

Exhibit No.:  
Issue: Economic Development Rider  
Witness: Joe G. Fangman  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Kansas City Power & Light Company  
and KCP&L Greater Missouri  
Operations Company  
Case Nos.: ER-2018-0145 and ER-2018-0146  
Date Testimony Prepared: September 4, 2018

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NOS.: ER-2018-0145 and ER-2018-0146**

**SURREBUTTAL TESTIMONY**

**OF**

**JOE G. FANGMAN**

**ON BEHALF OF**

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

**Kansas City, Missouri  
September 2018**

KCP&L Exhibit No. 122  
Date 9-25-18 Reporter TV  
File No. ER-2018-0145+0146

**SURREBUTTAL TESTIMONY**

**OF**

**JOE G. FANGMAN**

**Case Nos. ER-2018-0145 and ER-2018-0146**

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

2 A: My name is Joe G. Fangman. My business address is 1200 Main, Kansas City, Missouri  
3 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L”) as Senior Manager  
6 Economic Development.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations Company  
9 (“GMO”) (collectively, the “Company”).

10 **Q: Are you the same Joe G. Fangman who filed Rebuttal Testimony in both ER-2018-**  
11 **0145 and ER-2018-0146?**

12 A: Yes, I am.

13 **Q: What is the purpose of your testimony?**

14 A: The purpose of my testimony is to address concerns raised by Office of Public Counsel  
15 (“OPC”) (found at pp 16-18 in Geoff Marke rebuttal testimony) regarding the Staff’s  
16 review of the Economic Development Rider (“EDR”).

1 **I. REVIEW OF OPC ASSERTIONS**

2 **Q: Have you reviewed the rebuttal testimony of OPC concerning Staff's review of the**  
3 **EDR?**

4 A: Yes.

5 **Q: Do you agree with OPC's proposal for KCP&L and GMO to file annual publicly-**  
6 **available reports of EDR participants and contract terms?**

7 A: No, customer specific data should be confidential for EDR participants.

8 OPC's proposal puts EDR participants at a competitive disadvantage because  
9 competing companies would know the EDR participant's electric costs, but the EDR  
10 participant would not be allowed to know the competing companies' costs.

11 In addition, site selection consultants expect this information to be kept confidential  
12 and may avoid future projects in the state. If it is known by prospective companies and  
13 their site selection consultants of the publicly-available EDR reports, the overall State of  
14 Missouri Economic Development efforts would be harmed. Prospective customers may  
15 stop including Missouri in their future searches. This would result in the loss of new jobs,  
16 investment and tax revenues.

17 **Q: Do you agree with OPC that the public report is necessary to demonstrate the EDRs**  
18 **are actually providing and maintaining expected outcomes under the agreed-to terms**  
19 **in which they were approved?**

20 A: No. The Company performs an annual incremental cost review showing the EDR prices  
21 continue to provide a net positive margin. This incremental cost review demonstrates that  
22 each EDR provides a net positive margin contribution and that other customers are not  
23 subsidizing EDR participants.

1           The incremental cost review determines the applicable incremental cost to provide electric  
2           service, as determined by the Company pursuant to KCP&L Sheet Nos. 32I and 32J and  
3           GMO Sheet Nos. 123.5 and 123.6 ensuring a positive contribution to fixed costs. This  
4           review is provided with each EDR contract filing to show the EDR meets the new positive  
5           contribution requirement.

6   **Q:   Have you provided additional documentation of EDR compliance by EDR**  
7           **participants?**

8   A:   Yes, in my rebuttal testimony, I provided responses and answers to Staff's concerns of  
9           Company and customer compliance with EDR requirements.

10 **Q:   Does that conclude your testimony?**

11 A:   Yes, it does.

