

*Exhibit No.:*  
*Issue:* Policy  
*Witness:* Natelle Dietrich  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal and  
True-Up Direct Testimony  
*Case Nos.:* ER-2018-0145 and  
ER-2018-0146  
*Date Testimony Prepared:* September 4, 2018

**MISSOURI PUBLIC SERVICE COMMISSION**  
**COMMISSION STAFF DIVISION**

**SURREBUTTAL AND**  
**TRUE-UP DIRECT TESTIMONY**

**OF**

**NATELLE DIETRICH**

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

**AND**

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

*Jefferson City, Missouri*  
*September 2018*



1 A. Mr. Rush, at page 4, lines 7-12, comments on the impact of rate design on customers. He  
2 observes in relevant part, “[t]he rate impact considerations, particularly for residential customers,  
3 are critical to the success of the rate plan and acceptance of rate design by customers.” The  
4 importance of customer impact has been highlighted this week, when Staff received information  
5 related to social media, news outlets, and petitions<sup>1</sup> raising concerns with high KCPL/GMO  
6 customer bills.

7 The Company contacted Staff on Monday, August 27, 2018, to inform us that a petition  
8 was circulating related to the Company’s rate increase requests and their budget billing plan.  
9 The original petition is to Representative Emanuel Cleaver, Senator Claire McCaskill and  
10 Senator Roy Blunt, and reads as follows:

11 As a community we demand answers on why K[CP]L keeps applying rate  
12 increases. Also, we want the new budget billing system reviewed. It does not  
13 make sense how the system calls it a budget billing system when they review  
14 statements every month and either increase or decrease based on usage. That is  
15 not a true budget billing system. As a community we want to know why, and how,  
16 it costs the local community more to produce energy in the summer months than it  
17 does in the winter during less day light. Let[‘]s stand together as a community and  
18 get to the bottom of this. Where is our hard earned money really going?<sup>2</sup>  
19

20 An additional petition, attached as Schedule ND-s1, states it is to:  
21 Chairman Daniel Y. Hall, Missouri Governor and KCP&L, and requests an “Investigation into  
22 kcpl and their business practices and fixing budget billing plans.”<sup>3</sup>

23 Through the various media outlets, and through a few customer contacts<sup>4</sup> received at the  
24 Commission, customers are expressing concerns related to high bills and a change in the  
25 Company’s budget billing plans.

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<sup>1</sup> See change.org.

<sup>2</sup> As of the end of business on August 30, 2018, the petition had 54,040 signatures.

<sup>3</sup> As of the end of business on August 30, 2018, the petition had 800 signatures.

1 KCPL and GMO<sup>5</sup> submitted applications, separate and apart from these general rate  
2 proceedings, for approval of revised tariffs on February 27, 2018. Among other things, the  
3 revised tariffs modified KCPL's Average Payment Amount<sup>6</sup> and GMO's Level Payment Plan<sup>7</sup>  
4 (collectively "Plans") as follows:

5 Commencing sixty (60) days after the implementation of the Customer Care and  
6 Billing (CCB) system, with each monthly bill CCB will total up to and including,  
7 the last twelve (12) months' bills plus any over/under amount due, and divide by  
8 the number of months available to calculate a new Average Payment<sup>8</sup> amount. If  
9 there is more than a 10% variance in the calculation from the current Average  
10 Payment Plan amount, the Plan payment will automatically adjust on the next  
11 month's bill.

12  
13 Staff filed its recommendations to approve these tariffs on March 30, 2018, and the  
14 Office of the Public Counsel filed its non-objections to Commission approval of tariff sheets,  
15 subject to receiving certain bill messaging information and CCB contracts, on April 13, 2018.  
16 On April 18, 2018, the Commission issued *Notice[s] That Tariff Will be Allowed to*  
17 *Go Into Effect*. The tariffs went into effect May 7, 2018.

