

Exhibit No.:  
Issue: KCP&L EEI and Agency Dues  
Witness: Elizabeth Danforth  
Type of Exhibit: Rebuttal Testimony  
Sponsoring Party: Kansas City Power & Light Company  
and KCP&L Greater Missouri  
Operations Company  
Case No.: ER-2018-0145 and ER-2018-0146  
Date Testimony Prepared: July 27, 2018

**MISSOURI PUBLIC SERVICE COMMISSION**

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

**REBUTTAL TESTIMONY**

**OF**

**ELIZABETH DANFORTH**

**ON BEHALF OF**

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

Kansas City, Missouri  
July 2018

KCP&L Exhibit No. 119  
Date 9-25-18 Reporter TD  
File No ER-2018-0145+0146

**REBUTTAL TESTIMONY**

**OF**

**ELIZABETH DANFORTH**

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

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

2 A: My name is Elizabeth Danforth. My business address is 1200 Main, Kansas City,  
3 Missouri 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 Director of  
6 Public Affairs.

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: Please state your educational background and describe your professional training  
11 and experience.**

12 A: I have a Bachelor of Science from William Woods University and a Master’s in Business  
13 Administration from the University of Missouri – Kansas City. I’ve worked in the utility  
14 industry for 16 years in the public affairs sector. Prior to that I was a marketing and fund  
15 development professional in the nonprofit arena. I currently manage the public affairs  
16 department at KCP&L which includes leading strategy in government affairs, corporate  
17 social responsibility and customer and community affairs.

1 **Q: Have you previously testified in a proceeding at the Missouri Public Service**  
2 **Commission (“Commission” or “MPSC”) or before any other utility regulatory**  
3 **agency?**

4 A: Yes, I testified before the MPSC in Case No. ER-2016-0285.

5 **Q: What is the purpose of your Rebuttal Testimony?**

6 A: I will respond to Staff’s report concerning Edison Electric Institute (“EEI”) dues and  
7 other dues to nonprofit chambers and economic development agencies.

8 **Q: Please explain what services EEI provides the Company.**

9 A: EEI is the association that represents all U.S. investor-owned electric companies. EEI  
10 provides services, resources, expertise and established networks on all issues that impact  
11 the energy industry. EEI is a clearinghouse for industry best practices and products and  
12 provides national leadership that contributes to the long-term viability and service of the  
13 electric power industry.

14 **Q: Please explain what the Company requested regarding EEI in this rate case?**

15 A: The Company requests that a portion of all EEI expenses recorded to net operating  
16 income (above-the-line) be included in the revenue requirement in this rate case as they  
17 support the Company’s ability to provide more reliable and efficient services.

18 **Q: Are a portion of EEI dues already recorded below the line and not included in the**  
19 **cost of service in this rate case?**

20 A: Yes. Please see the rebuttal testimony of Company witness Linda Nunn for an  
21 explanation.

1 Q: Staff maintains that customers do not receive benefit from the expenses incurred  
2 from KCP&L's participation in EEI. How do you respond?

3 A: Through the resources EEI provides, EEI helps enable its member utilities, including the  
4 Company, to operate more reliably, more effectively, at lower cost, with less  
5 environmental impact and more efficiencies. All of these efforts benefit customers.

6 EEI advocates on behalf of its members on legislative and regulatory matters  
7 involving the major federal laws that impact the energy industry.

8 The Company and its customers benefit from EEI's leveraged efforts with other  
9 utilities that protect human health and the environment while assuring a reliable and  
10 affordable electric power generation, transmission, and distribution system. EEI does so  
11 through research and studies and by advocating on legal issues and related policy,  
12 scientific, and technical matters arising from related regulations, policies and guidance  
13 affecting electricity generation, transmission, and distribution facilities.

14 EEI's resources provide guidance and insight on energy industry issues including  
15 transmission and distribution, generation, physical and cyber security, efficiency, finance  
16 and tax, technologies, utility assistance for customers, and upcoming regulatory and  
17 legislative issue. EEI helps companies anticipate, react, and adjust efficiently to  
18 changing conditions. EEI works with the federal government and regulatory bodies to  
19 ensure that new and revised environmental, safety, labor, or financial rules are not unduly  
20 burdensome.

