

Exhibit No.: \_\_\_\_\_  
Issue(s): Time-of-Use Rates/  
Inclining Block Rates/  
Residential Customer Charge/  
Restoration Charge  
Witness/Type of Exhibit: Marke/Rebuttal  
Sponsoring Party: Public Counsel  
Case No.: ER-2018-0145  
and ER-2018-0146

## **REBUTTAL TESTIMONY**

**OF**

**GEOFF MARKE**

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



## TABLE OF CONTENTS

<b>Testimony</b>	<b>Page</b>
Introduction	1
Time-of-Use Rates	2
Retrospective Fact Check: On-the-Record Presentation in Case No. ER-2016-0156	2
MEEIA Rates	15
Electric Vehicle Rates	17
Staff's Proposed TOU Rates	18
OPC's Recommendations for Residential TOU	19
Inclining Block Rates	19
Residential Customer Charge	19
Restoration Charge	22

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**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. ER-2018-0145 & ER-2018-0146**

1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 A. Geoffrey Marke, PhD, Chief Economist, Office of the Public Counsel (“OPC”), P.O. Box  
4 2230, Jefferson City, Missouri 65102.

5 **Q. Are you the same Geoff Marke who filed direct and revenue requirement rebuttal  
6 testimony in Case Nos. ER-2018-0145 and ER-2018-0146?**

7 A. I am.

8 **Q. What is the purpose of your rate design rebuttal testimony?**

9 A. I respond to the direct testimony of other parties regarding:

- 10 • Time-of-Use Rates
- 11     ▪ Kansas City Power & Light Company and KCP&L Greater Missouri  
12     Operations Company (“KCPL/GMO” or “Company”) witness Marisol E.  
13     Miller and Kimberly H. Winslow;
- 14     ▪ Missouri Public Service Commission Staff (“Staff”) witness Sarah L.K. Lange;
- 15     ▪ Missouri Division of Energy (“DE”) witness Martin R. Hyman; and
- 16     ▪ Renew Missouri Advocates (“Renew”) witness Jamie W. Scripps
- 17 • Inclining Block Rates
- 18     ▪ DE witness Martin R. Hyman; and
- 19     ▪ Renew witness Jamie W. Scripps
- 20 • Residential Customer Charge
- 21     ▪ KCPL/GMO witness Marisol E. Miller
- 22     ▪ Staff witness Robin Kliethermes;
- 23     ▪ DE witness Martin R. Hyman; and

- 1                   ▪ Renew witness Jamie W. Scripps
- 2                   • Restoration Charge
- 3                   ▪ KCPL/GMO Minimum Filing Requirements

## 4 **II. TIME-OF-USE RATES**

5 **Q. What is OPC’s issue with KCPL’s and GMO’s time-of-use-rates (“TOU”).**

6 A. The lack of them.

7 **Q. Can you provide some historical context?**

8 A. For at least four-years now, KCPL/GMO have been engaged in multiple TOU rate design  
9 studies to complement the utilities’ value proposition for deploying their multi-million dollar  
10 investments in automatic meter infrastructure (“AMI”), customer information system (“CIS”)  
11 and Customer Care and Billing system (“CC&B”). At the same time, both KCPL and GMO  
12 filed rate cases in which they sought, in part, recovery for much of the aforementioned costs.  
13 In the last GMO rate case, Case No. ER-2016-0156, parties settled before the evidentiary  
14 hearing in front of the Commission started. To support the nonunanimous stipulation and  
15 agreement the Commission held an On-the-Record Presentation. The on-the-record  
16 presentation was transcribed and the transcript is recorded in EFIS. That transcript, as it  
17 addresses Rate Design issues and specifically TOU rate design issues is included in GM-1 to  
18 this testimony.

### 19 **Retrospective Fact Check: On-the-Record Presentation in Case No. ER-2016-0156**

20 **Q. Did the Commission inquire into the status of AMI deployment during the on-the-record**  
21 **presentation in Case No. ER-2016-0156?**

22 A. Yes. Approximately two-years ago, GMO provided the following update to the Commission  
23 on the status of KCPL and GMO’s AMI rollout.

24                   CHAIRMAN HALL: Where are we in the AMI rollout program in terms of customers  
25 either with or without the AMI?

26                   ...

1 MR. RUSH: We have rolled it out in both Kansas City Power & Light Company Kansas  
2 and Missouri jurisdictions. We've completed the Kansas City Power & Light in  
3 Missouri. 300,000 cut—we have like 300 to go. Excuse me.

4 CHAIRMAN HALL: 300 customers to go?

5 MR. RUSH: In Kansas City Power & Light Company. In GMO, we have rolled it out to  
6 about half of the system. I think we have, did you say 100,000 or so installed at this time,  
7 and we have quite a few more to go, but we are nearing completion of the project.<sup>1</sup>

8 **Q. What is the current status of KCPL and GMO's AMI deployment?**

9 A. The current status (as of March, 2018) of KCPL and GMO's AMI deployment is shown in  
10 Tables 1 and 2.

11 Table 1: KCPL AMI deployment breakdown<sup>2</sup>

Yr-Month	KCPL-MO AMI	KCPL-MO Non-AMI	Total KCPL-MO meters	% of meters AMI
2018- Mar	284,478	11,073	295,551	96.25%

12  
13 Table 2: GMO AMI deployment breakdown<sup>3</sup>

Yr-Month	KCPL-MO AMI	KCPL-MO Non-AMI	Total KCPL-MO meters	% of meters AMI
2018- Mar	193,155	139,669	332,824	58.04%

14 It is OPC's understanding that KCPL began deployment in the fourth quarter of 2014 and  
15 that GMO began in the first quarter of 2016.<sup>4</sup>  
16

<sup>1</sup> ER-2016-0156 On-the-Record Presentation Transcript, Sept. 22, 2016. p. 84, 5-7, 19-25.

<sup>2</sup> See GM-2.

<sup>3</sup> See GM-2.

<sup>4</sup> See GM-3.

1 **Q. Why is this deployment status important?**

2 A. Based on GMO witness Mr. Rush's representations at the on-the-record in 2016, OPC was  
3 under the impression that AMI meters at KCPL were essentially fully deployed and that they  
4 would be at GMO in the near future (i.e., by this next GMO general rate case).

5 For our part, OPC expected to be engaged in robust discussions regarding TOU rates and AMI  
6 benefits after four years installation. It is not clear why AMI deployment has stalled for KCPL  
7 or the timeframe for full deployment at GMO. OPC has issued additional discovery,  
8 specifically, OPC-2086 which asks:

9 Please provide a timeline for AMI deployment (both historic and expected) within  
10 GMO and KCPL-MO service territories by quarter (e.g., 4<sup>th</sup> quarter 2014 = 3000 out  
11 of 295,551 meters deployed in KCPL-MO or 1.01% etc...).

12 OPC is very concerned with the stalled progress and lack of communication and disappointing  
13 results surrounding AMI deployment. OPC intends to update the Commission on KCPL and  
14 GMO's response in surrebuttal.

15 **Q. Did the Commission recognize that the primary value proposition of AMI is TOU rate  
16 designs?**

17 A. Yes. Both Commissioner Rupp and Chairman Hall specifically spoke to the importance of  
18 ensuring that ratepayer dollars were prudently expended. For example:

19 COMMISSIONER RUPP: I'm not trying to tell you [,] you have to do time of use,  
20 but from---**you're spending a lot of money on AMI meters to get rid of**  
21 **meter readers, which is great. But if you're not going to use that**  
22 **technology, you could have went with the older AMR meters. And**  
23 **so if you're going to ask ratepayers to pay for that, then let's utilize**  
24 **the technology.** It's not going to before everybody, but at least provide them that  
25 opportunity and—and I just—I have a concern that we get these stipulations and

1           these—and then the next time you have the case, well, it’s a stipulation and we didn’t  
2           think it was good. We’re going to study again. **The next thing you know, I’m**  
3           **out of the Commission in two and a half years and we still have just**  
4           **kicked the can every time down the road.**<sup>5</sup> (emphasis added)

5           ...

6           CHAIRMAN HALL: **I could not agree with you more in terms of the**  
7           **amount of money that ratepayers will pay for this technology, if**  
8           **we’re not getting something for that technology, if we’re not getting**  
9           **something for that technology, then that’s inefficient use of**  
10           **ratepayer dollars.**<sup>6</sup> (emphasis added)

11   **Q. Did OPC express similar concerns at the on-the-record in the GMO rate case two years**  
12   **ago?**

13   **A.** Yes. Even though OPC did not sign the nonunanimous stipulation and agreement, I testified on  
14   behalf of OPC at the on-the-record in support of the transparent, productive effort made by all  
15   parties in reaching appropriate rate consolidation of GMO’s MPS and L&P service territories.  
16   I also spoke to OPC’s position regarding the value proposition of AMI investment and TOU  
17   rate design, and how customer education needed to be emphasized. I specifically stated:

18           So, you know, and I don't want to --really want to emphasize that this was a  
19           Herculean task for all parties to get consolidation right, sort of a once in a lifetime  
20           opportunity where rates weren't going to increase overall that we could make the  
21           consolidation happen. **I think it's everybody's intention to move forward**  
22           **with some sort of time of use -- I know it's our office's intention, I'll**  
23           **tell you that, that, you know, we see -- if ratepayers are going to pay**

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<sup>5</sup> ER-2016-0156 On-the-Record Presentation Transcript, Sept. 22, 2016. p. 95, 22-25 to p. 96, 1-13.

<sup>6</sup> Ibid. p. 96, 25 to p. 97, 1-4.

1                    **for this service, we want something out of it. And we've got sunk**  
2                    **money at this point, right? I mean, 80 percent of the service territory**  
3                    **and whatnot has already been inundated with AMI meters. So**  
4                    **there's a huge education element to this. You know, people are used**  
5                    **to paying for electricity for over a hundred years in a certain**  
6                    **manner**<sup>7</sup> (emphasis added)

7                    **Q. Did the Commission have concerns with the TOU study required by the nonunanimous**  
8                    **stipulation and agreement?**

9                    **A. Yes. Again, Chairman Hall and Commissioner Rupp voiced their concerns and even made**  
10                    **suggestions. As seen in the following excerpts:**

11                    CHAIRMAN HALL: One suggestion, and I guess I would be interested in all of the  
12                    parties' response to this.

13                    The study that the company's going to do on time of use rates and other mechanisms  
14                    that it may employ with regards to the AMI meters, **we could require that the**  
15                    **report be submitted in a formal fashion to the Commission, the**  
16                    **Commission along with other interested parties, and we could look**  
17                    **at it and we could decide whether or not we want to bring the parties**  
18                    **in for a hearing on that.**

19                    So, Commissioner [Rupp], that might be a way to get the kind of accountability that  
20                    I think you're looking for.

21                    MR. ANTAL: Commissioners, if I may add something? I would just point out the  
22                    first full sentence of page 11 states that GMO will propose rates based on this study  
23                    no later than its next rate case or rate design case, and that study that it references

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<sup>7</sup> Ibid. p. 104, 24-25 to p. 105, 1-16.

1 to, that paragraph starts on page 10, which includes time of use residential and SGS  
2 rates, peak rate, electric vehicle time of use rates.

