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Case No.: ER-2018-0145
and ER-2018-0146

REBUTTAL TESTIMONY

OF

KARL RICHARD PAVLOVIC

Submitted on Behalf of
the Office of the Public Counsel

KANSAS CITY POWER & LIGHT COMPANY
and
KCP&L GREATER MISSOURI OPERATIONS COMPANY

Case No. ER-2018-0145 and ER-2018-0146

August 7, 2018

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KANSAS CITY POWER AND LIGHT COMPANY

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE Nos. ER-2018-0145 and ER-2018-0146

1 **Q. Please state your name and business address.**

2 A. My name is Karl Richard Pavlovic. My business address is 22 Brookes Avenue,
3 Gaithersburg, MD 20877.

4 **Q. Are you the same Karl Richard Pavlovic who submitted direct testimony in these**
5 **proceedings on July 6, 2018?**

6 A. Yes. Schedule KRP-1 to my direct testimony summarizes my qualifications and
7 experience.

8 **I. PURPOSE OF TESTIMONY**

9 **Q. What is the purpose of your rebuttal testimony in these proceedings?**

10 A. I respond to the direct testimonies of KCPL, GMO, and Staff with regard to certain specifics
11 of cost of service studies.

12 **Q. Have you prepared any exhibits in support of your rebuttal testimony?**

13 A. No.

14 **II. SUMMARY OF TESTIMONY AND CONCLUSIONS**

15 **Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?**

16 A. I explain that:

- 17 • KCPL and GMO have not correctly functionalized, classified and allocated
18 AMI meter plant costs;

- 1 • the distribution demand allocators used by KCPL and GMO are inaccurate
2 and inconsistent with cost causation;
- 3 • the production plant allocation methodology used by KCPL and GMO does
4 not align class allocation with class cost causation;
- 5 • correction of these three methodological flaws in KCPL's and GMO's
6 separate cost of service studies would not change my direct testimony finding
7 that the separate cost of service studies result in arbitrary unit cost of service
8 distinctions and arbitrary rate distinctions between similarly situated
9 customers.

10 My recommendations are that the Commission direct that KCPL and GMO:

- 11 • to correctly functionalize, classify and allocate AMI meters in these
12 proceedings;
- 13 • to fully deploy AMI meters and use AMI meter demand data to develop
14 accurate distribution demand allocators; and
- 15 • to conduct a consolidated cost study before the next rate case and use the
16 results of that consolidated cost study to develop a production plant allocation
17 methodology that aligns class allocation with class cost causation.

18
19 **III. DISCUSSION**

20 **A. KCPL and GMO Cost of Service Studies**

21 **Q. HAVE YOU EXAMINED THE CCOS STUDIES KCPL AND GMO FILED IN**
22 **THESE PROCEEDINGS?**

1 A. Yes. I have examined the CCOS studies using the direct testimonies and applicable schedules
2 of Marisol Miller¹, Thomas J. Sullivan,² Bradley D. Lutz,³ and KCPL and GMO responses to
3 OPC data requests.

4 **Q. WHAT METHODOLOGIES DID KCPL AND GMO EMPLOY IN THEIR CCOS**
5 **STUDIES?**

6 A. Both CCOS studies employ the standard three-step approach for embedded electric cost
7 studies: (1) the functionalization of costs as production, transmission, distribution, customer
8 or general costs, (2) the classification of the functionalized costs as demand, energy, or
9 customer related, and (3) the allocation of the classified, functionalized costs to customer
10 classes.⁴ Both CCOS studies use demand, energy and customer based allocation
11 methodologies.⁵ Because both the approach and the specific allocation methodologies
12 employed in the cost studies are identical, I use the term KCPL/GMO in my discussion below.

13 **Q. WHAT DID YOU FIND WHEN YOU EXAMINED KCPL'S AND GMO'S CCOS**
14 **STUDIES?**

15 A. As I testified in my direct testimony, performing separate cost studies for KCPL and GMO
16 produces arbitrary cost distinctions between similarly situated customers of what is, in fact, a
17 single consolidated utility operation. I also found that (1) AMI meter investment costs are
18 incorrectly (a) recorded in FERC Plant Account 370, (b) functionalized as distribution plant,
19 and (c) classified as customer-related, (2) the allocation methodologies used for secondary

¹ ER-2018-0145 Miller Direct, pages 11-22 and Schedules MEM-1 and MEM-2; ER-2018-0146 Miller Direct, pages 11-22, Schedules MEM-4 and MEM-5.

