank fee expense should the Commission recognize in KCP&L's revenue requirement?

KCP&L Position: This expense should be trued up using December 2016 information in order to reflect increases during 2016 in commercial paper rates.

XVI. Rate case expense

A. Were any rate case expenses claimed by KCP&L imprudently incurred?

KCP&L Position: No rate case expenses were imprudently incurred.

B. Should the Commission allocate a portion of proposed rate case expense to KCP&L shareholders?

KCP&L Position: No, all prudently incurred rate case expenses should be included in KCP&L's rates.

C. What method of rate case expense allocation should the Commission order in this case?

KCP&L Position: All prudently incurred rate case expenses should be included in KCP&L's rates.

XVII. **Depreciation Study Expense-** Over what period of time should KCP&L's normalized depreciation study expense be amortized to determine the level of depreciation study expense to include in KCP&L's revenue requirement?

KCP&L Position: KCP&L recommends that depreciation study costs be amortized over three years.

XVIII. **Depreciation**

A. Should the Commission allow terminal net salvage in the calculation of KCP&L's depreciation rates?

KCP&L Position: Yes, terminal net salvage or retirement costs are unavoidable and occur at the time of plant retirement. KCP&L should be allowed to recover the cost of plant retirement.

B. What depreciation rates should the Commission order KCP&L to use?

KCP&L Position: The depreciation rates set forth in the Depreciation Update Study (Exhibit JJS-1) filed by KCP&L in the Direct Testimony of John Spanos are the most appropriate. These rates reflect the combined analyses of all KCP&L assets through 2013 and include the most appropriate recovery methods and service value of all assets. Only depreciation rates for the Electric Generating Plant accounts were updated. In addition, a proposed rate is being requested for a new plant sub-account for Electric Vehicle Charging Stations. The depreciation rates for all other plant accounts are those authorized in the 2014 KCP&L case.

The Commission should include estimates of terminal net salvage that the Company will incur upon the retirement of its generating facilities in the depreciation rate, as recommended by KCP&L witness John Spanos.

The difference between Staff and OPC's proposed depreciation rates and the depreciation rates KCP&L has proposed is that KCP&L has included estimates of terminal net salvage that the Company will incur upon the retirement of its generating facilities. Thus, the primary area of disagreement for production plant assets is the inclusion of terminal net salvage in the depreciation rates.

XIX. 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 KCP&L? If so, how should it be allocated?

KCP&L Position: No allocation of the Greenwood Solar Energy Center between GMO and KCP&L should be made. However, if an allocation is ordered by the Commission, then $100,000 is the appropriate allocation for KCP&L.

XX. Revenues

A. Should KCP&L be permitted to make an adjustment to annualize kWh sales in this rate case as a result of KCP&L's Missouri Energy Efficiency Investment Act ("MEEIA") Cycle 1 demand-side programs?

KCP&L Position: Yes. The Company's sales, sales revenues and net system input must be adjusted to reflect actual conditions faced by the Company in the test year and true up period. Adjustments are made to reflect normal weather, customer annualizations (e.g. establish customer levels at a time closer to when rates go into effect) and adjustments for known and measurable changes from the test period, such as customer usage changes not reflected in the weather normalization process. This can include anything from specific customers whose usage has specifically increased or decreased from the test period to where a new customer was added and the respective changes in load, to an adjustment for energy efficiency. Without this adjustment, the Commission is setting rates on a level of revenues that is not achievable by the Company.

B. How should the Large Power class kW demand billing units be adjusted when a customer leaves the Large Power class?

KCP&L Position: The Commission should adopt the Company's methodology. The Company has had discussions with the MPSC Staff in the hopes of understanding differences in the estimation of revenues, as the Company methodology has not changed. It is KCP&L's belief that differences in customer growth/customer count and the treatment of LPS rate switchers, including the reflection/non-reflection of MEEIA Cycle 1 and 2 sales are driving the material differences in revenue at this time. It is KCP&L's hope that any remaining material differences between Staff and the Company's revenues will be resolved through discussions with MPSC Staff after True-up, if not before, when we have better clarity as to differences that may still exist, once MPSC Staff updates their case based on updated information provided by the Company at True-up.

C. How should customers who left the Large Power class and switched into the Large General Service and Medium General Service classes be annualized?

KCP&L Position: Customers who have moved to the other rate classifications should be annualized based on the new rate code and included in that rate classification. The kWh sales and associated revenue should be included in the new class for each customer. The methodology used by KCP&L witness Albert Bass is appropriate.

D. What methodology should be utilized to measure customer growth?

KCP&L Position: The methodology used by KCP&L witness Albert Bass is appropriate. Staff has agreed to work with Company to resolve the issue in the true-up filing. Staff indicated that it intends to modify its direct filing customer growth calculation after examining additional customer data.

