

Exhibit No.:
Issue(s): KCPL REC
Witness: Kory J. Boustead
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: EO-2019-0067
Date Testimony Prepared: June 6, 2019

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

REBUTTAL TESTIMONY

OF

KORY J. BOUSTEAD

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. EO-2019-0067

Jefferson City, Missouri
June 2019

**** Denotes Confidential Information ****

1 its management of its RECs during the FAC Prudence Review Period, which is discussed in
2 Confidential Schedule KJB-r2. More specifically, I will address the Direct Testimony of
3 KCPL witness Jeff Martin. My testimony will: (1) demonstrate that there was and is a
4 meaningful revenue opportunity for KCPL customers if KCPL would have sold RECs not
5 needed to satisfy the Missouri Renewable Standard (“RES”); (2) explain the difference
6 between KCPL’s view of having renewable energy in its portfolio benefiting larger customers
7 and Staff’s view of how the customers actually can claim renewable energy credit through
8 their utility provider; (3) explain Staff’s REC-based disallowance; and (4) explain how KCPL
9 is in violation of its Rider FAC tariff.

10 Q. Please provide some background for your testimony.

11 A. In Staff’s Second Prudence Review of Costs Related to the Fuel Adjustment
12 Clause for KCPL (“Prudence Report”) in Case No. EO-2019-0068², Staff recommended an
13 Ordered Adjustment (“OA”) in the amount of \$350,351, which is equal to 722,628 expired
14 RECs times \$0.48483 per REC. The 722,628 expired RECs are held in an active North
15 American Renewables Registry (“NAR”) subaccount which KCPL created to hold RECs
16 which are expired for Missouri RES compliance. Mr. Martin, in his Direct Testimony,
17 explained KCPL’s concerns with Staff’s Prudence Report, expressing concern that Staff’s
18 proposed adjustment related to RECs was unreasonable.

19 Q. Does Staff agree with Mr. Martin’s claim that Staff’s proposed adjustment
20 is unreasonable?

² Case No. EO-2019-0068 was consolidated with Case No. EO-2019-0067 and Case No. ER-2019-0199, with Case No. EO-2019-0067 designated as the lead case.

1 A. No. Staff claims that KCPL is in violation of its Rider FAC tariff³ by not
2 attempting to sell unused RECs that are not needed to meet the RES and including those
3 revenues in the FAC rider. KCPL's Rider FAC provides specific language and treatment of
4 such revenues:

5 R = Renewable Energy Credit Revenue:

6 Revenues reflected in FERC account 509000 from
7 the sale of Renewable Energy Credits that are not
8 needed to meet the Renewable Energy Standards.

9 In short, customers are to receive the benefit of revenues from the sale of un-needed RECs
10 through KCPL's FAC.

11 Q. Mr. Martin also claims the decision to not pursue the sale of RECs is
12 immaterial. Do you agree?

13 A. No. Although Staff's disallowance is \$350,351 for this review period, there is a
14 potential for larger disallowances in the future. KCPL will be generating ** _____ **
15 from renewable resources, yet its projected need for RECs in 2021 is 1,216,924 RECs.^{4,5}
16 Starting in 2021, the Company will be producing RECs in excess of what they need to meet
17 RES compliance, resulting in the potential for approximately ** _____ ** RECs to expire
18 annually. Further, the market value for RECs does change over time.

19 Q. Do other Missouri utilities sell expired RECs?

20 A. Yes.⁶

³ Kansas City Power and Light Company P.S.C. Mo. No. 7, Second Revised Sheet No. 50.14.

⁴ Staff Report on Kansas City Power & Light Company's 2019 Annual Renewable Energy Standard Compliance Plan, page 3.

⁵ A REC represents 1 MWh of generation from a renewable resource.

⁶ Liberty Utilities Empire District Electric Company 2018 Annual Renewable Energy Standard Compliance Report, page 9.

1 Q. What can you tell me about KCPL's REC management?

2 A. KCPL is subject to the RES and therefore retires RECs to demonstrate its
3 compliance with the standard. KCPL retains ownership of all RECs generated by its
4 purchased power agreements ("PPAs") and owned resources. Of that pool of RECs, KCPL
5 retires just enough RECs annually to meet the minimum RES requirements and all excess
6 RECs are held for another year's RES compliance obligation. Eventually, those RECs are no
7 longer eligible for Missouri RES compliance. In general, KCPL Missouri retires its oldest
8 RECs first. During the applicable FAC Prudence Review Period KCPL failed to take any
9 action to sell 722,628 RECs which were not needed to satisfy its RES requirement and simply
10 allowed those RECs to expire.

11 Q. What does Mr. Martin state as KCPL's reasoning behind the company's
12 decision to not attempt to sell RECs?

13 A. Mr. Martin states "The revenue opportunity presented by the potential sale of
14 REC's, net of associated costs, is very limited and outweighed by the fact that our customers
15 are interested in renewable energy and in renewable energy being a key component of their
16 energy usage."⁷

17 Q. Did Mr. Martin provide any evidence that the revenue opportunity was very
18 limited for the sale of RECs during the review period?

19 A. No.

20 Q. Did Staff provide evidence that there was a market for the sale of RECs during
21 the review period?

⁷ Direct Testimony of Jeff Martin, page 4, lines 3-5.

1 A. Yes, in Staff’s Prudence Report, Staff recommended an Ordered Adjustment
2 (“OA”) in the amount of \$350,351, which is equal to 722,628 RECs not properly retired times
3 \$0.48483 per REC. The \$0.48483 price per REC was Staff’s estimated market (not KCPL-
4 specific) price for RECs during the relevant FAC Prudence Review Period, based on the best
5 information available to Staff at the time. However, KCPL recently filed its 2019 Annual
6 Renewable Energy Standard Compliance Plan (Case No. EO-2019-0317), and in its work
7 papers for that case KCPL provided an assumed value of ** _____ , **⁸ which
8 further shows the reasonableness of the \$0.48483 price used by Staff for purposes of
9 calculating the recommended disallowance.

10 Q. Does Staff find that the evidence and examples provided by Mr. Martin
11 substantiate his claim that customers directly benefit by not selling KCPL’s excess RECs that
12 are not needed to comply with the RES?

13 A. No, Staff does not. While the information provided by Mr. Martin claims a
14 number of KCPL’s large customers have corporate goals to reduce their carbon footprint
15 which may improve their corporate image and therefore provide those customers some value,
16 Mr. Martin does not address and demonstrate the value for the remaining KCPL customers.
17 In fact, just because large corporate customers announce their goals does not mean they will
18 receive the renewable energy credit needed to claim the reduction nor does it relate to why
19 KCPL has made it a practice to allow RECs to expire without attempting to gain monetary
20 value the RECs could generate. Further, KCPL has specifically designed a program, through

8 ** _____

_____ **

1 its Renewable Energy Rider, to provide non-residential customers an option to meet their
2 renewable goals. The Renewable Energy Rider allows either transfer of RECs to customers or
3 retirement of RECs on their behalf.⁹

4 Q. Do the examples provided of larger customers' intended goals to use
5 renewable energy resources from their electric supplier mean those customers can claim
6 renewable energy credits to help make their goal to reduce the company carbon footprint?

7 A. They do not. Mr. Martin states in his testimony, "A number of our larger
8 customers have announced corporate goals to reduce their carbon footprint by making greater
9 use of renewable energy resources for the power that they consume"¹⁰ and "customer surveys
10 undertaken on behalf of KCPL show more broadly that our customers value KCPL's ability to
11 demonstrate that a key component of the power KCPL sells to retail customers is provided
12 from renewable energy resources."¹¹ This implies that the customers are able to claim credit
13 for lowering their carbon footprint through renewable energy use within KCPL's energy
14 portfolio. As Mr. Martin himself explains, it is not appropriate to double count RECs¹².

15 Q. Mr. Martin asserts that KCPL's action is consistent with and supportive of the
16 ability to prevent double-counting that is included in the Corporate Renewable Energy
17 Buyers' Principles. Do you agree?

18 A. No. In part, the Corporate Renewable Energy Buyers' Principles states:
19 "In order to claim the benefits of our renewable energy purchases to satisfy our public goals
20 and reduce our carbon footprint, current US rules require that we retain ownership of the
21 RECs or that they are retired on our behalf. What is most critical to us is that we have the

⁹ Kansas City Power and Light Company, PSC MO No 7, Second Revised Sheet No. 40D.

¹⁰ Direct Testimony of Jeff Martin, page 5, lines 5-7.

¹¹ Direct Testimony of Jeff Martin, page 5, lines 7-10.

¹² Direct Testimony of Jeff Martin, page 10, line 9.

1 ability to add more renewable energy to the system and claim the consumption of the relevant
2 renewable energy and GHG emission benefits while preventing another energy user from
3 claiming consumption of the same renewable energy.”

4 Q. Do KCPL’s actions create concerns regarding double counting of renewable
5 attributes?

6 A. Yes. To be clear, KCPL is not retiring excess RECs generated by its wind
7 purchase power agreements (“PPAs”) on behalf of corporate customers – or anyone. KCPL is
8 simply holding excess RECs in its NAR subaccount.¹³ The proper method for ensuring
9 renewable attributes are not double-counted is to track RECs and eventually retire the RECs
10 either for voluntary or compliance purposes.

11 Q. What does it mean to retire RECs?

12 A. The Commission rule on the Renewable Energy Standard requires
13 retirement of RECs to demonstrate compliance with the RES and requires that all RECs
14 are tracked through the Commission-approved tracking system. The North American
15 Renewables Registry (NAR) is the Commission-approved tracking system. NAR defines
16 retirement as follows:

17 Retire, Retirement of Certificates, or Retirement: An
18 action taken to remove a Certificate from circulation
19 within the NAR system. Retirement may be initiated
20 only by the Account Holder for Certificates in his/her
21 own Accounts. Retirement is effectuated by transferring
22 Certificates into a Retirement Sub-account or a
23 Retirement Group Subaccount.

