

Exhibit No.:

Issues: Solar Subscription Pilot Rider
Standby Service Rider

Witness: Claire M. Eubanks, PE

Sponsoring Party: MoPSC Staff

Type of Exhibit: Surrebuttal Testimony

Case Nos.: ER-2018-0145 and

ER-2018-0146

Date Testimony Prepared: September 4, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENGINEERING ANALYSIS

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Service Commission

SURREBUTTAL TESTIMONY

OF

CLAIRE M. EUBANKS, PE

**KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2018-0145**

AND

**KCP&L GREATER MISSOURI OPERATIONS
CASE NO. ER-2018-0146**

*Jefferson City, Missouri
September 2018*

Staff Exhibit No. 231
Date 9-25-18 Reporter TU
File No. ER-2018-0145+0146

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CASE NO. ER-2018-0146**

Q. Please state your name and business address.

A. Claire M. Eubanks and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission ("Commission") as a Utility Regulatory Engineer II in the Engineering Analysis Department, Commission Staff Division.

Q. Are you the same Claire M. Eubanks who filed in the Cost of Service, Class Cost of Service Reports, and filed Rebuttal testimony?

A. Yes.

Q. What is the purpose of your Surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to testimony regarding the Solar Subscription Pilot Rider and Standby Service Rider. Specifically, I will address the rate design rebuttal Testimony of KCPL and GMO witness Bradley D. Lutz and Office of Public Counsel ("OPC") witness Dr. Geoff Marke regarding the Solar Subscription Pilot

1 Rider. Regarding the Standby Service Rider, I will respond to Division of Energy (“DE”)
2 witness Jane E. Epperson.

3 **SOLAR SUBSCRIPTION PILOT RIDER**

4 Q. Mr. Lutz offered potential modifications to the Solar Subscription Pilot rider to
5 clarify the treatment of subscriptions and renewable energy credits between the jurisdictions.
6 Do Mr. Lutz’s modifications change Staff’s overall recommendation?

7 A. No. Mr. Lutz’s modifications may be reasonable additions to address some of
8 Staff’s concerns regarding a cross-jurisdictional program, however, Staff maintains its
9 recommendation that the pilot program should be limited in size and that future expansion of
10 the program should only be done after an evaluation. Further, Staff recommended changes to
11 the program to be more akin to net-metering.¹

12 Q. Brad Lutz mentioned you only reviewed materials from industry associations
13 and renewable energy advocates when developing your direct testimony. Is this accurate?

14 A. No. As stated in footnote 21, Page 54 of Staff’s Class Cost of Service report,
15 the program attributes discussed were also based on the Company’s response to Staff Data
16 Request 0230 and Staff research of various programs. Staff’s research of other programs
17 included reviewing tariffs implemented by other utilities around the country.

18 Q. Please summarize OPC’s position on the Solar Subscription Pilot Rider.

19 A. As discussed in Dr. Geoff Marke’s Rebuttal Testimony,² OPC’s primary
20 position is that KCPL and GMO withdraw their proposal and submit it in the context of

¹ See Staff witnesses Claire M. Eubanks and Sarah L. K. Lange rebuttal testimony filed August 7, 2018.

² Filed July 27, 2018.

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1 another case, such as a part of a CCN application. OPC additionally provides secondary
2 recommendations regarding the program:

- 3 • That any investment in community solar include the \$4 million solar
4 investment required by SB 564,
- 5 • Only one site be selected for the Company's Missouri-side of its operations
6 (KCPL-MO and GMO),
- 7 • That KCPL and GMO bear the risk of non-subscribed portions of the program
8 rather than flowing those costs through the fuel adjustment clause,
- 9 • That the size be initially limited to 1 MW-AC,
- 10 • KCPL and GMO should be required to demonstrate full subscription
11 at 1 MW for a minimum of three years before additional offerings, and
- 12 • Detail regarding marketing and administrative costs, quarterly reporting
13 requirements, and the development of Frequently Asked Questions.³

14 Q. Does Staff share any of OPC's concerns and secondary recommendations?

15 A. Generally, yes, though the specific recommendations vary. OPC and Staff both
16 raised concerns regarding the overall size of the pilot, terms to be met before expansion, and
17 inclusion of a risk sharing mechanism. Staff is supportive of OPC's recommendation to
18 include details regarding marketing and administrative costs, quarterly reporting
19 requirements, and the development of Frequently Asked Questions.

³ Similar to those agreed to by stakeholders who participated in Ameren Missouri's EA-2016-0207 case.

1 **STANDBY SERVICE RIDER**

2 Q. Ms. Epperson's rebuttal testimony provides nine recommendations to the
3 Commission. Do you agree with any of her recommendations?