3 So it's our understanding that rates will be proposed regarding these different time  
4 differential rate categories.

5 CHAIRMAN HALL: Well, that depends on what the study says, though. The study  
6 could say time of use rates are inappropriate. And so I think getting to Commissioner  
7 Rupp's concern, which I share wholeheartedly, can we—would the parties oppose,  
8 would the company oppose submitting that report formally to the Commission?<sup>8</sup>

9 ...

10 COMMISSIONER RUPP: **And when it says you will submit that, are you**  
11 **going to submit all the data so that other interested parties of the**  
12 **case can look at the data and come to conclusions or are you just**  
13 **going to present the summary of your findings that you have found?**  
14 **How is that going to be presented? Is it going to be raw data that we**  
15 **can look at and make sure that we're ascertaining the same outcome**  
16 **that you're coming with? Because to Alex's point, yeah, it says**  
17 **they're going to file rates, but I could design a program that no one's**  
18 **ever going to participate in.** So I would like to see bang for my buck and also  
19 want to see something that actually works and people would participate in rather  
20 than the one that you've had for 15 years that we froze other people's moving  
21 forward. So how would that study be presented to us? And I completely agree with  
22 the Chairman. I'd love to see that beforehand, before the next rate case.<sup>9</sup> (emphasis  
23 added)

24 ...

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<sup>8</sup> Ibid. p.97, 5-25 to p. 98, 1-11.

<sup>9</sup> Ibid. p. 98, 22-25 to p. 99, 1-17.

1           COMMISSIONER RUPP: And I know I'm probably coming across maybe a little  
2           harsh. I have a tendency to do that. I apologize. But I do want to commend your  
3           organization for being forward thinking. I like the stuff that you're putting out there.  
4           I mean, I see you moving in this direction. So I believe in you that you are moving  
5           in this direction. I just want -- **we only have these opportunities to talk to**  
6           **you in these rate cases, and so I have to take this time to really hone**  
7           **in on them because every time I try to ask something, it's like, well,**  
8           **you've got to wait until the next rate case, and then it comes up and**  
9           **it just seems like we're just continually moving it down the road.** So  
10          there are other benefits, I agree with you on that one. And so I strongly encourage  
11          you guys to continue being innovative, continue to do the things that you're doing,  
12          and find the value, find the choice for customers. It's not going to be for everybody.  
13          Look at everything, and let's see what the data says and let's see what we can bring  
14          forward to people. And let's -- if we're going to have a program, let's have one that  
15          works that actually -- that the people can benefit from.<sup>10</sup> (emphasis added)

16          ...

17          CHAIRMAN HALL: I think the issue is sometimes issues get lost in the middle of  
18          a big rate case, and if you can tell, there are at least a couple of Commissioners that  
19          are very, very engaged on this particular issue and might like to see it brought before  
20          us in a discrete filing.

21          COMMISSIONER RUPP: And to echo your comments, if in the next rate case  
22          there's a stipulation, black box stipulation and we're trying to get details that -- you  
23          know, it makes it even more difficult. So I'll echo the Commissioner.<sup>11</sup>

24          **Q.     How did GMO respond?**

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<sup>10</sup> Ibid. p. 100, 20-25 to p. 101, 1-20.

<sup>11</sup> Ibid. p. 108, 24-25 to p. 109, 1-9.

1 A. GMO acknowledged the Commissioners' concerns, citing past cases of open collaborative  
2 studies, and stressed that GMO would work with parties to provide an open, transparent  
3 process with available work papers. This can be seen in the following excerpts:

4 MR. IVES: Agree with that. **I think that's why parties felt it important**  
5 **enough to put that type of language into this Stipulation that we need**  
6 **to do that evaluation and we need to move forward.** The parties feel that  
7 same way.<sup>12</sup> (emphasis added)

8 . . .

9 MR. IVES: So if I can, that same paragraph that starts at the bottom of page 10, **it**  
10 **says that we will include in our direct filing in the next case or a rate**  
11 **design case the study TOU rates, including critical peak rates,**  
12 **EVTOU.** So it already says that we will produce that study as part of our direct  
13 filing in either the next case or a rate design case.<sup>13</sup> (emphasis added)

14 . . .

15 MR. IVES: So a couple things. Generally, similar to how we looked at the study that  
16 came out of our 2012 stipulation to look at consolidation, **that resulted in kind**  
17 **of a full open book view, and we gave -- we gave the study. We gave**  
18 **the underlying support. We went through it with parties. We shared**  
19 **it with them. That's the same thing that would happen here either**  
20 **through the provision of information as we're working through it or**  
21 **through the work papers that come in in support of the study when**  
22 **we make the filing. It's going to be out there and it's going to be**  
23 **available.**<sup>14</sup> (emphasis added)

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<sup>12</sup> Ibid. p. 96, 20-24.

<sup>13</sup> Ibid. p. 98, 12-19.

<sup>14</sup> Ibid. p. 99, 18-25 to p. 100, 1-5.

1           ...

2           MR. IVES: If the Commission wants dated information, we're always willing to give  
3           that. I'm trying to figure out -- I'm trying to figure out the benefit of that, because  
4           we're going to have to do the study. If we put it in a case, we're going to have to  
5           produce the results and the details, **and necessarily we're going to need to**  
6           **work with all the parties and the stakeholders to get to the point to**  
7           **put it in a direct filing.**<sup>15</sup> (emphasis added)

8           ...

9           MR. FISHER: **And I also would just suggest, the company is going to**  
10           **be wanting to work with all the parties along the way.**<sup>16</sup> (emphasis  
11           added)

12   **Q.    Were the Commission's concerns well founded?**

13   A.    Yes. The Commission was correct.

14   **Q.    How many studies did GMO and KCPL include with their direct cases?**

15   A.    A total of three reports are attached to Mrs. Miller's GMO direct testimony. They are:

- 16           1. KCP&L Greater Missouri Operations Company **Seasonal Rate Structure Study**  
17           December 12, 2017 per Commission Report and Order in Case No. ER-2016-0156;
- 18           2. KCP&L **Block Rate Study** December 8, 2017 per Commission Report and Order in  
19           Case No. ER-2014-0370 and ER-2016-0156; and
- 20           3. KCP&L Greater Missouri Operations Company **Time of Use Rate Study** Project No.  
21           97119 Final Report 12/13/2017 per Commission Report and Order in Case No. ER-  
22           2016-0156

23   **Q.    Were they filed in both KCPL's and GMO's rate cases?**

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<sup>15</sup> Ibid. p. 108, 15-23.

<sup>16</sup> Ibid. p. 109, 21-23.

1 A. No. They were only filed as part of in Mrs. Miller’s GMO direct testimony.

2 **Q. In your opinion, should they have been filed in both cases?**

3 A. Yes. The studies are informing both KCPL and GMO’s respective positions in these cases.  
4 Furthermore, the second study referenced above, the KCPL Block Rate Study, was a  
5 requirement per the Commission Report and Order in ER-2014-0370. Case No. ER-2014-0370  
6 is a KCPL general rate case not a GMO rate case.

7 **Q. When were the studies completed?**

8 A. All three studies were completed in December of 2017.

9 **Q. When were they filed at the Commission?**

10 A. They were filed as an attachment in Mrs. Miller’s GMO direct testimony on January 30, 2018.

11 **Q. Are these the only studies KCPL and GMO commissioned Burns & McDonnell to**  
12 **perform regarding rate design in 2017?**

13 A. It’s not entirely clear. The third study referenced above, the GMO Time of Use Rate Study,  
14 includes references to a “report” that was omitted from the filing. For example, the TOU study  
15 states:

16 Each of the optional rates were designed to be revenue neutral to the existing rates in  
17 each class, reflect the utility’s CCOS by season and time-period, and to meet GMO and  
18 KCP&L’s rate design objectives described in this report and **the KCP&L Rate**  
19 **Strategy Report**.<sup>17</sup> (emphasis added)

20 OPC has submitted discovery to KCPL and GMO asking for any other studies and for a copy  
21 of the Rate Strategy Report. OPC intends to relate what it learns in discovery to the  
22 Commission in surrebuttal testimony.

23 **Q. Did GMO solicit any feedback from OPC over the parameters or design of the (Burns &**  
24 **McDonnell) required studies?**

25 A. No.

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<sup>17</sup> ER-2018-0146 Direct Testimony of Marisol E. Miller. Schedule MEM-3 p. 31.

1 **Q. Did GMO solicit any feedback from any other party over the parameters or design of the**  
2 **(Burns & McDonnell) required studies?**

3 A. OPC has informally reached out to Staff, DE, MIEC and MECG on this question and have  
4 been told no in each case.

5 **Q. Did GMO provide work papers for any of the Burns & McDonnell studies?**

6 A. No.

7 **Q. How many rate design studies have been conducted for KCPL and GMO to date since**  
8 **they first started to deploy AMI?**

9 A. The aforementioned GMO Time of Use Rate Study includes a summary of Company-specific  
10 time of use rates studies which includes:

- 11 1. Electric Power Research Institute (EPRI)-Matching Electric Service Plans to  
12 KCP&L's Strategic Objectives (EPRI-ESP)—EPRI Supplemental Research Project,  
13 2012-2014;
- 14 2. KCP&L SmartGrid Residential Time-of-Use Pilot (SGDP-TOU) – a component of  
15 the KCP&L Division of Energy SmartGrid Demonstration Project, 2010-2015;
- 16 3. EPRI-KCP&L Residential Time-of-Use Impact Study (EPRI-TOU)– EPRI Smart  
17 Grid Demonstration Project Analysis, 2010-2015;
- 18 4. ERPI-Measuring Customer Preferences for Alternative Electricity Service Plans  
19 (EPRI-ESP) – EPRI Supplemental Research Project, 2014-2015;
- 20 5. KCP&L 2016 Demand Side Management (DSM) Potential Study (DSM-TOU)–  
21 Applied Energy Group, 2016-2017; and
- 22 6. BMcD-KCP&L and GMO Residential Rate Design Strategy Study (BMcD-TOU)-  
23 Burns & McDonnell Engineering Company, 2017<sup>18</sup>

24 If the additional three “known” Burns & McDonnell studies I referenced earlier are included,  
25 then KCPL/GMO appear to have contracted at least a total of nine studies to date.

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<sup>18</sup> Ibid p. 20.

1 **Q. Have you reviewed all of these studies?**

2 A. No. OPC has historically experienced considerable resistance from EPRI and KCPL/GMO in  
3 obtaining ratepayer-funded EPRI work products. After considerable push-back from KCPL in  
4 its last general rate case on discovery OPC eventually obtained a copy of the KCP&L  
5 SmartGrid Residential Time-of-Use Pilot (SGDP-TOU) study, but, until we reviewed Mrs.  
6 Miller’s attachment I was unaware that KCPL/GMO worked with EPRI on three additional  
7 TOU studies.

8 Regarding the non-EPRI related studies, OPC has reviewed the AEP (Brattle) Study that was  
9 required for KCPL/GMO’s triennial IRP filings. In that study, KCPL/GMO actively solicited  
10 feedback from parties (OPC, DE and Staff) regarding the parameters of the research. However,  
11 that work product, which was completed only eight months before the most recent Burns &  
12 McDonnell studies, has been entirely ignored.

13 Finally, I have reviewed the three Burns & McDonnell studies attached to Mrs. Miller’s GMO  
14 direct testimony but not the Residential Rate Design Strategy Study, which was omitted.

