

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Kansas City Power & Light)
Company’s Request for Authority to) **File No. ER-2016-0285**
Implement a General Rate Increase for)
Electric Service)

**LIST OF ISSUES, ORDER OF WITNESSES, ORDER OF CROSS-
EXAMINATION AND ORDER OF OPENING STATEMENTS**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and states:

In preparing this list of issues Staff has solicited input from the parties,¹ attempted to list all the issues, and attempted to obtain consensus on the descriptions of the issues. This is Staff’s best effort to list and describe all the issues in this case. To the extent errors in issues or listed witnesses are discovered, the Commission will be advised as soon as possible. All parties do not agree that the issues listed herein are actually issues in this case. In order to prevent the need for filing multiple lists of issues, the parties have agreed to include all issues whether agreed to by opposing parties.

The parties are:

- Brightergy—Brightergy, LLC
- CCM—Consumers Council of Missouri
- DE—Missouri Division of Energy
- DOE—The United States Department of Energy
- Kansas City—City of Kansas City
- KCPL—Kansas City Power & Light Company
- MECG—Midwest Energy Consumers Group
- MIEC—Missouri Industrial Energy Consumers
- OPC—The Office of the Public Counsel
- Renew Missouri
- NRDC-Natural Resources Defense Council

¹ Brightergy, LLC, Consumers Council of Missouri, Natural Resources Defense Council, Renew Missouri, and The United States Department of Energy did not indicate opposition or acceptance of this filing.

Sierra Club
Staff
UE—Union Electric Company d/b/a Ameren Missouri

LIST OF ISSUES

I. Commission Raised Issues

- A. Installation of AMI smart meters for residential and commercial customers
- B. Plug-in Electric Vehicle Rate
- C. Optional Residential Time-of-Use rates (hourly) and Time-of-Day rates
- D. PACE-Property Assessed Clean Energy Programs
- E. PAYS-Pay As You Save Programs
- F. Infrastructure Efficiency Tariff

II. Cost of Capital

- A. Return on Common Equity – what return on common equity should be used for determining rate of return?
- B. Capital structure – what capital structure should be used for determining rate of return?
- C. Cost of debt – what cost of debt should be used for determining rate of return?

III. Fuel Adjustment Clause (“FAC”)

- A. Has KCPL met the criteria for the Commission to authorize it to continue to have an FAC?
- B. Should the Commission authorize KCPL to continue to have an FAC?
- C. What costs should flow through KCPL’s FAC?
- D. What revenues should flow through KCPL’s FAC?
- E. What is the appropriate sharing mechanism of the difference between actual and base fuel costs in KCPL’s FAC?
- F. What FAC-related reporting requirements should the Commission impose?
- G. What is the appropriate base factor?
- H. Should the Commission direct the parties to determine baseline heat rates for each of the utility’s nuclear and non-nuclear generators, steam and combustion turbines and heat recovery steam generators?
- I. If the Commission authorizes KCPL to have a FAC, should KCPL be allowed to add cost and revenue types to its FAC between rate cases?

IV. Transmission Fees Expense and Transmission Revenues

- A. What level of transmission fees expense should the Commission recognize in KCPL's revenue requirement?
- B. Should the Commission authorize KCPL prospectively to compare its actual transmission expenses that it does not recover through its fuel adjustment clause with the level of transmission expense used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?
- C. Should the Commission accept KCPL's revenue adjustment R-80 to remove utility transmission revenues from its cost of service?
- D. Should the adjustment for Transource incentives as proposed by KCPL be adjusted for KCPL's cost of debt?
- E. What level of transmission revenues should the Commission recognize in KCPL's revenue requirement?
- F. Should the Commission authorize KCPL prospectively to compare its actual transmission revenues that do not flow through its fuel adjustment clause with the level of transmission revenue used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?
- G. What level of RTO administrative fees, FERC Assessment Fees, and NERC Assessment Fees should the Commission recognize in KCPL's revenue requirement?
- H. Should the Commission authorize KCPL prospectively to compare its actual RTO administrative fees with the level of RTO administrative fees used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?
- I. Is there currently regulatory lag preventing KCPL from achieving its authorized return and, if so, does the amount of such regulatory lag experienced currently and in the recent past by KCPL justify adoption of its tracker proposal for transmission expense in this proceeding?