21 EEI provides publications, newsletters, and reports that allow companies to  
22 benchmark and compare operations, practices, and policies. EEI coordinates with NERC  
23 and the regional reliability organizations to ensure that companies can operate efficiently

1 and reliably, saving customers' money and reducing outages. EEI also works with  
2 companies to organize mutual assistance for emergency recovery after storms. EEI  
3 testing programs allow companies to utilize standardized, non-discriminatory tests to hire  
4 the most qualified people, and to avoid the expense of legal challenges.

5 The following examples outline EEI's Environmental Advisory Council  
6 participation in important environmental issues that allow the Company to leverage EEI  
7 support to effectively manage environmental compliance issues.

8 **Public Policy Leadership** – EEI represents the Company and other member  
9 utilities in international negotiations surrounding the United Nations Framework  
10 Convention on Climate Change that ultimately resulted in the Paris Agreement. EEI  
11 attendance at the negotiations representing the Company leverages membership by  
12 avoiding costly international travel.

13 **Strategic Business Intelligence** – EEI organizes interest groups concerning  
14 specific environmental and regulatory areas such as carbon capture and storage. The  
15 Company participates in these interest groups and leverages the knowledge gained from  
16 other utilities conducting site-specific projects minimizing some of the need to conduct  
17 those projects ourselves.

18 **Q: Should the Commission in this rate case accept Staff's adjustments associated with**  
19 **EEI dues?**

20 **A:** No. Staff states on p. 109-110 of its Revenue Requirement Cost of Service Report that  
21 KCP&L failed to identify or quantify any benefit to customers from participation in EEI.  
22 To be fair, the Company did not make an adjustment associated with EEI dues as the test  
23 year in this rate case, July 1, 2016 to June 30, 2017 already included a representative

1 level of EEI dues. The Company had already removed during the test year, and recorded  
2 on its books and records, 21% of the EEI dues associated with lobbying and legislative  
3 activity. These costs were recorded below the line and the Company is not asking for  
4 recovery of those costs in this case. As such, the Company did not include any  
5 discussion regarding EEI in its Direct Testimony as the test year was already reflective of  
6 an annual cost. Staff has filed testimony rejecting these costs because the Company has  
7 failed to provide and quantify the benefits of EEI membership. EEI provides a  
8 significant benefit to KCP&L through the services it provides to the Company. Placing a  
9 dollar value on these services would be extremely difficult task to undertake. Yet, as can  
10 be seen from the listing of beneficial services discussed above, the benefits of  
11 participation in EEI are far reaching and outweigh the cost of the EEI dues. Thus, the  
12 Commission should provide cost recovery of the portion of EEI dues that provide  
13 beneficial regulatory services as the Company has already properly separated the cost in  
14 the test year books and records.

15 **Q: Staff also removed the cost of dues to community development organizations such as**  
16 **the Missouri Chamber of Commerce and Industry and individual city and regional**  
17 **chambers of commerce. Do you agree with this adjustment??**

18 **A:** No. The Company makes membership due payments to approximately 140 chambers  
19 and economic development entities throughout its service territory which includes 47  
20 counties. While the span and size of these agencies vary greatly, as do the communities  
21 they serve, within each agency's mission is supporting businesses and local economies.  
22 Historically the Commission has allowed for these dues payments. Please see the rebuttal  
23 testimony of Company witness Linda Nunn for an explanation of this.

1 **Q: Please explain why you disagree with the Staff's disallowance of dues paid to**  
2 **various organizations listed?**

3 A: Attached to my testimony is Schedule ED-1 which provides the organizations listed in  
4 Staff's dues and donations disallowance calculation. They can be grouped into four  
5 categories which provide benefits to the Company and ultimately to ratepayers.

6 1. Dues paid to economic development agencies and chambers of commerce.

7 2. Dues paid to energy associations and other regulatory groups.

8 3. Dues paid to help conserve and protect natural resources.