XXI. Rate Design/Class Cost of Service

A. What interclass shifts in revenue responsibility, if any should the Commission order in this case?

KCP&L Position: Yes, there should be an across the board percentage increase to all rate elements.

B. How should any increase ordered in this case be applied to each class?

KCP&L Position: Yes, there should be an across the board percentage increase to all rate elements. Should KCP&L be permitted to increase the fixed customer charge on residential customers?

KCP&L Position: Yes, there should be an across the board percentage increase to all rate elements for all classes, except the lighting class which should not receive any rate increase.

C. Should KCP&L be required to implement the block rate structure proposed by the Division of Energy for residential customers?

KCP&L Position: No. The Company is opposed to DE's proposals to adopt an inclining block rate structure for the residential class in the summer and winter periods.

D. Should KCP&L be required to propose time-varying rate offerings for residential customers in future cases?

KCP&L Position: Multiple studies are underway within KCP&L and GMO to explore these rates. It is unclear at this time if time-of-use rates are the best way to address peak load issues. KCP&L believes that the Commission should allow these studies to be completed before requiring the Company to offer time-varying rates.

E. How should any increase to Rates LGS and LPS be distributed?

KCP&L Position: Yes, there should be an across the board percentage increase to all rate elements.

XXII. Clean Charge Network

A. Is the Clean Charge Network a regulated public utility service?

KCP&L Position: Yes. The Commission has jurisdiction to regulate utility-owned and operated electric vehicle charging stations operated in a utility's service area.

B. Should capital and O&M expenses associated with the Clean Charge Network be recovered from ratepayers?

KCP&L Position: Yes. As a regulated public utility service, all prudent investments should be recovered from customers. The Commission should not adopt Staff's proposal to impute revenues if the total revenues do not recover the costs of the CCN.

C. Should KCP&L develop a PEV-TOU rate to be considered in its next general rate case?

KCP&L Position: No. The Company is actively engaged in studying TOU rates, and the Company cannot currently implement TOU rates with its current systems. It would be premature to develop a PEV-TOU rate to be considered in the next general rate case.

D. Should the session charge be removed from the tariff?

KCP&L Position: No.

XXIII. **Economic Relief Pilot Program ("ERRP")** - Should the program annual funding be decreased to $589,984 for both ratepayers and shareholders? Should enrollment for the program be extended to include other community action agencies?

KCP&L Position: KCP&L supports the position of Staff where the ERPP will be funded at $1,179,968 annually (50% will come from shareholders), with $524,128 to be included in the final revenue requirement and $65,856 will come from the unspent ERPP program funds.

KCP&L believes that use of multiple agencies could be problematic but supports the identification of key agencies that could ensure customers have information about the program.

XXIV. **Cost Allocation Manual ("CAM")-** Should the Commission approve a CAM for KCP&L in this case?

KCP&L Position: No. The Company does not believe this is the appropriate time for the CAM to be approved by this Commission since it is under consideration in another proceeding. However, if the Commission believes that this is the time to approve the Company's CAM, then the changes discussed in the Surrebuttal Testimony of Ronald Klote (pp. 41-44) should be included in the CAM.

XXV. **Management Expense**

A. Is KCP&L incurring and charging imprudent and excessive management expenses to ratepayers?

KCP&L Position: No.

B. Should the Commission adjust KCP&L's management expense amount as proposed by OPC witnesses?

KCP&L Position: No. OPC's adjustment is unreasonable as it is not targeted at specific expenses but rather attempts to disallow the same amount for every management employee per month whether they submitted an expense report or not.

C. Should the Commission direct or encourage KCP&L to adopt the expense report policy changes as listed at page 9 of OPC witness Mr. Hyneman's Direct testimony?

KCP&L Position: No. The Company has a new expense report approval process that is working well.

XXVI. **Customer disclaimer –** Should the Commission order KCP&L to adopt a customer declaimer as proposed by OPC witness Marke?

KCP&L Position: The Company is willing to work with OPC to adopt a disclaimer similar to what it did in the recent GMO rate case.

XXVII. **Customer Experience-** Is KCP&L's strategy with respect to customer service, customer experience and community involvement in the interest of its customers?

KCP&L Position: Yes. This issue is addressed in the Direct and Surrebuttal Testimony of Charles A. Caisley.

WHEREFORE, Kansas City Power & Light Company files with the Commission the above Position Statement.

Respectfully Submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served upon all parties of record on this 2nd day of February, 2017.

|s| Roger W. Steiner
Attorney for Kansas City Power & Light Company