V. Transmission Revenue ROE adjustment- Should transmission revenues be adjusted to reflect differences between MoPSC and FERC authorized ROEs?

VI. Property Tax Expense

- A. What level of property tax expense should the Commission recognize in KCPL's revenue requirement?
- B. Should the Commission authorize KCPL prospectively to compare its actual property tax expense with the level of property tax expense used for setting permanent rates in this case, and to accrue and defer the difference for potential return to customers in future rate cases, i.e., to employ an asymmetrical tracker?
- C. Does the amount of regulatory lag experienced currently and in the recent past by KCPL justify adoption of its tracker proposal for special ratemaking treatment of property tax expense in this proceeding?

VII. Incentive Compensation

- A. What methodology should be used to determine the level of incentive compensation included in KCPL’s cost of service used for setting rates in this case?
- B. Should that level be based on data not known and measurable as of the true up cutoff date of December 31, 2016?

VIII. Supplemental Executive Retirement Program (“SERP”)

- A. What level of SERP expense should the Commission recognize in KCPL’s revenue requirement?
- B. Should SERP expense be capitalized?

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

X. Kansas City Earnings Tax- What level of Kansas City Earnings Tax expense should the Commission recognize when determining KCPL’s revenue requirement?

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

XII. Bad debt gross-up – Should bad debt expense be grossed-up for the revenue requirement change the Commission finds for KCPL in this case?

XIII. Dues and Donations

- A. What level of dues and donations expense should the Commission recognize in KCPL’s revenue requirement?
- B. What level of Edison Electric Institute expense should the Commission recognize in KCPL’s revenue requirement?
- C. What level of EPRI expense should the Commission recognize in KCPL’s revenue requirement?

XIV. Credit Card Acceptance Fees-What level of Credit Card Fee expense should the Commission recognize in KCPL’s revenue requirement?

XV. Bank Fees- What level of accounts receivable bank fee expense should the Commission recognize in KCPL’s revenue requirement?

XVI. Rate case expense

- A. Were any rate case expenses claimed by KCPL imprudently incurred?
- B. Should the Commission allocate a portion of proposed rate case expense to KCPL shareholders?
- C. What method of rate case expense allocation should the Commission order in this case?

XVII. Depreciation Study Expense- Over what period of time should KCPL’s normalized depreciation study expense be amortized to determine the level of depreciation study expense to include in KCPL’s revenue requirement?

XVIII. Depreciation

- A. Should the Commission allow terminal net salvage in the calculation of KCPL’s depreciation rates?
- B. What depreciation rates should the Commission order KCPL to use?

XIX. Greenwood Solar Energy Center— Should the Commission allocate any of the capital costs, operating and maintenance costs, etc., attributable to the Greenwood Solar Energy Center between GMO and KCP&L? If so, how should it be allocated?

XX. Revenues

- A. Should KCPL be permitted to make an adjustment to annualize kWh sales in this rate case as a result of KCPL’s Missouri Energy Efficiency Investment Act (“MEEIA”) Cycle 1 demand-side programs?
- B. How should the Large Power class kW demand billing units be adjusted when a customer leaves the Large Power class?
- C. How should customers who left the Large Power class and switched into the Large General Service and Medium General Service classes be annualized?
- D. What methodology should be utilized to measure customer growth?

XXI. Rate Design/Class Cost of Service

- A. What interclass shifts in revenue responsibility, if any should the Commission order in this case?
- B. How should any increase ordered in this case be applied to each class?
- C. Should KCPL be permitted to increase the fixed customer charge on residential customers?
- D. Should KCPL be required to implement the block rate structure proposed by the Division of Energy for residential customers?
- E. Should KCPL be required to propose time-varying rate offerings for residential customers in future cases?
- F. How should any increase to Rates LGS and LPS be distributed?

XXII. Clean Charge Network

- A. Is the Clean Charge Network a regulated public utility service?
- B. Should capital and O&M expenses associated with the Clean Charge Network be recovered from ratepayers?
- C. Should KCPL develop a PEV-TOU rate to be considered in its next general rate case?
- D. Should the session charge be removed from the tariff?