18 The Customer Care and Billing system (referred to as One CIS in testimonies in these  
19 cases) was placed in-service in May 2018, and the change in Plans presumably would have taken  
20 effect during the July/August billing cycles. It is Staff's understanding that, during the transition  
21 to the new Plans, the Company is offering residential and small business customers the option to  
22 divide high bills across four months. In addition, but unrelated, customers will soon receive a  
23 credit on their bills as a result of the March 8, 2018, Stipulation and Agreement, approved by the  
24 Commission on May 24, 2018, in Case No. EM-2018-0012 (See Schedule ND-s2).

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<sup>4</sup> Contacts were received through quick hits, inquiries, informal complaints, and public comments.

<sup>5</sup> Case Nos. ET-2018-0158 and ET-2018-0234, respectively.

<sup>6</sup> KCPL Third Revised Sheet No. 1.68.

<sup>7</sup> GMO 1<sup>st</sup> Revised Sheet No. R-41.

<sup>8</sup> Identical language was contained in the GMO tariff, substitute "Average Payment" with "Level Payment Plan".

Surrebuttal and True-Up Direct Testimony of  
Natelle Dietrich

1 Staff has submitted Data Requests asking for additional information related to the Plans,  
2 customer notices of changes to the Plans, circumstances surrounding the high bills, and the  
3 Company's offer to spread bills over four months. On August 31, 2018, the Company provided  
4 Staff a copy of a news release, "*KCP&L Temporarily Expands Payment Options for Customers*",  
5 attached as Schedule ND-s3. Due to the timing of the event, additional information is not  
6 available at the time of this filing, but Staff continues to monitor the situation.

7 Q. Please summarize your true-up direct testimony.

8 A. In its March 13, 2018, Order, the Commission established a test year ending June  
9 30, 2017, updated through December 31, 2017. The Commission further ordered that the true-up  
10 period shall end June 30, 2018. In making its true-up revenue requirement recommendations,  
11 Staff reviewed all cost of-service components (capital structure, return on rate base, rate base,  
12 depreciation expense, and operating expenses). Staff's true-up runs support its revenue  
13 requirements of (\$2,559,221) for KCPL and (\$23,449,657) for GMO, based on KCPL's and  
14 GMO's actual historical information through the period ending June 30, 2018, with a  
15 recommended rate of return of 9.85%. See separately filed True-up Accounting Schedules.

16 Q. Does this conclude your direct testimony?

17 A. Yes.





*Evergy companies*

## **KCP&L Temporarily Expands Payment Options for Customers**

*KCP&L urges customers to call to set up payment arrangements following the holiday weekend*

**KANSAS CITY, Mo., Aug. 31, 2018** — As a result of high customer bills due to one of the hottest summers on record, KCP&L is temporarily expanding its customer payment options and delaying residential disconnections.

Effective immediately and through the month of September, KCP&L will not disconnect residential customers. Further, customers will be offered a four-month grace period to pay their balances. Customers should be aware that disconnect notices, including letters and phone calls, will continue to be sent out so that customers remain aware of their balances and can work toward paying them off to avoid disconnection once this grace period concludes Sept. 30.

“We understand that our customers are feeling the stress of higher bills due to one of the hottest summers on record,” said Chuck Caisley, Chief Customer Officer. “We are providing extra time and additional payment options to help customers manage this expense.”

To participate in the extended pay period being offered, customers should call the KCP&L customer care center after the Labor Day holiday. KCP&L customer service representatives will be available beginning Sept. 4 to assist customers with questions about these options. Given the number of expected calls, wait times may be longer than normal.

“To ensure service isn’t interrupted in October, it’s important that customers call us in September to make payment arrangements,” Caisley said.

####

### **About KCP&L and Westar Energy:**

Serving approximately 1.5 million customers in Kansas and Missouri, Kansas City Power & Light Company (KCP&L), KCP&L Greater Missouri Operations Company and Westar Energy are the electric utilities of Evergy, Inc. (NYSE: EVRG). Together we generate nearly half the power we provide to homes and businesses with emission-free sources. We support our local communities where we live and work, and strive to meet the needs of customers through energy savings and innovative solutions.

