

Exhibit No.:
Issue: Fuel Adjustment Clause
Witness: Lisa A. Starkebaum
Type of Exhibit: Supplemental Direct
Testimony
Sponsoring Party: KCP&L Greater Missouri
Operations Company
Case No.: ER-2017-0188
Date Testimony Prepared: January 19, 2017

MISSOURI PUBLIC SERVICE COMMISSION

SUPPLEMENTAL DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

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Case No. ER-2017-0188

1 **Q: Please state your name and business address.**

2 A: My name is Lisa A. Starkebaum. My business address is 1200 Main, Kansas
3 City, Missouri 64105.

4 **Q: Are you the same Lisa A. Starkebaum that provided Direct Testimony on**
5 **behalf of KCP&L Greater Missouri Operations Company (“GMO”) in this**
6 **case?**

7 A: Yes, I am.

8 **Q: What is the purpose of your Supplemental Direct Testimony?**

9 A: My Supplemental Direct Testimony is being filed to explain the FAC
10 computation and address Staff’s concerns relating to GMO’s semi-annual FAC
11 rate adjustment application that was filed on December 30, 2016.

12 **Q: What specific concerns were raised by Staff?**

13 A: Staff raised two main concerns which are as follows: 1) The Direct Testimony as
14 well as the proposed 14th Revised Sheet No. 127 cancelling the 13th Revised Sheet
15 No. 127, attached as Schedule LAS-1, lacked detail regarding the calculation of
16 the Fuel Adjustment Rates (“FARs”) as was done previously for the 18th
17 Accumulation Period for the 12th Revised Sheet No. 127; and 2) there is no 13th
18 Revised Sheet No. 127 in effect at this time.

1 **Q: Please explain Staff's first concern.**

2 A: In GMO's most recent general rate case, Case No. ER-2016-0156, the
3 Commission ordered the consolidation of the MPS and L&P rate districts as
4 detailed in the Non-Unanimous Stipulation and Agreement dated September 20,
5 2016 in that case. In addition, the consolidation of the FAC as a result of the
6 consolidation of the MPS and L&P rate districts, was to be established with the
7 effective date of rates in that case, or December 22, 2016. In order to incorporate
8 this consolidation into GMO's semi-annual FAC true-up required to be filed by
9 January 1, the Company started with the 13th Revised Sheet No. 127 cancelling
10 the 12th Revised Sheet No. 127 compliance tariffs as approved by the Commission
11 on November 30, 2016. The Company agrees with Staff, that this version does
12 not provide the level of detail that the previous FAC tariff sheets have provided in
13 the past.

14 **Q: How has the Company addressed Staff's request for more FAC computation
15 detail ?**

16 A: The Company modified the proposed 14th Revised Sheet No. 127 from the version
17 filed on December 30, 2016 to show the detailed components of the FAR for
18 MPS, L&P and GMO consolidated. This is illustrated in Schedule LAS-2
19 attached to my Supplemental Direct Testimony.

20 **Q: Did the FAC rate change as a result of this modification?**

21 A: No. The only change made was to the format of the tariff sheet in order to
22 provide increased detail for all the components used in the calculation of the FAR.

23 **Q: Please explain Staff's second concern.**

1 A: At the present time, there is no 13th Revised Sheet No. 127 in effect. This issue is
2 a result of the Company's request filed on December 21, 2016 requesting a delay
3 in the effective date of new rates in Case No. ER-2016-0156 to February 22,
4 2017. This extension was necessary due to a bill presentation issue that was
5 found during implementation and testing, which prevented the Company from
6 generating bills that reflect the new rates and rate structures and consequently,
7 could not be corrected by the initial planned implementation date of December
8 22, 2016. As a result, tariff sheet No. 13th Revised Sheet No. 127 will not become
9 effective until February 22, 2017. While the Commission has approved the tariff
10 to become effective February 22nd, the tariff is not yet effective. As a result, the
11 14th revised Sheet No. 127, will go into effect March 1, 2017, essentially seven
12 days following the February 22, 2017, effective date of the new rates from Case
13 No. ER-2016-0156.

