

**FILED**

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*Exhibit No.:* 106

*Issue:* Loss Study

*Witness:* Alan J. Bax

*Sponsoring Party:* MoPSC Staff

*Type of Exhibit:* Rebuttal Testimony

*Case No.:* ER-2016-0156

*Date Testimony Prepared:* August 15, 2016

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**OPERATIONAL ANALYSIS  
ENGINEERING ANALYSIS UNIT**

**REBUTTAL TESTIMONY**

**OF**

**ALAN J. BAX**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

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

*Jefferson City, Missouri  
August 2016*

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**REBUTTAL TESTIMONY**

**OF**

**ALAN J. BAX**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

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

Q. Please state you name and business address.

A. My name is Alan J. Bax and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102.

Q. What is your position at the Commission?

A. I am a Utility Engineering Specialist III in the Engineering Analysis Unit, Operational Analysis Department, Commission Staff Division.

Q. Are you the same Alan J. Bax that contributed to Staff's Revenue Requirement Cost of Service Report ("COS Report") filed on July 15, 2016?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony responds to a recommendation made in the direct testimony of KCP&L Greater Missouri Operations Company ("GMO") witness Tim M. Rush.

On Page 4, lines 6-10, Mr. Rush states,

4 CSR 240-20.090 (9) requires a line loss study be conducted no less than every four years to be used in the general rate proceeding necessary to continue to utilize a RAM<sup>1</sup>. See Schedules TMR-7 through TMR-8 for excerpts from the study containing the energy loss factors used in the tariffs. The entire loss study will be included as workpaper support of this testimony.

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<sup>1</sup> RAM is an abbreviation for "Rate Adjustment Mechanism".

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1 While this loss study (R075-14-Revision 1), dated October 29, 2014, does meet this necessary  
2 requirement in requesting a continuance of its Fuel Adjustment Clauses ("FAC") of the  
3 separate GMO rate districts (MPS and L&P), as referenced by Mr. Rush in his proposed Fuel  
4 Adjustment Clause ("FAC") tariff sheets attached to his direct testimony, Staff has concerns  
5 regarding the results included in this loss study. Consequently, Staff has continued to utilize  
6 the results of the previous loss study (R145-09 Revision 1), dated October 8, 2009, in its  
7 evaluation of GMO's request to continue its FAC.

8 Q. What are Schedules TMR-7 and TMR-8?

9 A. Schedule TMR-7 consists of the loss results reported in the loss study for  
10 GMO's individual rate districts, MPS and L&P. These analyses of the individual rate districts  
11 were included as an appendix within the loss study when this loss study was initially provided  
12 to Staff in October 2014. Schedule TMR-8, described as an analysis of the individual rate  
13 districts combined (GMO), was not included in this loss study when initially provided. GMO  
14 approached their consultant at some point in calendar year 2015, exploring if such a document  
15 could be created from the existing data contained in the study. This document is believed to  
16 be completed near the filing date of this rate case.

17 Q. Why does Staff have concerns regarding the results of the loss study (R-075-14  
18 Revision 1) referenced by Mr. Rush?

19 A. Staff questions an approximate 15% change in the loss factors reported in the  
20 2014 loss study for the MPS and L&P rate districts, illustrated in Schedule TMR-7, when  
21 compared to the results contained for the individual rate districts in the 2009 loss study.  
22 Furthermore, the reported loss factors for the MPS and L&P rate districts in the latest study  
23 differ by nearly 2%. Historically, the loss factors for MPS and L&P rate districts have not

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1 varied greatly. The loss factors for the MPS and L&P rate districts reported in the 2009 loss  
2 study differed by 0.11%.

3 Q. Did the loss study completed in 2009 include an analysis of combining the  
4 individual rate districts?

5 A. No. Staff calculated a weighted average of the loss factors reported for  
6 the individual MPS and L&P rate districts in determining a combined district loss factor  
7 for GMO.

8 Q. Has Staff requested information regarding the results of the 2014 loss study?

9 A. Following conversations with the Company, Staff filed multiple sets of data  
10 requests in an effort to gain an explanation for the unusual loss factor results. In its initial  
11 Response to Staff Data Request No. 0280, GMO states:

12 There were a number of distribution transformers that were assigned to  
13 one GMO company in the 2009 study that were ascribed to the other  
14 GMO company in the 2014 study. The re-assignment of these elements  
15 was done at the request of KCPL distribution personnel once the  
16 preliminary results were submitted. Most likely, this change impacted  
17 the loss factors.

18 Staff requested additional information regarding GMO's response to Staff Data Request  
19 No. 0280. Neither the updated Company Response to Staff Data Request No. 0280 or the  
20 Company Response to Staff Data Request No. 0362 included the requested "preliminary  
21 results" stated above, nor have they included a detailed list of equipment that was reported to  
22 have been reassigned between 2009 and 2014 that is said to have impacted the loss factors  
23 reported in the 2014 loss study for the individual rate districts.

24 Q. Does Staff recommend continuing to use the results of the 2009 loss study  
25 until a new loss study is filed?

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1           A.     Yes, unless a more thorough explanation is provided in support of the results  
2 of the 2014 study. Currently, Staff has not received this requested information.

3           Q.     Does this conclude your rebuttal testimony?

4           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 ALAN J. BAX**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

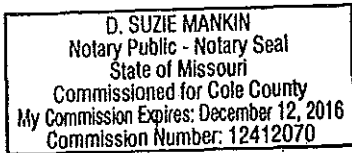
COMES NOW ALAN J. BAX and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Rebuttal Testimony and that the same is true and correct according to his best knowledge and belief.

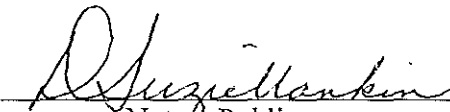
Further the Affiant sayeth not.

  
\_\_\_\_\_  
ALAN J. BAX

**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 12<sup>th</sup> day of August, 2016.



  
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Notary Public