9 4. Dues paid in support of local facilities that attract tourism and support  
10 local economies.

11 **Q: Please explain how each group provides benefit to both the Company and**  
12 **customers.**

13 A: The following provide the benefits of each grouping.

14 1. Dues paid to economic development agencies and chambers allow these  
15 groups to support the businesses within their own communities. They  
16 provide business planning, economic development tools to retain, attract  
17 and expand business, networking among other services. These types of  
18 dues enhance the Kansas City area and bring new business and jobs to the  
19 region. Maintaining a thriving economy in the Company's service  
20 territory benefits the Company's customers by increasing, or slowing  
21 declines in, the number of customers on the electric system which helps  
22 defray cost of service increases that might otherwise result in higher rates  
23 for electric service.

- 1           2.     Dues paid to energy associations and other regulatory groups similar to  
2           EEI discussed above allow the Company the ability to maintain and  
3           protect the utility infrastructure while also providing safe and reliable  
4           service to ratepayers. In addition, these same types of dues allow the  
5           Company timely access to environmental regulations for compliance  
6           purposes and provide a clean energy source to ratepayers.
- 7           3.     Dues paid to environmental agencies help conserve and protect natural  
8           resources. Examples include land preservation and enhancement,  
9           recycling efforts, comprehensive tree placement and energy and water  
10          conservation.
- 11          4.     Dues paid in support of local attraction facilities enhances Kansas City's  
12          image as a regional, national and global destination point and brings  
13          tourism dollars to the Kansas City Area.

14 **Q:    Are there other examples of dues included on Staff's list (found in Staff's**  
15 **workpapers) that provide benefit to customers?**

16 **A:**    Yes. For example, the Hawthorn Foundation is a non-partisan, non-political organization  
17 of Missouri-based businesses and community leaders in statewide business recruitment,  
18 retention and development efforts. Its main activities include international trade mission  
19 support resulting in trade agreements with other regions, economic development  
20 marketing and business recruitment through the Missouri Partnership; support for the  
21 expansion of Missouri's Innovation Campuses and support/advocacy for the Department  
22 of Defense economic footprint in Missouri. Our membership investment provides  
23 support for the efforts focused on the attraction of new business/KCP&L customers. The



1 potential new load from these customers benefits the entire customer base by improving  
2 the overall load curve which allows our system to perform more efficiently.

3 **Q: In summary, should Staff's disallowance of various dues and donations be accepted**  
4 **by this Commission?**

5 A: No. The Company's dues go directly to the products and services these chambers and  
6 economic development entities provide their communities. Increased economic growth  
7 benefits customers by increasing the tax base which supports, maintains, and improves  
8 local infrastructure, such as roads, parks, libraries, and emergency medical services.  
9 Increased economic growth supports job development, retention and attraction, business  
10 retention and economic diversification. The membership dues provided in the  
11 Company's cost of service are an important part of the overall cost of service of the  
12 Company and Staff's disallowance should not be accepted in this case.

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

14 A: Yes, it does.

**KCPL-MO Test Year Dues**

**Explanation of Benefits to Ratepayers**

Dues paid to chambers of commerce, economic development associations, tourism facilities and similar agencies help these groups support their local businesses and help retain, expand and attract new businesses. These groups deploy many tools such as business planning, economic development tools to site new businesses and networking services and events. KCP&L does not receive anything of benefit from dues payments. When these agencies are successful, the entire state and its residents benefit through increased commerce, expanded businesses and economic growth to the region.

