

Exhibit No.:

Issue(s): *Renewable Energy
Rider & Net Metering
Investigation*

Witness: *Cedric E. Cunigan*

Sponsoring Party: *MoPSC Staff*

Type of Exhibit: *Rebuttal Testimony*

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

Date Testimony Prepared: *August 7, 2018*

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

CEDRIC E. CUNIGAN

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

AND

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

*Jefferson City, Missouri
August 2018*

1
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12
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**TABLE OF CONTENTS OF
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RENEWABLE ENERGY RIDER..... 2

INVESTIGATION OF NET METERING AND EASY CONNECTION ACT
COMPLIANCE..... 5

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **CEDRIC E. CUNIGAN**

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6 **AND**

7 **KCP&L GREATER MISSOURI OPERATIONS**

8 **CASE NO. ER-2018-0146**

9 Q. Please state your name and business address.

10 A. My name is Cedric Cunigan. My business address is 200 Madison Street,
11 Jefferson City, Missouri 65101.

12 Q. By whom are you employed and in what capacity?

13 A. I am employed by the Missouri Public Service Commission ("Commission") as
14 a Utility Engineering Specialist.

15 Q. Have you previously provided your educational background and work
16 experience in these cases?

17 A. Yes. My educational background and work experience is included in the
18 credentials filed in these cases with Staff's Direct Cost of Service Report on June 19, 2018.

19 Q. What is the purpose of your rebuttal testimony?

20 A. The purpose of my rebuttal testimony is to respond to the Direct Testimony of
21 Kimberly H. Winslow and Bradley D. Lutz related to Kansas City Power and Light
22 Company's ("KCPL") and KCP&L Greater Missouri Operations Company's ("GMO")
23 proposed Renewable Energy Rider. I will also be providing Staff's recommendation required
24 by Commissioner Rupp's Order Directing Staff to Investigate Allegation, issued on
25 July 2, 2018.

1 **RENEWABLE ENERGY RIDER**

2 Q. What is your general opinion of the Renewable Energy Rider?

3 A. The Renewable Energy Rider offers a service that would benefit the
4 subscribing customers and should be offered. However, Staff recommends that the rider be
5 changed to limit exposure of non-subscribing customers to the program risks. The subscribers
6 and the Company should incur the costs and revenues associated with any additional
7 resources necessary for the program, as the resources are not necessary for general service.
8 As outlined in the Rebuttal Testimonies of Brooke Richter and Catherine Lucia, Staff
9 recommends that non-subscribing customers are not held responsible for costs of the
10 unsubscribed portion of the resources under this program, and that these costs are not flowed
11 through the FAC. This would limit the need for certain constraints on the program to protect
12 the general ratepayers.

13 If the Commission determines that the unsubscribed portion of the program should be
14 covered by the general ratepayers, Staff proposes that only net positive revenues, as
15 determined by a 6-month accumulation period, be flowed through the FAC. Staff has also
16 identified areas of the rider that should be changed to protect all customers and limit risks to
17 non-subscribers.

18 Q. What areas of the rider require changes and why?

19 A. The following sections of the proposed rider should be altered:

20 Availability Section

21 The availability section discusses the limits of the program. The total program
22 is combined between the KCPL KS, KCPL MO, and GMO jurisdictions. The initial
23 resource offering is limited to a total nameplate capacity of 100 MW to 200 MW to be
24 shared between the three jurisdictions, but there is no limit on its expansion size. The
25 allocation of energy between jurisdictions is to be based on the subscription share for

1 that jurisdiction and is subject to change as subscribers join or exit the program. This
2 affects the unsubscribed portion that, as the rider is currently written, would be
3 assumed by the utility and covered by the ratepayers for that jurisdiction. This
4 uncertainty and risk should not be placed on the general rate payers as the resources in
5 question are not needed, and the PPAs would not have been entered into absent this
6 program. In addition, tracking for the program becomes more difficult with regard to
7 the FAC. Staff witnesses Brooke Richter and Catherine Lucia discuss some of the
8 tracking issues in their rebuttal testimonies. Staff would have no issue with the
9 allocation of energy between jurisdictions if the resources are not covered by
10 ratepayers.

11 Transfer or Termination

12 This section discusses fees for terminating a participation agreement early or
13 defaulting. A subscriber who terminates is required to pay “any associated costs and
14 administration associated with termination of the subscribed renewable resource,” but
15 there is nothing in the rider outlining how those costs are calculated. The method of
16 calculating this cost and a timeline for any adjustments to said costs should be
17 included in the rider. The tariff also states that “such termination charge may be
18 adjusted if and to the extent another Customer requests service under this schedule and
19 fully assumes the obligation.” Staff would not be opposed to adjustments of the
20 termination charge, but it should be limited to instances when the resource is fully
21 subscribed prior to the termination. Any customers requesting service should be
22 served from the unsubscribed portion of the resource first, before covering any portion
23 resulting from termination of a participation agreement. This is only an issue in the
24 case where ratepayers cover the cost of the unsubscribed portion of the resource.

25 Renewable Contracts Supporting Economic Development

26 This section of the rider describes a program that allows for making an
27 agreement with one customer that would not fall under all of the terms of the rider. It
28 allows for greater flexibility in coming to agreements with individuals and the general
29 ratepayers are held harmless from the results of these agreements. The rider states the
30 agreements “will be structured in such a way as to ensure recovery of all related costs

1 from the requesting customer,” but does not provide any information as to how these
2 costs will be determined. It is also stated that the same renewable resources used for
3 the Renewable Energy Rider program may be used for customers under this
4 subsection of the rider. Because agreements made under the Renewable Contracts
5 Supporting Economic Development section do not need to follow the other terms of
6 the Renewable Energy Rider, a situation could be created where customers receive
7 preferential pricing for access to the same resource being provided by the utility.
8 Resources used for the Renewable Energy Rider should be used solely under the terms
9 of the Renewable Energy Rider. Renewable Contracts Supporting Economic
10 Development should be removed and offered under a separate rider with its own terms
11 and conditions.