24 Q. Has KCPL taken any action to remove the expired RECs from circulation in
25 the NAR system?

¹³ Response to Staff Data Request No. 0073 in EO-2019-0067.

1 A. No. In response to Staff Data Request No. 0073, KCPL states:

2 KCP&L has not retired the 722,628 RECs that are
3 in question. They are still in the KCPL_MO Expired
4 (for state comp) sub-account in NAR.

5 Q. Mr. Martin claims that had KCPL sold the RECs in question, KCPL could not
6 claim to have generated 24.77% of its retail sales from renewable energy. What does the
7 24.77% number represent?

8 A. The 24.77% represents the KCPL Missouri retail sales (MWh) over the
9 prudence review period divided by generation from renewable resources (MWh) over the
10 prudence review period. The generation from renewable resources (MWh) is equal to the
11 number of RECs KCPL Missouri generated over the same time period. RECs are assigned a
12 vintage based on the month and year of generation. Therefore, Mr. Martin used January 2017
13 through December 2017 vintage RECs, and January 2018 through June 2018 vintage RECs to
14 calculate the generation from renewable resources.¹⁴

15 Q. Mr. Martin asserts that had KCPL sold the excess RECs KCPL would only be
16 able to demonstrate that it generated 19% of the energy sold to retail customers through
17 renewable energy resources. What does the 19% number represent?

18 A. Mr. Martin simply subtracted the expired RECs from Staff's workpapers
19 from the January 2017 through June 2018 renewable generation. However, Mr. Martin
20 failed to point out that Staff's disallowance is based on RECs which were generated in
21 2013 and 2014. The 2013 and 2014 vintage RECs have nothing to do with KCPL's 2018
22 renewable generation.

¹⁴ Staff will note that the values Mr. Martin used for the RECs from Rock Creek wind farm attributable to KCPL Missouri during the time period are inconsistent with the NAR tracking system.

Rebuttal Testimony of
Kory J. Boustead

1 Q. What can you tell me about the 2017 and 2018 vintage RECs Mr. Martin used
2 in his calculation?

3 A. All of the 2017 and 2018 vintage RECs have been carried forward to future
4 compliance years.¹⁵ None of the 2017 or 2018 vintage RECs have been retired for the
5 Missouri RES or any other purpose.

6 Q. Does Mr. Martin claim Staff's adjustment is overstated by not recognizing
7 transfer fees and a Fuel Adjustment Clause ("FAC") 5% sharing percentage holdback
8 contained in its FAC Rider Tariff?

9 A. Yes.

10 Q. Does Staff agree with Mr. Martin's conclusions?

11 A. No. Staff's proposed disallowance is deemed by Staff to be net of any transfer
12 or broker fees so no further adjustment is needed. Staff does not believe the 5% FAC sharing
13 percentage as proposed by Mr. Martin is accurate because KCPL's 5% sharing percentage is
14 based upon under-over collection method and by simply multiplying Staff's proposed
15 adjustment by 5% could lead to an inaccurate adjustment amount. Mr. Martin did not provide
16 any workpapers addressing these adjustments to Staff's proposed adjustment.

17 Q. Does this conclude your Rebuttal Testimony?

18 A. Yes it does.

¹⁵ Kansas City Power and Light Company 2018 Annual Renewable Energy Standard Report, Case No. EO-2019-0315, Attachment C.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

the Matter of the Eighth Prudence Review of)
Costs Subject to the Commission-Approved) Case No. EO-2019-0067
Fuel Adjustment Clause of KCP&L Greater)
Missouri Operations Company)

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KORY J. BOUSTEAD 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.

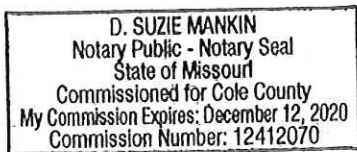
Further the Affiant sayeth not.

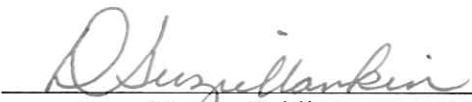


KORY J. BOUSTEAD

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 5th day of June 2019.





Notary Public

Kory J. Boustead

Education and Employment Background

I am a Rate & Tariff Examiner in the Energy Resources Department, Commission Staff Division of the Missouri Public Service Commission (Commission). I have been employed at the Missouri Public Service Commission as Rate & Tariff Examiner since July 2012.

In December 2008, I earned a Bachelor of Science degree in Business Administration with an emphasis in Marketing from Columbia College. I went on to earn a Master of Business Administration, in Business Administration and Management from William Woods University in 2001.

Prior to joining the Commission, beginning in 2002, I was employed with Ameren Missouri as a Customer Service Representative in the Jefferson City Call Center. In this role, I was responsible for answering customer inquiries and requests through the call center including establishment of new and transfer accounts. I effectively managed customer complaints, resolving billing issues, and handling trouble calls. I was responsible for establishing payment agreements, advising customers regarding collection procedures and responsible for maintaining personal telephone statistics and call volume in excess of company average. Prior to my employment with Ameren Missouri I worked for Sprint Telephone in customer service, KRCG-TV in advertising and was the retail store manager for Alamosa PCS (a Sprint PCS affiliate) in Jefferson City.

List of Previous Testimony Filed
Kory J. Boustead

Date Filed	Issue	Case Number	Case Name
05/30/2014	Direct - Staff Report - Low Income Weatherization Programs, Energy Efficiency, Service Line Extension	GR-2014-0086	Summit Natural Gas of Missouri, Inc.
06/06/2014	Direct - Staff Report - Low Income Weatherization Programs, Energy Efficiency, Main Line Extension	GR-2014-0152	Liberty Utilities
07/11/2014	Rebuttal - Energy Efficiency, Low Income Weatherization Program	GR-2014-0086	Summit Natural Gas of Missouri, Inc.
07/30/2014	Rebuttal - Low Income Weatherization Programs, Energy Efficiency, Main Line Extension	GR-2014-0152	Liberty Utilities
08/08/2014	Surrebuttal - Low Income Weatherization Program	GR-2014-0086	Summit Natural Gas of Missouri, Inc.
12/05/2014	Direct - Staff Report - Low Income Keeping Current Pilot Program	ER-2014-0258	Ameren Missouri
02/06/15	Surrebuttal - Low Income Keeping Current Pilot Program	ER-2014-0258	Ameren Missouri
04/03/2015	Direct - Staff Report - Economic Relief Pilot Program, Low Income Weatherization Program	ER-2014-0370	Kansas City Power & Light Company

cont'd Kory J. Boustead

Date Filed	Issue	Case Number	Case Name
03/25/2016	Direct - Staff Report - Low Income Programs, Low Income Weatherization Program	ER-2016-0023	The Empire District Electric Company
05/12/2016	Rebuttal - Low Income Weatherization Program	ER-2016-0023	The Empire District Electric Company
07/15/2016	Direct- Staff Report – Income-Eligible Weatherization, Economic Relief Pilot Program	ER-2016-0156	KCP&L Greater Missouri Operations Company
09/02/2016	Surrebuttal – Income-Eligible Weatherization, Economic Relief Pilot Program	ER-2016-0156	KCP&L Greater Missouri Operations Company
11/30/2016	Direct – Staff Report – Income-Eligible Weatherization, Economic Relief Pilot Program	ER-2016-0258	Kansas City Power & Light Company
12/09/2016	Direct – Staff Report - Low Income Keeping Current Pilot Program, Low Income Weatherization Assistance Program	ER-2016-0179	Ameren Missouri
01/20/2017	Rebuttal – Low Income Weatherization Program	ER-2016-0179	Ameren Missouri
02/28/2018	Staff Report - Emission Allowances and Interest	EO-2018-0067	Staff’s Sixth Fuel Adjustment Clause Prudence Review Report – Ameren Missouri
03/16/2018	Direct – Staff Report – Tariff Organization	GR-2018-0013	Liberty Utilities

cont'd Kory J. Boustead

Date Filed	Issue	Case Number	Case Name
06/19/2018	Direct – Staff Report – Income Eligible Weatherization	ER-2018-0245	Kansas City Power & Light Company
04/30/2018	Direct – Staff Report – Interest	EO-2018-0155	First Prudence Review for Cycle 2 of Costs Related to the Demand-Side Programs for the Electric Operations of Union Electric Company, d/b/a Ameren Missouri
06/19/2018	Direct – Staff Report - Income Eligible Weatherization	ER-2018-0246	KCP&L Greater Missouri Operations Company
08/30/2018	Rebuttal – Low-Income Programs and Tariff design	EO-2018-0122	Ameren Missouri’s 3 rd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA
09/05/2018	Staff Report – Interest, Renewable Energy Credit Revenue and Plant Outages	EO-2018-0244	In the Matter of the Seventh Prudence Review of Costs Subject to the Commission Approved Fuel Adjustment Clause of The Empire District Electric Company
09/17/2018	Surrebuttal – Low-Income Programs and Tariff design	EO-2018-0122	Ameren Missouri’s 3 rd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA
02/28/2019	Staff Report – Renewable Energy Credits	EO-2019-0067	In the Matter of the Eighth Prudence Review of Costs Subject to the Commission- Approved Fuel Adjustment Clause of KCP&L Greater Missouri Operations Company
02/28/2019	Staff Report – Renewable Energy Credits	EO-2019-0068	In the Matter of the Second Prudence Review of Costs Subject to the Commission- Approved Fuel Adjustment Clause of Kansas City Power and Light Company

MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT

**SECOND PRUDENCE REVIEW OF COSTS
RELATED TO THE FUEL ADJUSTMENT CLAUSE
FOR THE ELECTRIC OPERATIONS
OF
KANSAS CITY POWER & LIGHT COMPANY**

CASE NO. EO-2019-0068

January 1, 2017 through June 30, 2018

*Jefferson City, Missouri
February 28, 2019*

**TABLE OF CONTENTS OF
STAFF REPORT**

**SECOND PRUDENCE REVIEW OF COSTS
RELATED TO THE FUEL ADJUSTMENT CLAUSE
FOR THE ELECTRIC OPERATIONS
OF
KANSAS CITY POWER & LIGHT COMPANY**

CASE NO. EO-2019-0068

1		
2		
3		
4		
5		
6		
7		
8		
9	I.	EXECUTIVE SUMMARY 1
10	II.	INTRODUCTION 2
11	A.	GENERAL DESCRIPTION OF KCPL’S FAC 2
12	B.	PRUDENCE STANDARD 4
13	III.	FUEL COSTS, PURCHASED POWER COSTS, TRANSMISSION COSTS, 14 NET EMISSION COSTS 4
15	A.	UTILIZATION OF GENERATION CAPACITY 6
16	B.	HEAT RATES 10
17	C.	PLANT OUTAGES 11
18	D.	NATURAL GAS COSTS 13
19	E.	COAL AND RAIL TRANSPORTATION COSTS 16
20	F.	FUEL OIL COSTS 17
21	G.	TRANSMISSION COSTS 18
22	H.	NUCLEAR FUEL 20
23	I.	SO ₂ EMISSION ALLOWANCES 21
24	J.	OFF-SYSTEM SALES REVENUE 22
25	K.	RENEWABLE ENERGY CREDIT REVENUES 24
26	L.	CIMARRON 2 WIND FARM PURCHASED POWER AGREEMENT 26
27	M.	SLATE CREEK WIND PROJECT PURCHASED POWER AGREEMENT 27
28	N.	OSBORN WIND ENERGY PURCHASED POWER AGREEMENT 28
29	O.	SPEARVILLE 3 WIND ENERGY FACILITY PURCHASED POWER AGREEMENT 30

1	P.	WAVERLY WIND FARM PURCHASED POWER AGREEMENT	31
2	Q.	ROCK CREEK WIND PROJECT PURCHASED POWER AGREEMENT	32
3	R.	PURCHASED POWER COSTS	33
4	IV.	INTEREST	36

1 whether the imprudent decision caused any harm to ratepayers. Only if an imprudent decision
2 resulted in harm to ratepayers, will Staff recommend a refund.

3 Staff analyzed a variety of items in examining whether KCPL was imprudent when it
4 incurred the fuel and purchased power costs associated with its FAC. Based on its review,
5 Staff found evidence of imprudence by KCPL when KCPL failed to take any action that
6 would have allowed it to generate revenue from the sale of 722,628 renewable energy credits
7 (“RECs”) that were not needed to satisfy its RES compliance and simply allowed them to
8 expire during the Review Period. Staff recommends the Commission order an Ordered
9 Adjustment (“OA”) in the amount of \$350,351.

10 *Staff Expert/Witness: Dana E. Eaves*

11 **II. INTRODUCTION**

12 **A. General Description of KCPL’s FAC**

13 Table 1 identifies KCPL’s Commission-approved FAC tariff sheets which were
14 applicable for service provided by KCPL to its customers during the period January 1, 2017
15 through June 30, 2018:

16 **Table 1**

17 **KCPL’s Commission-approved FAC Tariff Sheets**

18 January 1, 2017 through June 30, 2018

January 1, 2017 through June 7, 2017	June 8, 2017 through June 30, 2018
Fourth Revised Sheet No. 50	Second revised Sheet No. 50.11
Third Revised Sheet No. 50.1	Second revised Sheet No. 50.12
Second Revised Sheet No. 50.2	Second revised Sheet No. 50.13
Second Revised Sheet No. 50.3	Second revised Sheet No. 50.14
Second Revised Sheet No. 50.4	Second revised Sheet No. 50.15
Second Revised Sheet No. 50.5	Second revised Sheet No. 50.16
Second Revised Sheet No. 50.6	Second revised Sheet No. 50.17
Second Revised Sheet No. 50.7	Second revised Sheet No. 50.18
Second Revised Sheet No. 50.8	Second revised Sheet No. 50.19
Second Revised Sheet No. 50.9	

1 For each accumulation period (“AP”),² KCPL’s Commission-approved FAC allows
2 KCPL to recover from (if the actual net energy costs exceed) or refund to (if the actual net
3 energy costs are less than) its ratepayers ninety-five percent (95%) of its Missouri
4 jurisdictional³ actual net energy costs (“ANEC”)⁴ less net base energy cost (“B”)⁵ which is
5 identified as $(ANEC - B) * J$ in KCPL’s FAC.⁶ KCPL accumulates variable fuel costs,
6 purchased power costs, transmission costs and net emissions costs minus off-system sales
7 revenues and renewable energy credit revenues during six-month accumulation periods. Each
8 six-month accumulation period is followed by a twelve-month recovery period (“RP”) ⁷ when
9 95% of the $(ANEC - B) * J$ amount (including the monthly application of interest)⁸ is
10 recovered from or returned to ratepayers through an increase or decrease in the FAC Fuel
11 Adjustment Rates (“FAR”) during the twelve-month RP. Because the FAR rarely, if ever, will
12 exactly match the required offset, KCPL’s FAC is designed to true-up the difference between
13 the revenues billed and the revenues authorized (including the monthly application of interest)
14 for collection during recovery periods. Any disallowance the Commission orders as a result of
15 a prudence review shall include interest at the Company’s short-term interest rate and will be
16 accounted for as an item of cost⁹ in a future filing to adjust the FAR.

² Accumulation periods are: June through November and December through May.

³ Missouri jurisdictional factor J is defined on KCPL Second Revised Sheet No. 50.18 as Missouri Retail Energy Ratio = $(MO \text{ Retail kWh sales} + MO \text{ Losses}) / (MO \text{ Retail kWh Sales} + MO \text{ Losses} + KS \text{ Retail kWh Sales} + KS \text{ Losses} + \text{Sales for Resale, Municipals kWh Sales [including border customers]} + \text{Sales for Resale, Municipals Losses})$, where MO Losses = 6.32%; KS Losses = 7.52%; Sales for Resale, Municipals Losses = 6.84%.

⁴ “Actual Net Energy Costs” are equal to fuel costs (FC) plus net emission costs (E) plus purchased power costs (PP) plus transmission costs (TC) minus off-system sales revenue (OSSR) and renewable energy credit revenue (R) as defined on KCPL’s Commission-approved FAC.

⁵ Net base energy costs (B) is defined on KCPL Second Revised Sheet No. 50.18 as net base energy costs ordered by the Commission in the last general rate case consistent with the costs and revenues included in the calculation of the FPA. Net base energy costs will be calculated as shown below $S_{AP} \times \text{Base Factor (“BF”)}$.

⁶ For the fourth, fifth and sixth accumulation periods, the $(ANEC - B) * J$ amounts are included on line 5 of KCPL 2nd Revised Sheet No. 50.20, 3rd Revised Sheet No. 50.20, 4th Revised Sheet No. 50.20, respectively.

⁷ Recovery periods are: October through September and April through March.

⁸ See Section IV. Interest, of this Prudence Review Report.

⁹ See PRUDENCE REVIEW on KCPL’s Second Revised Sheet No. 50.19.

1 **B. Prudence Standard**

2 In *State ex rel. Associated Natural Gas Co. v. Public Service Com'n of State of Mo.*,
3 the Western District Court of Appeals stated the Commission defined its prudence standard
4 as follows:

5 [A] utility's costs are presumed to be prudently incurred.... However,
6 the presumption does not survive “a showing of inefficiency or
7 improvidence... [W]here some other participant in the proceeding
8 creates a serious doubt as to the prudence of expenditure, then the
9 applicant has the burden of dispelling these doubts and proving the
10 questioned expenditure to have been prudent.

11 In the same case, the PSC noted that this test of prudence should not be
12 based upon hindsight, but upon a reasonableness standard: [T]he
13 company's conduct should be judged by asking whether the conduct
14 was reasonable at the time, under all the circumstances, considering
15 that the company had to solve its problem prospectively rather than in
16 reliance on hindsight. In effect, our responsibility is to determine how
17 reasonable people would have performed the tasks that confronted the
18 company.¹⁰

19 In reversing the Commission in that case, the Court did not criticize the Commission’s
20 definition of prudence, but held, in part, that to disallow a utility's recovery of costs from its
21 ratepayers based on imprudence the Commission must determine the detrimental impact of
22 that imprudence on the utility’s ratepayers.¹¹ This is the prudence standard Staff has followed
23 in this review. Staff reviewed for imprudence the areas identified and discussed below for
24 KCPL’s fourth, fifth, and sixth six-month accumulation periods.

25 *Staff Expert/Witness: Dana E. Eaves*

26 **III. FUEL COSTS, PURCHASED POWER COSTS,**
27 **TRANSMISSION COSTS, NET EMISSION COSTS**

28 KCPL’s FAC includes four major components of costs: fuel costs, purchased power
29 costs, net emission costs and transmission costs. It also includes two components of revenues:
30 off-system sales revenues and renewable energy credit revenues. Table 2 is a breakdown of
31 KCPL’s fuel costs, purchased power costs, net emission costs, transmission costs, off-system
32 sales revenues, and renewable energy credit revenues for the period of January 1, 2017,
33 through June 30, 2018:

¹⁰ 954 S.W.2d 520, 528-29 (Mo. App. W.D., 1997) (citations omitted).

¹¹ *Id.* at 529-30.