- CHAMBER OF COMMERCE OF GREATER KC
- ASIAN AMERICAN CHAMBER OF COMMERCE
- CHAMBER OF COMMERCE OF GREATER KC
- CIVIC COUNCIL OF GREATER KC
- DOWNTOWN COUNCIL OF KANSAS CITY
- EASTERN JACKSON COUNTY BETTERMENT
- HEARTLAND BLACK OF COMMERCE CHAMBER
- KANSAS CITY INDUSTRIAL COUNCIL
- KANSAS CITY REGIONAL TRANSIT ALLIANCE
- KANSAS CITY SMARTPORT
- KANSAS ECONOMIC DEVELOPMENT ALLIANCE
- KANSAS ECONOMIC PROGRESS COUNCIL
- LEES SUMMIT CHAMBER OF COMMERCE
- LIBERTY AREA CHAMBER OF COMMERCE
- MIDAMERICA GAY AND LESBIAN CHAMBER
- MINORITY CONTRACTORS ASSOCIATION OF
- MISSOURI CHAMBER OF COMMERCE & INDUSTRY
- MISSOURI COMMUNITY ACTION NETWORK
- MISSOURI MUNICIPAL LEAGUE
- NORTH KANSAS CITY BUSINESS COUNCIL
- NORTHEAST JOHNSON COUNTY
- NORTHEAST KANSAS CITY CHAMBER OF
- NORTHEAST INDUSTRIAL ASSN
- NORTHLAND REGIONAL CHAMBER OF COMMERCE
- NORTHWEST ROUNDTABLE INC
- PARKVILLE CHAMBER OF COMMERCE
- PLATTE COUNTY ECONOMIC DEVELOPMENT
- PUBLIC AFFAIRS COUNCIL
- SEDALIA AREA CHAMBER OF COMMERCE
- SOUTH KANSAS CITY CHAMBER OF COMMERCE
- SOUTHWEST JOHNSON COUNTY ECONOMIC
- ST JOSEPH DOWNTOWN ASSOCIATION

Dues paid to energy associations and other regulatory groups allow KCP&L the ability to maintain and protect the utility infrastructure, while also providing safe and reliable service to ratepayers. In addition, these same types of dues allow the company timely access to environmental regulations for compliance purposes, and also provides a clean energy source to the ratepayers.

EDISON ELECTRIC INSTITUTE	EEI provides essential services and resources, industry best practices and products as well as national leadership that contribute to the long-term viability and service of the electric power industry. EEI's services and products help its member companies operate more reliably, more effectively, at lower cost, with less environmental impact, and more efficiencies. All of these efforts benefit KCPL and GMO customers. KCPL officers and other members of the leadership participate on advisory committees, utilize workroom resources and attend conferences and meetings related to industry topics as well as technical-specific issues.
ELECTRIC DRIVE TRANSPORTATION ASSOC	The Electric Drive Transportation Association (EDTA) is the trade association promoting battery, hybrid, plug-in hybrid and fuel cell electric drive technologies and infrastructure. EDTA conducts public policy advocacy, provides education and awareness, and enables industry networking and collaboration. MEDA provides services and advocacy for the state's investor owned utilities by advocating balanced policies in legislative and regulatory arenas. MEDA provides credible public policy leadership, pivotal industry awareness and education, and strategic business intelligence.
MISSOURI ENERGY DEVELOPMENT ASSOCIATION (MEDA)	MEI is a nonpartisan, nonprofit association of public and private-sector entities working together to increase energy economic development, innovation, and education throughout the state. MEI serves as an independent public policy group on emerging energy issues and focuses on being a trusted source of energy information for Missouri and the Midwest. The organization encourages creative collaborations and promotes affordable, reliable and sustainable energy efforts.

REGFORM

REGFORM is a statewide business association that works closely with state and federal agencies at the front end of the regulatory process to provide sound and technically defensible input on environmental regulations and policies. REGFORM's primary objective is the development and negotiation of environmental regulations and policies in Missouri that are based on sound science and that produce demonstrated environmental improvements commensurate with the costs involved for compliance.

Dues paid to help conserve and protect natural resources.

Dues paid in support of these facilities enhances Kansas City's image as a regional, national and global destination point and brings tourism and millions of dollars to the area. KCP&L has limited opportunity to take advantage of space for business meetings.

Dues paid to support professional licensing for employees to ensure that KCP&L attracts and retains qualified individuals.

STATE BAR OF MICHIGAN  
STATE OF NORTH CAROLINA  
THE CENTRAL EXCHANGE

Other:

BOSTON COLLEGE FOR CORPORATE CITIZENSHIP

Charitable Contribution