12 Program Provisions and Special Terms

13 Item 4. States:

14 “Customer participation in this Program may be limited by the
15 Company to balance Customer demand with available qualified Renewable
16 Energy resources, adequate transmission facilities, and capacity.”

17 However, a process for limiting the program has not been outlined in the tariff. Staff is
18 concerned that this process could result in preferential treatment for certain customers if a
19 specific procedure is not outlined in the tariff. The program should be offered on a first come,
20 first served basis to all applicable customers. The larger customers should not be given
21 preference when limiting the resource.

22 Item 8. discusses the treatment of any unsubscribed portion of the resource. As
23 currently written, the unsubscribed energy and associated RECs would be incorporated into
24 energy provided to retail customers and allocated between jurisdictions based on the
25 subscriptions in place at that time. Staff does not support the jurisdictional allocation, as the
26 rider is currently written, that is flexible, and could change on a regular basis. Staff also
27 opposes placing risk associated with the program on non-subscribing customers. As stated
28 earlier, allocations between jurisdictions would not be an issue if ratepayers do not incur costs
29 for these resources.

30 Item 9. is a duplication of Item 8.

1 Q. Are there any other issues with the rider?

2 A. Yes. The rider, as written, allows for aggregation of multiple subscriber
3 accounts across jurisdictions. Customers would be able to use total aggregate load from
4 different locations to enroll in the program, but different segments of the customers would be
5 under separate tariffs that could be significantly different. Staff recommends that there is no
6 aggregation of load across jurisdictions.

7 **INVESTIGATION OF NET METERING AND EASY CONNECTION ACT**
8 **COMPLIANCE**

9 Q. Commissioner Rupp issued an Order directing Staff to Investigate Allegation
10 on July 2, 2018. What was Staff required to do by that order?

11 A. Staff was ordered to investigate the allegation that KCPL and GMO take
12 longer than ninety (90) days to approve net metering and solar rebate applications for systems
13 over 10 kilowatts. Section 386.890.7(1) RSMo., requires retail electric suppliers to review
14 and respond to such applications within 90 days. Staff was ordered to provide its findings in
15 its rebuttal testimony-rate design on August 7, 2018.

16 Q. Describe the steps taken to investigate the allegation as ordered and summarize
17 your findings.

18 A. Commissioner Rupp's Order referenced an email, which is the subject of a
19 June 14, 2018 Notice of Communication, regarding an allegation against KCPL and GMO.
20 The email was sent by Caleb Arthur, CEO of Sun Solar. Staff sent 5 data request to KCPL
21 and GMO, which were responded to on July 18, 2018, and July 25, 2018. Staff also contacted
22 Sun Solar for more information about the circumstances of the allegations.

23 KCPL and GMO provided a response to Staff Data Request 0450 that stated all
24 3 jurisdictions had no applications that had taken longer than 90 days to process for Sun Solar.

1 A table was provided showing the projects and dates for steps in the approval process.
2 In response to Staff Data Request 0454, KCPL and GMO provided a table of all of the
3 net metering applications. Staff matched the project numbers between the data request
4 responses and noted a discrepancy in the receipt date for one project that caused approval time
5 to go from 68 to 97 days. In response to 0450 the receipt date was listed as 11/28/2015, but in
6 response to 0454, the receipt date was listed as 10/28/2015. Staff is still awaiting a response
7 from KCPL and GMO to explain this discrepancy. Staff looked at the complete net metering
8 data and found the time for approval of applications by subtracting the approval date from
9 the application receipt date. The total number of applications exceeding the time for the
10 company are listed in the table below. It should be noted that only engineering preapproval
11 dates and application receipt dates were used to calculate the data in the table below.
12 Section 386.890.7(1) RSMo., requires that a utility respond within 90 days of the receipt of
13 the application. A denial of the application, request for additional information, or some other
14 response would meet that requirement. KCPL and GMO only provided approval dates in
15 their response to Data Request 0454. As such, the numbers listed in the table below may be
16 artificially high. Staff is awaiting additional information from the company regarding
17 responses that would meet the requirement of Section 386.890.7(1) RSMo.

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Rebuttal Testimony of
Cedric E. Cunigan

Net Metering & Cogeneration Project Approval Times			
Year	Company	>10 kW Past 90 Days	<10 kW Past 30 Days
2014	KCPL	5	22
	GMO	0	2
2015	KCPL	18	156
	GMO	4	27
2016	KCPL	5	57
	GMO	1	27
2017	KCPL	3	28
	GMO	3	27
2018	KCPL	0	23
	GMO	0	40

1 Staff is requesting additional information from KCPL and GMO and will provide any
2 additional findings in the manner the Commission chooses. Similar matters have been
3 handled in an EO case, such as the Staff investigation in File No. EO-2014-0357. Staff will
4 prepare a follow-up report with surrebuttal testimony in this case, unless the Commission
5 orders an alternative route.

6 Q. Does this conclude your testimony?

7 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 CEDRIC E. CUNIGAN

STATE OF MISSOURI)
)) ss.
COUNTY OF COLE)

COMES NOW CEDRIC E. CUNIGAN, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony* and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

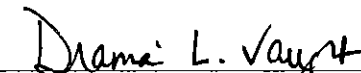


Cedric E. Cunigan

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 3rd day of August, 2018.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 28, 2019
Commission Number: 15207377



Notary Public