1 requirement which essentially states that Market Participants (“MP”) must offer enough
2 generation to cover that MP’s next day projected peak load, ancillary service obligations and
3 any firm sales the MP has made. In addition, the SPP Market Monitoring Unit monitors for
4 Physical Withholding of generation, which further incentivizes MPs to offer much of their
5 available generation in the DA, even if they have already met their Must Offer requirement.
6 With respect to the RT, SPP requires that all physically available generation be offered to the
7 market. In accordance with SPP rules and requirements, KCPL submits generation offers in
8 the DA and RT. Once these offers have been submitted, the SPP market co-optimization
9 processes take over from there. SPP market applications consider inputs such as system-wide
10 requirements, generator operating parameters, offers from all MPs, and transmission system
11 topology to arrive at the most cost effective and reliable generation solution possible. Some of
12 these applications include the Security Constrained Unit Commitment (“SCUC”) and Security
13 Constrained Economic Dispatch (“SCED”) tools. Once the least cost viable solution is arrived
14 at, SPP issues operating instructions to MPs. Under the SPP market construct, MPs are given
15 the flexibility to let the SPP market decide entirely on its own when to commit a given unit or
16 to self-commit the generator. A common example of the latter is if a unit needs to be online
17 for required testing on a given day. Even if a generator is self-committed, this simply
18 establishes that the unit will be online. SPP will still dispatch the unit via the SCED tool
19 within its dispatchable range as established through the market submissions process.¹⁵

20 **3. Conclusion**

21 Staff did not observe any evidence of imprudent utilization of generation resources
22 during the time period examined in this prudence review.

23 **4. Documents Reviewed**

- 24 a. KCPL’s responses to Staff Data Request Nos. 0001, 0002, 0010, 0011, 0012,
25 0013, 0015, 0016, 0017, 0018, 0020, 0021, 0022, 0041, 0043, 0044, 0047.1, 0052,
26 0052.1, 0053, 0053.1, 0059, and 0060.

27 *Staff Experts/Witnesses: Dana E. Eaves and Lisa Wildhaber*

¹⁵ KCPL response to Data Request No. 0012.

1 **4. Documents Reviewed**

- 2 a. KCPL’s responses to Staff Data Request Nos. 0002, 0019, and 0058; and
- 3 b. Monthly Outage data in the Monthly Reports submitted by KCPL in compliance
- 4 with Rule 4 CSR 240-3.190.

5 *Staff Experts/Witnesses: Brooke Mastrogiannis and Jordan Hull*

6 **C. Plant Outages**

7 **1. Description**

8 Generating stations’ outages generally can be classified as scheduled outages, forced

9 outages, or partial outages (“derating”). Scheduled outages consist of either a planned outage

10 or a maintenance outage. A planned outage is one that is scheduled well in advance, with a

11 predetermined duration and occurring only once or twice a year. Outages are planned and

12 scheduled over one year in advance. The exact start date depends on freezing temperatures

13 and natural gas availability. Turbine and boiler overhauls, inspections, testing, and nuclear

14 refueling are typical planned outages. A maintenance outage is one that can be deferred

15 beyond the end of the next weekend but must be taken before the next planned outage. A

16 forced outage is an outage that cannot be deferred beyond the next weekend and a partial

17 outage or derating is a condition that exists that requires the unit to be limited to an energy

18 output below maximum capacity.

19 Outages taken at any of the generating units have an impact on how much KCPL will

20 pay for fuel and purchased power. Any planned outage during peak load demand times or a

21 period of high replacement energy prices has the potential result of KCPL paying more for

22 fuel and purchased power costs than it would have paid if the outage were planned during

23 forecasted low load times. Periodic planned outages are required to maintain each generating

24 unit in peak operating condition to minimize forced or maintenance outages that could occur

25 during peak load demand or periods of high replacement energy prices, typically June through

26 August and January through February.

27 Staff examined the planned outages and their timing for imprudence. An example of

28 an imprudent outage would be scheduling a planned outage of a large base loaded unit during

29 a time of peak load or a period of high replacement energy prices.

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2. Summary of Cost Implications

An imprudent planned outage could result in increased cost of purchased power by KCPL from the SPP IM as well as a decrease in off-system sales revenues through the SPP IM.

3. Conclusion

Staff did not find any evidence of imprudent planned outages by KCPL during the Review Period.

4. Documents Reviewed

- a. KCPL responses to Staff Data Request Nos. 0001, 0004, 0005, 0006; and 0052.

Staff Experts/Witnesses: Brooke Mastrogiannis and Jordan Hull

D. Natural Gas Costs

1. Description

For the Review Period, \$** _____ ** or ** $\frac{\text{---}}{\text{---}}$ ** % of KCPL’s total fuel costs, purchased power costs, transmission costs, and net emission costs was associated with the natural gas used in generating electricity. The cost of natural gas includes various miscellaneous charges such as firm transportation service charges and other fuel handling expenses. During the Review Period, KCPL’s natural gas price averaged \$** _____ ** per MMBtu, based on 2,401,711 MMBtu of actual natural gas burned and costs of \$** _____ **. Staff reviewed the contract terms and a sampling of invoices for gas purchased. KCPL receives natural gas services from 37 gas supply companies and 5 natural gas transportation companies. The companies are identified in Table 6:

¹⁸ Response to Data Request No. 0052.

1 **4. Documents Reviewed**

- 2 a. KCPL’s responses to Staff Data Request Nos. 0001, 0002, 0013, 0025, 0032,
- 3 0047, 0047.1, 0061; and
- 4 b. KCPL’s General Ledger, AP4, AP5 and AP6 FAR Filings, and monthly reports.

5 *Staff Expert/Witness: Lisa Wildhaber*

6 **E. Coal and Rail Transportation Costs**

7 **1. Description**

8 For the Review Period, \$** _____ ** or ** ___** % of KCPL’s total fuel costs,
 9 purchased power costs, transmission costs, and net emission allowance costs was associated
 10 with the coal used in generating electricity. The cost of coal includes various miscellaneous
 11 charges such as rail and other ground transportation service charges, and other fuel handling
 12 expenses. Staff reviewed the contract terms of 6 short and long-term coal purchase contracts,
 13 as well as a sampling of invoices for coal purchased and delivered. The counterparties for the
 14 contracts are identified in Table 9:

15 **Table 9 - Confidential**

16 **

17 **

18 The contracts provide coal delivery to KCPL’s Hawthorn 5, Iatan 1 and 2, LaCygne 1 and 2,
 19 and Montrose 2 and 3. The price of coal can either be a fixed price for the entire contract, a
 20 fixed price for each year of the contract, a base price plus an escalation as calculated per the
 21 contract, a price determined by the Master Purchase & Sales Agreement, or a price which is
 22 index-based.

1 **2. Summary of Cost Implications**

2 If KCPL was imprudent in its decisions relating to purchasing and transporting coal,
3 rate payer harm could result from an increase in FAC charges.

4 **3. Conclusion**

5 Staff found no indication that KCPL’s purchases and transportation of coal or its coal-
6 related contracts were imprudent during the Review Period.

7 **4. Documents Reviewed**

- 8 a. KCPL’s fixed coal contract terms in place for the delivery of coal to each of its
9 generating units;
- 10 b. KCPL’s responses to Staff Data Request Nos. 0001, 0002, 0013, 0022, 0032,
11 0033, 0047, 0047.1, 0061; and
- 12 c. KCPL’s General Ledger, AP4, AP5 and AP6 FAR Filings, and monthly reports.

13 *Staff Expert/Witness: Lisa Wildhaber*

14 **F. Fuel Oil Costs**

15 **1. Description**

16 For the Review Period, \$** _____ ** or ** $\frac{\quad}{\quad}$ ** % of KCPL’s total fuel costs,
17 purchased power costs, transmission costs, and net emission allowance costs was associated
18 with the fuel oil used in generating electricity. The cost of fuel oil includes various
19 miscellaneous charges, such as rail and/or ground transportation service charges and other
20 miscellaneous fuel handling expenses. Staff reviewed the contract terms of KCPL’s 2 oil
21 contracts that were in place during the Review Period, as well as a sampling of invoices for
22 fuel oil purchased. The contracts provide a primary delivery location and agreement on the
23 price. The price is based on the market price at the time KCPL purchases the fuel oil. The
24 counterparties for the fuel oil contracts are identified in Table 10:

25 **Table 10 - Confidential**

26 **

27 **

28 The fuel oil contracts provide delivery of fuel oil to various generating units.

1 **2. Summary of Cost Implications**

2 If KCPL imprudently purchased fuel oil, rate payer harm could result from increased
3 FAC charges.

4 **3. Conclusion**

5 Staff found no indication KCPL’s costs associated with its fuel oil contracts in place
6 were imprudent during the Review Period.

7 **4. Documents Reviewed**

- 8 a. KCPL’s responses to Staff Data Request Nos. 0001, 0002, 0013, 0027, 0032,
9 0047, 0047.1, 0061; and
- 10 b. KCPL’s General Ledger, AP4, AP5 and AP6 FAR Filings and monthly reports.

