

*Exhibit No.:*  
*Issue:* Lake Road Allocations  
*Witness:* Charles T. Poston  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal Testimony  
*Case No.:* ER-2016-0156  
*Date Testimony Prepared:* September 2, 2016

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION  
ENGINEERING ANALYSIS UNIT**

**SURREBUTTAL TESTIMONY**

**OF**

**CHARLES T. POSTON**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. ER-2016-0156**

*Jefferson City, Missouri  
September 2016*

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**OF**

**CHARLES T. POSTON**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. ER-2016-0156**

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**SURREBUTTAL TESTIMONY**

**OF**

**CHARLES T. POSTON**

**KCP&P GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. ER-2016-0156**

Q. Please state your name and business address.

A. My name is Charles T. Poston and my business address is Missouri Public Service Commission, 200 Madison Street, P.O. Box 360, Jefferson City, MO 65102

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

A. I am employed by the Missouri Public Service Commission (“Commission”) as a Utility Regulatory Engineer I.

Q. Are you the same Charles T. Poston who, on July 15, 2016, filed direct testimony as a part of Staff’s Revenue Requirement Cost of Service Report and filed Rebuttal Testimony on August 15, 2016?

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony filed by KCP&P Greater Missouri Operations Company (“GMO”) regarding the Lake Road electric/steam allocation factors and to provide the allocation factors calculated by Staff that take into account the proposed consolidation of the MPS and L&P rate districts.

**Rebuttal Testimony of Mr. Rush**

Q. What justification for the proposed changes to the Lake Road electric/steam allocation factors were provided in the rebuttal testimony of GMO witness Tim M. Rush?

1           A.     The rebuttal testimony of GMO witness Tim M. Rush states that:

2                               The Company has performed a detailed analysis and has  
3                               recommended a change in allocation methodologies based  
4                               on its analysis as presented in my direct testimony.  
5                               Numerous meetings were held with the employees at the  
6                               Lake Road plant and others who understand the operation  
7                               of both the steam and electric operations and who helped in  
8                               developing the proposed allocation method. The Company  
9                               believes that a thorough evaluation has been made and that  
10                              it is appropriate to implement the revised allocations in this  
11                              case.

12           Q.     Did GMO provide Staff with a copy of the detailed analysis that was  
13 performed or any of the work papers that would have supported the detailed analysis  
14 along with their direct or rebuttal testimony concerning the Lake Road electric/steam  
15 allocation factors?

16           A.     No. However, on August 17, 2016, Staff sent a data request to GMO asking  
17 for a copy of the detailed analysis and all of GMO's documentation of the thorough  
18 evaluation including all supporting reports, data, and work papers. As of the filing date of this  
19 surrebuttal testimony, GMO has not yet provided the information that was requested.

20     **Staff's Proposed Allocation Factors**

21           Q.     Has Staff made any changes to their proposed Lake Road electric/steam  
22 allocation factors since the time that direct testimony was filed?

23           A.     Yes. Staff has calculated a set of a Lake Road electric/steam allocation factors  
24 that account for the consolidation of the MPS and L&P rate districts. Staff's proposed factors  
25 are included in the first table given below. Staff also calculated updated allocations factors to  
26 be used, if needed, for the individual rate districts. The L&P allocations are based on Demand  
27 and Utilization Factors from Case No. ER-2012-0175. MPS Allocations are based on Staff's  
28 allocation included in Staff's Accounting Schedules for MPS in Case No. ER-2016-0156.

