

Exhibit:  
Issue: Transmission Revenue, Transmission  
Expense, Transource Adjustments  
Witness: Don A. Frerking  
Type of Exhibit: Rebuttal 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: July 27, 2018

**MISSOURI PUBLIC SERVICE COMMISSION**

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

**REBUTTAL TESTIMONY**

**OF**

**DON A. FRERKING**

**ON BEHALF OF**

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

**Kansas City, Missouri  
July 2018**

*KCP&L* Exhibit No. 123  
Date 9-25-18 Reporter TW  
File No. ER-2018-0145 + 0146

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**REBUTTAL TESTIMONY**

**OF**

**DON A. FRERKING**

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

1 **I. Introduction**

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

3 A: My name is Don A. Frerking. My business address is 1200 Main, Kansas City, Missouri  
4 64105.

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

6 A: I am employed by Kansas City Power & Light Company (“KCP&L”) as Regulatory  
7 Analyst—Lead.

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

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

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

13 A: I graduated from the University of Missouri-Columbia in 1986 with a Bachelor of Science  
14 degree in Industrial Engineering. I received a Master of Business Administration degree  
15 with an emphasis in Finance from the University of Missouri-Columbia in 1987. I am a  
16 registered Professional Engineer in the State of Missouri.

17 I have been employed by KCP&L or its one of its affiliates since 1987 in various  
18 analytical or managerial roles in the areas of Valuation Engineering, Business  
19 Development, Finance and Structuring, Business Planning, and Regulatory Affairs. In my  
20 current role in Regulatory Affairs my primary focus is on transmission- and Regional

1 Transmission Organization (“RTO”)-related issues at Southwest Power Pool, Inc. (“SPP”) and the Federal Energy Regulatory Commission (“FERC”).

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

6 A: Yes. I have testified before the MPSC and the Kansas Corporation Commission (“KCC”) on several occasions.

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

9 A: I will address and respond to the following transmission- and RTO-related items in the Staff of the MPSC’s (“Staff”) Revenue Requirement Cost of Service Report (“Staff Report”), which contains Staff’s Direct testimony in these cases.

- 12           ▪       Transmission Revenue – FERC Account 456 (Staff Report, Section V.C, pages 48-50)
- 14           ▪       Transmission Expense – FERC Account 565 (Staff Report, Section VI.E,19, pages 132-136)
- 16           ▪       Transource Adjustments – Transource Incentives (Staff Report, Section VI.E.30, pages 153-155)

18                   **II.     Transmission Revenue – FERC Account 456**

19 **Q: What issues would you like to address regarding Transmission Revenue in the Staff Report?**

21 A: Section V.C of the Staff Report addresses the Staff’s position on two transmission revenue adjustments proposed by the Company in its Direct filing in these cases.

- 23           ▪       Annualized Transmission Revenues (Company Adjustments KCP&L R-82 & GMO R-82) (Staff Adjustments KCP&L Rev-26.2 & GMO Rev 26.1)

1                   ▪       Transmission Revenue ROE Adjustment (Company Adjustments KCP&L  
2                                   R-80 & GMO R-80) (No Staff Adjustments)

3       **A.       Annualized Transmission Revenues (Company Adjustments KCP&L R-82 &  
4                   GMO R-82) (Staff Adjustments KCP&L Rev-26.2 & GMO Rev 26.1)**

5       **Q:       What is Staff’s position regarding an annualized level of transmission revenues?**

6       A:       The Staff recommended annualizing transmission revenues based on the level of  
7       transmission revenues for 12-months-ending December 31, 2017. Staff’s Adjustments  
8       KCP&L Rev-26.2 & GMO Rev 26.1 reflect this annualization.

9                   At page 3 of the Staff Report, Staff did, however, also identify a list of issues that  
10       it anticipates will be “trued-up” to the June 30, 2018 true-up date. “Transmission” is one  
11       those issues that Staff anticipates will be “trued-up”.

12       **Q:       Assuming that Staff does, indeed, “true-up” transmission revenues to the June 30,  
13                   2018 true-up date, will you then be in agreement with Staff’s annualization of  
14                   transmission revenues?**

15       A:       Perhaps, but that will depend on how Staff ultimately decides to “true-up” to June 30, 2018.

16       **Q:       What is the Company’s recommendation for how to “true-up” to June 30, 2018 for  
17                   transmission revenue?**

18       A:       Company witness Ronald A. Klote discusses in his Rebuttal testimony that the Company  
19       is proposing that transmission revenues be trued-up based on an “annualized” amount,  
20       which reflects the transmission revenues from January 1, 2018 through June 30, 2018.

1 Q: What is the Company’s rationale for “annualizing” based on January 1, 2018 through  
2 June 30, 2018 versus simply utilizing 12-months-ended June 30, 2018 data in the true-  
3 up?

4 A: There are several reasons why an “annualization” based on only the 2018 data is more  
5 reflective of ongoing transmission revenues than would be a 12-months-ended June 30,  
6 2018 amount. Two of the primary reasons are that:

7       ▪ KCP&L and GMO update their Annual Transmission Revenue  
8 Requirements (“ATRR”), which are calculated in their Transmission  
9 Formula Rates (“TFR”) each year, and the rates that result from these  
10 updated ATRRs – and are charged to transmission customers under the  
11 provision of the SPP Open Access Transmission Tariff (“OATT”) – are  
12 effective from January 1 to December 31 each year. Annualizing based on  
13 the January 1, 2018 to June 30, 2018 data, will incorporate the most recent  
14 KCP&L and GMO ATRRs.

15       ▪ The final Balanced Portfolio Reallocation amounts, under the provisions of  
16 the SPP OATT, will be effective for a five-year period from October 2017  
17 through September 2022. The final Balanced Portfolio Reallocation  
18 amounts are significantly different than the Balanced Portfolio Reallocation  
19 amounts in place prior to October 2017 and will have a significant impact  
20 on the KCP&L and GMO transmission revenues. Annualizing based on the  
21 January 1, 2018 to June 30, 2018 data will incorporate the final Balanced  
22 Portfolio Reallocation amounts that will be effective for much of the next  
23 five years.