11 *Staff Expert/Witness: Lisa Wildhaber*

12 **G. Transmission Costs**

13 **1. Description**

14 For the Review Period, \$** _____ ** or ** ≡ ** % of KCPL’s total fuel cost,
15 purchased power costs, transmission costs and net emission costs was associated with
16 transmission costs. There were two tariff sheets that were in effect during this Review Period.
17 KCPL’s FAC Second Revised Sheet No. 50.3 (Applicable to Service Provided September 29,
18 2015 through June 7, 2017), effective July 27, 2017, defines the “TC” component as:

19 Transmission Costs:

20 The following costs reflected in FERC Account Number 565:

21 Subaccount 565000: non-SPP transmission used to serve off system
22 sales or to make purchases for load and 7.3% of the SPP transmission
23 service costs which includes the schedules listed below as well as any
24 adjustments to the charges in the schedules below:
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- 27 Schedule 7 – Long Term Firm and Short Term Point to Point
- 28 Transmission Service
- 29 Schedule 8 – Non Firm Point to Point Transmission Service
- 30 Schedule 9 – Network Integration Transmission Service
- 31 Schedule 10 – Wholesale Distribution Service
- 32 Schedule 11 – Base Plan Zonal Charge and Region Wide Charge
- 33
- 34

1 Subaccount 565020: the allocation of the allowed costs in the
2 565000 account attributed to native load;

3
4 Subaccount 565027: the allocation of the allowed costs in the
5 565000 account attributed to transmission demand charges;

6
7 Subaccount 565030: the allocation of the allowed costs in account
8 565000 attributed to off-system sales.

9 KCPL's FAC Second Revised Sheet No. 50.14 (Applicable to Service Provided June 8, 2017
10 through December 6, 2018), defines the "TC" component as:

11 Transmission Costs:

12 The following costs reflected in FERC Account Number 565:

13 Subaccount 565000: non-SPP transmission used to serve off system
14 sales or to make purchases for load and 20.91% of the SPP
15 transmission service costs which includes the schedules listed below as
16 well as any adjustments to the charges in the schedules below:
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20 Schedule 7 – Long Term Firm and Short Term Point to Point
21 Transmission Service

22 Schedule 8 – Non Firm Point to Point Transmission Service

23 Schedule 9 – Network Integration Transmission Service

24 Schedule 10 – Wholesale Distribution Service

25 Schedule 11 – Base Plan Zonal Charge and Region Wide Charge

26
27 Subaccount 565020: the allocation of the allowed costs in the
28 565000 account attributed to native load;

29
30 Subaccount 565027: the allocation of the allowed costs in the
31 565000 account attributed to transmission demand charges;

32
33 Subaccount 565030: the allocation of the allowed costs in account
34 565000 attributed to off-system sales.

35 For calculating TC, KCPL implemented a process whereby total transmission expenses were
36 tabulated and then costs not allowed in the FAC were removed. Staff reviewed the
37 transmission costs over the Review Period to verify only 7.3% of the SPP transmission
38 service costs are included (from the beginning of the Review Period through June 7, 2017)
39 and only 20.91% of the SPP transmission service costs are included (from June 8, 2017

1 through the end of the Review Period). KCPL's transmission costs during the Review Period
2 are \$** _____ **.

3 **2. Summary of Cost Implications**

4 If KCPL imprudently included transmission costs in the FAC, rate payer harm could
5 result from increased FAC charges.

6 **3. Conclusion**

7 Staff found no indication that KCPL's transmission costs were imprudent during the
8 Review Period.

9 **4. Documents Reviewed**

- 10 a. KCPL's General Ledger;
11 b. KCPL's responses to Staff Data Request Nos. 0002, 0047, 0047.1, and 0051; and
12 c. AP4, AP5 and AP6 FAR and other supporting work papers.

13 *Staff Expert/Witness: Brooke Mastrogiannis*

14 **H. Nuclear Fuel**

15 **1. Description**

16 For the Review Period \$** _____ ** or ** ___ ** % of KCPL's fuel costs,
17 purchased power costs, transmission costs, and net emission allowance costs is
18 associated with nuclear fuel used in the generation of electricity at the Wolf Creek Nuclear
19 Operating Corporation's generating unit. KCPL owns 47% of Wolf Creek Nuclear
20 Operating Corporation.

21 **2. Summary of Cost Implications**

22 If KCPL was imprudent in its purchasing decisions relating to nuclear fuel, rate payer
23 harm could result from increased FAC charges.

24 **3. Conclusion**

25 Staff found no indication that KCPL nuclear fuel costs were imprudent during the
26 Review Period.

1 **4. Documents Reviewed**

- 2 a. KCPL’s responses to Staff Data Request Nos. 0001, 0002, 0013, 0047, 0047.1;
3 and
4 b. KCPL’s General Ledger, AP4, AP5 and AP6 FAR filings, and monthly reports.

5 *Staff Expert/Witness: Lisa Wildhaber*

6 **I. SO₂ Emission Allowances**

7 **1. Description**

8 The Cross-State Air Pollution Rule (“CSAPR”) is a ruling by the United States
9 Environmental Protection Agency (“EPA”) that requires a number of states, including
10 Missouri, to reduce power plant emissions that contribute to ozone and/or fine particle
11 pollution in other states. The CSAPR replaced EPA’s 2005 Clean Air Interstate Rule
12 (“CAIR”), following the direction of a 2008 court decision that required EPA to issue a
13 replacement regulation. CSAPR implementation began on January 1, 2015.

14 The CSAPR requires Missouri to reduce its annual emissions of sulfur dioxide (SO₂)
15 and nitrous oxides (NO_x) to help downwind states attain the 24-hour National Ambient Air
16 Quality Standards (“NAAQS”). The CSAPR also requires Missouri to reduce ozone season
17 emissions of NO_x to help downwind states attain the 8-hour NAAQS.

18 On September 7, 2016, the EPA revised the CSAPR ozone season NO_x program by
19 finalizing an update to CSAPR for the 2008 ozone NAAQS, known as the CSAPR Update.
20 The CSAPR Update ozone season NO_x program largely replaced the original CSAPR ozone
21 season NO_x program on May 1, 2017. The CSAPR Update will further reduce summertime
22 NO_x emissions from power plants in the eastern U.S.

23 The requirements of CSAPR were in effect for the entire Review Period from
24 January 1, 2017 through June 30, 2018. The requirements for the CSAPR Update, effective
25 May 1, 2017, were effective in this Review Period. The CSAPR Update was effective for
26 Missouri, which reduced the summertime NO_x emissions.

27 The primary mechanism of CSAPR is a cap-and-trade program that allows a
28 major source of NO_x and/or SO₂ to trade excess allowances when its emissions of a
29 specific pollutant fall below its cap for that pollutant. Originally, the EPA issued a model
30 cap-and-trade program for power plants, which could have been used by states as the

1 primary control mechanism under CAIR. This model, with modifications, had continued
2 under CSAPR.

3 For the Review Period ending June 30, 2018, KCPL's total net emission allowance
4 cost was \$** _____ **.

5 **2. Summary of Cost Implications**

6 If KCPL imprudently used, purchased or banked its NO_x and SO₂ emission
7 allowances, ratepayer harm could result from an increase in KCPL's FAC charges.

8 **3. Conclusion**

9 Staff found no indication that KCPL was imprudent in its purchases, banking, or usage
10 of CSAPR NO_x and SO₂ allowances.

11 **4. Documents Reviewed**

- 12 a. Company responses to Staff's Data Request Nos. 0035, 0037, 0038 and 0041; and
- 13 b. Staff Reports: GL for 2nd Prudency Review and KCPL Monthly Reports
14 Combined.

15 *Staff Expert/Witness: Cynthia M. Tandy*

16 **J. Off-System Sales Revenue**

17 **1. Description**

18 Off-system sales revenues ("OSSR") is a component of KCPL's FAC. There were
19 two tariff sheets that were in effect during this Review Period. Second Revised Sheet No. 50.3
20 (Applicable to Service Provided September 29, 2015 through June 7, 2017), effective July 27,
21 2017, and Second Revised Sheet No. 50.14 (Applicable to Service Provided June 8, 2017
22 through December 6, 2018), defines the OSSR component as:

23 Revenues from Off-System Sales:

24 The following revenues or costs reflected in FERC Account
25 Number 447:

26 Subaccount 447020: all revenues from off-system sales. This
27 includes charges and credits related to the SPP IM including,
28 energy, ancillary services, revenue sufficiency (such as make
29 whole payments and out of merit payments and distributions),
30 revenue neutrality payments and distributions, over collected
31 losses payments and distributions, TCR and ARR settlements,
32 demand reductions, virtual energy costs and revenues and

1 related fees where the virtual energy transaction is a hedge in
2 support of physical operations related to a generating resource
3 or load, generation/export charges, ancillary services including
4 non-performance and distribution payments and SPP uplift
5 revenues or credits. Off-system sales revenues from full and
6 partial requirements sales to municipalities that are served
7 through bilateral contracts in excess of one year shall be
8 excluded from OSSR component; Subaccount 447012: capacity
9 charges for capacity sales one year or less in duration;
10 Subaccount 447030: the allocation of the includable sales in
11 account 447020 not attributed to retail sales.

12 Staff reviewed the off-system sales quantities and revenues over the Review Period, and
13 KCPL's off-system sales revenue amount is \$** _____ **.

14 2. Summary of Cost Implications

15 KCPL's revenues from off-system sales are an offset against total fuel costs,
16 purchased power costs, transmission costs and net emission allowance costs. This is because
17 KCPL's ratepayers pay for the resources used to generate any energy that KCPL sells.¹⁹
18 If KCPL did not make available its generating units in the SPP for off-system sales to be
19 made, ratepayers could be harmed by such imprudence as a result of an increase in KCPL's
20 FAC charges.²⁰

21 3. Conclusion

22 Staff found no indication that KCPL imprudently withheld availability of its
23 generating units in the SPP for off-system sales to be made.

24 4. Documents Reviewed

- 25 a. KCPL's responses to Staff Data Request Nos. 0002, 0047, 0047.1, and 0051;
- 26 b. KCPL's filings in this case and FAC tariff sheets; and
- 27 c. KCPL's monthly reports and AP4, AP5 and AP6 FAR filing worksheets.

28 *Staff Expert/Witness: Brooke Mastrogianis*

¹⁹ Serving those ratepayers (native load) is a higher priority than making an off-system sale.

