

Exhibit No.:
Issue: Clean Charge Network
Witness: Byron M. Murray
Sponsoring Party: MoPSC Staff
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ER-2018-0146
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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF/RATE DESIGN

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Data Center
Missouri Public
Service Commission

SURREBUTTAL TESTIMONY

OF

BYRON M. MURRAY

**KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2018-0145**

AND

**KCP&L GREATER MISSOURI OPERATIONS COMPANY
CASE NO. ER-2018-0146**

Jefferson City, Missouri
September, 2018

Staff Exhibit No. 246
Date 9-25-18 Reporter AM
File No. ER-2018-0145 ✓
0146

1 A. The Commission should:

2 1. If the Commission determines it is appropriate to hold ratepayers harmless²
3 for the investment in the CCN made by KCPL and GMO, then KCPL's and GMO's operation
4 of its EV charging stations will continue to be booked "below the line" until such time as
5 additional data is received for CCN usage and revenue, to be reviewed in the next rate case.

6 2. If the Commission determines that the entire CCN costs and expenses should be
7 recoverable, Staff recommends that the CCN costs and expenses be allocated to and recovered
8 by a newly developed CCN class.

9 Q. If the Commission determines that the CCN costs and expenses should be
10 recovered in base rates, why is it reasonable to allocate the costs of the CCN to a newly
11 developed CCN class?

12 A. In order to determine an appropriate rate for the EV charging stations, it is
13 necessary to review the investment and expenses related to the EV charging stations as well as
14 the revenue being received by the currently installed charging stations.

15 Q. What is the level of revenue currently being received by KCPL and GMO specific
16 to EV charging stations?

17 A. Currently, each Level 2 charging station in the CCN is served on the Companies'
18 SGS non-demand rate and Level 3 charging stations are served on the Companies' SGS
19 demand rate.³ The revenue collected from each EV station owner is used to offset the
20 Companies' cost to serve each station that is currently included in base rates. As of January 1,
21 2018⁴ the Company is charging EV car owners a flat \$0.20 per kWh at a Level 2 charging
22 station or \$0.25 per kWh at a Level 3 station. The revenue from EV car owners paying to

² As approved in Case No. ER- 2016-0285

³ As approved in Case No. ER- 2016-0285

⁴ Prior to January 1, 2018 charging was free to end users. Host sites paid for charging.

1 charge their vehicles is used to offset the Companies' investment in the electric vehicle
2 charging stations.

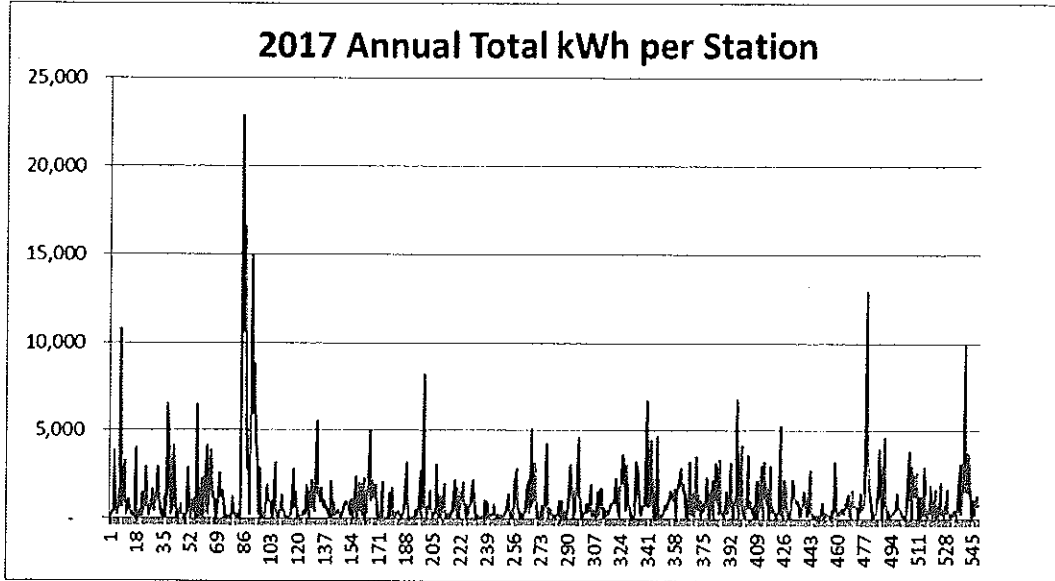
3 Based on the usage per station provided by KCPL and GMO in Staff Data Request
4 266 for the twelve months ending December 2017, Staff estimates that GMO and KCPL
5 would have collected approximately \$250,000 from the EV charging stations, based on
6 GMO's SGS non-demand tariff rate.⁵ If you priced 2017 sales at the rates charged to EV car
7 owners after January 1, 2018, KCPL and GMO would have received an additional \$135,000
8 from charging EV car owners to charge at the stations. Since the EV charging stations are
9 currently not regulated, the \$135,000 KCPL and GMO received by charging EV car owners to
10 charge at the stations is not included in rate revenue.