1 **Q: Please provide additional explanation of the Balanced Portfolio Reallocation and its**  
2 **impact on the KCP&L and GMO’s transmission revenues.**

3 A: As noted in Company witness Klote’s Direct testimony in File No. ER-2018-0145, pages  
4 26-27, and File No. ER-2018-0146, pages 23-24, the Balanced Portfolio is a specific set of  
5 projects that meet the requirements in Sections IV.3 (High Priority Studies) and IV.4  
6 (Evaluation of Potential Balanced Portfolios) of Attachment O (Transmission Planning  
7 Process) of the SPP OATT.

8 The Balanced Portfolio is subject to unique cost allocation under Section IV  
9 (Approved Balanced Portfolios) of Attachment J (Recovery of Costs Associated with New  
10 Facilities) of the SPP OATT. The ATRRs of the Balanced Portfolio projects are charged  
11 to network transmission customers on a region-wide Load Ratio Share basis, but the  
12 Balanced Portfolio cost allocation allows for the reallocation of zonal charges to region-  
13 wide charges over a ten-year period in order to ensure that all zones within SPP are  
14 receiving benefits at least equal to the costs that they are being assessed for the Balanced  
15 Portfolio.

16 In general, those zones with Balanced Portfolio-related Benefit/Cost (“B/C”) ratios  
17 less than 1.0 will have some of their zonal ATRRs “reallocated” to network transmission  
18 customers on a region-wide basis. After the ten-year “reallocation” period, all zones should  
19 have B/C ratios “after reallocation” of at least 1.0 (i.e., those zones that had B/C ratios less  
20 than 1.0 will be equal to 1.0 “after reallocation”, and zones that had B/C ratios greater than  
21 1.0 will be less than they were originally, but still 1.0 or greater).

22 The KCP&L zone’s original B/C ratio was 0.9, and the GMO zone’s original B/C  
23 ratio was -0.3, so both the KCP&L and GMO zones were among the zones that would have

1 some of their zonal ATRRs “reallocated” to network transmission customers on a region-  
2 wide basis.

3 The original B/C ratio calculations were based on estimated project costs, which  
4 were also used as the basis for the calculation of the Year 1-5 Balanced Portfolio  
5 Reallocation amounts. In addition, the Year 1-5 Balanced Portfolio Reallocation amounts  
6 were phased-in (Year 1 = 20%, Year 2 = 40%, Year 3 = 60%, Year 4 = 80%, and Year 5 =  
7 100% of the 10-year annualized amount). Figure 1 below shows the Year 1-5 Balanced  
8 Portfolio Reallocation amounts for the KCP&L and GMO zones.

9 **Figure 1**

<b>Year 1-5 Balanced Portfolio Reallocation Amounts for KCP&amp;L &amp; GMO Zones</b>					
	<b>Year 1</b> Oct 1, 2012 - Sep 30, 2013	<b>Year 2</b> Oct 1, 2013 - Sep 30, 2014	<b>Year 3</b> Oct 1, 2014 - Sep 30, 2015	<b>Year 4</b> Oct 1, 2015 - Sep 30, 2016	<b>Year 5</b> Oct 1, 2016 - Sep 30, 2017
KCP&L Zone	\$1,821,147	\$3,642,293	\$5,463,440	\$7,284,587	\$9,105,733
GMO Zone	\$2,155,328	\$4,310,656	\$6,465,985	\$8,621,313	\$10,776,641

10 The Year 6-10 Balanced Portfolio Reallocation amounts are adjusted for two  
11 things. First, they are adjusted to reflect the “true-up” for actual project costs and, thus,  
12 what the 10-year annualized amount should have been had the actual project costs been  
13 utilized in the B/C calculations. And second, they are adjusted to add the amounts that  
14 were not reallocated during the phase-in, because the Years 1-4 reallocations were at less  
15 than 100% of the 10-year annualized amount. Figure 2 below shows the Year 6-10  
16 Balanced Portfolio Reallocation amounts for the KCP&L and GMO zones.



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Figure 2

Year 6-10 Balanced Portfolio Reallocation Amounts for KCP&L & GMO Zones					
	Year 6 Oct 1, 2017 - Sep 30, 2018	Year 7 Oct 1, 2018 - Sep 30, 2019	Year 8 Oct 1, 2019 - Sep 30, 2020	Year 9 Oct 1, 2020 - Sep 30, 2021	Year 10 Oct 1, 2021 - Sep 30, 2022
KCP&L Zone	\$5,761,657	\$5,761,657	\$5,761,657	\$5,761,657	\$5,761,657
GMO Zone	\$12,825,383	\$12,825,383	\$12,825,383	\$12,825,383	\$12,825,383

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Changes in the Balanced Portfolio Reallocation amounts result in incremental (positive or negative) transmission revenue to KCP&L and GMO. Note that the reason that there is incremental transmission revenue to KCP&L and GMO, as transmission owners, resulting from changes in the Balanced Portfolio Reallocation amounts – rather than the changes in zonal revenue simply being exactly offset by the opposite changes in region-wide revenue – is because KCP&L and GMO do not pay SPP Schedule 9 (legacy zonal ATRR charges) for the use of our own transmission facilities. Thus, the Balanced Portfolio Reallocation for the KCP&L and GMO zones reallocates legacy zonal ATRR amounts that KCP&L and GMO do not “pay to ourselves” to region-wide transmission customers who do pay them under SPP Schedule 11 region-wide charges.

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As can be seen in Figures 1 and 2 above, for the KCP&L zone the difference between the Year 5 Balanced Portfolio Reallocation amount (\$9,105,733) and the Year 6-10 amounts (\$5,761,657) is an approximately \$3.3 million decrease. The decrease from Year 5 to Years 6-10 is because the “actual” project costs reflected in the Year 6-10 amounts were less than the “estimated” project costs reflected in the Year 1-5 amounts, and the lower actual project costs more than offset the amounts of “under-reallocation” during the phase-in in Years 1-4.

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Likewise, for the GMO zone the difference between the Year 5 Balanced Portfolio Reallocation amount (\$10,776,641) and the Year 6-10 amounts (\$12,825,383) is an approximately \$2.0 million increase. For the GMO zone the increase from Year 5 to Years

1 6-10 is less than it otherwise would have been because the “actual” project costs reflected  
2 in the Year 6-10 amounts were less the “estimated” project costs reflected in the Year 1-5  
3 amounts. For the GMO zone, however, the amounts of “under-reallocation” during the  
4 phase-in in Years 1-4 were still more than the impacts of the lower actual project costs, so  
5 there is still an increase from Year 5 to Years 6-10.