15 **Q. Speaking specifically to the three Burns & McDonnell studies attached to Mrs. Miller’s**  
16 **GMO direct testimony, what feedback was used to inform them if it was not external**  
17 **stakeholder input?**

18 A. Based on statements in the studies, it appears as though only “internal stakeholder input” or  
19 Company-specific feedback was used to inform the parameters. Again, the GMO Time of Use  
20 Rate Study states:

21 **1.3 Internal Stakeholder Input**

22 Section 3.0 of this report provides a summary of relevant regulatory requirements in  
23 Missouri, Company business goals and objectives, and general input on rate design.

24 **BMCD met with stakeholders throughout KCP&L, who work on behalf of**  
25 **GMO**, which included individuals in Regulatory Affairs, Energy Resource  
26 Management, Energy Solutions, Customer Service, Market Insights, Information  
27 Technology, Measurement Technologies and Revenue Management. There are

1                   several overarching themes that resulted from the internal stakeholder interviews  
2                   that were generally consistent across all groups. The most prominent themes that  
3                   impacted rate design are provided in Section 3.0 of this Study.<sup>19</sup> (emphasis added)

4 **Q. Is obtaining input for the studies only from employees for KCPL/GMO and their**  
5 **affiliates a concern?**

6 A. Yes. At face value, designing studies based solely on the input from the Company paying for  
7 the results runs at least the perceived (if not realized) risk of being biased and self-serving.  
8 These were, in part, some of the very same concerns expressed by Chairman Hall and  
9 Commissioner Rupp during the on-the-record presentation as referenced above.

10 **Q. Are the studies objective?**

11 A. In my opinion they are not. At face value it appears as though the Company's advocacy  
12 preceded or heavily shaped the "research." Stated differently, it appears as though the studies  
13 were conducted and designed to affirm decisions/outcomes that had already been made by  
14 KCPL/GMO management (i.e., "We need to create data to support our position").

15 **Q. Can you illustrate?**

16 A. Yes. In describing "Distributed Generation" in the GMO TOU Study, the Burns & McDonnell  
17 authors state:

18                   Distributed Generation (DG)—GMO and KCP&L would like to address the growth  
19                   of DG and better mitigate existing cross subsidization and cost shifting through long  
20                   term modifications to its existing rate design for both Residential and Small General  
21                   Service.

22 The authors then recommend that:

23                   All future DG customers should be placed on either the Demand Rate or the TOU  
24                   Energy and Demand Rate subject to statutory limitations in Missouri. Under the  
25                   current regulatory framework in Missouri, DG customers would likely choose to be  
26                   on the GU Rate until which time their maximum monthly demand forces them into

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<sup>19</sup> Ibid. p. 9-10.

1                   one of the Demand Rates. Absent any changes in usage, bills would increase over  
2                   the existing rate, reducing the current subsidy inherent in the existing GU Rate. The  
3                   bill analysis assumes that the DG customer has 5 kW of solar and is forced into one  
4                   of the demand rates in the future.

5     **Q.     What is OPC’s view of this recommendation?**

6     A.     No external stakeholders were afforded the opportunity to weigh in on what was to be  
7            evaluated, or how the valuation was to be performed. Therefore, the value of the  
8            recommendation is diminished.<sup>20</sup> Consequently, ratepayers have funded a study with a  
9            predetermined outcome which calls into question the independence of Burns & McDonnell, as  
10           well as the value and prudence of the studies in their entirety. The fact that at least nine TOU  
11           studies have failed to produce TOU rates should not be lost to the Commission.

12    **Q.     Should more studies be conducted?**

13    A.     Not if they are ratepayer-funded Company-controlled studies Consider for a moment that  
14            KCPL/GMO is averaging a little more than two studies a year, for every year since they first  
15            began deploying AMI meters. Which suggests that a better question might be what was the  
16            expected value to begin with for any of them?

17    **MEEIA Rates**

18    **Q.     What are KCPL and GMO proposing regarding “new” rate designs?**

19    A.     Company witness Kimberly H. Winslow proposes that the Commission approve three  
20            MEEIA-dependent TOU pilot rates for GMO and KCPL. They include:

- 21            1. Residential Time of Use – A two part rate comprised of a customer charge and a three  
22            period TOU per kWh energy charge;
- 23            2. Residential Demand Service – A three-part rate comprised of a customer charge, per  
24            kW demand charge, and a flat per kWh energy charge; and a

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<sup>20</sup> There are, in fact, many things OPC agrees with in the studies. But the informational value of the content is largely lost and/or “poisoned” by Company-directed outcomes.

1           3. Residential Demand Service plus Time of Use – A three-part rate comprised of a  
2           customer charge, a per kW demand charge, and a three-period TOU per kWh energy  
3           charge.

4           Mrs. Winslow requests that each rate be limited to 1,000 customers (who meet certain  
5           eligibility requirements) and only in conjunction with a new Commission-approved MEEIA  
6           portfolio.

7           **Q. What is OPC’s response to these proposals?**

8           A. The Commission should reject these proposals insofar as they are married to an approved  
9           MEEIA portfolio. KCPL/GMO should not be holding TOU rates hostage over the outcome of  
10          their, to date, unfiled MEEIA applications. Ratepayers have invested hundreds of millions of  
11          dollars in AMI/CIS/CC&B hardware and software, all of whose central value proposition is  
12          the ability to offer TOU rates. In turn, the Commission has been presented with a flawed  
13          business model that includes inadequate privacy and data protections, no planned education  
14          roll-out, delays in deployment and implementation, and now conditioned only on additional  
15          MEEIA revenues and profit.

16          OPC is unaware of any utility, anywhere, that has been able to claim energy and demand  
17          savings due to how the utility prices its service. This claim is not based out-of-hand, but based  
18          on responses to solicitations to both the American Council for an Energy-Efficient Economy  
19          (“ACEEE”) and KCPL/GMO.<sup>21</sup> Approval of these proposed pilots as eligible MEEIA  
20          programs would be an unprecedented move by a Commission and would have immediate  
21          unintended consequences with endless amounts of opportunities to “game” the outcome and  
22          harm captive ratepayers. OPC is at a loss as to how such a price signal would even be evaluated  
23          through formal EM&V. There is literally no precedence for this.

24          In KCPL’s last rate case, KCPL argued that the DE proposed summer inclining block rate  
25          structure should be considered a MEEIA eligible rate. The Commission correctly did not adopt

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<sup>21</sup> See GM-4.

1 that absurd argument. Rates can be designed to encourage the adoption of energy efficiency  
2 uptake, but the mere pricing of electricity is not an energy efficiency measure. Consider for a  
3 moment if OPC were to propose an optional pilot customer class where there is no fixed charge  
4 recovery in the electric rates (e.g., no customer charge). Electricity would be priced only as a  
5 flat variable charge. Such a pricing structure would certainly encourage the adoption of energy  
6 efficiency and rooftop solar, but there would also likely be unattended consequences from such  
7 an action.

8 The line between electric service charged through rates, paid curtailment, and demand response  
9 is admittedly a gray area, and one that no doubt requires further discussion. However, the  
10 manner, circumstances and present state of KCPL and GMO's imprudent AMI/CIS/TOU  
11 affairs should be the priority for all parties in this case. KCPL/GMO's recommendation should  
12 be rejected.

### 13 **Electric Vehicle Rates**

#### 14 **Q. Did KCPL or GMO propose an Electric Vehicle ("EV") rate?**

15 A. KCPL/GMO only proposed rates for EV charging stations, they did not propose specific EV  
16 rates to entice individual customer adoption. The Company has suggested that EV drivers  
17 could elect to participate in the MEEIA pilot rates.

#### 18 **Q. What is OPC's response?**

19 A. This is disappointing, but perhaps not surprising. Given the very small number of registered  
20 EV drivers in the KCPL and GMO service territories OPC does not have any explicit proposed  
21 rate design. OPC again objects to rate design doubling as MEEIA program but would not be  
22 opposed to a non-MEEIA-tied TOU pilot study in which the rate was specifically targeted at  
23 EV drivers. Merely creating a TOU rate design that incentivized off-peak charging (e.g., Staff's  
24 proposed TOU rate design) and calling it the "EV rate class" would likely be more effective at  
25 encouraging responsible EV charging than what KCPL/GMO have proposed.

1 The Commission should note that this recommendation did not cost ratepayers any additional  
2 costs for duplicative third-party TOU studies. OPC merely looked at how other utilities have  
3 priced EV charging (e.g, PG&E super off-peak charging option).

4 **Staff's Proposed TOU rates**

5 **Q. What is Staff recommending for KCPL and GMO's residential rate design?**

6 A. Staff is recommending that the Commission order mandatory TOU rates for residential  
7 customers with on peak usage operating from 8AM to 10PM.

8 **Q. What is OPC's position?**

9 A. OPC cannot presently support Staff's position. That being said, if forced between having to  
10 choose between mandatory TOU rates with literally zero customer education to be  
11 implemented right before the holiday season, and the KCPL/GMO proposal to begin to be  
12 rewarded with MEEIA earnings opportunities for merely pricing electricity, OPC would opt  
13 on the side of Staff. This affirmation is made even with the knowledge that KCPL/GMO would  
14 likely over-recover revenues under Staff's rate design. That is how much OPC opposes the  
15 KCPL/GMO's request.

16 Clearly neither of these two approaches are reasonable or in the best interest of ratepayers.  
17 Case in point, just as no state Commission has ever approved the mere pricing of electricity as  
18 a legitimate DSM program, OPC is aware of no investor-owned utility that has rolled out  
19 mandatory TOU rates without at least an opt-in period and extensive education. Yet, here we  
20 are.

21 If the Commission elects to pursue Staff's recommendations, OPC strongly recommends that  
22 the Staff TOU rate design be deployed on an opt-in (i.e., not mandatory) basis. At a bare  
23 minimum, if the Commission rejects that recommendation as well, then an opt-out provision  
24 should be made available to ratepayers to at least provide some sense of choice and control  
25 over how their electric service is provided.

1 **OPC’s Recommendations for Residential TOU**

2 **Q. What is OPC’s recommendation regarding KCPL and GMO TOU residential rates?**

3 A. In general OPC is supportive of a suite of TOU pilot programs, as long as they are not  
4 dependent on the utilities’ MEEIA applications. As such, our default recommendation is to  
5 support the three pilot programs KCPL/GMO proposed, with two notable exceptions. First that  
6 the pilot size be increased to up to 15,000 customers each and, second, that the programs not  
7 recover any MEEIA profit.

8 **III. INCLINING BLOCK RATES**

9 **Q. What do DE and Renew Missouri recommend?**

10 A. Both DE and Renew provide the “general” recommendation to the Commission that greater  
11 movement towards summer inclining block rates and flat winter rates is preferable. They do  
12 not offer any more specific recommendation.

13 **Q. Does OPC agree with their recommendation?**

14 A. OPC maintains the same position it did in KCPL’s last rate case (Case No. ER-2016-0285). In  
15 that case, OPC supported a “modest” gradual movement to inclining block rates in the summer  
16 and flatter rate in the winter. However, given the universe of unresolved rate design issues in  
17 this case, OPC views IBR as a distant secondary issue to the primary TOU rates in terms of  
18 priority. OPC cannot presently support a grand departure in how electric service has  
19 traditionally been priced absent appropriate (or any) customer education.

20 **IV. RESIDENTIAL CUSTOMER CHARGE**

21 **Q. What are the parties’ positions on residential customer charges?**

22 A. A summary of the various parties positions that have opined on the topic are included in Tables  
23 1 and 2 below.