4 A. Yes. Staff generally supports Ms. Epperson's recommendation that KCPL and
5 GMO develop a bill impact tool to facilitate customer understanding of the Standby Service
6 Rider. However, Ms. Epperson recommends KCPL and GMO duplicate the design Ameren
7 Missouri utilizes in its bill impact tool. Ms. Epperson claims this includes a design to:
8 "balance the combination of fixed and as-used charges to achieve avoided cost percentages
9 for each of the classes greater than 90%." The avoided cost percentage ("ACP") may be
10 helpful to include for customers evaluating bill impacts, however, Ms. Epperson's language
11 implies the rates will be solved to meet a 90% avoided cost percentage. This is neither
12 necessarily the result that will be achieved for any given customer, nor is it necessarily
13 indicative of a rate design reflecting cost causation.

14 Q. Do you disagree with any of her recommendations?

15 A. Yes. Many of Ms. Epperson's recommendations involve adopting the
16 definitions and structure of Ameren Missouri's Standby Service Rider ("SSR"). Although
17 Staff did not oppose the structure and definitions in Ameren Missouri's Standby Service
18 Rider, it was based upon their rate design and is not applicable to KCPL and GMO without
19 further rate design changes to reflect the additional complexities of the KCPL and GMO
20 hours use rate structures. Additionally, Ms. Epperson's recommendation for a
21 class cost-of-service study is premature and not consistent with her general recommendation
22 to mimic Ameren Missouri's Standby Service Rider. A class cost-of-service study cannot be
23 performed when there are no customers in the class or without reasonable assumptions on

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1 which to base the study. Further, Ameren Missouri's Standby Service Rider is, like KCPL's
2 and GMO's proposal, a rider which is based on the generally available rate schedules.
3 Ameren Missouri's Standby Service Rider does not treat cogeneration customers as
4 a separate class.

5 Q. Did you participate in the collaborative process which Ms. Epperson discusses
6 in her direct and rebuttal testimony?

7 A. Yes.

8 Q. Ms. Epperson outlines a number of "lessons learned" from Ameren Missouri's
9 workshop effort which she wants applied to KCPL and GMO. Did the stakeholder group
10 jointly file the "lessons learned"?

11 A. No. As Ms. Epperson comments in her rebuttal testimony filed
12 in ER-2016-0179: "While the Company worked collaboratively and the effort was productive,
13 the signatories did not reach agreement regarding rate charges. Due to the timing of
14 Ameren Missouri's announcement of its intent to file a rate case, signatories agreed to address
15 the impasse over rate charges through the rate case process."⁴ Ameren Missouri filed its
16 proposed SSR in ER-2016-0179, which DE rebutted. Prior to surrebuttal being filed the
17 parties to that case filed a Unanimous Stipulation and Agreement which included specific
18 changes regarding the SSR.

19 Q. Did DE develop a Position Paper regarding Ameren Missouri's Standby
20 Service Tariff?

21 A. Yes, Ms. Epperson attached it to her testimony in ER-2016-0179.

⁴ Rebuttal Testimony of Jane Epperson, Case ER-2016-0179, Page 11, Lines 16-19.

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1 Q. Were the “foundational tenants” of an appropriate SSR, which Ms. Epperson
2 outlines on page 9 and 10 of her Rebuttal Testimony in this case, included in the DE’s
3 Position Paper?

4 A. There are similarities, but not every item she mentioned on page 9 and 10 of
5 her rebuttal testimony was found in the November 10, 2015, Position Paper. For example, the
6 Position Paper makes no mention of elimination of intermediate steps in customer generation
7 or elimination of a second meter. Further, DE recommended 93% ACP, rather
8 than 90% ACP.

9 Q. Ms. Epperson outlines several deficiencies with the Company’s proposed
10 Standby Service Rider, one being a lack of definitions, such as for demand charge.
11 Do you agree?

12 A. No. Ms. Epperson claims the definition of demand charge is missing from the
13 proposed SSR and also the existing tariffs. This is incorrect. As a rider, the proposed SSR
14 relies on the underlying rate schedules. These underlying rate schedules in the existing tariff
15 sheets do provide the definitions Ms. Epperson claims are missing. For example, GMO’s
16 LGS tariff sheet 148.3 clearly describes the determination of demands: “Demand will be
17 determined by demand instruments or, at the Company’s option, by demand tests. The Actual
18 Demand shall be the maximum fifteen (15) minute demand, measured in kW during the
19 current billing period.” The tariff does not specifically define “demand charge” because there
20 are three types of charges that are demand-related, each with an applicable definition
21 provided.

22 Q. Another deficiency DE raised issue with was related to limiting maintenance to
23 the winter season, claiming it is without basis. Do you agree?

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1 A. No. The proposed SSR does not specifically limit maintenance to four months
2 out of the year; however, maintenance charges (demand and energy) will apply. The
3 Company represented to Staff the reasoning behind this requirement is to limit the need for
4 the customer to call and schedule maintenance.

5 Q. Does this conclude your rebuttal testimony?

6 A. Yes.

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
)
)
) and

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 CLAIRE M. EUBANKS, PE

STATE OF MISSOURI)
)
) ss.
COUNTY OF COLE)

COMES NOW CLAIRE M. EUBANKS, PE, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony* and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Claire M Eubanks
CLAIRE M. EUBANKS, PE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of August, 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070

D Suzie Mankin
Notary Public