6 **Q: Can you provide additional background/documentation on the Balanced Portfolio?**

7 A: Yes. Please refer to the Company’s response to MPSC Staff DRs Q0374 in these cases,  
8 which contain additional background/documentation, including various SPP FERC filings  
9 related to the Balanced Portfolio, etc.

10 **Q: Is the Company’s proposed “annualization” methodology, utilizing January 1, 2018**  
11 **through June 30, 2018 data, for transmission revenues consistent with what it is**  
12 **proposing for transmission by others expenses?**

13 A: Yes.

14 **B. Transmission Revenue ROE Adjustment (Company Adjustments KCP&L**  
15 **R-80 & GMO R-80) (No Staff Adjustments)**

16 **Q: What is Staff’s position regarding the Company’s proposed ROE adjustments in the**  
17 **transmission revenues received from SPP for other Transmission Customers’ use of**  
18 **KCP&L’s and GMO’s transmission facilities?**

19 A: Staff recommended that transmission revenues not be adjusted to reflect the differences  
20 between MPSC- and FERC-authorized ROEs as was calculated in Company Adjustments  
21 KCP&L R-80 & GMO R-80, which were discussed in the Direct testimony of Company  
22 witness Klote.

1 **Q: What is the Company's position regarding Staff's recommendation to not include the**  
2 **R-80 adjustments in its revenue requirement calculation?**

3 A: The Company does not agree with Staff's exclusion of the R-80 adjustments nor does the  
4 Company agree with Staff's flawed rationale for its exclusion of the adjustments. The R-  
5 80 adjustment was proposed to correct a situation where the crediting of transmission  
6 revenue results in Missouri retail customers paying less than the MPSC-authorized return.

7 **Q: Why does the transmission revenue crediting result in Missouri retail customers**  
8 **paying less than the MPSC has authorized?**

9 A: Under the current Missouri retail ratemaking methodology, all of the Company-owned  
10 transmission assets and related expenses are included in the calculation of the gross retail  
11 revenue requirement. This gross retail revenue requirement is based on a MPSC-  
12 authorized ROE. The transmission revenue crediting occurs when the Company charges  
13 other Transmission Customers through the SPP OATT for their use of the Company-owned  
14 transmission assets. Because all of the Company-owned transmission assets and related  
15 expenses have been included in the gross Missouri retail revenue requirement calculation,  
16 transmission revenues received through the SPP OATT for the use of those same  
17 Company-owned transmission assets must be credited against the gross retail revenue  
18 requirement to arrive at a net retail revenue requirement.

19 The problem with this revenue crediting, however, is that transmission revenues  
20 that are being received from other Transmission Customers through the SPP OATT are  
21 based on ATRRs calculated in the KCP&L and GMO TFRs that are based on a FERC-  
22 authorized ROE. The FERC-authorized ROE is different than the MPSC-authorized ROE.  
23 When the FERC-authorized ROE is higher than the MPSC-authorized ROE, the

1 transmission revenues from other Transmission Customers that are being credited against  
2 the gross retail revenue requirement are greater than that which was calculated in the gross  
3 retail revenue requirement. Essentially, Missouri retail customers would be credited back  
4 more than they would have been charged. This crediting back of more to Missouri retail  
5 customers than was built into their gross retail revenue requirement creates an improper  
6 arbitrage situation for Missouri retail customers that is controlled by the MPSC.

7 Company Adjustments KCP&L R-80 and GMO R-80 eliminate this improper  
8 arbitrage situation.

9 **Q: Can you provide a simple illustrative example of this situation?**

10 **A:** Yes. The simplified example calculation in Figure 3 below shows how transmission  
11 revenue crediting at the FERC-authorized ROE (when the FERC-authorized ROE is greater  
12 the MPSC-authorized ROE) results in retail customers effectively paying less than the  
13 MPSC-authorized return. In this example, the ROE component of the total transmission  
14 revenue requirement, at an assumed 9.85% MPSC-authorized ROE, would be \$9.850  
15 million (line 5 in the MPSC column of Figure 3).

16 In this example, it is assumed that Company retail load is 90% of the total  
17 transmission load using the Company transmission facilities and that the load associated  
18 with SPP charges to other Transmission Customers for the use of Company transmission  
19 facilities is 10% of the total transmission load. Thus, Company retail customers would be  
20 expected to pay 90% of the \$9.850 million, or \$8.865 million (line 8 in the MPSC column  
21 of Figure 3).

22 SPP, on behalf of the Company, charges other Transmission Customers for their  
23 use of Company transmission facilities under the terms of the SPP OATT. Those charges

1 are based on the ATRR in the Company's TFR, which includes the Company's FERC-  
2 authorized ROE of 11.1%. The SPP charges to those other Transmission Customers that  
3 are associated with the 11.1% ROE component of the Company ATRR would be \$1.110  
4 million (line 9 in the FERC column of Figure 3).

5 As previously noted, all of the Company-owned transmission assets and related  
6 expenses are included in the gross Missouri retail revenue requirement calculation, and the  
7 transmission revenues received from SPP charges to other Transmission Customers are  
8 credited against the gross retail revenue requirement to arrive at a net retail revenue  
9 requirement. The problem is that the full gross retail revenue requirement is calculated  
10 using the MPSC-authorized ROE, and the transmission revenue credit is based on the  
11 FERC-authorized ROE.

12 This problem can be seen in Figure 3 where the transmission revenue credit of  
13 \$1.110 million (line 11 of Figure 3), which is based on the 11.1% FERC-authorized ROE,  
14 is subtracted from the gross retail revenue requirement of \$9.850 million (line 10 of Figure  
15 3) that is based on the assumed 9.85% MPSC-authorized ROE. In the example in Figure  
16 3, the resulting net retail revenue available for equity of \$8.740 million (line 12 of Figure  
17 3) is less than the \$8.865 million (line 8 in the MPSC column of Figure 3) that Company  
18 retail customers would be expected to pay. This results in Company retail customers being  
19 effectively only charged for a 9.71% ROE (line 13 of Figure 3) on transmission ratebase  
20 rather than the 9.85% ROE for which they should be charged.

