

Exhibit No.:
Issue(s): *Fuel Adjustment Clause*
Witness: *David C. Roos*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *ER-2016-0285*
Date Testimony Prepared: *January 27, 2017*

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL TESTIMONY

OF

DAVID C. ROOS

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2016-0285

Jefferson City, Missouri
January 2017

1
2
3
4
5
6
7
8
9

**TABLE OF CONTENTS OF
SURREBUTTAL TESTIMONY
OF
DAVID C. ROOS
KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2016-0285**

STAFF’S RECOMMENDATIONS REGARDING KCPL’S EXISTING FAC 2
FUEL AND CROSS-HEDGING IN THE FAC 2

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **DAVID C ROOS**

4 **KANSAS CITY POWER & LIGHT COMPANY**

5 **CASE NO. ER-2016-0285**

6 Q. Please state your name and business address?

7 A. My name is David C. Roos and my business address is Missouri Public Service
8 Commission (“Commission”), P.O. Box 360, Jefferson City, MO 65102.

9 Q. What is your position at the Commission?

10 A. I am a Regulatory Economist III in the Commission Staff Division,
11 Energy Resources Department.

12 Q. Are you the same David C. Roos that contributed to Staff’s Cost of Service
13 Report (“COS Report”), filed on November 30, 2016, Staff’s Rate Design and Class Cost of
14 Service Report (“CCOS Report”), filed on December 14, 2016, and Rebuttal Testimony, filed
15 on December 30, 2016?

16 A. Yes, I am.

17 Q. What is the purpose of your surrebuttal testimony?

18 A. The purpose of my surrebuttal testimony is to address; 1) Office of the Public
19 Council witness Lena M. Mantle’s rebuttal testimony in which she expresses concern that
20 Staff’s report does not specifically state if it is requesting the Commission to modify
21 Kansas City Power & Light’s (“KCPL”) current Fuel Adjustment Clause (FAC) or the FAC
22 proposed in this case; and, 2) KCPL witness Mr. Tim M. Rush’s FAC rebuttal testimony in

1 which he discusses the unwinding of KCPL's natural gas fuel and natural gas to cross-hedge
2 purchased power hedging activities.

3 **STAFF'S RECOMMENDATIONS REGARDING KCPL'S EXISTING FAC**

4 Q. Starting on page 20, lines 1 through 3, Ms. Mantle expresses her concern that
5 Staff does not specifically identify whether Staff is requesting the Commission to modify
6 KCPL's current FAC or the FAC KCPL proposed in this case. Can you clarify?

7 A. Yes. In the *Staff Report Revenue Requirement Cost of Service*, Staff is
8 requesting modification to KCPL's **current** FAC.

9 **FUEL AND CROSS-HEDGING IN THE FAC**

10 Q. On page 20, lines 3 – 10, of his rebuttal testimony, Mr. Rush discusses
11 alternative approaches for FAC tariff sheet language to provide for the reinstatement of natural
12 gas fuel hedging in the future should such an action be warranted due to changes in the energy
13 market. Mr. Rush then expresses KCPL's willingness to agree with Staff's recommendation
14 to mimic the outcome of Case No. ER-2016-0156 where after notifying the parties, KCPL can
15 begin a new hedging program and defer the costs in a regulatory asset (or liability) until its
16 next rate case. Is this consistent with Staff's recommendation?

17 A. Yes.

18 Q. Does this conclude your surrebuttal testimony?

19 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light)
Company's Request for Authority to)
Implement A General Rate Increase for)
Electric Service)

Case No. ER-2016-0285

AFFIDAVIT OF DAVID C. ROOS

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW DAVID C. ROOS 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.

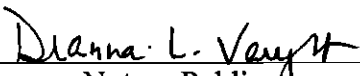


DAVID C. ROOS

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 24th day of January, 2017.

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



Notary Public