Exhibit No.: 12 NP

Issue: Crossroads Witness: John R. Carlson

Type of Exhibit: Surrebuttal Testimony

Sponsoring Party: KCP&L Greater Missouri Operations Company

Case No.: ER-2016-0156

Date Testimony Prepared: September 2, 2016

FILED

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2016-0156

Missouri Public Service Commission

SURREBUTTAL TESTIMONY

OF

JOHN R. CARLSON

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

Kansas City, Missouri September 2016

**" Designates "Highly Confidential" Information. All Such Information Should Be Treated Confidentially Pursuant To 4 CSR 240-2.135.

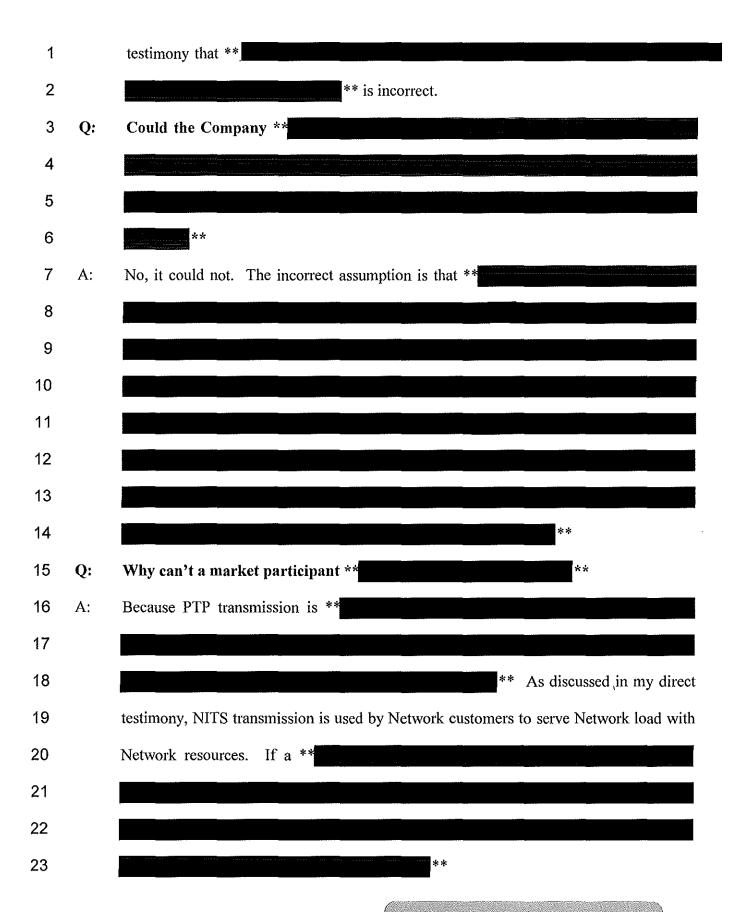
SURREBUTTAL TESTIMONY

OF

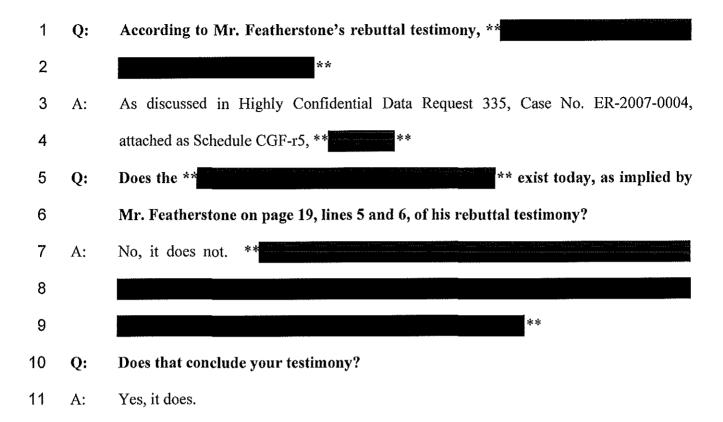
JOHN R. CARLSON

Case No. ER-2016-0156

1	Q:	Are you the same John R. Carlson who pre-filed direct testimony in this matter on
2		behalf of KCP&L Greater Missouri Operations Company ("GMO" or the
3		"Company")?
4	A:	Yes.
5	Q:	What is the purpose of your surrebuttal testimony?
6	A:	I will respond to the rebuttal testimony of Mr. Cary Featherstone submitted in this
7		proceeding on behalf of the Staff of the Missouri Public Service Commission ("Staff") as
8		it relates to Crossroads.
9		I. <u>CROSSROADS</u>
10	Q:	Do you agree with Mr. Featherstone's discussion and analysis of the Company's
11		review of Crossroads options, as discussed on pages 16 through 19 of his rebuttal
12		testimony?
13	A:	Mr. Featherstone correctly summarized the process the Company undertook to identify
14		and evaluate multiple options to maximize the value of Crossroads and the related
15		Midcontinent Independent System Operator ("MISO") transmission. However, Mr.
16		Featherstone has oversimplified the analysis of the option to **
17		
18		** was valid as of
19		the date of the referenced study, but his statement on page 17, lines 10-11 of his rebuttal



1	Q:	Couldn't the Company sell the MISO PTP transmission service currently used for
2		Crossroads?
3	A:	No. The transmission has to remain in place so long as Crossroads is used to serve the
4		Company's capacity requirements.
5	Q:	Could the Company sell the MISO PTP transmission service **
6		
7		**
8	A:	If there was a viable market for this transmission then yes, the Company could sell it.
9		However, that market does not exist. Prior to Entergy joining MISO the Company would
10		sell the transmission to other entities on a short-term basis in the non-summer months
11		(Crossroads was needed to meet SPP's capacity requirements during the summer months
12		of June through September). Those entities would then redirect the transmission, almost
13		exclusively to Southern Company, and sell energy there.
14		Since Entergy joined MISO there has been no interest in the Company's MISO
15		PTP transmission. If a market participant wanted energy at Southern Company they
16		would simply buy energy at the MISO interface from the MISO market. Transmission is
17		no longer needed to move energy across the footprint as it was when Entergy was
18		standalone. From a long-term perspective, third parties have never shown interest in
19		purchasing the Company's MISO PTP transmission.
20	Q:	So even if the **
21		
22		**
23	A:	That is correct.



BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri Operations) Company's Request for Authority to Implement) Case No. ER-2016-0156 A General Rate Increase for Electric Service)				
AFFIDAVIT OF JOHN R. CARLSON				
STATE OF MISSOURI) ss				
COUNTY OF JACKSON)				
John R. Carlson, being first duly sworn on his oath, states:				
1. My name is John R. Carlson. I work in Kansas City, Missouri, and I am				
employed by Kansas City Power & Light Company as an Originator.				
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal				
Testimony on behalf of KCP&L Greater Missouri Operations Company consisting of				
() pages, having been prepared in written form for introduction into evidence in the above-				
captioned docket.				
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that				
my answers contained in the attached testimony to the questions therein propounded, including				
any attachments thereto, are true and accurate to the best of my knowledge, information and				
belief. John R. Carlson				
Subscribed and sworn before me this 2 rd day of September, 2016.				
Notary Public				
My commission expires: Tub. 2019 Nicole A. Wehry Notary Public - Notary Seal State of Missouri Commissioned for Jackson County My Commission Expires: February 04, 2019 Commission Number: 14391200				