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**Figure 3**

Illustrative Transmission Revenue Crediting Example (without R-80 Adjustment)			
		<b>MPSC ROE Revenue Requirement</b>	<b>FERC ROE Revenue Requirement</b>
(1) Transmission Rate Base		\$ 200,000,000	\$ 200,000,000
(2) Equity Portion of Capital Structure		50%	50%
(3) Transmission Rate Base (Equity portion)	(1) x (2)	\$ 100,000,000	\$ 100,000,000
(4) Authorized ROE		9.85%	11.10%
(5) ROE Component of Transmission Revenue Requirement	(3) x (4)	\$ 9,850,000	\$ 11,100,000
(6) % of Total Transmission Load - Company Retail		90%	90%
(7) % of Total Transmission Load - SPP Charges to Others		10%	10%
		100%	100%
(8) Allocated ROE Revenue Requirement for Company Retail	(5) x (6)	\$ 8,865,000	\$ 9,990,000
(9) Allocated ROE Revenue Requirement for SPP Charges to Others	(5) x (7)	\$ 985,000	\$ 1,110,000
		\$ 9,850,000	\$ 11,100,000
(10) Gross ROE Revenue Requirement @ MPSC ROE (9.85%)	MPSC (5)	\$ 9,850,000	
(11) Less: Transmission Revenue Credit @ FERC ROE (11.1%)	FERC (9)	\$ 1,110,000	
(12) Net Company Retail Revenue Available for Equity	(10) - (11)	\$ 8,740,000	
(13) Effective ROE paid by Company Retail Customers	(12) / [(3)*(6)]	9.71%	< Authorized ROE

Note:

This is a simplified calculation for illustrative purposes only. The numbers shown are not necessarily representative of actual Company ratebase, capital structure, load, etc.

2

3 **Q: How does the R-80 adjustment fix this problem?**

4 A: The R-80 adjustment recalculates the transmission revenues received from other  
 5 Transmission Customers through the SPP OATT by changing the ROE in the Company  
 6 TFR to the ROE that the Company has requested that the MPSC authorize in these rate  
 7 cases. The adjusted transmission revenues from other Transmission Customers that reflect  
 8 the ROE requested from the MPSC in these rate cases are then credited against the retail  
 9 revenue requirement. This adjustment fixes the problem and creates a situation where the  
 10 Missouri retail customers are paying the MPSC-authorized return.

11 **Q: Can you provide a simple illustrative example of how the R-80 adjustment fixes the  
 12 problem?**

13 A: Yes. The simplified example calculation in Figure 4 below shows how the R-80 adjustment  
 14 fixes the transmission revenue crediting problem. The calculation in Figure 4 is the same  
 15 as that in Figure 3 with one exception. Instead of crediting back transmission revenues that

1 are based on the FERC-authorized ROE of 11.1%, the transmission revenue credit (line 11  
 2 of Figure 4) is instead based on what the SPP charges to other Transmission Customers for  
 3 use of Company transmission facilities would be if they had been based on the assumed  
 4 MPSC-authorized ROE of 9.85% rather than the FERC-authorized ROE of 11.1%.

5 As can be seen in Figure 4, the resulting \$8.865 million net retail revenue available  
 6 for equity (line 12 of Figure 4) is now the same as the \$8.865 million (line 8 in the MPSC  
 7 column of Figure 4) that Company retail customers would be expected to pay. This results  
 8 in Company retail customers now being appropriately charged for a 9.85% requested  
 9 MPSC-authorized ROE.

10 **Figure 4**

**Illustrative Transmission Revenue Crediting Example (with R-80 Adjustment)**

		<b>MPSC ROE Revenue Requirement</b>	<b>FERC ROE Revenue Requirement</b>
(1) Transmission Rate Base		\$ 200,000,000	\$ 200,000,000
(2) Equity Portion of Capital Structure		50%	50%
(3) Transmission Rate Base (Equity portion)	(1) x (2)	\$ 100,000,000	\$ 100,000,000
(4) Authorized ROE		9.85%	11.1%
(5) ROE Component of Transmission Revenue Requirement	(3) x (4)	\$ 9,850,000	\$ 11,100,000
(6) % of Total Transmission Load - Company Retail		90%	90%
(7) % of Total Transmission Load - SPP Charges to Others		10%	10%
		100%	100%
(8) Allocated ROE Revenue Requirement for Company Retail	(5) x (6)	\$ 8,865,000	\$ 9,990,000
(9) Allocated ROE Revenue Requirement for SPP Charges to Others	(5) x (7)	\$ 985,000	\$ 1,110,000
		\$ 9,850,000	11,100,000
(10) Gross ROE Revenue Requirement @ MPSC ROE (9.85%)	MPSC (5)	\$ 9,850,000	
(11) Less: Transmission Revenue Credit @ MPSC ROE (9.9%)	MPSC (9)	\$ 985,000	
(12) Net Company Retail Revenue Available for Equity	(10) - (11)	\$ 8,865,000	
(13) Effective ROE paid by Company Retail Customers	(12) / [(3)*(6)]	9.85% = Authorized ROE	

Note:

This is a simplified calculation for illustrative purposes only. The numbers shown are not necessarily representative of actual Company ratebase, capital structure, load, etc.

11  
 12 If the Commission authorizes a different ROE, then that would be utilized in  
 13 developing the final revenue requirement and compliance tariff sheets at the conclusion of  
 14 these cases.

1 Q: You also mentioned above that Staff's rationale for not including the R-80 adjustment  
2 was flawed. What was Staff's rationale?

3 A: Staff's rationale for not including the R-80 adjustment, which is discussed on pages 70-71  
4 of Staff's Cost of Service Report, is also shown below:

5 In its direct case, KCPL and GMO proposed an adjustment to reduce  
6 transmission revenue for the difference between KCPL's and GMO's  
7 authorized FERC ROE of 11.1% and KCPL's and GMO's proposed ROE  
8 in this case of 9.85%. As transmission owners, KCPL and GMO receive  
9 transmission revenues from SPP for regional and zonal transmission  
10 upgrades. The wholesale transmission revenue adjustment is calculated  
11 using the Annual Transmission Revenue Requirement ("ATRR") and using  
12 KCPL's and GMO's authorized FERC ROE of 11.1%. The ATRR is used  
13 by SPP to allocate revenues and expenses to all transmission owners and  
14 transmission customers of SPP. The transmission owners receive allocated  
15 revenues based on the ATRR and the transmission customers are charged  
16 for allocated costs based on the ATRR. The ATRR may include incentives  
17 such as allowing CWIP in the revenue requirement, ROE adders, etc.  
18 KCPL's and GMO's authorized FERC ROE of 11.1% includes a ROE adder  
19 for being a member of a regional transmission organization ("RTO") of 50  
20 basis points.

