

*Exhibit No.:*  
*Issue:* Policy  
*Witness:* Natelle Dietrich  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Direct Testimony  
*Case No.:* ER-2016-0285  
*Date Testimony Prepared:* March 1, 2017

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**TRUE-UP DIRECT TESTIMONY**

**OF**

**NATELLE DIETRICH**

**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. ER-2016-0285**

*Jefferson City, Missouri*  
*March 2017*

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OF  
NATELLE DIETRICH  
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1 Staff's true-up run supports its recommendation to the Commission for the amount of  
2 the rate revenue increases Staff recommends the Commission order for KCPL. Staff's  
3 recommendations are based on its revenue requirement results for KCPL based on actual  
4 historical information through the period ending December 31, 2016. This recommendation  
5 is in Staff's separately filed True-up Direct Account Schedules for KCPL.

6 The same Staff members who prepared the rate revenue recommendations presented in  
7 Staff's direct testimony in this case performed Staff's true-up revenue requirement  
8 calculations.

9 **TRUE-UP**

10 In making its true-up revenue requirement recommendations, Staff reviewed all cost-  
11 of-service components (capital structure, return on rate base, rate base, depreciation expense,  
12 and operating expenses) that comprise KCPL's revenue requirement.

13 Q. What are the results of Staff's true-up audits?

14 A. Staff's updated revenue requirement for the December 31, 2016, true-up is  
15 \$12,240,459 based on recommended rate of return of 8.65%. (Staff witness Dr. Woolridge),  
16 including an adjustment to reflect the non-unanimous, but non opposed, stipulations and  
17 agreements reached between KCPL and various parties including Staff.

18 **NON-UNANIMOUS STIPULATIONS AND AGREEMENTS**

19 Q. Have there been any Stipulations and Agreements in this case that would  
20 impact the revenue requirement of KCPL?

21 A. Yes. On February 10, 2017, the *Non-Unanimous Partial Stipulation And*  
22 *Agreement* was filed with the Commission to resolve the following issues:

True-Up Direct Testimony of  
Natelle Dietrich

- 1                   1.     Hedging & Cross-Hedging
- 2                   2.     Prospective tracking of Regulatory Asset and Liability Recovery
- 3                   3.     Economic Relief Pilot Program (“ERPP”)
- 4                   4.     Advanced Meter Infrastructure (“AMI”) Meter Opt-Out Program
- 5                   5.     Customer Disclaimer
- 6                   6.     Management Expense
- 7                   7.     FAC (Not requesting to include in its FAC costs that are currently
- 8                   excluded – Administration charges – FERC assessment charges and
- 9                   NERC assessment charges)
- 10                  8.     Cost allocation manual (“CAM”)
- 11                  9.     Tracking of forecasted costs for transmission costs/revenues and
- 12                   property taxes

13                   On February 22, 2017, the *Nonunanimous Stipulation And Agreement Regarding*  
14 *Pensions and Other Post Employment Benefits (“OPEBs”)* was filed with the Commission to  
15 resolve Pensions and OPEBs.

16                   Q.     Does this conclude your direct testimony?

17                   A.     Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Kansas City Power & Light    )  
Company's Request for Authority to            )  
Implement A General Rate Increase for        )  
Electric Service                                    )  
  )

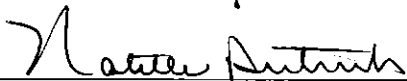
Case No. ER-2016-0285

**AFFIDAVIT OF NATELLE DIETRICH**

STATE OF MISSOURI    )  
                                  )        ss.  
COUNTY OF COLE     )

**COMES NOW** Natelle Dietrich and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.

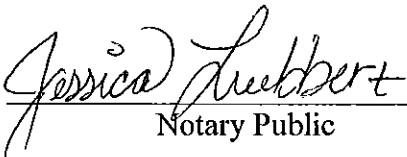
Further the Affiant sayeth not.

  
\_\_\_\_\_  
Natelle Dietrich

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 1<sup>st</sup> day of March, 2017.

JESSICA LUEBBERT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: February 19, 2019 Commission Number: 15633434
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\_\_\_\_\_  
Notary Public