

**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**

**STATEMENT OF POSITIONS  
OF THE CONSUMERS COUNCIL OF MISSOURI**

COMES NOW the Consumers Council of Missouri ("Consumers Council" or "CCM"), and for its Statement of Positions, states as follows:

I. Commission Raised Issued

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

II. Cost of Capital

A. Return on Common Equity – What return on common equity should be used for determining rate of return?

**Consumers Council Position:** The allowed ROE should be set at 8.65%.

B. Capital Structure – what capital structure should be used for determining rate of return?

**Consumers Council Position:** The capital structure should be based on GPE's consolidated capital structure (50.8% long-term debt and 49.2% common equity).

C. Cost of debt – What cost of debt should be used for determining rate of return?

**Consumers Council Position:** The cost of debt should be based on GPE's consolidated embedded cost of debt.

### III. Fuel Adjustment Clause ("FAC")

**Consumers Council Position:** Consumers Council would prefer that the Commission discontinue the FAC, because it is not needed to ensure that KCPL has a reasonable opportunity to earn a fair return. Regarding sub-issue H, the appropriate sharing mechanism of any FAC would be an even-handed 50/50 sharing percentage for any variation in FAC costs. Whatever the Commission decides regarding an FAC, its decisions should be guided by an attempt to ensure that such a mechanism promotes the greatest incentive for cost effectiveness, rather than simply dumping 95% of all risk of cost variation onto captive ratepayers.

Regardless of its preferences, Consumers Council can support the positions put forth by the testimony of the Office of the Public Counsel (OPC) in this KCPL rate case on each of the FAC issues (and sub-issues).

### IV. Transmission Fees Expense and Transmission Revenues

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

### V. Transmission Revenue ROE adjustment

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

### VI. Property Tax Expense

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

VII. Incentive Compensation

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

VIII. Supplemental Executive Retirement Program (“SERP”)

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

IX. Severance- Should employee severance expenses be reflected in the cost of service?

**Consumers Council Position:** No.

X. Kansas City Earnings Tax

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XI. Trackers in Rate Base-Should expense trackers be included in rate base?

**Consumers Council Position:** No.

XII. Bad debt gross-up

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XIII. Dues and Donations

**Consumers Council Position:** No dues and donations associated with the Edison Electric Institute or EPRI should be included in rates.

XIV. Credit Card Acceptance Fees-

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XV. Bank Fees

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XVI. Rate case expense

**Consumers Council Position:** It is unreasonable for ratepayers to bear 100% of KCPL's rate case expense, because almost all such expenses are incurred for the benefit of shareholders. Consumers Council is unaware of any other area of litigation where one side must pay for the lawyers and experts for the other side, win or lose. A reasonable allocation of this cost between ratepayers and shareholders is appropriate.

XVII. Depreciation Study Expense

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XVIII. Depreciation

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XIV. Greenwood Solar Energy Center

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XIX. Revenues

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XX. Rate Design/Class Cost of Service

- A. What interclass shifts in revenue responsibility, if any should the Commission order in this case?

**Consumers Council Position:** None.

- B. How should any increase ordered in this case be applied to each class?

**Consumers Council Position:** Equally.

- C. Should KCPL be permitted to increase the fixed customer charge on residential customers?

**Consumers Council Position:** An emphatic “No”. The current residential customer charge of \$11.88 is already too high to reflect only customer-specific costs. Furthermore, public policy ratemaking considerations weighing against raising the fixed portion of residential utility bills include a lack of public acceptance (see local public hearing transcripts), as well as running counter to the goals of encouraging energy efficiency, conservation, and empowering consumers to take greater control over their monthly energy bills.

- D. Should KCPL be required to implement the block rate structure proposed by the Division of Energy for residential customers?

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

- E. Should KCPL be required to propose time-varying rate offerings for residential customers in future cases?

**Consumers Council Position:** Only if those offerings are voluntary opt-in programs.

F. How should any increase to Rates LGS and LPS be distributed?

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XXI. Clean Charge Network

A. Is the Clean Charge Network a regulated public utility service?

**Consumers Council Position:** No. Utilities should not be given an unfair advantage in the marketplace for electric vehicle charging stations, at the expense of captive monopoly ratepayers.

B. Should capital and O&M expenses associated with the Clean Charge Network be recovered from ratepayers?

**Consumers Council Position:** Absolutely not. Electricity distributed to homes is an essential service, and the Commission should protect those captive customers from paying to subsidize electric vehicle owners/drivers. Consumers Council agrees that ratepayers should be held harmless from such ventures.

C. Should KCPL develop a PEV-TOU rate to be considered in its next general rate case?

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

D. Should the session charge be removed from the tariff?

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XXII. Economic Relief Pilot Program ("ERRP")

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XXIII. Cost Allocation Manual (“CAM”)

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

XXIV. Management Expense

**Consumers Council Position:** Consumers Council supports OPC’s position.

XXIV. Customer Disclaimer

**Consumers Council Position:** Consumers Council supports OPC’s position.

XXV. Customer Experience

**Consumers Council Position:** No position, but Consumers Council reserves the right to take a position based upon testimony and evidence presented at the hearing.

Respectfully submitted,

Dated: February 2, 2017

/s/ John B. Coffman

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John B. Coffman                      MBE #36591  
John B. Coffman, LLC  
871 Tuxedo Blvd.  
St. Louis, MO 63119-2044  
Ph: (573) 424-6779  
E-mail: [john@johncoffman.net](mailto:john@johncoffman.net)  
Attorney for Consumers Council of Missouri

## **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties listed on the official service list on this 2<sup>nd</sup> day of February, 2017.

/s/ John B. Coffman

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