²⁰ Beginning March 1, 2014 the SPP implemented the Integrated Marketplace that changed GMO's practice of making off-system sales. See the Utilization of Generation Capacity section above.

1 **K. Renewable Energy Credit Revenues**

2 **1. Description**

3 The Missouri Renewable Energy Standard (“RES”)²¹ and requires all investor-owned
4 electric utilities in Missouri to provide at least two percent (2%) of their retail electricity sales
5 using renewable energy resources in each calendar year 2011 through 2013, and to increase
6 that percentage over time to at least fifteen percent (15%) by 2021.²² Commission rule
7 4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements , which first
8 became effective September 30, 2010, contains the definitions, structure, operations, and
9 procedures for implementing the RES.

10 The RES rule creates two categories of energy-generating resources: non-renewable
11 energy resources (including purchased power from non-renewable energy sources) and
12 renewable energy resources (including purchased power from renewable energy sources).²³
13 Renewable energy resources produce electrical energy and include wind sources, solar
14 sources, thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using
15 hydrogen produced by one (1) of the above named electrical energy sources, and other
16 sources of energy that become available after August 28, 2007, and are certified as renewable
17 by the Missouri Department of Economic Development -- Division of Energy (“Division of
18 Energy”). Once an energy resource is certified, it begins producing RECs, with one (1) REC
19 representing one (1) megawatt-hour of electricity that has been generated from the renewable
20 energy resource. These credits can be sold and/or traded in the market place bundled with or
21 without the energy that generated the REC.²⁴ The cost of a REC (as a RES compliance cost)
22 cannot be recovered through the FAC.²⁵ Revenues from the sale of RECs are recovered
23 through the FAC as an off-set to fuel costs.

²¹ Section 393.1020 RSMo. Supp. 2013 and Section 393.1030.1(1), RSMo. Supp. 2013.

²² However, the annual level of required renewable energy resources may be constrained due to 4 CSR 240-20.100(5)(A) Retail Rate Impact. (A) The retail rate impact, as calculated in subsection (5)(B), may not exceed one percent (1%) for prudent costs of renewable energy resources directly attributable to RES compliance. The retail rate impact shall be calculated on an incremental basis for each planning year that includes the addition of renewable generation directly attributable to RES compliance through procurement or development of renewable energy resources, averaged over the succeeding ten (10)-year period, and shall exclude renewable energy resources owned or under contract prior to the effective date of this rule.

²³ 4 CSR 240-20.100(5)(B).

²⁴ 4 CSR 240-20.100(6)(B)(5)(J).

²⁵ 4 CSR 240-20.100(6)(A)(16).

1 During the Review Period, the RES rule required KCPL to annually serve 10% of its
2 retail load using renewable energy resources. Also, during the Review Period, KCPL did not
3 sell or purchase solar RECs outside of those bundled with purchased power from qualified
4 customer generator’s operational solar electric systems as a condition of receiving solar
5 rebates.²⁶ KCPL received non-solar RECs bundled with renewable energy from KCPL’s
6 Spearville 1 and Spearville 2 wind facilities, and contractually through purchased power
7 agreements with five renewable energy providers (Cimarron 2, Spearville 3, Slate Creek,
8 Waverly, and Osborn Wind). Some of the RECs created by generation at Spearville 1,
9 Spearville 2, Spearville 3, and Cimarron 2 were used for 2016 and 2017 RES compliance.

10 In Staff Data Request No. 0044, Staff requested “the dollar amount of Renewable
11 Energy Credit revenues” for the period January 1, 2017 through June 30, 2018, KCP&L
12 responded, “KCPL did not sell any RECs during the review period of January 1, 2017 through
13 June 30, 2018....” Staff reviewed KCPL’s responses and determined that 722,628 REC’s
14 were allowed to expire during the Review Period without any evidence that KCPL attempted
15 to sell any of the 722,628 RECs prior to their expiring.

16 **2. Summary of Cost Implications**

17 If the Commission found that KCPL was imprudent in its management of RECs, by
18 including the cost of purchasing RECs when calculating its FAC charges, or not selling RECs
19 when it had the opportunity to do so, ratepayer harm could result from increased costs or
20 decreased revenues being included in the calculation of its FAC charges.

21 **3. Conclusion**

22 With regards to FAC prudence, Staff did find evidence of imprudence by KCPL’s
23 management of its RECs during the Review Period. Staff could not find that KCPL took any
24 action that would have allowed it to generate revenue from 722,628 RECs that were not
25 needed to satisfy its RES compliance and were simply allowed to expire during the Review
26 Period. Staff recommends the Commission issue an Ordered Adjustment (“OA”) in the
27 amount of \$350,351 which is equal to 722,628 RECs times Staff’s estimated average sales
28 price of \$0.48483 per REC during the 18-month Review Period.

²⁶ *KCPL 2016 Annual Renewable Energy Standard Compliance Report and KCPL 2017 Annual Renewable Energy Standard Compliance Report [Corrected].*

1 **4. Documents Reviewed**

- 2 a. Staff Data Request Nos. 0044, 0044.1 and 0044.2;
- 3 b. Staff Data Requests, in Case ER-2018-0145, Nos. 0400 and 0400.1;
- 4 c. KCPL 2016 and 2017 Annual Renewable Energy Standard Compliance Reports;
- 5 d. Staff Report in Case EO-2017-0269; and
- 6 e. Staff Work Sheet KCPL RECs_1-8-19 Expired Download and Sorted.

7 *Staff Experts/Witnesses: Dana E. Eaves and Kory J. Boustead*

8 **L. Cimarron 2 Wind Farm Purchased Power Agreement**

9 **1. Description**

10 KCPL has a long-term (20-year) PPA with CPV Cimarron II Renewable Energy
11 Company, LLC for energy and RECs generated by the Cimarron 2 Wind Farm located in
12 Kansas. The contract is based on ** ____ ** MW of capacity that KCPL began receiving on
13 June 1, 2012 at a fixed price of \$** ____ ** per MWh. The contract is a “take-or pay”
14 contract (i.e., KCPL has to receive and pay for the energy whether it needs the energy or not),
15 which is a standard feature of many wind PPAs. The contract is for the energy and
16 RECs generated by the wind farm. In its response to Staff Data Request No. 0044 KCPL
17 stated, “KCPL did not sell any RECs during the Review Period of January 1, 2017 through
18 June 30, 2018”. Total costs of electricity under the Cimarron 2 PPA was \$** _____ **
19 with revenue associated with sales of \$** _____ ** which resulted in a net loss of
20 \$** _____ ** for the Review Period.

21 **2. Summary of Cost Implications**

22 If KCPL imprudently included either the energy and/or REC costs in its FAC
23 calculations, ratepayer harm could result from an increase in FAC charges. Rule 4 CSR 240-
24 20.090(1)(B) and (C), and KCPL’s FAC allow for purchased power costs and revenues in
25 FERC Account Number 555 to be recovered through the FAC. Staff found that the failure of
26 KCPL to sell a number of RECs and allowing them to expire, which created no revenue, was
27 imprudent and is addressed in Section K of this report.

1 **3. Conclusions**

2 Staff has identified that the Cimarron Wind Farm PPA is creating a significant amount
3 of additional costs compared to the revenue received. Staff notes this is a long-term PPA and
4 the performance of this contract should be viewed on a long-term basis and not just from the
5 results during this Review Period. Staff is proposing an adjustment as addressed in Section K
6 of this report related to KCPL’s failure to sell RECs created by this wind facility. Staff
7 recommends the Commission issue an Ordered Adjustment as previously determined in
8 Section K of this report. Staff is not proposing an adjustment related to the financial
9 performance of the energy portion of this contract.

10 **4. Documents Reviewed**

- 11 a. Staff Data Request Nos. 0001, 0002, 0021, 0045, 0047, 0047.1, 0059 and 0060;
- 12 b. KCPL 2017 Annual Renewable Energy Standard Compliance Plan;
- 13 c. KCPL 2018 Annual Renewable Energy Standard Compliance Plan;
- 14 d. Staff Report in Case No. EO-2017-0271; and
- 15 e. Staff Report in Case No. EO-2018-0290.

16 *Staff Expert/Witness: Lisa Wildhaber*

17 **M. Slate Creek Wind Project Purchased Power Agreement**

18 **1. Description**

19 KCPL has a long-term (20-year) PPA with Slate Creek Wind Project, LLC for energy
20 and RECs generated by the Slate Creek Wind Project beginning in November 2015. The
21 contract is also a “take-or pay” contract for renewable wind energy and RECs (i.e., KCPL has
22 to receive and pay for the energy whether it needs the energy or not), and is based on a fixed
23 energy price of \$** _____ ** per MWh and a capacity of ** ____ ** MW. In its response to
24 Staff Data Request No. 0044 KCPL stated, “KCPL did not sell any RECs during the review
25 period January 1, 2017 through June 30, 2018”. Costs of electricity under the Slate Creek
26 Wind Project PPA was \$** _____ ** with revenue associated with sales of
27 \$** _____ ** which resulted in a net loss of \$** _____ ** for the Review Period.

1 **2. Summary of Cost Implications**

2 If KCPL imprudently included either the energy and/or REC costs in its FAC
3 calculations, ratepayer harm could result from an increase in FAC charges. Rule 4 CSR 240-
4 20.090(1)(B) and (C), and KCPL’s FAC allow for purchased power costs and revenues in
5 FERC Account Number 555 to be recovered through the FAC. Staff found that the failure of
6 KCPL to sell a number of RECs and allowing them to expire, which created no revenue, was
7 imprudent and is addressed in Section K of this report.