XXIII. Economic Relief Pilot Program (“ERRP”) - Should the program annual funding be decreased to \$589,984 for both ratepayers and shareholders? Should enrollment for the program be extended to include other community action agencies?

XXIV. Cost Allocation Manual (“CAM”)- Should the Commission approve a CAM for KCPL in this case?

XXV. Management Expense

- A. Is KCPL incurring and charging imprudent and excessive management expenses to ratepayers?
- B. Should the Commission adjust KCPL’s management expense amount as proposed by OPC witnesses?
- C. Should the Commission direct or encourage KCPL to adopt the expense report policy changes as listed at page 9 of OPC witness Mr. Hyneman’s Direct testimony?

XXVI. Customer disclaimer – Should the Commission order KCPL to adopt a customer disclaimer as proposed by OPC witness Marke?

XXVII. Customer Experience- Is KCPL’s strategy with respect to customer service, customer experience and community involvement in the interest of its customers?

Hearing Schedule

Hearings will start each day at 8:30 and, to the extent possible given many participants’ travel requirements, issues will be handled upon the conclusion of the preceding issue. The parties intend to maintain this hearing schedule and acknowledge that it may be necessary to hold hearings after 5 p.m.

February 6 Opening Statements

- KCPL
- Staff
- OPC
- DE
- DOE
- MIEC
- MIEG
- Brightergy
- City of Kansas City
- CCM
- Sierra Club
- NRDC

- Renew Missouri
- Ameren

Policy

- Ives (KCPL) -Taken out of order February 21
- Dietrich (Staff)
- Hyneman (OPC)
- Marke (OPC)

Commission Raised Issues A, D and E

- File (KCPL)
- Rush (KCPL)
- Fortson (Staff)
- Beck (Staff)
- Marke (OPC)
- Hyman (DE)

Greenwood Solar Allocations

- Rush (KCPL)
- Lyons (Staff)
- Marke (OPC)

February 7

ROE

- Hevert (KCPL)
- Wooldridge (Staff) – Taken out of order on February 22
- Murray (Staff)
- Hyneman (OPC)
- Gorman (MECG)

Capital Structure

- Hevert (KCPL)
- Bryant (KCPL)
- Woolridge (Staff) – Taken out of order on February 22
- Murray (Staff)

- Hyneman (OPC)

Cost of Debt

- Byrant (KCPL)
- Woolridge (Staff)-Taken out of order on February 22
- Murray (Staff)

February 8

Depreciation

- Rogers (KCPL)-Taken out of order on February 21
- Spanos (KCPL)
- Patterson (Staff)
- Robinett (OPC)

Incentive Compensation

- Klote (KCPL)
- Young (Staff)

FAC (continues to Feb. 9)

- Crawford (KCPL)
- Tucker (KCPL)
- Blunk (KCPL)
- (KCPL)
- Herrington (KCPL)
- Rush (KCPL)
- Barnes (Ameren)
- Meyer (Ameren)
- Roos (Staff)-Taken out of order on February 24
- Sarver (Staff)
- Robinett (OPC)
- Riley (OPC)
- Hyneman (OPC)
- Mantle (OPC)

February 9

continuation of FAC

February 10

Credit Card Fees

- Klote (KCPL)
- Taylor (Staff)

Bank Fees

- Klote (KCPL)
- Taylor (Staff)

Bad Debt Expense

- Klote (KCPL)
- Young (Staff)

Rate Case Expense(including Depreciation Study Expense)

- Rush (KCPL)
- Klote (KCPL)
- Young (Staff)
- Conner (OPC)
- Robinett (OPC)
- Hyneman (OPC)

February 20

No hearings

February 21

Transmission Expense and Revenue Tracker/ Forecast

- Carlson (KCPL)
- Rush (KCPL)
- Ives (KCPL)
- Lyons (Staff)
- Majors (Staff)
- Oligschlaeger (Staff)
- Dauphinais (MIEC) (Out of order for “FAC” issue from February 9)
- Brosch (MECG)