21  
22 Other SPP transmission owners submit the ATRR that may include the  
23 previously discussed incentives. KCPL and GMO will then receive its  
24 allocated share of the transmission costs that include these incentives. Since  
25 no adjustment was made to its transmission expense for the incentives that  
26 are included in the costs KCPL and GMO receive from SPP and charges to  
27 its customers, for consistency Staff did not reduce transmission revenues  
28 for the difference in KCPL's and GMO's authorized FERC ROE of 11.1%  
29 and its proposed ROE of 9.85% in this case. Staff did reflect the full  
30 financial impact of both transmission revenue and transmission expense. It  
31 is Staff's position that KCPL's participation in SPP encompasses both the  
32 financial impact of KCPL's and GMO's ownership of transmission assets  
33 and the financial impacts of the use of other SPP members' transmission  
34 assets. Consequently, KCPL and GMO customers are entitled to all  
35 transmission revenues that offset a part of the significant increases in  
36 transmission expense.

37 Q: Why is Staff's rationale flawed?

38 A: First, as a point of clarification, while the KCP&L and GMO's TFR templates have a  
39 placeholder for CWIP in ratebase and some of the other ROE incentives mentioned by



1 Staff, KCP&L and GMO do not currently have FERC approval to apply those incentives  
2 to any projects in their TFRs. The only incentive that KCP&L and GMO currently have  
3 FERC approval for in their TFRs is the 50-basis point ROE adder for being a member of  
4 an RTO. The application of any of the other incentives would require the Company to get  
5 specific FERC approval on a project-specific basis.

6 **Q: Is that the main flaw in Staff's rationale?**

7 A: No. The real flaw in Staff's rationale is in the second paragraph of Staff's discussion above  
8 where Staff states that:

9 Since no adjustment was made to its transmission expense for the incentives  
10 that are included in the costs KCPL and GMO receive from SPP and charges  
11 to its customers, for consistency Staff did not reduce transmission revenues  
12 for the difference in KCPL's and GMO's authorized FERC ROE of 11.1%  
13 and its proposed ROE of 9.85% in this case.

14 Staff is, thus, suggesting that Transmission for Others revenues in FERC Acct 456.1 should  
15 not be adjusted if Transmission by Others expenses in FERC Acct 565 are not adjusted.

16 **Q: Why is that rationale flawed?**

17 A: The treatment is not "consistent" because there are fundamental differences between the  
18 Transmission for Others revenues in Account 456.1 and the Transmission by Others  
19 expenses in Account 565. These differences are primarily related to which entity owns the  
20 transmission facilities and to the jurisdictional rate-making authority and methodology  
21 applicable to those transmission facilities owned by the Company versus those owned by  
22 others.

1 **Q: Who owns the transmission facilities for which Transmission for Others revenues in**  
2 **Account 456.1 are being received?**

3 A: The Company owns those transmission facilities. The Company receives those  
4 transmission revenues when other wholesale transmission customers utilize the Company-  
5 owned transmission facilities.

6 **Q: Who owns the transmission facilities for which Transmission by Others expenses in**  
7 **Account 565 are being charged?**

8 A: Those transmission facilities are primarily owned by other transmission-owning  
9 companies. The Company is charged transmission expenses for its use, on behalf of its  
10 retail customers, of those other transmission-owning companies' transmission facilities.

11 **Q: Your response above noted that the transmission facilities for which Transmission by**  
12 **Others Expenses in Account 565 are being charged are “primarily” owned by other**  
13 **transmission-owning companies. Are, then, some of the charges in Account 565 for**  
14 **the Company’s use of Company-owned transmission facilities?**

15 A: Yes. There are some charges in Account 565 related to the Company’s use of Company-  
16 owned transmission facilities. The Company has, however, adjusted for those in the  
17 Company Adjustments KCP&L R-80 and GMO R-80 by excluding the related revenues  
18 from the ROE adjustment. The net result of that exclusion is that the transmission revenues  
19 in Account 456.1 for the Company’s use of Company-owned transmission facilities and  
20 the transmission expenses in Account 565 for the Company’s use of Company-owned  
21 transmission facilities offset each other. The net result is that charges to KCP&L and  
22 GMO’s retail customers for the use of transmission facilities owned by the KCP&L and  
23 GMO, respectively, are based on the ROE authorized by the MPSC.

1 Q: You have explained the ownership differences for the transmission facilities in  
2 question as they relate to Transmission for Others revenue vs. Transmission by  
3 Others expenses, but you also noted that there are jurisdictional rate-making  
4 authority and methodology differences. Please discuss the jurisdictional rate-making  
5 authority and methodology for Transmission for Others revenue.

6 A: The wholesale transmission revenues in Account 456.1 are received based on rates under  
7 the jurisdictional authority of FERC and are primarily based on the Company's FERC-  
8 approved TFR and administered under the FERC-approved SPP OATT. While the MPSC  
9 does not have rate-making authority over the rates upon which the wholesale transmission  
10 revenues in Account 456.1 are based, it obviously has retail rate-making authority, and  
11 those retail rates are based, in part, on the same Company-owned transmission facilities  
12 that are also used to generate the wholesale transmission revenues in Account 456.1. That  
13 is why Account 456.1 wholesale transmission revenues must be credited against the gross  
14 retail revenue requirement to produce a reduced net retail revenue requirement and, thus,  
15 avoid double recovery.

16 The problem, however, occurs when the Account 456.1 wholesale transmission  
17 revenues that are being credited against the gross retail revenue requirement are based on  
18 FERC-approved rates that include a FERC-authorized ROE that is different than the  
19 MPSC-authorized ROE. Crediting back more to retail customers than was built into their  
20 gross retail revenue requirement, because of differences between FERC- and MPSC-  
21 authorized ROEs, creates the improper arbitrage situation that is described above in my  
22 testimony.