11 Q. Is this level of revenue sufficient to recover KCPL's and GMO's investment and
12 operation of EV charging stations?

13 A. At this time, of the 549⁶ KCPL and GMO stations identified in Staff Data Request
14 No. 266, Staff found that 119 stations had usage of less than 100 kWh per year. Below is a
15 table that shows the annual usage per EV station provided by KCPL and GMO. Staff witness
16 Robin Kliethermes discusses in more detail the development of EV charging rates.

⁵ In the data request, KCPL and GMO do not clearly distinguish whether or not the station is owned by KCPL or GMO and whether or not the host site pays for the EV station usage; therefore, it is difficult to apply the correct SGS rate. Staff used GMO's SGS non-demand rate to determine an estimate of revenue that would have been received had KCPL and GMO charged all EV stations on the SGS rate class. KCPL's SGS rate would collect slightly more revenue.

⁶ Several stations had multiple ports.



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Q. What is KCPL proposing in this case?

A. The Company's proposed CCN tariff would charge each person who charges their vehicle at a Level 2 station a flat \$0.20 per kWh or \$0.25 per kWh at a Level 3 station, an optional session overstay charge may also be applied depending on the tariff. Additionally, per the tariff,⁷ the energy charge applied to each kWh used by each EV car owner will include KCPL's and GMO's DSIM rate and FAC rate. The end-user, according to the proposed tariff, is the EV car owner charging their vehicle rather than the EV station owner.

Staff has concerns that, at this time, the kWh from EV charging and the rate applied based on KCPL's and GMO's requested CCN tariff will not result in sufficient revenues to offset the cost of the investment in EV stations.

Q. Does KCPL's and GMO's Schedule CCN incorporate TOU rates??

A. No. The Clean Charge Network Schedule CCN tariff submitted with the application for a rate increase does not include a Time of Use rate to incent or promote the end users of the Clean Charge Network charging stations to charge in off-peak periods. The

⁷ KCPL proposed Tariff Sheet No16A.

1 Clean Charge Network is available to customers 24 hours a day, however, primary usage of
2 the Clean Charge Network is during the day while owners of EVs are moving about the city.
3 Staff witness Robin Kliethermes addresses TOU rates for EV charging stations more detail.

4 Q. Do you agree with OPC witness Geoff Marke that the Commission should
5 disallow costs associated with EV marketing in account number 91000?

6 A. Yes. Promotional practices that foster load building also require a variance from
7 the Commission's rules and regulations.

8 Q. Do you agree with the Company's assertion that marketing efforts and expended
9 costs totaling \$250,000 per year for the CCN have not been focused on the CCN charging
10 stations and should therefore be recovered from ratepayers?

11 A. No. The Company stated the following in its response to OPC DR 2026:

12 G: Marketing efforts and costs for the Clean Charge Network have been designed to increase
13 EV adoption....

14 Staff opines that any marketing efforts and costs expended to increase EV adoption are
15 promotional practices that directly result in load building because more vehicles will be
16 utilizing the CCN to charge. Staff's opinion is based on the fact that KCPL and GMO are
17 directly marketing for the adoption of a technology (EV) that requires the use of their energy,
18 which benefits the Companies by increasing load and sales.

19 IV. STAFF RECOMMENDATION SUMMARY

20 Q. Please summarize Staff's recommendation in this case.

21 A. Staff's recommendation hinges on the Commission decision of whether or not
22 the CCN costs should be recovered in base rates.

1 1. If the Commission determines it is appropriate to hold ratepayers
2 harmless for the investment in the CCN made by KCPL and GMO, Staff recommends
3 that the Commission order KCPL and GMO to continue to book the operation of its
4 EV charging stations “below the line” until such time as additional data is received for
5 CCN usage and revenue, to be reviewed in the next rate case.

6 2. If the Commission determines that the entire CCN costs and expenses
7 should be recoverable, Staff recommends that the Commission should deny approval
8 of the Company’s proposed CCN tariffs and order that The Clean Charge Network
9 expenses and revenue should be in a separate Clean Charge Network class.

10 Q. Does this complete your surrebuttal testimony?

11 A. Yes it does.