² ER-2018-0145 Sullivan Direct, pages 5-32 and Schedules TJS-2 through TSJ-10; ER-2018-0146 Sullivan Direct, pages 5-32 and Schedules TJS-2 through TJS-10.

³ ER-2018-0145 Lutz Direct, pages 3-9; ER-2018-0146 Lutz Direct, pages 3-9.

⁴ ER-2018-0145 Miller Direct, pages 14-15; ER-2018-0146 Miller Direct, pages 14-15; see also Electric Utility Cost Allocation Manual, January 1992, National Association of Regulatory Utility Commissioners ("NARUC"), pages 18-23.

⁵ ER-2018-0145 Miller Direct, pages 15-19; ER-2018-0146 Miller Direct, pages 15-19; see also Electric Utility Cost Allocation Manual, January 1992, National Association of Regulatory Utility Commissioners ("NARUC"), pages 39-68 (Production), 75-83 (Transmission), 96-101 (Distribution), 102-104 (Customer), and 105-107 (Administrative and General).

1 and primary distribution facilities are inaccurate, and (3) the Average & Excess allocation
2 methodology used for production costs does not align cost allocation with cost causation.

3 **Q. HOW ARE AMI METERS INCORRECTLY FUNCTIONALIZED BY**
4 **KCPL/GMO?**

5 A. KCPL/GMO functionalizes AMI meters as distribution plant, recording the cost of the AMI
6 meters in plant account 370.⁶ The FERC Uniform System of Accounts (“USoA”) for electric
7 utilities, states in pertinent part that Account 370 “shall include the cost installed of meters or
8 devices and appurtenances thereto, for use in measuring the electricity delivered to its users.”⁷
9 AMI meters, however, are installed for many more purposes than simply measuring the
10 amount of electricity delivered to customers. In addition to measuring the amount of
11 electricity delivered for billing purposes, AMI meters provide data and information to the
12 utility’s (1) outage management system where that data and information are used to identify
13 the location of outages, dispatch crews to that location, and efficiently manage power
14 restoration efforts and (2) energy management system and asset management system where
15 that data and information are used in both system planning and optimizing overall operation
16 of the system. In addition to acquiring data and information used in optimizing operation of
17 the utility’s facilities, AMI meters are also able to receive (1) data and information to which
18 customers can respond and optimize their use of the utility’s system and (2) control signals to

⁶ Responses to OPC Questions 5008 and 5017.

⁷ 18 CFR Ch 1, Part 101, Plant Account **370 Meters**. A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve. B. When a meter is permanently retired from service, the installed cost included herein shall be credited to this account. C. The records covering meters shall be so kept that the utility can furnish information as to the number of meters of various capacities in service and in reserve as well as the location of each meter owned. **Items:** 1. Alternating current, watt-hour meters. 2. Current limiting devices. 3. Demand indicators. 4. Demand meters. 5. Direct current watt-hour meters. 6. Graphic demand meters. 7. Installation, labor of (first installation only). 8. Instrument transformers. 9. Maximum demand meters. 10. Meter badges and their attachments. 11. Meter boards and boxes. 12. Meter fittings, connections, and shelves (first set). 13. Meter switches and cut-outs. 14. Prepayment meters. 15. Protective devices. 16. Testing new meters. NOTE A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only those meters used to record energy delivered to customers. NOTE B: The cost of removing and resetting meters shall be charged to account 586, Meter Expenses (for Nonmajor utilities, account 556, Meter Expenses).

1 remotely connect and disconnect customers to and from the system without dispatching a
2 crewed vehicle to a customer location. Because AMI meters perform functions that serve all
3 of KCPL/GMO operation functions (production, transmission, distribution, billing, customer
4 service, and general), AMI meters (as well as the software and communication components
5 of KCPL/GMO's AMI system) should be functionalized, classified and allocated as general
6 plant.

7 **Q. TO WHICH PLANT ACCOUNTS SHOULD AMI METERS AND ASSOCIATED**
8 **SOFTWARE AND COMMUNICATION COMPONENTS BE RECORDED?**

9 A. Based on their data acquisition and remote control functions, the AMI meters, software,
10 and communication equipment should be recorded to FERC Accounts 382,⁸ 383,⁹ and
11 384,¹⁰ respectively.