1 **Q: How is the jurisdictional rate-making authority and methodology different for the**  
2 **transmission facilities for which Transmission by Others expenses in Account 565 are**  
3 **being charged?**

4 A: The transmission expenses in Account 565 charged to the Company are based on rates  
5 under the jurisdictional authority of the FERC and are primarily based on other  
6 transmission-owning companies' FERC-approved TFRs and are administered under the  
7 FERC-approved SPP OATT. The MPSC does not have rate-making authority over the  
8 rates upon which the transmission expenses in Account 565 are based, nor does it have  
9 retail rate-making authority over the transmission facilities upon which those charges to  
10 the Company are based (other than those facilities owned by the Company).

11 The MPSC, thus, does not have jurisdiction to authorize the ROE to be used in the  
12 rates charged to the Company for the use of transmission facilities owned by others. Thus,  
13 there is no ROE difference to adjust for, because the FERC-authorized ROEs for those  
14 other transmission-owning companies are the only relevant ROEs.

15 **Q: Does the Company have the option to pay amounts other than those it is being charged**  
16 **for the use of others' transmission facilities?**

17 A: No. KCP&L and GMO have no option to pay any other amounts for the allocated use of  
18 transmission facilities owned by other Transmission Owners that have been lawfully  
19 charged to them as a Transmission Customers under the FERC-approved SPP OATT.  
20 KCP&L and GMO are incurring these charges for the use of others' transmission facilities  
21 on behalf of their retail customers.

1 **Q: Given these fundamental differences between the Transmission for Others revenues**  
2 **in Account 456.1 vs. Transmission by Others expenses in Account 565, is there any**  
3 **basis for making some sort of ROE adjustment for Transmission by Others expenses**  
4 **in Account 565?**

5 A: No. There is no basis to make such an adjustment to the Transmission by Others expenses  
6 recorded in FERC Account 565 that are lawfully incurred by the KCP&L and GMO as a  
7 Transmission Customers under the SPP OATT for the allocated use of transmission  
8 facilities that are owned by other Transmission Owners in SPP. Doing so would, in my  
9 opinion, constitute an illegal taking.

10 **Q: Is there anything else that is troubling about Staff's rationale regarding the**  
11 **Company's Adjustments KCP&L R-80 and GMO R-80?**

12 A: Yes. Staff notes in its discussion of transmission expenses in the Staff Report that they  
13 "analyzed KCPL and GMO's actual transmission expenses for the period of 2009 through  
14 2017" and that "KCPL and GMO's transmission expenses have increased substantially  
15 over this period." That substantial increase in transmission expenses certainly is not  
16 surprising to the Company, as that situation has contributed significantly to the regulatory  
17 lag that the Company has been experiencing and is precisely the reason that the Company  
18 has consistently proposed regulatory mechanisms to deal with the rising Transmission by  
19 Others expenses in each of its recent rate cases.

20 What is troubling though is that Staff suggests that "(c)onsequently, KCPL and  
21 GMO customers are entitled to all [emphasis added] transmission revenues that offset a  
22 part of the significant increases in transmission expense." Staff seems to be suggesting  
23 that, because transmission expenses are increasing significantly, retail customers are

1 somehow entitled to the improper arbitrage revenues created by crediting back more to  
2 them in transmission revenues than was built into their gross retail revenue requirement.

### 3 III. Transmission Expense-FERC Account 565

4 **Q: What issues would you like to address regarding Transmission Expense in the Staff  
5 Report?**

6 **A:** Section VI.E.19 of the Staff Report addresses the Staff's position on transmission expense  
7 adjustments proposed by the Company in its Direct filing in this case.

- 8 ▪ Annualized Transmission by Others Expense (Company Adjustments  
9 KCP&L CS-45 & GMO CS-45) (Staff Adjustments KCP&L E-130.1 &  
10 GMO E-85.2)

11 **A. Annualized Transmission by Others (Company Adjustments KCP&L CS-45  
12 & GMO CS-45) (Staff Adjustments KCP&L E-130.1 & GMO E-85.2)**

13 **Q: What is Staff's position regarding an annualized level of transmission expenses?**

14 **A:** The Staff recommended annualizing transmission by other expenses based on the level of  
15 transmission expenses for 12-months-ending December 31, 2017. Staff's Adjustments  
16 KCP&L E-130.1 & GMO E-85.2 reflect this annualization.

17 At page 3 of the Staff Report, Staff did, however, also identify a list of issues that  
18 it anticipates will be "trued-up" to the June 30, 2018 true-up date. "Transmission" is one  
19 those issues that Staff anticipates will be "trued-up".

20 **Q: Assuming that Staff does, indeed, "true-up" transmission for others expenses to the  
21 June 30, 2018 true-up date, will you then be in agreement with Staff's annualization  
22 of transmission revenues?**

23 **A:** Perhaps, but that will depend on how Staff ultimately decides to "true-up" to June 30, 2018.

1 **Q: What is the Company’s recommendation for how to “true-up” to June 30, 2018 for**  
2 **transmission by others expenses?**

3 A: Company witness Klote discusses in his Rebuttal testimony that the Company is proposing  
4 that transmission by others expenses be true-up based on an “annualized” amount, which  
5 reflects the transmission by others expenses from January 1, 2018 through June 30, 2018.

6 **Q: What is the Company’s rationale for “annualizing” based on January 1, 2018 through**  
7 **June 30, 2018 versus simply utilizing 12-months-ended June 30, 2018 data in the true-**  
8 **up?**

9 A: There are several reasons why an “annualization” based on only the 2018 data is more  
10 reflective of ongoing transmission by others expenses than would be a 12-months-ended  
11 June 30, 2018 amount. Some of the primary reasons are that:

12       ▪ Many transmission owners update their ATRRs, which are calculated in  
13 their TFRs each year, and the rates that result from the updated ATRRs –  
14 and are charged to transmission customers, like KCP&L and GMO, under  
15 the provisions of the SPP OATT – are effective from January 1 to December  
16 31 each year. Annualizing based on the January 1, 2018 to June 30, 2018  
17 data, will incorporate the most recent ATRRs that are being charged to  
18 KCP&L and GMO.