14 **Q: What assurance does the Company have that the new rates will go into effect**
15 **by February 22, 2017?**

16 A: The Company has continued to work diligently to correct this problem following
17 its discovery and expects the consolidation to be effective as planned on February
18 22, 2017. As such, the 13th Revised Sheet No. 127 cancelling the 12th Revised
19 Sheet No. 127 compliance tariff will be effective before it is replaced with the
20 proposed 14th Revised Sheet No. 127 cancelling the 13th Revised Sheet No. 127 in
21 this filing.

22 **Q: What happens if the consolidation is delayed again?**

1 A: In the event that the consolidation of MPS and L&P rates is delayed past February
2 22, 2017, the Company would continue to bill customers at the individual rate
3 district level as shown on Schedule LAS-2. In addition, the Company would
4 revise the tariff as shown on Schedule LAS-2, to reflect the 13th Revised Sheet
5 No. 127 cancelling the 12th Revised Sheet No. 127 and submit a substitute tariff
6 requesting expedited treatment.

7 **Q: What action is GMO requesting from the Commission with respect to the**
8 **rate schedules that the Company has filed in this case?**

9 A: The Company requests the Commission approve the rate schedule to be effective
10 as of March 1, 2017.

11 **Q: Does this conclude your testimony?**

12 A: Yes, it does.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 14th Revised Sheet No. 127

Canceling P.S.C. MO. No. 1 13th Revised Sheet No. 127

For Missouri Retail Service Area

FUEL ADJUSTMENT CLAUSE – Rider FAC
 FUEL AND PURCHASED POWER ADJUSTMENT CLAUSE
 (Applicable to Service Provided March 2017 and Thereafter)

Accumulation Period Ending:		November 2016		
		MPS	L&P	GMO
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)	\$82,071,134	\$22,379,677	\$104,450,811
2	Net Base Energy Cost (B)	-	23,391,517	\$101,945,203
	2.1 Base Factor (BF)	.02278	.02076	
	2.2 Accumulation Period NSI (S _{AP})	3,448,362,000	1,126,759,000	4,575,121,000
3	(ANEC-B)	\$3,517,448	(\$1,011,841)	\$2,505,608
4	Jurisdictional Factor (J)	x	99.524%	100.00%
5	(ANEC-B)*J	\$3,500,696	(\$1,011,841)	\$2,505,608
6	Customer Responsibility	x	95%	95%
7	95% *((ANEC-B)*J)	\$3,325,661	(\$961,248)	\$2,364,413
8	True-Up Amount (T)	+	(\$146,087)	(\$334,554)
9	Interest (I)	+	(\$91,091)	(\$137,011)
10	Prudence Adjustment Amount (P)	+	\$0	\$0
11	Fuel and Purchased Power Adjustment (FPA)	=	\$3,088,483	(\$1,195,635)
12	Estimated Recovery Period Retail NSI (S _{RP})	÷	6,511,884,717	2,226,700,297
13	Current Period Fuel Adjustment Rate (FAR)	=	\$0.00047	(\$0.00054)
14				
15	Current Period FAR _{Prim} = FAR x VAF _{Prim}		\$0.00049	(\$0.00056)
16	Prior Period FAR _{Prim}	+	(\$0.00203)	(\$0.00198)
17	Current Annual FAR _{Prim}	=	(\$0.00154)	(\$0.00254)
18				
19	Current Period FAR _{Sec} = FAR x VAF _{Sec}		\$0.00050	(\$0.00058)
20	Prior Period FAR _{Sec}	+	(\$0.00209)	(\$0.00203)
21	Current Annual FAR _{Sec}	=	(\$0.00159)	(\$0.00261)
	MPS VAF _{Prim} = 1.0419			
	MPS VAF _{Sec} = 1.0712			
	L&P VAF _{Prim} = 1.0421			
	L&P VAF _{Sec} = 1.0701			

*The consolidation of the MPS and L&P rate districts was established as ordered by the Commission in Rate Case No. ER-2016-0156, effective February 22, 2017. This consolidation was done using a weighted average of the Estimated Recovery Period Retail NSI (S_{RP}).