1 Table 1: KCPL residential customer charge breakdown

Party	Current	Proposed	Increase
KCPL for KCPL	\$12.62	\$15.17	+ 20.21%
Staff for KCPL	\$12.62	\$12.82	+ 1.6%
DE for KCPL	\$12.62	Low	N/A
Renew for KCPL	\$12.62	Avoid increase	No change

2

3 Table 1: GMO residential customer charge breakdown

Party	Current	Proposed	Increase
GMO for GMO	\$10.43	\$14.50	+ 39.02%
Staff for GMO	\$10.43	\$12.38	+ 18.7%
DE for GMO	\$10.43	Low	N/A
Renew for GMO	\$10.43	Avoid Increase	No Change

4

5 **Q. What is OPC's position?**

6 A. Based on filed testimony to date, it appears likely that there will be no increase to rates (and  
 7 potentially a large decrease). If there is no increase, OPC recommends that the customer charge  
 8 remain as is. If rates decrease, OPC recommends that the residential customer charge, not the  
 9 variable charge be decreased to reflect that change. OPC will update this recommendation  
 10 accordingly based on true-up, and whether or not a formal complaint is filed by an intervenor.

11 **Q. What customer type is harmed the most by an increased customer charge?**

12 A. Low income and multifamily customers. Figure 2 provides a breakdown of KCP&L's  
 13 Residential Market Profile based on household type, sales, average energy use (kWh) and  
 14 Summer and Winter demand (MW) from its most recent market potential study.

1 Figure 2: KCP&L Residential Market Profile of Energy and Demand Use

	<u>Households</u>	<u>Sales (GWh)</u>		<u>Average (kWh)</u>	<u>Summer (MW)</u>	<u>Winter (MW)</u>
<b>Single Family</b>						
KCPL	125,094	1,580	18%	12,630	585	341
MPS	138,198	1,942	23%	14,053	613	465
St. Joe	30,475	442	5%	14,505	131	111
Kansas	131,919	2,011	23%	15,241	707	443
total	425,686	5,975				
% of total	57.4%		69.6%			
<b>Multi-Family</b>						
KCPL	48,095	346	4%	7,194	87	95
MPS	14,845	95	1%	6,420	23	27
St. Joe	6,946	64	1%	9,284	13	19
Kansas	36,770	310	4%	8,433	70	92
total	106,656	815				
% of total	14.4%		9.5%			
<b>Low-Income Single Family</b>						
KCPL	36,401	343	3%	9,424	130	73
MPS	43,406	493	6%	11,359	155	121
St. Joe	14,802	162	2%	10,916	52	39
Kansas	20,344	237	3%	11,649	85	54
total	114,953	1235				
% of total	15.5%		14.4%			
<b>Low-Income Multi-Family</b>						
KCPL	33,702	205	2%	6,083	53	59
MPS	24,607	135	2%	5,480	32	40
St. Joe	5,461	38	0%	7,019	8	11
Kansas	30,983	181	2%	5,849	42	54
total	94,753	559				
% of total	12.8%		6.5%			
res total =	742,048	res total =	8,584	155,539	2786	2044
	100%		100.0%			

2

1 **Q. What should the Commission note from the data above?**

2 A. First, that it is primary data. Second, that low income households use less electricity than  
3 single-family non-low income households. And that low income multifamily households use  
4 approximately half of what their single family non-low income counterparts use.

5 **VI. RESTORATION CHARGE**

6 **Q. In GMO's Revised Tariff Sheet R-20 & R-66 and in KCPL's Revised Sheet No. 1.02, 1.03,**  
7 **1.14 and 1.27 there is the inclusion of a new "Restoration Charge" for customers. What**  
8 **is the "Restoration Charge?"**

9 A. It is a charge for customers who disconnect and then later reconnect service.

10 **Q. Do the tariff descriptions differ between KCPL and GMO?**

11 A. Yes. For GMO, the "Restoration Charge" is embedded in 2.07 Charge of Reconnection or  
12 Collection, Subsection B. Termination of service by Customers (1) which states:

13 If electric service is terminated per request of the Customer and the Customer orders  
14 to have service reconnected at the same premise within a period of twelve (12) months,  
15 the company may collect a Restoration Charge, assessed to the Customer per  
16 Section 12 of these Rules, and any unpaid balances be paid in full before restoring  
17 electric service. (emphasis added)

18 According to Section 12, GMO's Restoration Charge is as follows:

19 The sum of all applicable Customer Charges and Facilities Charges during the  
20 period of no service.

21 KCPL's tariff's contain either "Restoration Charge" within the Rules and Regulations  
22 section of Supplying Electric Service (Revised Sheet No. 1.14) and a "Restoration of  
23 Electric Service" in the Billing and Payment Section (Revised Sheet No, 1.27). The latter  
24 description is largely in line with what is proposed in GMO's tariff, the former contains  
25 additional language that would allow KCPL to utilize historic demand (kW) as a bill  
26 restoration component if historically relevant. "Restoration of Electric Service" states:

1           The Company **shall impose a Restoration Charge**, assessed to the Customer per  
2           Section 8 of these Rules, as a condition precedent to the restoration of electric  
3           service for any Customer where electric service has been terminated per request of  
4           the Customer. If electric service is terminated and the Customer orders to have  
5           service reconnected at the same premise within a period of twelve (12) months, the  
6           Company, upon restoration of electric service, shall restore prior usage details for  
7           subsequent billing so that prior demands (kW) may be utilized, if applicable, to the  
8           provisions of those bill components where prior demand (kW) is a factor.  
9           (emphasis added)<sup>22</sup>

10 **Q. Which KCPL/GMO witness sponsors this new charge?**

11 A. There is no witness. The discovery of this additional charge only came to light only after  
12 discussions through a technical conference prior to filing rebuttal testimony. There is no  
13 support for such a charge in anyone's direct testimony. As such, questions remain, including  
14 what customer classes the charge would apply to, why such a charge is necessary, whether or  
15 not other utilities utilize such a charge, etc...

16 **Q. What is OPC's recommendation?**

17 A. OPC recommends the Commission reject the inclusion of a "Restoration Charge" in GMO  
18 and KCPL's revised tariff sheet. The request is not supported by KCPL/GMO's cases-in-  
19 chief. Beyond the aforementioned questions raised above, it is not clear why a "Restoration  
20 Charge" is needed in addition to the "Reconnection Charge" which is already included in  
21 their tariffs.

22 **Q. Does this conclude your testimony?**

23 A. Yes.

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<sup>22</sup> See GM-5 for further detail on both KCPL and GMO tariff sheets that reference "restoration charges."

1 PUBLIC SERVICE COMMISSION  
2 STATE OF MISSOURI  
3  
4  
5 TRANSCRIPT OF PROCEEDINGS  
6 On-the-Record Presentation  
7 September 22, 2016

8  
9 Jefferson City, Missouri  
10 Volume 11

11  
12 In the Matter of KCP&L )  
Greater Missouri Operations)  
13 Company's Request for )  
Authority to Implement a ) Case No. ER-2016-0156  
14 General Rate Increase for )  
Electric Service. )  
15 )

16  
17 DANIEL R.E. JORDAN, Presiding,  
SENIOR REGULATORY LAW JUDGE.

18  
19 DANIEL Y. HALL, Chairman  
STEPHEN M. STOLL,  
20 WILLIAM KENNEY,  
SCOTT T. RUPP,  
21 MAIDA J. COLEMAN,  
COMMISSIONERS.

22  
23 REPORTED BY:  
24 KELLENE K. FEDDERSEN, CSR, RPR, CCR NO. 838  
MIDWEST LITIGATION SERVICES

25

1 program to avoid that. But the future will  
2 determine how many are really concerned enough that  
3 they would pay the cost of having a meter reader go  
4 out for their own individual home.

5 CHAIRMAN HALL: Where are we in the  
6 AMI rollout program in terms of customers either  
7 with or without the AMI?

8 MR. FISCHER: It's my understanding  
9 that AMI is available throughout the company, and  
10 this will be an exception if people do that. Is  
11 that correct?

12 MR. RUSH: No, it's not. We have  
13 rolled it out in both our Kansas City Power & Light  
14 Company Kansas and Missouri jurisdictions. We've  
15 completed the Kansas City Power & Light area in  
16 Kansas. We have completed the Kansas City Power &  
17 Light in Missouri. 300,000 cust-- we have like 300  
18 to go. Excuse me.

19 CHAIRMAN HALL: 300 customers to go?

20 MR. RUSH: In Kansas City Power &  
21 Light Company. In GMO, we have rolled it out to  
22 about half of the system. I think we have, did you  
23 say 100,000 or so installed at this time, and we  
24 have quite a few more to go, but we are nearing  
25 completion of that project.

1 CHAIRMAN HALL: Once the -- once that  
2 rollout is complete, do you have a -- does the  
3 company have a demand response program that it  
4 intends to implement with residential customers?

5 MR. RUSH: We have -- with the  
6 implementation of AMI, we will have the capability  
7 of doing those things. We are currently in the  
8 process of implementing a new billing system called  
9 CCMB that we've talked about for some time now.  
10 That will give us the capability to expand those  
11 kind of activities, just as like what you're  
12 talking about with demand response or with time of  
13 use rates or demand response rates, multiple  
14 pieces, and that will be done in a couple of years  
15 where we could be able to do those things.

16 We have agreed to do studies in this  
17 agreement addressing basically those kinds of  
18 things. But as far as immediately implementing  
19 them, we do not have that capability.

20 CHAIRMAN HALL: So will the -- will  
21 the time -- the time of use rates, that will be an  
22 issue in the next rate case?

23 MR. RUSH: It will be, or there will  
24 be a rate design case, one of those two, that we've  
25 agreed to where we would be addressing those

1 issues.

2 CHAIRMAN HALL: And will a demand  
3 response component, will that be in a MEEIA case or  
4 will that be in a rate case --

5 MR. RUSH: That can vary.

6 CHAIRMAN HALL: -- or in both maybe?

7 MR. RUSH: It could be in both. I  
8 mean, it's according to how you treat the demand  
9 response. If you're simply doing it through a rate  
10 design piece that implements an overall revenue  
11 requirement, you may look at it differently than if  
12 you do it through MEEIA, which looks at the  
13 difference of the throughput disincentive that you  
14 address there.

15 COMMISSIONER STOLL: Can I follow  
16 that up?

17 CHAIRMAN HALL: Sure.

18 COMMISSIONER STOLL: My question, is  
19 there a cost to the customer for having an AMI  
20 meter installed?

21 MR. RUSH: No, there is not. I mean,  
22 it's reflected in the overall rates that we --

23 COMMISSIONER STOLL: Reflected in the  
24 rate. How much does it cost for an AMI meter? Do  
25 you know, roughly?

1 MR. RUSH: I believe the number is  
2 \$60.

3 COMMISSIONER STOLL: Not for the  
4 meter itself.

5 MR. RUSH: But, I mean, you have a  
6 whole infrastructure designed to address that, but  
7 it's a very --

8 COMMISSIONER STOLL: Yeah. So --

9 MR. RUSH: That's the technology.

10 COMMISSIONER STOLL: So why would --  
11 okay. How do you read the meters now? I mean, if  
12 you opt out, there's a \$45 per month meter reading  
13 charge. How are they read now?

14 MR. RUSH: Currently they read in the  
15 GMO area with meter readers. We have had the  
16 technology of automatically reading meters at  
17 Kansas City Power & Light for well over ten years.  
18 I'm not sure if it's not even in excess of that.