19       ▪ The final Balanced Portfolio Reallocation amounts, under the provisions of  
20 the SPP OATT, will be effective for a five-year period from October 2017  
21 through September 2022. The final Balanced Portfolio Reallocation  
22 amounts are significantly different than the Balanced Portfolio Reallocation  
23 amounts in place prior to October 2017 and will have a significant impact

1 on the Company's transmission by others expenses associated with the  
2 Balanced Portfolio amounts being reallocated to region-wide charges.  
3 Annualizing based on the January 1, 2018 to June 30, 2018 data, will  
4 incorporate the final Balanced Portfolio Reallocation amounts that will be  
5 effective for much of the next five years.

6       ▪ The final phase-in of the Independence Power & Light ("IPL") ATRR under  
7 the terms of the IPL settlement in FERC Docket No. ER15-1499 began  
8 January 1, 2018. We believe that Staff has reflected this known and  
9 measurable change in their annualization, but basing the annualization on  
10 the January 1, 2018 through June 30, 2018 data should also reflect this  
11 change.

12 **Q: What is the impact of the final Balanced Portfolio Reallocation on the region-wide**  
13 **transmission charges to KCP&L and GMO?**

14 **A:** As I noted previously in the discussion of the final Balanced Portfolio Reallocation impact  
15 on transmission revenues, the first part if the final Balanced Portfolio Reallocation is to  
16 adjust the overall amount reallocated from zonal changes to region-wide charges by  
17 reflecting the "true-up" for actual project costs and, thus, what the 10-year annualized  
18 amount should have been had the actual project costs been utilized in the B/C calculations.  
19 The actual project costs were less than were originally estimated at the start of the Balanced  
20 Portfolio process, so the total amount being reallocated to a region-wide charge is less for  
21 Years 6-10 than it was for Year 5.

22       Figure 5 below shows the Year 1-5 Balanced Portfolio amounts that were  
23 reallocated to be charged to transmission customers on a region-wide basis. Figure 5 also



1 shows the approximate KCP&L and GMO Load Ratio Shares of those amounts that are  
 2 charged to KCP&L and GMO as transmission customers under Schedule 11 of the SPP  
 3 OATT.

4 **Figure 5**

<b>Year 1-5 Balanced Portfolio Region-Wide Charges</b>					
	<b>Year 1</b> Oct 1, 2012 - Sep 30, 2013	<b>Year 2</b> Oct 1, 2013 - Sep 30, 2014	<b>Year 3</b> Oct 1, 2014 - Sep 30, 2015	<b>Year 4</b> Oct 1, 2015 - Sep 30, 2016	<b>Year 5</b> Oct 1, 2016 - Sep 30, 2017
Balanced Portfolio Region Wide ATRR	\$20,524,948	\$41,049,896	\$61,574,844	\$82,099,792	\$102,624,740
KCP&L Load Ratio Share (~7.3%)	\$1,498,321	\$2,996,642	\$4,494,964	\$5,993,285	\$7,491,606
GMO Load Ratio Share (~4.1%)	\$841,523	\$1,683,046	\$2,524,569	\$3,366,091	\$4,207,614

5 Figure 6 below shows the Year 6-10 Balanced Portfolio amounts that were  
 6 reallocated to be charged to transmission customers on a region-wide basis. Figure 6 also  
 7 shows the approximate KCP&L and GMO Load Ratio Shares of those amounts that are  
 8 charged to KCP&L and GMO as transmission customers under Schedule 11 of the SPP  
 9 OATT.

10 **Figure 6**

<b>Year 6-10 Balanced Portfolio Region-Wide Charges</b>					
	<b>Year 6</b> Oct 1, 2017 - Sep 30, 2018	<b>Year 7</b> Oct 1, 2018 - Sep 30, 2019	<b>Year 8</b> Oct 1, 2019 - Sep 30, 2020	<b>Year 9</b> Oct 1, 2020 - Sep 30, 2021	<b>Year 10</b> Oct 1, 2021 - Sep 30, 2022
Balanced Portfolio Region Wide ATRR	\$73,774,679	\$73,774,679	\$73,774,679	\$73,774,679	\$73,774,679
KCP&L Load Ratio Share (~7.3%)	\$5,385,552	\$5,385,552	\$5,385,552	\$5,385,552	\$5,385,552
GMO Load Ratio Share (~4.1%)	\$3,024,762	\$3,024,762	\$3,024,762	\$3,024,762	\$3,024,762

11 Thus, the impact of the final Balanced Portfolio Reallocation results in KCP&L  
 12 paying approximately \$2.1 million less and GMO paying approximately \$1.2 million less  
 13 per year in Schedule 11 region-wide charges for Years 6-10 compared to Year 5.

1 Q: Is the Company's proposed annualization methodology, utilizing January 1, 2018  
2 through June 30, 2018 data, for transmission by others expenses consistent with what  
3 it is proposing for transmission revenues?

4 A: Yes.

5 IV. Transource Adjustments - Transource – FERC Incentives

6 Q: What are the Transource Adjustments?

7 A: As noted in Section VI.E.30 of the Staff Report, the Company included in its Direct  
8 revenue requirement filing in these cases three adjustments related to the Stipulation and  
9 Agreement reached by the parties and included in the Commission's Report and Order in  
10 File No. EA-2013-0098 ("Transource Missouri CCN Case"). In my Rebuttal testimony I  
11 will address only the adjustment below:

- 12 ■ Transource – FERC Incentives (Company Adjustments KCP&L CS-108 &  
13 GMO CS-108) (Staff Adjustments KCP&L E-130.2 & GMO E-85.4)

14 Q: Can you briefly describe the purpose of this Transource FERC Incentives  
15 adjustment?

16 A: Yes. As noted in Section VI.E.30 of the Staff Report, this adjustment is intended to address  
17 certain rate treatment agreements made by KCP&L and GMO in the Transource Missouri  
18 CCN Case. These rate treatment agreements made by KCP&L and GMO are discussed on  
19 pages 27-28 of the Commission Report and Order in File No. EA-2013-0098 in Appendix  
20 4, Section 2 and are also shown below.