12 **Q. WHY SHOULD AMI METERS BE FUNCTIONALIZED AS GENERAL PLANT?**

⁸ 18 CFR Ch 1, Part 101, Plant Account 382 Computer Hardware. "This account shall include the cost of computer hardware and miscellaneous information technology equipment to provide scheduling, system control and dispatching, system planning, standards development, market monitoring, and market administration activities. Records shall be maintained identifying to the maximum extent practicable computer hardware owned and used for: (1) Scheduling, system control and dispatching, (2) system planning and standards development, and (3) market monitoring and market administration activities. **Items** 1. Personal computers 2. Servers, 3. Workstations, 4. Energy Management System (EMS) hardware, 5. Supervisory Control and Data Acquisition (SCADA) system hardware, 6. Peripheral equipment, 7. Networking components."

⁹ 18 CFR Ch 1, Part 101, Plant Account 383 Computer Software. "This account shall include the cost of off-the-shelf and in-house developed software purchased and used to provide scheduling, system control and dispatching, system planning, standards development, market monitoring, and market administration activities. Records shall be maintained identifying to the maximum extent practicable the cost of software used for: (1) Scheduling, system control and dispatching, (2) System planning and standards development, and (3) Market monitoring and market administration activities. **Items** 1. Software licenses, 2. User interface software, 3. Modeling software, 4. Database software, 5. Tracking and monitoring software, 6. Energy Management System (EMS) software, 7. Supervisory Control and Data Acquisition (SCADA) system software, 8. Evaluation and assessment system software, 9. Operating, planning and transaction scheduling software, 10. Reliability applications, 11. Market application software."

¹⁰ 18 CFR Ch 1, Part 101, Plant Account 384 Communication Equipment. "This account shall include the cost of communication equipment owned and used to acquire or share data and information used to control and dispatch the system. **Items** 1. Fiber optic cable, 2. Remote terminal units, 3. Microwave towers, 4. Global Positioning System (GPS) equipment, 5. Servers, 6. Workstations, 7. Telephones."

1 A. AMI meters should be functionalized as general plant, because, as I explained above, they
2 support the scheduling, control and dispatching, and planning of the production,
3 transmission, and distribution plant necessary to provide electric service.¹¹

4 **Q. ONCE FUNCTIONALIZED AS GENERAL PLANT, HOW SHOULD AMI**
5 **METERS BE CLASSIFIED AND ALLOCATED?**

6 A. There are three accepted methods of classification and allocation of general plant,¹² two of
7 which are in common use; (1) production/transmission/distribution (PTD) plant ratios and (2)
8 labor ratios. KCPL and GMO use PTD ratios,¹³ and that is what I recommend for allocation
9 of AMI meters.

10 **Q. WHAT IS THE IMPACT OF THIS INCORRECT FUNCTIONALIZATION OF**
11 **AMI METERS?**

12 A. Because KCPL/GMO functionalizes the AMI meters as distribution plant classified as
13 customer-related, AMI meters are allocated to customer classes based on the number of
14 customers in the class. The result is that customer classes with relatively large numbers of
15 customers are over allocated AMI meter costs and customer classes with relatively small
16 numbers of customers are under allocated AMI meter costs.

17 **Q. IS THIS A POLICY QUESTION?**

18 A. No, it is a question under the principle of cost causation. The cost of a meter, the sole function
19 of which is to measure the amount of electricity delivered to the customer for billing purposes,
20 is caused by that customer's being connected to the KCPL/GMO system for service. The cost
21 of an AMI meter is caused by KCPL/GMO's regulatory obligation to operate its system so as
22 to maximize efficiency and minimize cost (the principle of least cost consistent with providing

¹¹ 18 CFR Ch 1, Part 101, Plant Account 382 Computer Hardware; see also NARUC Manual, page 105.

¹² NARUC Manual, page 105.

¹³ Responses to OPC Questions 5002S (Attachment Q5002s_GMO Avg-Excess 4CP 01-02-18 WN PRO.xlsm, Cost of Service tab, Schd. 3 2030-2380 and Schd. 21 1560) and 5012S (Attachment Q5012s_KCPL Missouri CCOS 01-02-18 Avg-Excess 4CP WN PRO.xlsm, Cost of Service tab, Schd. 3 2070-2190 and Schd. 21 1570).