19 COMMISSIONER STOLL: Is that through  
20 the meter that's referred to as an AMR?

21 MR. RUSH: That's correct, yes.

22 COMMISSIONER STOLL: Where you have  
23 the radio read or whatever?

24 MR. RUSH: This is a newer -- this is  
25 the newer technology. This is allowing you to do

1 multiple things with the meter, but it's the same  
2 technology as the general technology that's been  
3 around that we had when it was purchased as a  
4 CellNet product at one point in time, but I believe  
5 it's called the AMR also, AMR meters or meter  
6 reading.

7 COMMISSIONER STOLL: Why would --

8 MR. RUSH: But when we move to this  
9 at the GMO area, obviously we're going to be  
10 getting rid of meter readers through the process of  
11 that. I mean, that's the major savings you see  
12 behind all of this, beyond all of the additional  
13 capabilities that it offers.

14 COMMISSIONER STOLL: And so is there  
15 currently a meter reading charge or that's baked  
16 into the --

17 MR. RUSH: That is currently baked  
18 into the overall cost of service, and typically  
19 it's in the customer charge itself or the service  
20 charge we call it.

21 COMMISSIONER STOLL: Okay. Thank  
22 you.

23 COMMISSIONER KENNEY: So these -- so  
24 on smart thermostats, you can communicate with the  
25 AMI meters, correct?

1 MR. RUSH: You actually can do that,  
2 yes. If you set that capability up for this,  
3 there's lots of things you can do.

4 COMMISSIONER KENNEY: You can get  
5 people to log on and opt out for certain time  
6 frames if they have smart thermostats. And then  
7 through your MEEIA program aren't you even offering  
8 Nest thermostats now to customers?

9 MR. RUSH: Yes.

10 COMMISSIONER KENNEY: And then so --

11 MR. RUSH: But the way the technology  
12 is today, it's not necessarily that we're using the  
13 meter reading to do that, but we are communicating  
14 through -- with, like, Nest and the other products  
15 through the thermostat.

16 COMMISSIONER KENNEY: But they don't  
17 assimilate with each other?

18 MR. RUSH: They can work together,  
19 but they're currently not working together.

20 COMMISSIONER RUPP: I didn't want to  
21 go out of turn. Thank you. So your quote to the  
22 Commissioner, the Chairman, was you have the  
23 capability of doing demand response programs?

24 MR. RUSH: That's correct.

25 COMMISSIONER RUPP: Are you going to

1 do them? You might have the capability, but are  
2 you going to do them in the future?

3 MR. RUSH: I think that's dependent  
4 on the evaluation of being able to do it for  
5 residential customers. We currently have demand  
6 response programs for other customers, for  
7 commercial customers. We have quite a few of those  
8 types of programs. We do have demand response  
9 programs where we have demand savings where we put  
10 in -- when customers put in air conditioning and  
11 other lighting, et cetera, that have demand -- you  
12 know, that do reduce it, but actually interacting  
13 with a customer where they take an action is not  
14 happening in the residential category. It is  
15 happening in the commercial category.

16 COMMISSIONER RUPP: So in the  
17 residential category, was your position originally  
18 to freeze the time of use rates and not proceed  
19 further?

20 MR. RUSH: Could you say that again?  
21 I'm sorry.

22 COMMISSIONER RUPP: The way I read  
23 your testimony was that the company's position was  
24 to stop, to freeze your time of use rates and not  
25 move forward?

1 MR. RUSH: With those time of use  
2 rates, but our intent long-term for time of use is  
3 to be able to offer a time of use rate for  
4 customers that would be able to utilize the  
5 capabilities of the AMI system or the automatic  
6 meter reading system as well as be a design that  
7 would be workable for the system. Those time of  
8 use rates that exist today are 20 years old.

9 MR. FISCHER: That will be part of  
10 the effort for the rate design study.

11 COMMISSIONER RUPP: That will be part  
12 of the effort in the Stipulation, but the way I  
13 read your position early on was that you just  
14 wanted to freeze the time of use rates and just be  
15 done with, and I didn't see --

16 MR. RUSH: It was not intentional to  
17 be done with time of use rates. It was to stop  
18 those because we're putting in technology -- the  
19 way it operates today is if you are on a time of  
20 use rate, we have to have a special meter, we have  
21 to have a special meter reading profile to go out  
22 and do it. It's not designed to work automatically  
23 as we will have it installed.

24 COMMISSIONER RUPP: So that goes back  
25 to my question on the capability of those types of

1 programs. So I want to hear from the company  
2 that -- you will have the capability to do that in  
3 the future, but I want to hear, is it your intent  
4 to move forward towards some type of time of use  
5 rate option for people that has been designed with  
6 newer numbers that is something that actually they  
7 would -- might choose to participate in?

8 MR. IVES: I'd answer that real  
9 quickly. It is our intent to continue to look at  
10 all those forms. With the advancements in  
11 technology, not only from the meters, but when we  
12 get our new billing system in, which has much more  
13 real-time capability, to address some of these  
14 future innovations, we're going to look at all that  
15 stuff. We're going to look at time of use rates.  
16 We're going to look at demand response.

17 And where we ultimately come out will  
18 be a product of how it works for our particular  
19 customers, how our interactions go with the other  
20 stakeholders in the state as we're working through  
21 that process.

22 COMMISSIONER RUPP: So in your study  
23 that you're going to do, are you going in your next  
24 rate case or once you've had your data and then  
25 you -- whenever you come in next, are you going to

1 have a study that says here is the results and this  
2 is what we're going to do, or are you going to come  
3 in and say, we are proposing to do a study that  
4 then kicks it down the road another three years?

5 MR. IVES: We're going to do the  
6 study in advance of the next filing, and we will  
7 use it to form the basis of the filing in the next  
8 case.

9 COMMISSIONER RUPP: So in the next  
10 time you come before, you will have a plan for time  
11 of use rates for your customers with -- that they  
12 could implement if it is -- if it is approved by  
13 the Commission?

14 MR. IVES: We'll have a plan that  
15 could include time of use. It will depend on the  
16 outcome of the study, the interactions that we have  
17 with stakeholders as we work through that study as  
18 to what makes the most sense for customers, whether  
19 it's time of use, whether it's demand response,  
20 whether it's other factors that have continued to  
21 evolve in the industry that make sense.

22 We're going to look at all options  
23 and then figure out what makes the best sense for  
24 customers for proposal. Could be time of use.  
25 Could be demand response.

1                   COMMISSIONER RUPP: Now, are you  
2 going to come back with, we didn't feel it was in  
3 the best, so we're not going to offer it to our  
4 customers, or are you going to approach it in the  
5 fact of we're going to offer to our customers and  
6 this is the parameters it's going to be? Are you  
7 going to decide for the customers if it's good or  
8 not or are you going to give them the option?

9                   MR. IVES: That's a difficult  
10 question to answer definitively without having  
11 completed the study, if the study comes back and it  
12 doesn't look like it's feasible or makes sense or  
13 we have a view from stakeholders after we work  
14 through it that it's not the right time. It's hard  
15 to make a definitive determination until we do the  
16 work.

17                   What I can tell you is we are looking  
18 across the country at what makes sense for  
19 customers on all those fronts from a customer  
20 experience standpoint and from a customer -- a  
21 customer ability to take control of their energy  
22 usage. This is another forum where we'll be  
23 working with that same view in mind.

24                   COMMISSIONER RUPP: I appreciate  
25 that, because I remember Mr. Hack's comments in the

1 workshop the other day, quote was time of use rates  
2 are the wave of the future for our customers.  
3 So I hear that statement of what's coming, so I  
4 just want to be sure that when we have our next  
5 time in front of us, that there is something put in  
6 front of us for us to look at that has not been  
7 predetermined whether or not it's good for people  
8 or not if your company believes it is kind of the  
9 wave of the future.

10 MR. IVES: I think it is. I think  
11 customer involvement, it absolutely is, but we may  
12 be three or four years down the line. There may be  
13 continued evolution in opportunities for impacts to  
14 customers that take place not just here but across  
15 the industry, and we would intend to look at all  
16 that stuff as we move forward.

17 That's why I'm hesitant to pin down  
18 to one specific thing because the goal would be to  
19 look at a broad array of opportunities and come  
20 with what is the right commonsense package for  
21 customers moving forward.

22 COMMISSIONER RUPP: I'm not trying to  
23 tell you you have to do time of use, but from --  
24 you're spending a lot of money on AMI meters to get  
25 rid of meter readers, which is great. But if

1 you're not going to use that technology, you could  
2 have went with the older AMR meters. And so if  
3 you're going to ask ratepayers to pay for that,  
4 then let's utilize the technology. It's not going  
5 to be for everybody, but at least provide them that  
6 opportunity and -- and I just -- I have a concern  
7 that we get these stipulations and these -- and  
8 then the next time you have a case, well, it's a  
9 stipulation and we didn't think it was good. We're  
10 going to study again. The next thing you know, I'm  
11 out of the Commission in two and a half years and  
12 we still have just kicked the can every time down  
13 the road.

14                   That's why trying -- I'm not trying  
15 to pin you on one type of program, but I want to  
16 see something definitive with numbers and options  
17 for people rather than let's continue to study this  
18 forever and then eventually do something when  
19 98 percent of the population has already done it.

20                   MR. IVES: Agree with that. I think  
21 that's why the parties felt it important enough to  
22 put that type of language into this Stipulation  
23 that we need to do that evaluation and we need to  
24 move forward. The parties feel that same way.

25                   CHAIRMAN HALL: How long -- I could

1 not agree with you more in terms of the amount of  
2 money that ratepayers will pay for this technology,  
3 if we're not getting something for that technology,  
4 then that's inefficient use of ratepayer dollars.  
5 One suggestion, and I guess I would be interested  
6 in all of the parties' response to this.

7           The study that the company's going to  
8 do on time of use rates and other mechanisms that  
9 it may employ with regards to the AMI meters, we  
10 could require that that report be submitted in a  
11 formal fashion to the Commission, the Commission  
12 along with other interested parties, and we could  
13 look at it and we could decide whether or not we  
14 want to bring the parties in for a hearing on that.

15           So, Commissioner, that might be a way  
16 to get the kind of accountability that I think  
17 you're looking for.

18           MR. ANTAL: Commissioners, if I may  
19 add something? I would just point out the first  
20 full sentence of page 11 states that GMO will  
21 propose rates based on this study no later than its  
22 next rate case or rate design case, and that study  
23 that it references to, that paragraph starts on  
24 page 10, which includes time of use residential and  
25 SGS rates, peak rate, electric vehicle time of use

1 rates.

2 So it's our understanding that rates  
3 will be proposed regarding these different time  
4 differential rate categories.

5 CHAIRMAN HALL: Well, that depends on  
6 what the study says, though. The study could say  
7 time of use rates are inappropriate. And so I  
8 think getting to Commissioner Rupp's concern, which  
9 I share wholeheartedly, can we -- would the parties  
10 oppose, would the company oppose submitting that  
11 report formally to the Commission?

12 MR. IVES: So if I can, that same  
13 paragraph that starts at the bottom of page 10, it  
14 says that we will include in our direct filing in  
15 the next case or a rate design case the study TOU  
16 rates, including critical peak rates, EVTOU. So it  
17 already says that we will produce that study as  
18 part of our direct filing in either the next case  
19 or a rate design case.