### **Media Contact**

Jeremy McNeive

Media Communications

Phone: 913-556-2011

[jeremy.mcneive@kcpl.com](mailto:jeremy.mcneive@kcpl.com)

Media line: 816-392-9455 or 888-613-0003

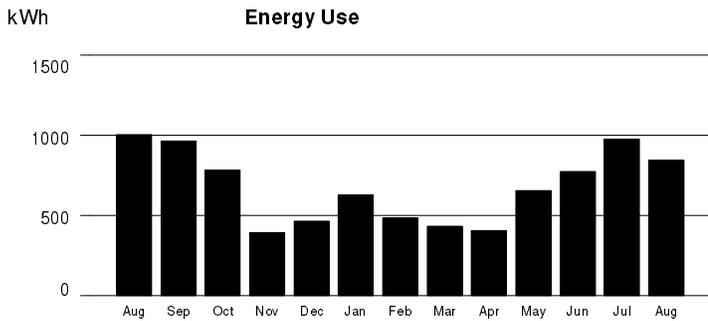


Customer Name \_\_\_\_\_  
 Account Number \_\_\_\_\_

**Miscellaneous**

Date	Description	Amount
05/02/2018	- This is the 4th Arrangement Installment of 12 .....	\$13.34
<b>Total</b>	.....	<b>\$13.34</b>

KCP&L MO Residential Heat - \_\_\_\_\_



**Comparative Usage Information**

Period	kWh	Days	kWh / day	Avg Temp
Current	846	31	27.3	79°
Previous	977	30	32.6	82°
Last Year	1,007	29	34.7	79°

**Billing Details - service from 07/12/2018 to 08/12/2018**

Customer Chg .....	\$12.62
Energy Chg 600.0000 kWh at \$0.13806 per kWh .....	\$82.84
Energy Chg 246.0108 kWh at \$0.13806 per kWh .....	\$33.96
DSIM Chg 07-13-2018-07-31-2018 for 518.5227 kWh at \$0.00665 per kWh .....	\$3.45
DSIM Chg 08-01-2018-08-12-2018 for 327.4881 kWh at \$0.00424 per kWh .....	\$1.39
FAC Chg 07-13-2018-08-12-2018 for 846.0108 kWh at \$0.00495 per kWh .....	\$4.19
<b>Subtotal</b> .....	<b>\$138.45</b>
Kansas City Franchise Fee .....	\$8.84
<b>Current Charges</b> .....	<b>\$147.29</b>
<b>Current Budget Billing Amount</b> .....	<b>\$118.00</b>

**Contact Information Change Form**

Account Number : \_\_\_\_\_

Your current telephone listing on file simplifies outage and emergency reporting.

Change to : ( ) \_\_\_\_\_ - \_\_\_\_\_

Mailing Address changes only. For service address changes call 816-471-5275 or toll-free 1-888-471-5275.

Mailing Address Line 1: \_\_\_\_\_

Mailing Address Line 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

E-mail Address (optional): \_\_\_\_\_

**Schedule ND-s2**

Customer Name \_\_\_\_\_  
 Account Number \_\_\_\_\_

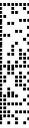
**(Continued)**

Meter	Start Read Date	End Read Date	Days	End Read ( )	Start Read (=)	Read Difference (x)	Meter Multiplier (=)	kWh Used
_____	07/13	08/13	31	27,608.3016	26,762.2908	846.0108	1.0000	846.0108

**Adjustments**

Date	Description	Cancel Reason	Amount
08/13/2018	KCP&L/Westar Merger Bill Credit .....		-\$21.59
<b>Total</b> .....			<b>-\$21.59</b>

Please ensure payment on your payment arrangement posts to your account on or before the bill due date. Otherwise, the arrangement will be cancelled, and the balance of the arrangement will be due immediately.



