

CORRECTED

1 winter total falls in the more than 1000 kWh block, the resulting consolidated
2 General Use winter rates at current revenue would be:

3	Service Charge	\$9.75
4		
5	First 1000 kWh	0.0844
6	Over 1000 kWh	0.0589

7 The 25 percent assumption is used because approximately 25 percent of
8 KCP&L's General Use total winter usage falls in the Over 1000 kWh block in the
9 current KCP&L rate case (Case No. ER-2012-0174).

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11 **4.4 RESIDENTIAL RATES WITH APPROVED BASE REVENUE CHANGE**

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13 **Q. HOW WOULD YOUR RECOMMENDED RESIDENTIAL RATES BE**
14 **ADJUSTED TO COLLECT ANY BASE REVENUE CHANGE APPROVED**
15 **BY THE COMMISSION?**

16 **A.** I recommend that the approved Residential base revenue change be assigned to
17 the winter and summer seasons to maintain the equalized winter and summer
18 Residential rates of return resulting from my revenue-neutral adjustments. I have
19 no recommendation regarding Residential service charges. After determining the
20 revenue change in each season due to approved service charge changes, I
21 recommend that the remaining revenue in each season be collected with a uniform
22 per kWh change in all energy charges in each season. These energy charge
23 changes are to be added to my recommended energy charges at current revenue
24 developed in Schedule FJC-8A for GMO-MPS and Schedule FJC-8B for GMO-
25 L&P.

CORRECTED

1 Differences between Residential General Use and Electric Space Heat winter
 2 energy charges, i.e., cents per kWh, were dramatically reduced as a result of the
 3 KCC adoption of the KCP&L recommendation in Kansas as shown below:

	<u>Residential Space Heat Rate Advantage Over General Use: Winter Rate Block Difference (Cents/kWh)²²</u>	
	<u>Before Rate Change</u>	<u>After Rate Change</u>
<u>Electric Space Heat</u>		
9 First 1000 kWh	(2.83)	(0.73)
10 Over 1000 kWh	(4.10)	(1.57)
<u>Electric Space Heat- Separate Meter Usage</u>		
14 First 1000 kWh	(4.28)	(1.67)
15 Over 1000 kWh	(4.25)	(1.57)

16 As discussed earlier my testimony, KCP&L-GMO proposes to increase the
 17 current winter energy charge differences between the Space Heat and General Use
 18 schedules in this case in Missouri, contrary to the KCP&L recommendation and
 19 the KCC order in the KCP&L 2009 Kansas rate case.

21 In the Kansas case, KCP&L used its cost of service study results in developing its
 22 recommendation. In contrast, KCP&L does not recognize the GMO-MPS and
 23 GMO-L&P cost of service results in developing its proposed rates in this case.

²² *Id.*, page 125 and Exhibit V, page 2 provide the following winter energy charges before and after the approved rate change:

	<u>Present Rates</u>			<u>New Rates</u>		
	<u>General Use</u>	<u>Space Heat</u>	<u>Space Heat- Separate Meter</u>	<u>General Use</u>	<u>Space Heat</u>	<u>Space Heat- Separate Meter</u>
First 1000 kWh	0.08037	0.05211		0.07312	0.06581	
Over 1000 kWh	0.08003	0.03908		0.07312	0.05746	
Separate Meter			0.03758			0.05746

The Space Heat-Separate Meter schedule has been frozen to new customers since January 1, 2007.