Transmission Revenue ROE Adjustment

- Klote (KCPL)
- Frerking (KCPL)
- Lyons(Staff)
- Hyneman (OPC)
- Dauphinais (MIEC)

Property Tax Tracker/Forecast

- Rush (KCPL)
- Hardesty (KCPL)
- Lyons (Staff)
- Oligschlaeger (Staff)
- Brosch (MECG)

Severance Expenses

- Klote (KCPL)
- Majors (Staff)
- Conner (OPC)

SERP

- **Murphy (KCPL)**
- Klote (KCPL)
- Majors (Staff)
- Hyneman (OPC)

KC Earnings Tax

- Hardesty (KCPL)
- Majors (Staff)

February 22

Rate Design/Class Cost of Service (Includes Issue 1.C & 1.F)

- Miller (KCPL)
- S. Kliethermes (Staff)
- R. Kliethermes (Staff)
- Marke (OPC)
- Hyman (DE)
- Michel Schmidt (Department of Energy)
- Brubaker (MIEC)
- D. Jester (Sierra Club and Renew Missouri)

Revenues

- Bass (KCPL)
- Miller (KCPL)
- Stahlman (Staff)

- Rogers (Staff)
- Bocklage (Staff)
- Marke (OPC)

February 23

Clean Charge Network (Includes Issue 1.B)

- Rush (KCPL)
- B. Murray (Staff)
- R. Kliethermes (Staff)
- Dietrich (Staff)
- Marke (OPC)
- Hyman (DE)
- Garcia (NRDC)
- D. Jester (Sierra Club)

Management Expense

- Busser (KCPL)
- Klote (KCPL)
- Hyneman (OPC)
- Conner (OPC)

Customer Experience

- Caisley (KCPL)
- Hyneman (OPC)
- Marke (OPC)

Dues and Donations

- Caisley (KCPL)
- Klote (KCPL)
- Taylor (Staff)
- Marke (OPC)

February 24

Tracker Balances in Rate Base

- Klote (KCPL)
- Oligschlaeger (Staff)
- Hyneman (OPC)

CAM

- Klote (KCPL)
- Hyneman (OPC)
- Schallenberg (Staff)

ERRP

- Klote (KCPL)
- Boustead (Staff)

ORDER OF CROSS-EXAMINATION

While for specific issues a different order of cross-examination may be more appropriate, generally, the order of cross-examination, based on adversity, is the following:

KCPL witnesses

Ameren, Kansas City, Brightergy, DE, CCM, DOE, Sierra Club, Renew Missouri, NRDC, MIEC, MECG, OPC, Staff

Staff witnesses

OPC, MIEC, MECG, DOE/FEA, Sierra Club, Renew Missouri, NRDC, Kansas City, Brightergy, DE, CCM, Ameren, KCPL

OPC witnesses

Staff, MIEC, MECG, DOE, Sierra Club, Renew Missouri, NRDC, Kansas City, Brightergy, DE, CCM, Ameren, KCPL

MIEC/MECG witnesses

OPC, Staff, DOE, Sierra Club, Renew Missouri, NRDC, Kansas City, Brightergy, DE, CCM, Ameren, KCPL

NRDC

OPC, Staff, MIEC, MECG, DOE, Kansas City, Brightergy, Renew Missouri, Sierra Club, DE, CCM, Ameren, KCPL

Sierra Club witness

OPC, Staff, MIEC, MECG, DOE, Kansas City, Brightergy, Renew Missouri, NRDC, DE, CCM, Ameren, KCPL

DE witness

Staff, OPC, MIEC, MECG, DOE, Sierra Club, Renew Missouri, NRDC, Kansas City, Brightergy, CCM, Ameren, KCPL

DOE witnesses

Staff, OPC, MIEC, MECG, Sierra Club, Renew Missouri, NRDC, Kansas City, Brightergy, DE, CCM, Ameren, KCPL

Ameren witnesses

KCPL, Kansas City, Brightergy, DE, CCM, DOE, Sierra Club, Renew Missouri, NRDC, MIEC, MECG, Staff, OPC

Respectfully submitted,

/s/ Nicole Mers

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**Attorney for the Staff of the
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 31st day of January 2016.

/s/ Nicole Mers