11



For billing and service information : **816-471-5275** (816-471-KCPL)  
 or toll-free : **1-888-471-5275** (1-888-471-KCPL)  
 For emergencies or lights out : **1-888-544-4852** (1-888-LIGHT-KC)

Customer Name : \_\_\_\_\_  
 Account Number : \_\_\_\_\_

Page 1 of 2  
 Billing Date: 08/13/2018

**MESSAGE BOARD**

KCP&L's Budget Billing option allows you to make consistent monthly bill payments. For more information, visit [www.kcpl.com/budgetbilling](http://www.kcpl.com/budgetbilling).

You live in KCP&L Greater Missouri Operations – GMO service area. Rates and available programs can vary based on your service area. For more information visit [www.kcpl.com/ServiceArea](http://www.kcpl.com/ServiceArea).

If you were an active KCP&L electric utility customer as of Aug. 15, you received a **KCP&L/Westar Merger Bill Credit(s)** on this bill. The credit reflects a portion of savings resulting from our recent merger with Westar Energy. See [kcpl.com/merger](http://kcpl.com/merger) for details.

Effective Sept. 1, the factor for the Fuel Adjustment Clause (FAC) charge on your bill will change. For more info, visit [www.kcpl.com/my-account](http://www.kcpl.com/my-account).

Starting October 1, the price you pay for electric service will be lower than summer usage pricing. Our cost to provide service decreases in winter. We pass this savings to you. Summer prices return on June 1, 2019.

Effective August 1, the factor for the Demand Side Investment Mechanism (DSIM) charge on your bill will change. For more information about this charge, visit [www.kcpl.com/programs](http://www.kcpl.com/programs).

**Account Summary**

*For service from 07/12/2018 to 08/12/2018*

Previously Billed..... \$230.37  
 Utility ..... \$230.37

Current Charges (details on back) ..... \$105.73  
 Utility ..... \$130.12  
 Miscellaneous..... -\$24.39

**Due Upon Receipt..... \$336.10**

Please pay by September 04, 2018 ..... \$336.10

Pay \$337.78 after September 04, 2018

Other Responsible Customers  
 \_\_\_\_\_

Please return this portion with your payment. Thank you.

Customer Name : \_\_\_\_\_  
 Account Number : \_\_\_\_\_  
 Billing Date : **08/13/2018**

Please pay by 09/04/2018 : **\$336.10**  
 Amount due after 09/04/2018 : **\$337.78**

Amount Enclosed : \$ \_\_\_\_\_

**CHECK HERE**  
 to indicate address or phone  
 changes on back of stub

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



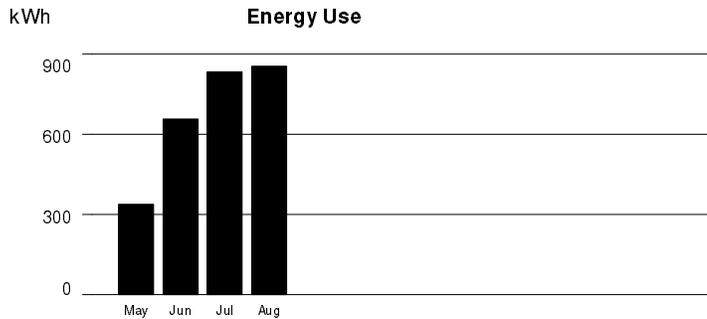
KCP&L  
 PO BOX 219703  
 KANSAS CITY MO 64121-9703



Customer Name : \_\_\_\_\_  
 Account Number : \_\_\_\_\_

GMO Residential Heating - \_\_\_\_\_

**Billing Details - service from 07/12/2018 to 08/12/2018**



Customer Chg .....	\$10.43
Energy Chg 600.0000 kWh at \$0.1205 per kWh .....	\$72.30
Energy Chg 255.1722 kWh at \$0.1205 per kWh .....	\$30.75
DSIM Chg 07-13-2018-08-12-2018 for 855.1722 kWh at \$0.00443 per kWh .....	\$3.79
FAC Chg 07-13-2018-08-12-2018 for 855.1722 kWh at \$0.00126 per kWh .....	\$1.08
RESRAM Chg 07-13-2018-08-12-2018 for 855.1722 kWh at \$0.00085 per kWh .....	\$0.73
<b>Subtotal .....</b>	<b>\$119.08</b>
Peculiar Franchise Fee .....	\$6.27
Cass County Sales Tax @ 1.5% .....	\$1.79
Peculiar City Sales Tax @ 2.5% .....	\$2.98
<b>Current Charges .....</b>	<b>\$130.12</b>