8 **3. Conclusions**

9 Staff has identified that the Slate Creek Wind Project PPA is creating a significant
10 amount of additional costs compared to the revenue received. Staff notes this is a long-term
11 PPA and the performance of this contract should be viewed on a long-term basis and not just
12 from the results during this Review Period. Staff is proposing an adjustment as addressed in
13 Section K of this report related to KCPL’s failure to sell RECs created by this wind facility.
14 Staff recommends the Commission issue an Ordered Adjustment as previously determined in
15 Section K of this report. Staff is not proposing an adjustment related to the financial
16 performance of the energy portion of this contract.

17 **4. Documents Reviewed**

- 18 a. Staff Data Request Nos. 0001, 0002, 0021, 0045, 0047, 0047.1, 0059 and 0060;
19 b. KCPL 2017 Annual Renewable Energy Standard Compliance Plan;
20 c. KCPL 2018 Annual Renewable Energy Standard Compliance Plan;
21 d. Staff Report in Case No. EO-2017-00271; and
22 e. Staff Report in Case No. EO-2018-00290.

23 *Staff Expert/Witness: Lisa Wildhaber*

24 **N. Osborn Wind Energy Purchased Power Agreement**

25 **1. Description**

26 KCPL has a long-term (20-year) PPA with NextEra Energy Resources for energy and
27 RECs generated by the Osborn Wind Energy Center located in Missouri. The contract is
28 based on a fixed price of \$** ____ ** per MWh and ** ____ ** MW of capacity that KCPL
29 began receiving in December 2016. In its response to Staff Data Request No. 0044 KCPL

1 stated, “KCPL did not sell any RECs during the review period of January 1, 2017 through
2 June 30, 2018”. The contract is a “take-or pay” contract (i.e., KCPL has to receive and pay for
3 the energy whether it needs the energy or not), which is a standard feature of many wind
4 PPAs. The contract is for the energy and RECs generated by the wind farm. Costs of
5 electricity under the Osborn Wind Energy PPA was \$** _____ ** with revenue
6 associated with sales of \$** _____ ** which resulted in a net loss of \$** _____ **
7 for the Review Period.

8 **2. Summary of Cost Implications**

9 If KCPL imprudently included either the energy and/or REC costs in its FAC
10 calculations, ratepayer harm could result from an increase in FAC charges. Rule 4 CSR 240-
11 20.090(1)(B) and (C), and KCPL’s FAC allow for purchased power costs and revenues in
12 FERC Account Number 555 to be recovered through the FAC. Staff found that the failure of
13 KCPL to sell a number of RECs and allowing them to expire, which created no revenue, was
14 imprudent and is addressed in Section K of this report.

15 **3. Conclusions**

16 Staff has identified that the Osborn Wind Energy PPA is creating a significant amount
17 of additional costs compared to the revenue received. Staff notes this is a long-term PPA and
18 the performance of this contract should be viewed on a long-term basis and not just from the
19 results during this Review Period. Staff is proposing an adjustment as addressed in Section K
20 of this report related to KCPL’s failure to sell RECs created by this wind facility. Staff
21 recommends the Commission issue an Ordered Adjustment as previously determined in
22 Section K of this report. Staff is not proposing an adjustment related to the financial
23 performance of the energy portion of this contract.

24 **4. Documents Reviewed**

- 25 a. Staff Data Request Nos. 0001, 0002, 0021, 0045, 0047, 0047.1, 0059 and 0060;
- 26 b. KCPL 2017 Annual Renewable Energy Standard Compliance Plan;
- 27 c. KCPL 2018 Annual Renewable Energy Standard Compliance Plan;
- 28 d. Staff Report in Case No. EO-2017-0271; and
- 29 e. Staff Report in Case No. EO-2018-0290.

30 *Staff Expert/Witness: Lisa Wildhaber*

1 **O. Spearville 3 Wind Energy Facility Purchased Power Agreement**

2 **1. Description**

3 KCPL has a long-term (20-year) PPA with Spearville 3, LLC for energy and RECs
4 generated by the Spearville 3 Wind Energy Facility located in Kansas. The contract is based
5 on a fixed price of \$** ____ ** per MWh and ** ____ ** MW of capacity that KCPL began
6 receiving in October, 2012. The contract is a “take-or pay” contract (i.e., KCPL has to receive
7 and pay for the energy whether it needs the energy or not), which is a standard feature of
8 many wind PPAs. The contract is for the energy and RECs generated by the wind farm. In its
9 response to Staff Data Request No. 0044 KCPL stated, “KCPL did not sell any RECs during
10 the review period of January 1, 2017 through June 30, 2018”. Costs of electricity under the
11 Spearville 3 PPA was \$** _____ ** with revenue associated with sales of
12 \$** _____ ** which resulted in a net loss of \$** _____ ** for the Review Period.

13 **2. Summary of Cost Implications**

14 If KCPL imprudently included either the energy and/or REC costs in its FAC
15 calculations, ratepayer harm could result from an increase in FAC charges. Rule 4 CSR 240-
16 20.090(1)(B) and (C), and KCPL’s FAC allow for purchased power costs and revenues in
17 FERC Account Number 555 to be recovered through the FAC. Staff found that the failure of
18 KCPL to sell a number of RECs and allowing them to expire, which created no revenue, was
19 imprudent and is addressed in Section K of this report.

20 **3. Conclusions**

21 Staff has identified that the Spearville 3 Wind Energy PPA is creating a significant
22 amount of additional costs compared to the revenue received. Staff notes this is a long-term
23 PPA and the performance of this contract should be viewed on a long-term basis and not just
24 from the results during this Review Period. Staff is proposing an adjustment as addressed in
25 Section K of this report related to KCPL’s failure to sell RECs created by this wind facility.
26 Staff recommends the Commission issue an Ordered Adjustment as previously determined in
27 Section K of this report. Staff is not proposing an adjustment related to the financial
28 performance of the energy portion of this contract.

1 **4. Documents Reviewed**

- 2 a. Staff Data Request Nos. 0001, 0002, 0021, 0045, 0047, 0047.1, 0059 and 0060;
- 3 b. KCPL 2017 Annual Renewable Energy Standard Compliance Plan;
- 4 c. KCPL 2018 Annual Renewable Energy Standard Compliance Plan;
- 5 d. Staff Report in Case No. EO-2017-0271; and
- 6 e. Staff Report in Case No. EO-2018-0290.

7 *Staff Expert/Witness: Lisa Wildhaber*

8 **P. Waverly Wind Farm Purchased Power Agreement**

9 **1. Description**

10 KCPL has a long-term (20-year) PPA with Waverly Wind Farm, LLC for energy and
 11 RECs generated by the Waverly Wind Farm beginning in November 2015. The contract is
 12 also a “take-or pay” contract for renewable wind energy and RECs (i.e., KCPL has to receive
 13 and pay for the energy whether it needs the energy or not), and is based on a fixed energy
 14 price of \$** ____ ** per MWh and a capacity of ** ____ ** MW. In its response to Staff
 15 Data Request No. 0044 KCPL stated, “KCPL did not sell any RECs during the review period
 16 of January 1, 2017 through June 30, 2018”. Costs of electricity under the Waverly Wind Farm
 17 PPA was \$** _____ ** with revenue associated with sales of \$** _____ ** which
 18 resulted in a net loss of \$** _____ ** for the Review Period.

19 **2. Summary of Cost Implications**

20 If KCPL imprudently included either the energy and/or REC costs in its FAC
 21 calculations, ratepayer harm could result from an increase in FAC charges. Rule 4 CSR 240-
 22 20.090(1)(B) and (C), and KCPL’s FAC allow for purchased power costs and revenues in
 23 FERC Account Number 555 to be recovered through the FAC. Staff found that the failure of
 24 KCPL to sell a number of RECs and allowing them to expire, which created no revenue, was
 25 imprudent and is addressed in Section K of this report.

26 **3. Conclusions**

27 Staff has identified that the Waverly Wind Farm PPA is creating a significant amount
 28 of additional costs compared to the revenue received. Staff notes this is a long-term PPA and
 29 the performance of this contract should be viewed on a long-term basis and not just from the

1 results during this Review Period. Staff is proposing an adjustment as addressed in Section K
2 of this report related to KCPL’s failure to sell RECs created by this wind facility. Staff
3 recommends the Commission issue an Ordered Adjustment as previously determined in
4 Section K of this report. Staff is not proposing an adjustment related to the financial
5 performance of the energy portion of this contract.

6 **4. Documents Reviewed**

- 7 a. Staff Data Request Nos. 0001, 0002, 0021, 0045, 0047, 0047.1, 0059 and 0060;
- 8 b. KCPL 2017 Annual Renewable Energy Standard Compliance Plan;
- 9 c. KCPL 2018 Annual Renewable Energy Standard Compliance Plan;
- 10 d. Staff Report in Case No. EO-2017-0271; and
- 11 e. Staff Report in Case No. EO-2018-0290.

12 *Staff Expert/Witness: Lisa Wildhaber*

13 **Q. Rock Creek Wind Project Purchased Power Agreement**

14 **1. Description**

15 KCPL has a long-term (20-year) PPA with Rock Creek Wind Project, LLC for energy
16 and RECs generated by the Rock Creek Wind Farm located in Missouri. The contract is also a
17 “take-or pay” contract for renewable wind energy and RECs (i.e., KCPL has to receive and
18 pay for the energy whether it needs the energy or not), and is based on a fixed energy price of
19 \$** ____ ** per MWh and a capacity of ** ____ ** MW, beginning August 2017. In its
20 response to Staff Data Request No. 0044 KCPL stated, “KCPL did not sell any RECs during
21 the review period of January 1, 2017 through June 30, 2018”. Costs of electricity under the
22 Rock Creek Wind Project was \$** _____ ** with revenue associated with sales of
23 \$** _____ ** which resulted in a net loss of \$** _____ ** for the Review Period.