20 CHAIRMAN HALL: I think there may be  
21 some interest in getting it before the next filing.

22 COMMISSIONER RUPP: And when it says  
23 you will submit that, are you going to submit all  
24 the data so that other interested parties of the  
25 case can look at the data and come to conclusions

1 or are you just going to present the summary of  
2 your findings that you have found? How is that  
3 doing to be presented? Is it going to be raw data  
4 that we can look at and make sure that we're  
5 ascertaining the same outcome that you're coming  
6 with? Because to Alex's point, yeah, it says  
7 they're going to file rates, but I could design a  
8 program that no one's ever going to participate in.

9 So I would like to see bang for my  
10 buck and also want to see something that actually  
11 works and people would participate in rather than  
12 the one that you've had for 15 years that we froze  
13 other people's moving forward.

14 So how would that study be presented  
15 to us? And I completely agree with the Chairman.  
16 I'd love to see that beforehand, before the next  
17 rate case.

18 MR. IVES: So a couple things.  
19 Generally, similar to how we looked at the study  
20 that came out of our 2012 stipulation to look at  
21 consolidation, that resulted in kind of a full open  
22 book view, and we gave -- we gave the study. We  
23 gave the underlying support. We went through it  
24 with parties. We shared it with them.

25 That's the same thing that would

1 happen here either through the provision of  
2 information as we're working through it or through  
3 the work papers that come in in support of the  
4 study when we make the filing. It's going to be  
5 out there and it's going to be available.

6           One thing I want to mention, just to  
7 make sure we're clear, I understand that the  
8 interest in value for time of use rates or things  
9 like that that come out of AMI meters. There are  
10 other things that come out of meters than just time  
11 of use rates. I mean, they provide better outage  
12 support and a number of other things. It's not  
13 like a one shot get -- for the Commission or for  
14 customers to get value out of AMI meters.

15           I just want to make that clear  
16 because we talked about that a little bit here.  
17 But better outage maps, better outage response,  
18 there are a lot of other reasons why these meters  
19 make sense.

20           COMMISSIONER RUPP: And I know I'm  
21 probably coming across maybe a little harsh. I  
22 have a tendency to do that. I apologize. But I do  
23 want to commend your organization for being forward  
24 thinking. I like the stuff that you're putting out  
25 there. I mean, I see you moving in this direction.

1 So I believe in you that you are moving in this  
2 direction.

3 I just want -- we only have these  
4 opportunities to talk to you in these rate cases,  
5 and so I have to take this time to really hone in  
6 on them because every time I try to ask something,  
7 it's like, well, you've got to wait until the next  
8 rate case, and then it comes up and it just seems  
9 like we're just continually moving it down the  
10 road.

11 So there are other benefits, I agree  
12 with you on that one. And so I strongly encourage  
13 you guys to continue being innovative, continue to  
14 do the things that you're doing, and find the  
15 value, find the choice for customers. It's not  
16 going to be for everybody. Look at everything, and  
17 let's see what the data says and let's see what we  
18 can bring forward to people. And let's -- if we're  
19 going to have a program, let's have one that works  
20 that actually -- that the people can benefit from.

21 MS. MAYFIELD: Commissioner Rupp and  
22 Chairman Hall, I believe that Dr. Geoff Marke may  
23 have some information to inform the Commission on  
24 this very issue. Judge Jordan, would you like to  
25 swear in Dr. Marke?

1 JUDGE JORDAN: I will.

2 (Witness sworn.)

3 DR. MARKE: So I'd offer up that to a  
4 large extent this rate design has already been  
5 done. In fact, last week in -- part of the problem  
6 is that we've got different people at the company,  
7 different people within the Commission, even in our  
8 own office, that are involved in the IRP process  
9 but not necessarily rate design.

10 As part of the IRP process, the rules  
11 actually look at rate design, rate design rates,  
12 demand side rates. So the company commissioned  
13 with the Brattle Group to go ahead and study  
14 several different rate design rates, inclining  
15 block, demand charges, the time of use charge, and  
16 I think there was one else, another dynamic price.

17 All right. That's part of their  
18 potential study. That potential study is still a  
19 work in progress. We saw the preliminary results  
20 last week. So we've already got a sense of, you  
21 know, what impact a rate design would have on peak  
22 time usage.

23 COMMISSIONER RUPP: Can I stop you  
24 right there? If they haven't put in AMI meters to  
25 get that amount of data, how are they -- what are

1 they basing this on, the meter reader guy that went  
2 out and looking at --

3 DR. MARKE: Historical usage and just  
4 modeling.

5 COMMISSIONER RUPP: And would that  
6 even be good enough raw data for extrapolating into  
7 some type of a demand type study if it's something  
8 that's collected monthly, or do you need that  
9 hourly feedback from the AMI meter to actually have  
10 a solid study to do something?

11 DR. MARKE: There's a broad range in  
12 what we talked about here. When we say dynamic  
13 price, you can talk about the time of use pricing,  
14 that could be on the hour basis. That's something  
15 that requires AMI technology.

16 A demand charge, which wouldn't be  
17 necessarily on an hourly basis, still requires an  
18 AMI meter. Right? And inclining block rate  
19 doesn't require any of that. All three of them  
20 have an influence on peak time usage and overall  
21 energy usage.

22 So I can tell you with a fair amount  
23 of confidence that the inclining block rate and  
24 preliminary results we saw from that are probably  
25 pretty accurate. As far as the time of use, as far

1 as the demand charge, a lot of it comes down to the  
2 design. So parties in the potential study don't  
3 necessarily agree with how things were modeled.  
4 Right? So when they looked at inclining block  
5 rates, and I'm generalizing here, we can say  
6 there's an 18 percent decrease in overall peak  
7 usage. That's huge, right? But then the next  
8 question would be, well, what do we mean by  
9 inclining blocks, right? How exactly are these  
10 blocks set? And, you know, does the customer  
11 charge remain the same?

12 So under their modeling assumptions  
13 they raise the customer charge to almost \$22.  
14 Right? That's, you know, more than a \$10 increase  
15 to the current rates. How would that impact, say,  
16 MEEIA and energy efficiency? So you've got a lot  
17 of moving interdependent parts.

18 There's larger issues about whether  
19 or not the company's overall revenue recovery would  
20 be impacted from a huge departure from changing  
21 rate design, and then you throw on the extra  
22 variable of the consolidation within the context of  
23 this case.

24 So, you know, and I don't want to --  
25 really want to emphasize that this was a Herculean

1 task for all parties to get consolidation right,  
2 sort of a once in a lifetime opportunity where  
3 rates weren't going to increase overall that we  
4 could make the consolidation happen. I think it's  
5 everybody's intention to move forward with some  
6 sort of time of use -- I know it's our office's  
7 intention, I'll tell you that, that, you know, we  
8 see -- if ratepayers are going to pay for this  
9 service, we want something out of it.

10 And we've got sunk money at this  
11 point, right? I mean, 80 percent of the service  
12 territory and whatnot has already been inundated  
13 with AMI meters. So there's a huge education  
14 element to this. You know, people are used to  
15 paying for electricity for over a hundred years in  
16 a certain manner, so --

17 COMMISSIONER RUPP: So if you allow  
18 me to interrupt you again.

19 DR. MARKE: Sure.

20 COMMISSIONER RUPP: So what I'm  
21 hearing is, there's studies currently going on.  
22 Some of this work has been done, and you guys just  
23 came to the table and were able to get  
24 consolidation. So now you're going to have a large  
25 population that is on the same rate, and then, with

1 the induction of AMI meters to the entire  
2 population, you could have data from a consolidated  
3 group over a period of time that's all been  
4 collected with the maximum amount of data you can  
5 to come in in the future with a study that would  
6 have homogeneous data that can be extrapolated to  
7 the population as a whole on their entire footprint  
8 with up-to-date data that's been collected rather  
9 than partial hourly data or weekly and partially  
10 monthly from a meter reader?

11 DR. MARKE: Yes. In theory, you  
12 know, more data, the more precise we could get.

13 COMMISSIONER RUPP: My fear is if  
14 there's already a study going on and you're trying  
15 to extrapolate data that you're going from a  
16 monthly meter reader and you're trying to  
17 extrapolate, I can see how an inclining block on  
18 it, that -- but how would that intuit any type of a  
19 dynamic pricing model, how would that -- would you  
20 not need that incremental hourly type of -- or even  
21 every 15 minutes or whatever you want look at, to  
22 apply the study to that type of pricing model.

23 So that is to my point of, is this  
24 studying going to be the raw data so that we can  
25 look at it and say, okay, this is -- the way it was

1 collected, what was collected is statistically  
2 viable to extrapolate to the population as a whole  
3 for this particular type of pricing model? And  
4 that's what I'm -- that's what I'd like to see.

5 MR. IVES: So I think the interesting  
6 part of this, and Dr. Marke alluded to it, you  
7 know, more data is certainly going to be available.  
8 The question will be, you know, what that turns  
9 into and how we go about it.

10 But we'll certainly have each  
11 investment we make, whether it's -- whether it's  
12 the AMI meters that can collect that interval data,  
13 you know, 15-minute increments, whether it's the  
14 meter data management system that kind of manages  
15 and controls that, and ultimately the CCMB billing  
16 system that unlocks capabilities for us to do more  
17 in the billing function. As we get each of those  
18 things in, it gives us more access to data and more  
19 access to more options to impact the customer  
20 experience.

21 So back to your earlier comments, I  
22 appreciate the comments. I think they are  
23 consistent with our efforts in customer experience  
24 and what we're trying to do in the customer realm,  
25 and I think you'll continue to see us to use the

1 investments to leverage those to move us to the  
2 next level with customer engagement, involvement in  
3 how they manage their usage and their bills. No  
4 doubt about it.

5 CHAIRMAN HALL: So let me go back to  
6 my prior question. Would the company oppose or  
7 have concerns about the Commission ordering that  
8 that study be submitted prior to an application for  
9 a rate increase or the filing of a rate design  
10 case?

11 MR. IVES: My question -- my question  
12 I guess in that regard -- and I'll say generally  
13 no. If the Commission --

14 CHAIRMAN HALL: Then you're good.

15 MR. IVES: If the Commission wants  
16 dated information, we're always willing to give  
17 that. I'm trying to figure out -- I'm trying to  
18 figure out the benefit of that, because we're going  
19 to have to do the study. If we put it in a case,  
20 we're going to have to produce the results and the  
21 details, and necessarily we're going to need to  
22 work with all the parties and the stakeholders to  
23 get to the point to put it in a direct filing.

24 CHAIRMAN HALL: I think the issue is  
25 sometimes issues get lost in the middle of a big

1 rate case, and if you can tell, there are at least  
2 a couple of Commissioners that are very, very  
3 engaged on this particular issue and might like to  
4 see it brought before us in a discrete filing.

5 COMMISSIONER RUPP: And to echo your  
6 comments, if in the next rate case there's a  
7 stipulation, black box stipulation and we're trying  
8 to get details that -- you know, it makes it even  
9 more difficult. So I'll echo the Commissioner.

10 MR. FISCHER: I would note, I think  
11 the Stipulation -- Jim over here. I think the  
12 Stipulation does require that we have 12 months of  
13 load research data, which will take some time to  
14 develop, and I'm not sure how quickly, even if we  
15 want to file it early, whether it would be done  
16 much before the next rate case or in a rate design  
17 case.