1 a utility a reasonable return). If the AMI meters cannot be shown to maximize efficiency and
2 minimize cost, then the costs of the meters should be excluded from KCPL/GMO's cost
3 studies. If the costs can be shown to maximize efficiency and minimize cost, then the costs
4 should be functionalized, classified, and allocated as general plant.¹⁴

5 **Q. WHY ARE THE SECONDARY AND PRIMARY ALLOCATION**
6 **METHODOLOGIES OF KCPL/GMO INACCURATE?**

7 A. The primary and secondary allocation methodologies are inaccurate because they use non-
8 coincident peak measures of demand diversity to allocate primary and secondary distribution
9 plant to customer classes.¹⁵ Non-coincident peak demand allocators are proxy measures that
10 have been traditionally used to estimate the class demand diversity at the various voltage
11 levels of the distribution system.¹⁶ Such measures are inaccurate for two reasons: (1) they are
12 based on only a sample of individual customer demands and (2) non-coincident peak demand
13 allocators do not measure diversified class demand at local area load centers at various voltage
14 levels.

15 **Q. WHY ARE THE MEASUREMENTS BASED ON ONLY A SAMPLE OF**
16 **INDIVIDUAL CUSTOMER DEMANDS?**

17 A. Primarily, because until recently, it has been prohibitively expensive to place a demand
18 measuring meter at each customer's location for the larger classes. Instead, electric utilities
19 developed load research programs using research demand meters placed on small random
20 samples drawn from rate-defined customer classes. Both KCPL and GMO have such load
21 research programs.¹⁷

22 **Q. HOW CAN THESE MEASUREMENTS BE MADE MORE ACCURATE?**

¹⁴ NARUC Manual, page 105.

¹⁵ ER-2018-0145 Miller Direct, page 16, lines 1-7; ER-2018-0146 Miller Direct, pages 16, lines 1-7.

¹⁶ NARUC Manual, page 97.

¹⁷ Responses to OPC Questions 5005 and 5015.

1 A. By having demand measuring meters at each customer's location, which the on-going
2 deployment of AMI meters on the KCPL/GMO system makes possible.

3 **Q. WHY ARE NON-COINCIDENT CLASS DEMANDS INACCURATE?**

4 A. As the NARUC Manual explains "the distribution engineer ensures that sufficient conductor
5 and transformer capacity is available to meet the customer's loads at the primary- and
6 secondary-distribution service levels" and "[l]ocal area loads are the major factors in sizing
7 distribution equipment."¹⁸ The demand that the engineer uses to size a local area load center
8 is the sum of the individual customers demand at the time of peak demand on the load center,
9 which is referred to as coincident peak demand. Non-coincident peak demand at a load center
10 is the sum of the maximum demand of each customer at whatever time that demand occurs.
11 While non-coincident peak demand is traditionally used as a class cost allocator, it is never
12 used to size the capacity of a local area load center, because to do so would produce more
13 capacity (and cost) than necessary to serve the customers on that load center.

14 **Q. HOW CAN THE MEASUREMNT OF CLASS COINCIDENT DEMAND AT**
15 **LOCAL AREA LOAD CENTERS BE MADE MORE ACCURATE?**

16 A. Through the deployment of AMI meters. With AMI meters the coincident demand of all the
17 customers of a given class at a given local area load center can be accurately measured and
18 used to calculate accurate class allocators based on cost causation.

19 **Q. WHAT IS THE IMPACT OF THE USE OF NON-COINCIDENT PEAK DEMAND**
20 **ALLOCATORS?**

21 A. The impact on any given utility system is an empirical question that depends on the
22 configuration of the system's local area load centers and the aggregation of given class'
23 coincident peak demand at the local area load centers of the system. As a general matter,
24 classes whose peak demand does not coincide with the peak demand on a given local area

¹⁸ NARUC Manual, page 97.

1 load center will be over allocated local area load center costs, while classes that peak at or
2 closer to load center's peak will be under allocated costs.

3 **Q. IS THIS A POLICY QUESTION?**

4 A. No, as with AMI meters, it is a question under the principle of cost causation. Coincident
5 peak demand causes distribution local area load center distribution costs. The only question
6 is how best to accurately measure class coincident demand at local area load centers.

