

Exhibit No.:
Issue(s): Revenue Adjustment
Witness: Michael L. Stahlman
Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Direct
Testimony
Case No.: ER-2016-0285
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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF AND RATE DESIGN UNIT

TRUE-UP DIRECT TESTIMONY

OF

MICHAEL L. STAHLMAN

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2016-0285

Jefferson City, Missouri
March 2017

1 **Q. Do other witnesses for Staff discuss the energy efficiency adjustment for**
2 **Kansas City Power & Light Company’s (“KCPL”) MEEIA Cycle 2 kWh savings?**

3 A. Yes. Staff witness Dr. Seoung Joun Won discusses paragraph II.10.a. of the
4 Cycle 2 Stipulation and Ms. Sarah Kliethermes discusses paragraph II.10.c. of the Cycle 2
5 Stipulation. This testimony discusses paragraph II.10.b. of the Cycle 2 Stipulation.

6 **Q. What adjustment did Staff make for MEEIA cycle 2 kWh savings?**

7 A. Staff made a true-up energy efficiency adjustment consistent with the method
8 in KCPL’s Tariff Sheets 49K and 49L which was prescribed by paragraph II.10.b. of Cycle 2
9 Stipulation.

10 **Q. How was this adjustment made for true-up revenue?**

11 A. Staff used the information from Staff Witness Dr. Won to subtract annualized
12 MEEIA kWh energy savings from the weather normalized kWh usage. The process to adjust
13 the actual billing determinates is identical to the weather normalization process described on
14 pages 66 and 67 of the COS Report. This process uses the relationship between percentage of
15 usage priced in the first rate block and the second rate block to distribute normalized and
16 annualized monthly kWh to the rate blocks for the Residential (RES), Small General Service
17 (SGS), Medium General Service (MGS), and Large General Service (LGS) classes. For the
18 Large Power (LP) class, Staff subtracted the annualized MEEIA kWh energy savings from the
19 kWh that was weather normalized and annualized in order to calculate the adjusted revenue.

20 **Q. Where can this adjustment be found?**

21 A. It was performed in the “WN Factor & MEEIA” and various class tabs of the
22 “Revenue2” workpaper, and in the LPS Adjustment – True Up workpaper for the LP class.

1 Q. Have you compared the normalized and annualized kWh through the true-up
2 period in the last rate case ER-2014-0370 to the normalized and annualized kWh in this rate
3 case?

4 A. Yes, the ending kWh in Staff witness Robin Kliethermes' true-up direct
5 workpaper for Case No. ER-2014-0370 included approximately 53.5 more kWh than my
6 calculation for true-up kWh, prior to Staff's MEEIA Cycle 2 adjustment.

7 Q. Was this difference uniform across classes?

8 A. No. Provided below is my calculation of class kWh, prior to the MEEIA Cycle
9 2 adjustment, and the change in kWh from Staff's true-up direct kWh by class in Case No.
10 ER-2014-0370:

Class	True-up Pre Cycle 2	Change from ER-2014-0370 True-up Direct
Residential	2,582,959,915	(49,646,318)
Small GS	423,987,280	6,401,414
Medium GS	1,184,492,097	70,749,620
Large GS	2,211,659,380	14,548,879
Large Power	2,017,698,353	(94,685,901)
Lighting	85,125,176	(861,375)

11
12 These results show that kWh for the RES class decreased by approximately 50 million kWh
13 while kWh actually increased for all other rate classes except LP. Much, if not all, of the
14 change in kWh was due to customers leaving the LP class and moving to the LGS and MGS
15 classes.

16 Q. What are Staff's ending true-up kWh per class for this case, after application of
17 the MEEIA Cycle 2 adjustment?

1 A. The MEEIA Cycle 2 Adjustment, and ending kWh per class, are provided in
2 the table below.

Class	Cycle 2 Adjustment	True-Up Post-MEEIA Cycle 2 Adjustment
Residential	(12,250,320)	2,570,709,595
Small GS	(3,757,780)	420,229,500
Medium GS	(4,548,724)	1,179,943,373
Large GS	(9,311,093)	2,202,348,287
Large Power	(26,500)	2,017,671,853
Lighting	-	85,125,176

3

4 **Q. Does that conclude your testimony?**

5 A. Yes, it does.