18 CHAIRMAN HALL: I mean, what I  
19 envision would be simple requirement that when it  
20 is completed it is filed. All right.

21 MR. FISHER: And I also would just  
22 suggest, the company is going to be wanting to work  
23 with all the parties along the way.

24 CHAIRMAN HALL: All right. Let's  
25 move on to another topic. The customer charge is

## Marke, Geoff

**From:** Brad Lutz <Brad.Lutz@kcpl.com>  
**Sent:** Tuesday, July 31, 2018 8:50 PM  
**To:** clumley@lawfirmemail.com; david.woodsmall@woodsmalllaw.com; lewis.mills@bclplaw.com; dmvyulsteke@bclplaw.com; mark.johnson@psc.mo.gov; Shemwell, Lera; Williams, Hampton; Williams, Nathan; Andrew@renewmo.org; tim@renewmo.org; nicole.mers@psc.mo.gov; kpavlovic@pcmgregcon.com; mgriffing@pcmgregcon.com; Marke, Geoff; Thompson, Kevin; Tim Rush; Rob Hack; Marisol Miller; Ronald A. Klote; Roger Steiner; Hyman, Martin; Kremer, Lisa  
**Cc:** Smith, Ryan; Klaus, Lexi; Mills Jr., Lewis; Carl Lumley; Jamie Scripps; Brubaker, Maurice  
**Subject:** Information concerning AMI deployment status

Good Evening,

Concerning the deployment of AMI meters, I found the following data as part of a data request response in the current cases:

### KCPL-MO

<u>Yr-Month</u>	<u>KCPL-MO AMI</u>	<u>KCPL-MO Non-AMI</u>	<u>Total KCPL-MO meters</u>	<u>Pct of meters AMI</u>
18-Mar	284,478	11,073	295,551	96.25%

### GMO

<u>Yr- Month</u>	<u>GMO-MO AMI</u>	<u>GMO-MO Non-AMI</u>	<u>Total GMO-MO meters</u>	<u>Pct of meters AMI</u>
18-Mar	193,155	139,669	332,824	58.04%

This information is consistent with my understanding. I believe the remaining meters are to be converted by 2020.

Brad

-----Original Appointment-----

**From:** Brad Lutz  
**Sent:** Thursday, July 26, 2018 1:47 PM  
**To:** Brad Lutz; clumley@lawfirmemail.com; david.woodsmall@woodsmalllaw.com; lewis.mills@bclplaw.com; dmvyulsteke@bclplaw.com; mark.johnson@psc.mo.gov; Shemwell, Lera; Williams, Hampton; Williams, Nathan; Andrew@renewmo.org; tim@renewmo.org; nicole.mers@psc.mo.gov; kpavlovic@pcmgregcon.com; mgriffing@pcmgregcon.com; Marke, Geoff; Thompson, Kevin; Tim Rush; Rob Hack; Marisol Miller; Ronald A. Klote; Roger Steiner; Hyman, Martin; Kremer, Lisa  
**Cc:** Smith, Ryan; Klaus, Lexi; Mills Jr., Lewis; Carl Lumley; Jamie Scripps; Brubaker, Maurice  
**Subject:** Follow-up discussion with Missouri Rate Case Parties (Rate Design and Program Overview)  
**When:** Tuesday, July 31, 2018 9:30 AM-11:00 AM (UTC-06:00) Central Time (US & Canada).  
**Where:** Conference Call

An agenda will be developed and shared prior to the meeting.

Please use the following number for the call:

Number: 866-740-1260  
Access Code: 5562950

## Marke, Geoff

---

**From:** Brad Lutz <Brad.Lutz@kcpl.com>  
**Sent:** Wednesday, August 01, 2018 9:44 AM  
**To:** Marke, Geoff; clumley@lawfirmemail.com; david.woodsmall@woodsmalllaw.com; lewis.mills@bclplaw.com; dmvuylsteke@bclplaw.com; mark.johnson@psc.mo.gov; Shemwell, Lera; Williams, Hampton; Williams, Nathan; Andrew@renewmo.org; tim@renewmo.org; nicole.mers@psc.mo.gov; kpavlovic@pcmgregcon.com; mgriffing@pcmgregcon.com; Thompson, Kevin; Tim Rush; Rob Hack; Marisol Miller; Ronald A. Klote; Roger Steiner; Hyman, Martin; Kremer, Lisa  
**Cc:** Smith, Ryan; Klaus, Lexi; Mills Jr., Lewis; Carl Lumley; Jamie Scripps; Brubaker, Maurice  
**Subject:** RE: Information concerning AMI deployment status

Good Morning Geoff,

I am told that KCP&L-Missouri started late in the fourth quarter of 2014. GMO started early in the first quarter of 2016. If you need an exact date, I will need to dig a little further.

Brad

---

**From:** Marke, Geoff [mailto:geoff.marke@ded.mo.gov]  
**Sent:** Wednesday, August 01, 2018 9:08 AM  
**To:** Brad Lutz <Brad.Lutz@kcpl.com>; clumley@lawfirmemail.com; david.woodsmall@woodsmalllaw.com; lewis.mills@bclplaw.com; dmvuylsteke@bclplaw.com; mark.johnson@psc.mo.gov; Shemwell, Lera <Lera.Shemwell@ded.mo.gov>; Williams, Hampton <Hampton.Williams@ded.mo.gov>; Williams, Nathan <Nathan.Williams@ded.mo.gov>; Andrew@renewmo.org; tim@renewmo.org; nicole.mers@psc.mo.gov; kpavlovic@pcmgregcon.com; mgriffing@pcmgregcon.com; Thompson, Kevin <kevin.thompson@psc.mo.gov>; Tim Rush <Tim.Rush@kcpl.com>; Rob Hack <Rob.Hack@kcpl.com>; Marisol Miller <Marisol.Miller@kcpl.com>; Ronald A. Klote <Ronald.Klote@kcpl.com>; Roger Steiner <Roger.Steiner@kcpl.com>; Hyman, Martin <martin.hyman@ded.mo.gov>; Kremer, Lisa <Lisa.Kremer@ded.mo.gov>  
**Cc:** Smith, Ryan <Ryan.Smith@ded.mo.gov>; Klaus, Lexi <Lexi.Klaus@psc.mo.gov>; Mills Jr., Lewis <lewis.mills@bryancave.com>; Carl Lumley <CLumley@chgolaw.com>; Jamie Scripps <jscripps@5lakesenergy.com>; Brubaker, Maurice <mbrubaker@consultbai.com>  
**Subject:** RE: Information concerning AMI deployment status

This is an EXTERNAL EMAIL. Stop and think before clicking a link, opening attachments or entering credentials.

---

Brad,  
How long has KCPL/GMO been deploying meters now? What was the start date?

Geoff

---

**From:** Brad Lutz <Brad.Lutz@kcpl.com>  
**Sent:** Tuesday, July 31, 2018 8:50 PM  
**To:** clumley@lawfirmemail.com; david.woodsmall@woodsmalllaw.com; lewis.mills@bclplaw.com; dmvuylsteke@bclplaw.com; mark.johnson@psc.mo.gov; Shemwell, Lera <Lera.Shemwell@ded.mo.gov>; Williams, Hampton <Hampton.Williams@ded.mo.gov>; Williams, Nathan <Nathan.Williams@ded.mo.gov>; Andrew@renewmo.org; tim@renewmo.org; nicole.mers@psc.mo.gov; kpavlovic@pcmgregcon.com; mgriffing@pcmgregcon.com; Marke, Geoff <geoff.marke@ded.mo.gov>; Thompson, Kevin <kevin.thompson@psc.mo.gov>; Tim Rush <Tim.Rush@kcpl.com>; Rob Hack <Rob.Hack@kcpl.com>; Marisol Miller

KCPL GMO  
Case Name: 2018 GMO Rate Case  
Case Number: ER-2018-0146

Response to Marke Geoff Interrogatories - OPC\_20180710  
Date of Response: 8/2/2018

Question:2065

List every utility of which KCPL or GMO are aware for which rate design simultaneously functions as an eligible energy efficiency program and a means for pricing electric service.

**RESPONSE:** (do not edit or delete this line or anything above this)

TOU rate design acts similarly to energy efficiency or demand response programs. Demand response programs are designed to reduce a customer's demand during peak periods. Energy efficiency programs have both the benefit of incenting customers to use less energy and the related kW reduction is measured based on the reduction that occurs during a peak period. In addition, time of use rates are designed to educate customers about energy use during specific times in order to reduce both energy and demand through behavioral change. Each (TOU, energy efficiency and demand response programs) contribute to overall reduction in peak demand. Given this, all TOU pricing offered by utilities function similarly to an energy efficiency program.

Response provided by: Kim Winslow

Attachment: Q2065\_Verification.pdf

**KANSAS CITY POWER & LIGHT COMPANY**

P.S.C. MO. No. 2

Ninth

Revised Sheet No. 1.14

Canceling P.S.C. MO. No. 2

Eighth

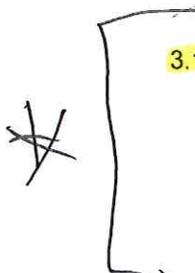
Revised Sheet No. 1.14

For Missouri Retail Service Area

**RULES AND REGULATIONS  
ELECTRIC**

**3. SUPPLYING ELECTRIC SERVICE (continued)**

3.14 RECONNECTION OF ELECTRIC SERVICE: The Company shall impose a Reconnection Charge, assessed to the Customer per Section 8 of these Rules, as a condition precedent to the reconnection of electric service for any Customer where electric service has been discontinued.. The Company shall not be required to reconnect electric service to the Customer until all such delinquent bills have been paid, together with any such Reconnection Charge, and the Customer shall have complied with the credit regulations of the Company.

 3.15 RESTORATION OF ELECTRIC SERVICE: The Company shall impose a Restoration Charge, assessed to the Customer per Section 8 of these Rules, as a condition precedent to the restoration of electric service for any Customer where electric service has been terminated per request of the Customer. If electric service is terminated and the Customer orders to have service reconnected at the same premise within a period of twelve (12) months, the Company, upon restoration of electric service, shall restore prior usage details for subsequent billing so that prior demands (kW) may be utilized, if applicable, to the provisions of those bill components where prior demand (kW) is a factor.

3.16 REFUSAL TO SERVE: The Company may refuse to supply electric service to any customer who fails or refuses to comply with any provisions of any applicable law, general order or rule of the Commission or rate schedule, rule or regulation of the Company in effect and on file with the Commission. However, nothing in this Rule 3.15 shall be construed as a reason for discrimination against a customer or applicant for service for exercising any right granted by 4 CSR 240-13, Utility Billing Practices.

3.17 PROPERTY OF THE COMPANY: All facilities furnished and installed by the Company on the premises of the Customer for the supply of electric service to the Customer shall be and remain the exclusive property of the Company. All facilities on the premises of the Customer which are or become the property of the Company shall be operated and maintained by and at the expense of the Company, may be replaced by the Company at any time, and may be removed by the Company upon termination of the Customer's service agreement or upon discontinuance by the Company of electric service to the Customer for any reason.

3.18 LIABILITY OF COMPANY: Except where due to the Company's willful misconduct or gross negligence, the Company shall not be liable in negligence or otherwise for any claims for loss, expense or damage (including indirect, economic, special or consequential damage) on account of fluctuations, interruption in, or curtailment of electric service; or for any delivery delay, breakdown; or failure of or damage to facilities; or any electric disturbance originating on or transmitted through electric systems with which the Company's system is interconnected, act of God or public enemy, strike, or other labor disturbance involving the Company or the Customer, civil, military or governmental authority.

