Exhibit No.:	
Issues:	Jurisdictional Allocations
Witness:	Alan J. Bax
Sponsoring Party:	MO PSC Staff
Type of Exhibit:	Surrebuttal Testimony
Case No.:	ER-2014-0370
Date Testimony Prepared:	June 5, 2015

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

SURREBUTTAL TESTIMONY

OF

ALAN J. BAX

Kansas City Power & Light Company

CASE NO. ER-2014-0370

Jefferson City, Missouri
June 2015

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	))))	Case No. ER-2014-0370

AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

COMES NOW, Alan J. Bax and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Surrebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Alan J. Bax

Subscribed and sworn to before me this 4th day of June, 2015.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 28, 2018
Commission Number: 14942086

Notary Public

SURREBUTTAL TESTIMONY

OF

ALAN J. BAX

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2014-0370

Q. Please state your name and business address.

A. My name is Alan J. Bax and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102.

Q. What is your position at the Commission?

A. I am a Utility Engineering Specialist III in the Engineering Analysis Unit of the Regulatory Review Division.

Q. Are you the same Alan J. Bax that contributed to Staff's Revenue Requirement Cost of Service Report ("COS Report") filed on April 3, 2015 and who filed rebuttal testimony on May 7, 2015?

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony is in response to the rebuttal testimony of KCPL witness Ron Klote regarding Staff's calculation of the demand allocation factor. In his direct testimony, Mr. Klote recommended using a 12 CP methodology in calculating a demand allocation factor, which is said to be based on peak data occurring in the test year (April 2013 to March 2014). Beginning on Page 52 and continuing through Page 54 of his rebuttal testimony, Mr. Klote states that the Company is willing to accept Staff's recommendation of a

4 CP methodology to calculate a demand allocator, but disagrees with the time period Staff used in its calculation.

Q. What time frame did Staff use in calculating demand allocation factors?

A. As identified in Staff's COS Report, Staff utilized peak data from the four summer months of calendar year 2014, a time period included within the update period in this case.

Q. Why did you not use the peak data in the summer months of calendar year 2013 in your calculations?

A. On Page 7, lines 18-21 of his direct testimony, Mr. Klote acknowledges that an adjustment was necessary for the month of June 2013 coincident peak statistics in order to properly reflect historic levels. This adjustment was stated and explained on Page 4 of the direct testimony of KCPL witness Albert Bass:

"The Kansas June 2013 retail coincident peak allocator was adjusted to reflect the June 2014 value." Mr. Bass continues, "In 2013 Kansas peaks did not respond as their historical trend would suggest. The annual peak and coincident peak for the year occurred in July where Missouri's occurred in August. Historically Kansas would have its annual peak and coincident peak in the same month as Missouri. Further, the month of June 2013 stood out as an anomaly with Kansas weather normalized peak declining year-over-year by 92 MW and Missouri weather normalize peak growing by 165 MW resulting in a peak allocation of Missouri – 57% and Kansas – 43%. Historically, the allocation between Missouri and Kansas in June has been approximately Missouri – 53% and Kansas – 47%. The decline in Kansas was primarily driven by the residential class. Since the June 2014 values returned to the normal trend it was concluded that June 2013 was an anomaly and it was adjusted to reflect

the Kansas June 2014 peak value resulting in a peak allocation of Missouri – 53% and Kansas 47%. This adjustment is used in the D1 allocator sheet used by Company witness Ron A. Klote in developing the jurisdictional revenue requirement. This will be trued-up during the update in this case." Thus, Mr. Klote proceeds to support demand allocation factors based on statistics from June 2014 that were substituted for June 2013, along with the remaining eleven months in the twelve-month period ending March 2014. Staff agrees that the peak data for the summer of 2013 was unusual, and thus used the peak data included within the update period, the summer months of calendar year 2014, in its calculation of demand allocation factors using the 4 CP method, which more aptly reflects historic patterns and compares more consistently with recent case history. Regardless of the June 2013 anomaly, Staff would have updated the demand allocation factor based on the summer months of 2014 because the information was included within the update period and is the most current complete data set available.

Q. Why were actual peaks utilized?

A. Since generation units and transmission lines are planned, designed and constructed to meet a utility's system peak demands, plus required reserves, the contribution of each individual jurisdiction coincident to these system peak demands is the appropriate basis on which to allocate the costs of these facilities.

Q. In its determination of the energy allocation factors, did Staff include data associated with the update period?

A. Yes.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.