7 **Q. DOES THE AVERAGE & EXCESS ALLOCATION METHODOLOGY USED FOR**
8 **PRODUCTION COSTS ALIGN COST ALLOCATION WITH COST**
9 **CAUSATION?**

10 A. No.

11 **Q. WHY NOT?**

12 A. The Average & Excess methodology¹⁹ rests on the assumption that a utility's generation
13 resources respond to the utility's native load and seeks to allocate production plant so as to
14 align the cost characteristics of production plant with each class' specific load characteristics.
15 This is true for all the various production plant allocation methodologies detailed in the
16 NARUC Manual,²⁰ and specifically for the six methodologies KCPL/GMO evaluates for use
17 in these proceedings.²¹ KCPL/GMO's dispatchable production plant does not, however,
18 respond to KCPL/GMO's native load. Rather, KCPL/GMO's production plant responds to
19 KCPL/GMO's reserve margin as determined by SPP and the load characteristics of the
20 aggregate load served by SPP's energy markets.

¹⁹ NARUC Manual, pages 49-52.

²⁰ NARUC Manual, pages 39-68.

²¹ ER-2018-0145 Sullivan Direct, pages 17-18 and 26-29 and Schedule TJS-10; ER-2018-0146 Sullivan Direct,
pages 17-18 and 26-29 and Schedule TJS-10.

1 **Q. WHY DO YOU SAY THAT KCPL/GMO'S PRODUCTION PLANT RESPONDS**
2 **TO THE LOAD CHARACTERISTICS OF THE AGGREGATE LOAD SERVED**
3 **BY SPP'S ENERGY MARKET?**

4 A. Because KCPL/GMO operate their generating resources from a single central control center,²²
5 submit generation offers in SPP's day-ahead and real-time markets, and respond to SPP
6 operating instructions for their dispatchable production resources.²³ By participating in the
7 SPP RTO energy markets, KCPL/GMO's production plant costs are a capped function of their
8 SPP determined reserve margin, their fuel and O&M expenses are determined by operating
9 instructions from SPP, and their recovery of fuel and O&M expenses is a function of the
10 revenues they receive from the SPP energy markets. There is a fundamental disconnect
11 between the plant cost, and fuel and O&M expense characteristics of KCPL/GMO's
12 production plant, and the load characteristics of KCPL/GMO's rate-defined customer classes.
13 This disconnect is further exacerbated by the fact that KCPL/GMO evaluates the production
14 plant allocation methodologies in separate cost studies for KCPL and GMO generating
15 resources and customer classes rather than a consolidated KCPL/GMO cost study, as I pointed
16 out in my direct testimony.

17 **Q. HOW HAVE OTHER JURISDICTIONS WITH UTILITIES PARTICIPATING IN**
18 **RTOS DEALT WITH THIS DISCONNECT?**

19 A. In those jurisdictions that have restructured to provide customers with access to competitive
20 energy suppliers, utilities are required to either divest their generation resources or transfer
21 ownership and operation of those resources to unregulated subsidiaries. In those jurisdictions
22 that have not restructured with which I am familiar, the disconnect has been simply ignored
23 to date.

²² Responses to OPC Questions 5010 a. – e. and 5019 a.-e.

²³ Responses to OPC Questions 5010 f. and 5019 f.

1 **Q. DO YOU HAVE A RECOMMENDATION AS TO HOW KCPL/GMO SHOULD**
2 **DEVELOP A PRODUCTION PLANT ALLOCATION METHODOLOGY THAT**
3 **ALIGNS CLASS ALLOCATION WITH COST-CAUSATION?**

4 A. Yes. As I recommended in my direct testimony, KCPL/GMO should reflect the fact of
5 consolidated operation of its generating resources in a single cost study. That consolidated
6 cost study should then form the basis for development of a production plant cost allocation
7 methodology that aligns class cost allocation with class cost causation.

8 **Q. IS THIS A POLICY QUESTION?**

9 A. No, as with AMI meters and distribution demand allocators, it is a question under the principle
10 of cost causation.