21 2. In particular, Section II(A) of the Stipulation provides for certain rate  
22 treatment respecting costs allocated to KCP&L or GMO by SPP involving  
23 FERC items such as authorized return on equity ("ROE"), capital structure,  
24 construction work in progress ("CWIP"), or other FERC transmission rate  
25 incentives for the Iatan-Nashua Project and the Sibley-Nebraska City  
26 Project facilities located in KCP&L's and GMO's respective service  
27 territories that are constructed by Transource Missouri. KCP&L and GMO

1 have agreed to make these adjustments in all rate cases so long as the  
2 transmission facilities are in service.

3  
4 A. Rate Treatment – Affiliate Owned Transmission

5  
6 1. With respect to transmission facilities located in KCP&L  
7 certificated territory that are constructed by Transource Missouri  
8 that are part of the Iatan-Nashua and Sibley-Nebraska City Projects,  
9 KCP&L agrees that for ratemaking purposes in Missouri the costs  
10 allocated to KCP&L by SPP will be adjusted by an amount equal to  
11 the difference between: (a) the SPP load ratio share of the annual  
12 revenue requirement for such facilities that would have resulted if  
13 KCP&L's authorized ROE and capital structure had been applied  
14 and there had been no Construction Work in Progress ("CWIP") (if  
15 applicable) or other FERC Transmission Rate Incentives, including  
16 but not limited to Abandoned Plant Recovery, recovery on a current  
17 basis instead of capitalizing pre-commercial operations expenses  
18 and accelerated depreciation, applied to such facilities; and (b) the  
19 SPP load ratio share of the annual FERC-authorized revenue  
20 requirement for such facilities. KCP&L will make this adjustment  
21 in all rate cases so long as these transmission facilities are in service.  
22

23 2. With respect to transmission facilities located in GMO  
24 certificated territory that are constructed by Transource Missouri  
25 that are part of the Iatan-Nashua and Sibley-Nebraska City Projects,  
26 GMO agrees that for ratemaking purposes in Missouri the costs  
27 allocated to GMO by SPP will be adjusted by an amount equal to  
28 the difference between: (a) the SPP load ratio share of the annual  
29 revenue requirement for such facilities that would have resulted if  
30 GMO's authorized ROE and capital structure had been applied and  
31 there had been no CWIP (if applicable) or other FERC Transmission  
32 Rate Incentives, including but not limited to Abandoned Plant  
33 Recovery, recovery on a current basis instead of capitalizing pre-  
34 commercial operations expenses and accelerated depreciation,  
35 applied to such facilities; and (b) the SPP load ratio share of the  
36 annual FERC-authorized revenue requirement for such facilities.  
37 GMO will make this adjustment in all rate cases so long as these  
38 transmission facilities are in service.

39 **Q: What is Staff's position regarding the Transource FERC Incentives adjustment?**

40 **A:** Staff reviewed KCP&L's proposed adjustment and recommended that it be revised in  
41 various respects in order to, as they state in the Staff Report, "make it consistent with the  
42 Commission's Report and Order in File No. EA-2013-0098."

1 **Q: What revisions did Staff make to the Company’s proposed Transource FERC**  
2 **Incentives adjustment?**

3 A: As noted on Page 155 of the Staff Report:

4 Staff’s recommended changes are as follows:

- 5 ▪ Cost of debt – differences in the assumed cost of long term  
6 debt do not result from FERC Transmission Rate Incentives,  
7 and therefore should not be included in the difference  
8 calculation
- 9  
10 ▪ Federal income tax rate – Staff calculated the adjustment  
11 based on the current federal income tax rates effective  
12 January 1, 2018.

13  
14 **Q: Do you agree with Staff’s revision regarding the cost of debt?**

15 A: No. Staff’s suggestion that “differences in the assumed cost of long-term debt do not result  
16 from FERC Transmission Rate Incentives” is illogical.

17 In Transource Missouri’s application in FERC Docket No. ER12-2554, and  
18 specifically in the direct testimony of Transource Missouri witness Matt Vermillion,  
19 Transource Missouri discussed the risks and challenges that Transource Missouri would  
20 face in obtaining financing for each of the Projects and how the rate incentives requested  
21 would help support investment grade credit ratings, which in turn would bolster Transource  
22 Missouri’s ability to obtain debt capital on reasonable terms. The requested, and  
23 subsequently approved, rate incentives helped to mitigate lender concerns regarding  
24 uncertainties in cash flows. It is highly unlikely that Transource Missouri would have been  
25 able to acquire debt financing on terms as favorable as it did without the rate incentives  
26 that FERC granted.

1                   Staff's adjustment to remove the rate incentives, while at the same time keeping the  
2                   debt rates at levels that would likely not have been available to Transource Missouri absent  
3                   the accompanying rate incentives, is inconsistent and, thus, inappropriate.

4   **Q:   Do you agree with Staff's revision regarding the federal income tax rate?**

5   A:   Yes. The Company intends to make the same revision to the Transource FERC Incentives  
6                   adjustment, when it files True-up testimony in these cases. The Company did not reflect  
7                   the new federal tax rate in the Transource FERC Incentives adjustment when it filed its  
8                   Direct testimony in these cases, because the Tax Cuts and Jobs Act of 2017 ("TJCA"),  
9                   which lowered the federal tax rate had not yet been enacted at the time of the Company's  
10                  Direct filings.

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

12   A:   Yes, it does.

**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-2018-0145

In the Matter of KCP&L Greater Missouri )  
Operations Company's Request for Authority to )  
Implement A General Rate Increase for Electric )  
Service )

Case No. ER-2018-0146

**AFFIDAVIT OF DON A. FRERKING**

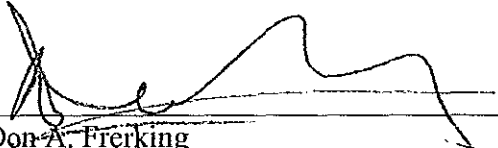
**STATE OF MISSOURI**    )  
  ) **ss**  
**COUNTY OF JACKSON**    )

Don A. Frerking, being first duly sworn on his oath, states:


1.     My name is Don A. Frerking. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Regulatory Analyst -- Lead.

2.     Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of \_\_\_\_\_ (\_\_\_\_) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3.     I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Don A. Frerking

Subscribed and sworn before me this \_\_\_\_\_ day of July 2018.

  
\_\_\_\_\_  
Notary Public

My commission expires: 4/26/2021