**Allocation Factors for Combined Rate Districts**

**KCP&L Greater Missouri Operations (GMO)- Combined  
Allocation Factors**

<b><u>Electric/Steam Allocation Factors</u></b>		<b>Electric</b>	<b>Steam</b>	
1,1	Jurisdictional-100% Electric	100.000 %	0.000 %	100.000 %
1,3	100% Jurisdictional/Allocated Plant Base	98.887 %	1.113 %	100.000 %
1,13	100% Jurisdictional/O&M	92.846 %	7.154 %	100.000 %
2,2	Non-Juris/Steam	0.000 %	100.000 %	100.000 %
3,1	Demand/Electric	99.540 %	0.460 %	100.000 %
3,4	Demand/Land	75.730 %	24.270 %	100.000 %
3,5	Demand/Structures	75.730 %	24.270 %	100.000 %
3,6	Demand/Boiler Plant	65.515 %	34.485 %	100.000 %
3,7	Demand/Turbogenerators	99.255 %	0.745 %	100.000 %
3,8	Demand/Access Elec Eqpt	75.730 %	24.270 %	100.000 %
3,9	Demand/Misc Steam Gen Eqpt	47.381 %	52.619 %	100.000 %
3,10	Demand/Electric/Steam Plant	75.730 %	24.270 %	100.000 %
3,13	Demand/O&M	92.419 %	7.581 %	100.000 %
4,1	Energy/Electric	99.500 %	0.500 %	100.000 %
5,1	Distribution/Electric	99.667 %	0.333 %	100.000 %
6,1	Payroll/Electric	99.591 %	0.409 %	100.000 %
6,14	Payroll/A&G	98.911 %	1.089 %	100.000 %
7,1	Plant/Electric	99.591 %	0.409 %	100.000 %
7,3	Plant/Alloc Plant	98.483 %	1.517 %	100.000 %
7,14	Plant/A&G	98.911 %	1.089 %	100.000 %
8,1	Transmission/Electric	99.540 %	0.460 %	100.000 %

**Allocation Factors for Individual Rate Districts**

**KCP&L Greater Missouri Operations (MPS)  
Allocation Factors**

<b><u>Electric/Steam Allocation Factors</u></b>		<b>Electric</b>	<b>Steam</b>	
1	Jurisdictional-100%	100.000 %	0.000 %	100.000 %
2	Non-jurisdictional-100%	0.000 %	100.000 %	100.000 %
3	Demand (Capacity) Factor	99.540 %	0.460 %	100.000 %
4	Energy Factor	99.500 %	0.500 %	100.000 %
5	Distribution Factor	99.667 %	0.333 %	100.000 %
6	Payroll Factor	99.591 %	0.409 %	100.000 %
7	Plant Factor	99.591 %	0.409 %	100.000 %
8	Transmission Factor	99.540 %	0.460 %	100.000 %

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**KCP&L Greater Missouri Operations (L&P)  
Allocation Factors**

<b>Electric/Steam Allocation Factors</b>		<b>Electric</b>	<b>Steam</b>	
1	Electric - 100%	100.000 %	0.000 %	100.000 %
2	Steam - 100%	0.000 %	100.000 %	100.000 %
4	Land Factor	76.080 %	23.920 %	100.000 %
5	Structures Factor	76.080 %	23.920 %	100.000 %
6	Boiler Plant Factor	65.818 %	34.182 %	100.000 %
7	Turbogenerators Factor	99.714 %	0.286 %	100.000 %
8	Access Elec Eqpt Factor	76.080 %	23.920 %	100.000 %
9	Misc Steam Gen Eqpt Factor	47.600 %	52.400 %	100.000 %
10	Electric/Steam Plant Factor	76.080 %	23.920 %	100.000 %

**Income Statement Allocation Factors (Elec/Steam)**

13	Electric After Steam Alloc (O&M)	92.846 %	7.154 %	100.000 %
14	Electric After Steam Alloc (A&G)	99.317 %	0.683 %	100.000 %

**Factors Used to Calculate Other Factors**

3	Allocated Plant Base Factor	98.887 %	1.113 %	100.000 %
11	900 lb Steam Demand Factor	47.600 %	52.400 %	100.000 %
12	Total Coal Burned Factor	75.400 %	24.600 %	100.000 %

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Q. Does this conclude your surrebuttal testimony?

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A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of KCP&L Greater Missouri )  
Operations Company's Request for Authority ) Case No. ER-2016-0156  
to Implement A General Rate Increase for )  
Electric Service )

**AFFIDAVIT OF CHARLES T. POSTON, PE**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

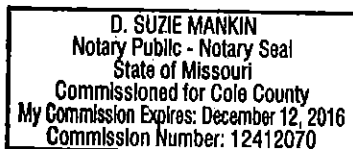
**COMES NOW CHARLES T. POSTON, PE** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Surrebuttal Testimony and that the same is true and correct according to his best knowledge and belief.

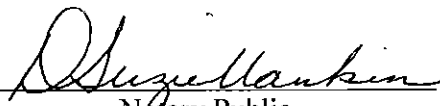
Further the Affiant sayeth not.

  
\_\_\_\_\_  
CHARLES T. POSTON, PE

**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 2nd day of September, 2016.



  
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Notary Public