11 **Q. WOULD CORRECTING THESE METHODOLOGICAL FLAWS IN KCPL'S AND**
12 **GMO'S SEPARATE COST OF SERVICE STUDIES CHANGE YOUR DIRECT**
13 **TESTIMONY CONCLUSIONS THAT THE SEPARATE KCPL AND GMO**
14 **STUDIES RESULT IN ARBITRARY UNIT COST OF SERVICE DISTINCTIONS**
15 **AND ARBITRARY RATE DISTINCTIONS BETWEEN SIMILARLY SITUATED**
16 **CUSTOMERS?**

17 A. No.

18 **Q. ARE YOU RECOMMENDING THAT THESE METHODOLOGICAL FLAWS BE**
19 **ADDRESSED IN THE PRESENT PROCEEDINGS?**

20 A. The erroneous functionalization, classification and allocation of AMI meter plant costs could
21 easily be corrected in the current proceedings. The identified problems with the distribution
22 demand allocators and the production plant allocation methodology, however, cannot as a
23 practical matter be addressed in these proceedings. The identified problems in the distribution
24 demand allocators require that AMI meters be fully deployed to KCPL and GMO customers
25 and providing the required customer demand data. KCPL and GMO state that AMI meters

1 are not yet fully deployed to their customers.²⁴ It is my understanding that full deployment is
2 not expected to be achieved until 2020. Similarly, the identified problems with the production
3 plant allocation methodology can only be addressed in conjunction with a consolidated
4 KCPL/GMO cost study that I recommend be conducted before the next rate case.
5

6 **B. Staff Cost of Service Study**

7 **Q. HAVE YOU EXAMINED STAFF'S CLASS COST OF SERVICE STUDY FILED IN**
8 **THESE PROCEEDINGS?**

9 A. Yes. I have examined Staff's Class Cost of Service study using the direct testimony of Natelle
10 Dietrich and Staff's CCOS Report.²⁵ It should be noted that Staff performed a cost of service
11 study for KCPL only,²⁶ and that the only significant methodological difference between
12 Staff's cost of service study and those of KCPL and GMO is the production cost allocation
13 methodology.²⁷

14 **Q. WHAT DID YOU FIND WHEN YOU EXAMINED STAFF'S COST OF SERVICE**
15 **STUDY?**

16 A. With regard to production cost allocation methodology, Staff uses a version of the Base-
17 Intermediate-Peak (BIP) Method which Staff denominates DBIP.²⁸ As with KCPL/GMO's
18 Average & Excess method, the BIP methodology rests on the assumption that a utility's
19 generation resources respond to the utility's native load and seeks to allocate production plant
20 so as to align the cost characteristics of production plant with each class' specific load
21 characteristics. As I explained above, KCPL/GMO generation resources actually respond to

²⁴ Responses to OPC Questions GMO 5023 and KCP&L 5022.

²⁵ ER-2018-0145 and ER-2018-0146: Dietrich Direct, pages 1-2 and 4-5 and Missouri Public Service Commission Staff Report Class Cost of Service.

²⁶ ER-2018-0145 and ER-2018-0146: Dietrich Direct, page 4, lines 11-16.

²⁷ ER-2018-0145 and ER-2018-0146: Staff CCOS Report, pages 8-16.

²⁸ ER-2018-0145 and ER-2018-0146: Staff CCOS Report, pages 8-16; see also NARUC Manual, pages 60-62.

1 the aggregate load served by the SPP energy markets. As a consequence, the BIP method
2 also fails to align class allocation with class cost causation.

3 With regard to distribution demand allocators, Staff uses class non-coincident peak allocators
4 measured at the primary and secondary voltage levels.²⁹ Consequently, as I explained above,
5 Staff's distribution demand allocators are inaccurate for the same reasons that KCPL/GMO's
6 distribution demand allocators are inaccurate.

7 With regard to AMI meters, Staff used KCPL's meter investment per class.³⁰ Consequently,
8 Staff's cost of service study functionalizes, classifies, and allocates AMI meters incorrectly,
9 as I explained above.

10 **Q. ARE THERE METHODOLOGICAL CONSIDERATIONS THAT FAVOR**
11 **KCPL/GMO'S AVERAGE & EXCESS PRODUCTION ALLOCATION**
12 **METHODOLOGY OVER STAFF'S BASE-INTERMEDIATE-PEAK**
13 **METHODOLOGY OR VICE VERSA?**

14 A. Yes. Staff's Base-Intermediate-Peak methodology better aligns the cost characteristics of
15 generating resources with class specific load characteristics.

16 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

17 A. Yes.

²⁹ ER-2018-0145 and ER-2018-0146: Staff CCOS Report, page 19, lines 10-11 and 30-31.

³⁰ ER-2018-0145 and ER-2018-0146: Staff CCOS Report, page 20, lines 4-7.