**Comparative Usage Information**

Period	kWh	Days	kWh / day	Avg Temp
Current	855	31	27.6	77°
Previous	834	30	27.8	80°

Meter	Start Read Date	End Read Date	Days	End Read (-)	Start Read (=)	Read Difference (x)	Meter Multiplier (=)	kWh Used
_____	07/13	08/13	31	19,790.6934	18,935.5212	855.1722	1.0000	855.1722

**Adjustments**

Date	Description	Cancel Reason	Amount
08/13/2018	KCP&L/Westar Merger Bill Credit .....		-\$25.54
08/13/2018	Late Payment Charge .....		\$1.15
<b>Total .....</b>			<b>-\$24.39</b>

**Contact Information Change Form**

Account Number : \_\_\_\_\_

Your current telephone listing on file simplifies outage and emergency reporting.

Change to : (      ) \_\_\_\_\_ - \_\_\_\_\_

Mailing Address changes only. For service address changes call 816-471-5275 or toll-free 1-888-471-5275.

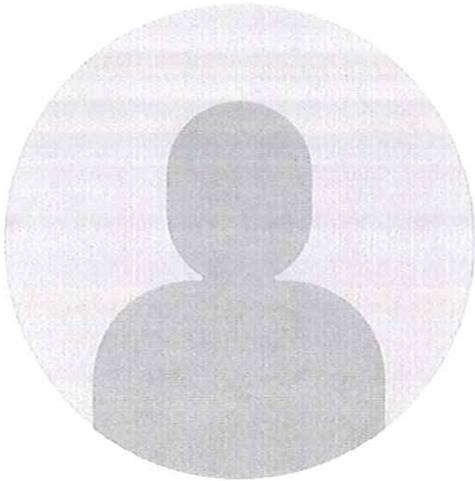
Mailing Address Line 1: \_\_\_\_\_

Mailing Address Line 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

E-mail Address (optional): \_\_\_\_\_

**Schedule ND-s2**



**Autumn Gust started this petition to Chairman daniel y. Hall and 2 others**

We the undersigned residents of the state of Missouri, customers of Kansas City Power and Light (KCPL), present this petition regarding concerns over unfair billing practices and unanswered questions by KCPL. We are petitioning for an audit of KCPL's billing practices, meter calibration and reading practices, consistency in billing between customers, and history of maintenance and upgrades to their existing infrastructure. Further, we petition for rate decreases, and the option for reasonable monthly payment arrangements for delinquent accounts.

First, customer bills are much higher than normal and have been since KCPL merged with Westar Energy. Bills are routinely doubling and tripling over this same time last year, despite similarities in weather.

KCPL is now billing customers every 21 days instead of on a monthly basis. Customers had bills due both August 2, 2018 and August 30, 2018.

Level pay has been discontinued for numerous customers, sometimes with no reason given. For other customers, the level pay amount has been increased by as much as 100% - not feasible for many on fixed incomes, and far beyond the "up to 10%" figure given by KCPL.

For customers who are late with payments, the late fee charged by KCPL is highly variable, from a few cents to several hundred dollars, with no rationale given when requested.

Customers are no longer able to make reasonable payment arrangements for delinquent bills, and instead are required to produce up to half of the amount owed every two weeks. This is an unfair burden on us as citizens of Missouri and customers of KCPL. KCPL is not showing good stewardship of the responsibility for powering communities in the State of Missouri.

**Start a petition of your own**

This petition starter stood up and took action. Will you do the same?

[Start a petition](#)

[Start a petition of your own](#)

[This petition starter stood up and took action. Will you do the same?](#)

**Updates**

1. 10 hours ago  
750 supporters

Schedule ND-s3