3.19 ELECTRIC VEHICLE CHARGING STATIONS: The sale or furnishing of electric vehicle charging services by a customer of the Company to a third party does not constitute the resale of electricity.

**4. TAKING ELECTRIC SERVICE**

4.01 CUSTOMER'S INSTALLATION: Any and all wiring, appliance or equipment required to transform, control, regulate or utilize beyond the point of delivery the electric service supplied by the Company shall be furnished, installed and maintained by, and shall be the sole responsibility of, the Customer.

**KANSAS CITY POWER & LIGHT COMPANY**

P.S.C. MO. No. 2 Seventh Revised Sheet No. 1.02  
Canceling P.S.C. MO. No. 2 Sixth Revised Sheet No. 1.02

For Missouri Retail Service Area

TABLE OF CONTENTS  
RULES AND REGULATIONS  
ELECTRIC

	<u>Sheet No.</u>
<b>3. SUPPLYING ELECTRIC SERVICE</b>	
.01 Supplying of Electric Service	1.10
.02 Class of Service	1.10
.03 Line Construction	1.10
.04 Prior Indebtedness of Customer	1.10
.05 Customer to Furnish Right-of-Way	1.10
.06 Access to Customer Premises	1.11
.07 Delivery of Electric Service to Customer	1.11
.08 Company Responsibility	1.11
.09 Continuity of Service	1.11
.10 Curtailment, Interruption or Suspension of Service	1.12
→ .11 Restoration of Service	1.13
.12 Application of Rate Schedule	1.13
.13 Discontinuance of Electric Service	1.13
.14 Reconnection of Electric Service	1.14
→ .15 Restoration of Electric Service	1.14
.16 Refusal to Serve	1.14
.17 Property of the Company	1.14
.18 Liability of Company	1.14
.19 Electric Vehicle Charging Stations	1.14
<b>4. TAKING ELECTRIC SERVICE</b>	
.01 Customer's Installation	1.14
.02 Protection Equipment	1.15
.03 Customer Responsibility	1.15
.04 Standards and Approvals	1.15
.05 Dangerous or Disturbing Uses	1.15
.06 Inspections and Recommendations	1.16
.07 Increasing Connected Load	1.16
.08 Facilities Location	1.16
.09 Protection of Company's Property	1.17
.10 Tampering with Company Facilities	1.17
.11 Attachments to Company's Facilities	1.17
.12 Indemnity to Company	1.17
.13 Proration of Demand Charges	1.18
.14 Parallel Operations	1.18

**KANSAS CITY POWER & LIGHT COMPANY**

P.S.C. MO. No. 2

Fourth

Revised Sheet No. 1.03

Canceling P.S.C. MO. No. 2

Third

Revised Sheet No. 1.03

For Missouri Retail Service Area

**TABLE OF CONTENTS  
RULES AND REGULATIONS  
ELECTRIC**

	<u>Sheet No.</u>
<b>5. MULTIPLE OCCUPANCY PREMISES</b>	
.01 Individual Metering for Separate Premises	1.18
.02 Public Service Metering for Lessor	1.18
.03 Resale and Redistribution	1.19
.04 Rent Inclusion by Lessor	1.20
.05 Present Resale Practices	1.20
.06 Present Redistribution Practice	1.21
.07 Renovation	1.21
.08 Wholesale Sales	1.21
<b>6. METERING</b>	
.01 Meter Installation	1.21
.02 Multiple Metering	1.22
.03 Multiple Occupancy Buildings	1.22
.04 Meter Reading	1.22
.05 Meter Seals	1.23
.06 Estimated Billing Due to Unread Meters	1.23
.07 Accuracy and Tests	1.23
.08 Evidence of Consumption	1.23
.09 Billing Adjustments	1.24
.10 Inquires	1.24B
.11 Non-Standard Metering Service	1.24D
<b>7. CHOICE AND APPLICATION OF RATE SCHEDULES</b>	
.01 Posting	1.25
.02 Choice by Customer	1.25
.03 Assistance by Company	1.25
.04 Change of Rate Schedules	1.25
<b>8. BILLING AND PAYMENT</b>	
.01 Billing Period	1.26
.02 Payment of Bills	1.26
.03 Default	1.27
.04 Mailing Bills	1.27
.05 Reconnection Charge	1.27
→ .06 Restoration Charge	1.27
.07 Partial Payment	1.27
.08 Return Payment Charge	1.28
.09 Collection Charge	1.28
.10 Non-MEEIA OPT Out Provisions	1.28

**KANSAS CITY POWER & LIGHT COMPANY**

P.S.C. MO. No. 2 Sixth Revised Sheet No. 1.27  
Canceling P.S.C. MO. No. 2 Fifth Revised Sheet No. 1.27  
For Missouri Retail Service Area

**RULES AND REGULATIONS  
ELECTRIC**

BILLING AND PAYMENT (continued)

8.03 **DEFAULT:** Failure of the Customer to pay any amount due the Company under the Customer's service agreement in the full amount due before the same becomes delinquent shall constitute a default by the Customer in his service agreement. The Customer's obligation to pay the amount due the Company under the Customer's service agreement shall be separate from other obligations and claims between the Company and the Customer. Failure by the Customer to pay obligations to and claims by the Company, other than amounts due the Company under the Customer's service agreement, shall not constitute a default justifying discontinuance of electric service under Rule 3.13 and the failure of the Company to pay obligations to or claims by the Customer, or to give the Customer credit therefore shall not justify failure by the Customer to pay the amount due the Company under the Customer's service agreement nor prevent default by the Customer.

8.04 **MAILING BILLS:** Normally bills will be sent by mail; however, the Company reserves the right to deliver bills or to use electronic posting for qualified customers at their request. The non-receipt of a bill by a customer shall not release or diminish the obligation of the Customer with respect to the full payment thereof, including penalties and interest.

8.05 **RECONNECTION CHARGE:** If electric service is disconnected by the Company for violation of any provision of the Customer's service agreement, the following applicable Reconnection Charge shall be assessed to the customer by the Company to cover its cost of disconnecting and reconnecting the Company facilities before electric service will be resumed. Also, reference General Rules and Regulations 3.14 for the terms and conditions of reconnection of electric service.

- Reconnection charge at meter: \$30
- Reconnection charge at pole: \$50
- Minimum reconnection charge after tampering: \$150

**8.06 RESTORATION CHARGE:** If electric service is disconnected by the Company at the request of the Customer and the Customer orders to have service restored at the same premise within a period of twelve (12) months, the following applicable Restoration Charge shall be assessed to the Customer along with any unpaid balance paid in full before electric service will be resumed. Also, reference General Rules and Regulation 3.15 for the terms and conditions of restoration of electric service.

Restoration Charge: The sum of all applicable Customer Charges and Facilities Charges during the period of no service.

8.07 **PARTIAL PAYMENT:** If a partial payment is made on a billing including only current charges, the Company shall first credit all payments to the balance outstanding for electric charges before crediting a deposit. If a partial payment is made on a billing which includes a previous balance, the Company will credit all payments first to previous electric charges, then to previous deposit charges before applying any payment to current charges. (This section contains a variance from Rule 4 CSR 240-13.020(11) per Commission order in case No. EO-95-117.)

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 3rd Revised Sheet No. R-20  
Canceling P.S.C. MO. No. 1 2nd Revised Sheet No. R-20  
For Missouri Retail Service Area

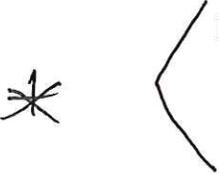
RULES AND REGULATIONS  
ELECTRIC

2.07 Charge for Reconnection or Collection

A. Discontinuation of service by Company

- (1) If electric service is discontinued for violation of any of the terms or conditions of any service agreement or on account of a delinquent service bill, a charge shall be made to the customer whose service was discontinued to cover the cost of reconnecting service before electric service will be resumed. This Reconnection Charge shall be assessed to the Customer per Section 12 of these Rules.
- (2) When it is necessary for a representative of the Company to visit the service address for the purpose of disconnecting electric service and the representative collects the delinquent payment amount, a Collection Charge shall be assessed to the Customer per Section 12 of these Rules.

B. Termination of service by Customer

- 
- (1) If electric service is terminated per request of the Customer and the Customer orders to have service reconnected at the same premise within a period of twelve (12) months, the Company may collect a **Restoration Charge**, assessed to the Customer per Section 12 of these Rules, and any unpaid balance be paid in full before restoring electric service.
  - (2) Upon reconnection of electric service, prior usage details will be restored and considered for subsequent billing. Specifically, and if applicable, prior demands (kW) will be utilized to establish the Facilities Charge and the Annual Base Demand according to the provisions of those bill components.

C. Charges in this Section do not cover any extension that may be necessary to provide customer service. Charges for and conditions of extending electric service are included in Section 12 of these Rules.

2.08 Temporary Service

- A. Applications for temporary service will be reviewed by Company, as received, and considered as a special contract subject to the applicable rates, rules, regulations, terms, conditions, and orders of all governmental authorities having jurisdiction. Such temporary service shall also be subject to the Rules of Company on file with the Commission.
- B. The customer shall assume the liability of Company's estimated up-and-down cost of extending temporary overhead or underground service. Company's up-and-down cost referred to is Company's estimated total cost of extending and removing facilities installed for the sole benefit of the customer, less estimated salvage value of any material removed. Company shall furnish the customer with information that sets forth the estimated up-and-down costs, less salvage value of certain facilities included in such up-and-down cost estimates. Prior to starting construction of temporary facilities, the customer shall pay Company an amount equal to the estimated up-and-down costs of the facilities, less the estimated salvage value of the material taken down.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 4th Revised Sheet No. R-66  
 Canceling P.S.C. MO. No. 1 3rd Revised Sheet No. R-66  
 For Missouri Retail Service Area

RULES AND REGULATIONS  
ELECTRIC

12. SUMMARY OF TYPES AND AMOUNT OF CHARGES ALLOWED

<u>Section</u>	<u>Type of Charge</u>	<u>Amount of Charge</u>
2.04(G)	Security Deposits Standard New customer	Two (2) times highest billing One-sixth (1/6) of estimated annual billing
2.07(A)	Reconnection Charge At the meter At the pole	\$30.00 \$50.00
	Collection Charge	\$25.00
→ 2.07(B)	Restoration Charge	The sum of all applicable Customer Charges and Facilities Charges during the period of no service.
2.08(B)	Temporary Service, Up and down costs	Estimated costs less estimated salvage
2.09	Returned Payment Charge	\$30.00
4.02(B)	Tampering	All associated costs to reconnect service with a minimum charge of \$150.00
4.03(B)	Safety code violation	Company corrects violation and bills customer for all associated costs
4.08	Relocation of Company facilities	Contribution for any part of the estimated cost that cannot be supported by any additional revenue resulting from the relocation
4.09	Moving structure(s)	All associated costs
5.01(D)	Demand meter contact signals	Contribution-investment cost of providing such signals, plus related monthly operating costs
5.04	Billing adjustment	Varies by type and period to be adjusted depending upon revenue class
5.05	Non-Standard Meter Charge Non-Standard Meter Initial Setup Charge	\$45.00 monthly \$150.00