24 **2. Summary of Cost Implications**

25 If KCPL imprudently included either the energy and/or REC costs in its FAC
26 calculations, ratepayer harm could result from an increase in FAC charges. Rule 4 CSR 240-
27 20.090(1)(B) and (C), and KCPL’s FAC allow for purchased power costs and revenues in
28 FERC Account Number 555 to be recovered through the FAC. Staff found that the failure of

1 KCPL to sell a number of RECs and allowing them to expire, which created no revenue, was
2 imprudent and is addressed in Section K of this report.

3 **3. Conclusions**

4 Staff has identified that the Rock Creek Wind Project PPA is creating a significant
5 amount of additional costs compared to the revenue received. Staff notes this is a long-term
6 PPA and the performance of this contract should be viewed on a long-term basis and not just
7 from the results during this Review Period. Staff is proposing an adjustment as addressed in
8 Section K of this report related to KCPL's failure to sell RECs created by this wind facility.
9 Staff recommends the Commission issue an Ordered Adjustment as previously determined in
10 Section K of this report. Staff is not proposing an adjustment related to the financial
11 performance of the energy portion of this contract.

12 **4. Documents Reviewed**

- 13 a. Staff Data Request Nos. 0001, 0002, 0021, 0045, 0047, 0047.1, 0059 and 0060;
- 14 b. KCPL 2017 Annual Renewable Energy Standard Compliance Plan;
- 15 c. KCPL 2018 Annual Renewable Energy Standard Compliance Plan;
- 16 d. Staff Report in Case No. EO-2017-0271; and
- 17 e. Staff Report in Case No. EO-2018-0290.

18 *Staff Expert/Witness: Lisa Wildhaber*

19 **R. Purchased Power Costs**

20 **1. Description**

21 KCPL's FAC Second Revised Sheet No. 50.2, applicable to service provided
22 September 29, 2015 through June 7, 2017, and Second Revised Sheet No. 50.13, applicable to
23 service provided June 8, 2017 through December 6, 2018, defines the Purchased Power Costs
24 ("PP") components, which are purchases of power through the SPP IM and not electric
25 generated by the company.

26 Staff has determined that KCPL's total purchased power expense for the prudence
27 Review Period is \$** _____ **, as shown previously in Table 2. More detail for the
28 cost of Purchased Power is shown in Table 11.

1 **Cimarron 2, Slate Creek, Osborn, Spearville 3, Waverly, and Rock Creek**

2 KCPL had long-term purchased power contracts with six wind farms during the
3 Review Period. A further description of these contracts can be found in Sections L, M, N, O,
4 P, and Q.

5 **CNPPID Hydro Power Purchase Agreement**

6 KCPL has a long-term (10-year) purchase power agreement with CNPPID ending
7 December 31, 2023, for energy generated by several hydroelectric facilities (Jeffery Hydro 1,
8 Jeffery Hydro 2, Johnson Hydro 11, Johnson Hydro 12, and Johnson Hydro 21) located in
9 Nebraska. The contract is based on a fixed energy price of \$** ____ ** per MWh and
10 ** __ ** MW of capacity and is a “take-or pay” contract. CNPPID is not a Division of Energy
11 certified renewable energy resource. Costs of electricity under the CNPPID purchase power
12 agreement are \$** _____ ** for January 1, 2017 through June 30, 2018.

13 **Non-firm Short Term Energy**

14 KCPL purchases hourly energy in SPP’s Integrated Market (“IM”). Since
15 implementing the IM, SPP has controlled the economic dispatch of KCPL’s generation.
16 During times that KCPL’s load exceeds KCPL’s generation, KCPL becomes a net purchaser
17 in the SPP market. These SPP market purchases are from other electric suppliers to help meet
18 KCPL’s load during times of forced or planned plant outages and during times when the
19 market price is below the marginal cost of providing that energy from KCPL’s generating
20 units. Under the SPP IM, KCPL’s generation is offered to the SPP Integrated Marketplace and
21 energy needed for native load requirements is purchased from the SPP market.
22 “Spot purchases and sales are made based upon SPP market and operating conditions for the
23 entire SPP footprint.” Costs for the IM purchases are included as “Non-Firm Short Term
24 Energy” in Table 2 and Table 5. Further discussion of KCPL’s participation in these markets
25 can be found in Section III.A. of this report.

26 **Short Term Demand**

27 There were no capacity charges for capacity purchases less than 12 months in duration
28 during the Review Period.

1 **2. Summary of Cost Implication**

2 If KCPL erred when it booked costs from purchased power contracts or if KCPL
3 imprudently participated in the IM, ratepayer harm could result from an increase in costs
4 collected through the FAC.

5 **3. Conclusion**

6 Staff found no indication of imprudence by KCPL related to its purchasing short term
7 capacity, booking long-term purchased power contracts, or purchasing non-firm short term
8 energy.

9 **4. Documents Reviewed**

- 10 a. Staff Data Request Nos. 0001, 0002, 0010, 0021, 0045, 0047, 0047.1, 0059
11 and 0060;
- 12 b. PPA Contracts; and
- 13 c. Section III.A. of this report.

14 *Staff Expert/Witness: Lisa Wildhaber*

15 **IV. INTEREST**

16 **1. Description**

17 During each accumulation period, KCPL is required to calculate a monthly
18 interest amount based on KCPL’s short-term debt borrowing rate that is applied to the
19 under-recovered or over-recovered fuel and purchased power costs. KCPL utilizes its
20 Commercial Paper program as their primary source of short-term funding. KCPL issues
21 commercial paper on virtually a daily basis through five independent dealers and interest rates
22 are determined daily by the financial markets based upon market rates, KCPL’s Commercial
23 Paper rating, the amount of funds requested and the term. For the Review Period KCPL’s
24 average monthly interest rate was 0.22%. KCPL’s interest amount applied to the
25 under-recovered or over-recovered fuel and purchased power costs was \$1,987,715²⁷.
26 The interest amount is component “I” of KCPL’s FAC.

²⁷ This interest amount includes interest amounts during AP4, AP5 and AP6 plus adjustments to interest amounts for prior accumulation periods made during the Review Period. Following is the list of prior accumulation period adjustment with the resulting interest amounts: 1) AP4-There was an adjustment for unit train depreciation and property tax of (\$382,900) with (\$7,342) of interest removed from FAC and a second adjustment where SFR/Muni amount removed twice with interest of \$1,840 added back to the FAC from AP3; 2) AP5-A

1 **2. Summary of Interest Implications**

2 If KCPL imprudently calculated the monthly interest amounts or used short-term debt
3 borrowing rates that did not fairly represent the actual cost of KCPL’s short-term debt,
4 ratepayers could be harmed by FAC charges that are too high.

5 **3. Conclusion**

6 Staff found no evidence that KCPL imprudently determined the monthly interest
7 rates and interest amounts for its under-recovered or over-recovered fuel and purchased
8 power costs.

9 **4. Documents Reviewed**

10 KCPL’s monthly interest calculation work papers in support of the interest calculation
11 amount on the under-recovered or over-recovered balance.

- 12 a. Data Request No. 0001-Files named: Q0001 CONF KCPL FAC section 7 Filing –
13 4th, 5th and 6th Accumulation Files (June 2017, December 2017, June 2018
14 respectively);
- 15 b. Data Request No. 0046 Response-mpsc_20180926-f.2-answer-.0046.docx; and
- 16 c. Staff Work Papers: KCPL Section 7 Filing-4th, 5th and 6th Accumulation
17 (June 2017, December 2017, June 2018 respectively).

18 *Staff Expert/Witness: Cynthia M. Tandy*

transmission cost correction was make of (\$28,736) with (\$851) in interest from prior period that was removed; and 3) AP6-an adjustment from December 2017 on FAR monthly filing calculations of \$9,633 with \$22 adjustment in interest added back. Thus, the total interest only adjustments for the Review Period was (\$6,331) for a total interest amount of \$1,981,384.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Second Prudence Review)
of Costs Subject to the Commission-) Case No. EO-2019-0068
Approved Fuel Adjustment Clause of Kansas)
City Power and Light Company)

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KORY J. BOUSTEAD and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Report – Second Prudence Review*; and that the same is true and correct according to her best knowledge and belief.

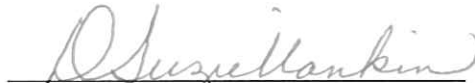
Further the Affiant sayeth not.


KORY J. BOUSTEAD

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 28th day of February 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Second Prudence Review)
of Costs Subject to the Commission-) Case No. EO-2019-0068
Approved Fuel Adjustment Clause of Kansas)
City Power and Light Company)

AFFIDAVIT OF JORDAN HULL

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JORDAN HULL and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Report – Second Prudence Review*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

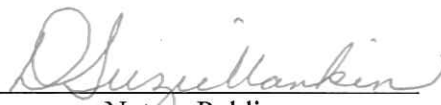


JORDAN HULL

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 28th day of February 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Second Prudence Review)
of Costs Subject to the Commission-) Case No. EO-2019-0068
Approved Fuel Adjustment Clause of Kansas)
City Power and Light Company)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Report – Second Prudence Review*; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.


BROOKE MASTROGIANNIS

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 28th day of February 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Second Prudence Review)
of Costs Subject to the Commission-) Case No. EO-2019-0068
Approved Fuel Adjustment Clause of Kansas)
City Power and Light Company)

AFFIDAVIT OF CYNTHIA M. TANDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CYNTHIA M. TANDY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Report – Second Prudence Review*; and that the same is true and correct according to her best knowledge and belief.

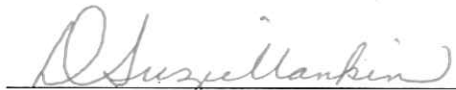
Further the Affiant sayeth not.


CYNTHIA M. TANDY

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 28th day of February 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public

