

**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) Case No. ER-2014-0370
A General Rate Increase for Electric Service)

**PUBLIC COUNSEL’S RESPONSE TO KCPL’S MOTION TO STRIKE AND
OBJECTION TO PORTIONS OF THE TESTIMONY OF WILLIAM ADDO**

COMES NOW the Office of the Public Counsel (“Public Counsel”) and for its response to Kansas City Power & Light Company’s (“KCPL”) motion to strike and objection to portions of the testimony of William Addo, states:

1. In its motion, KCPL seeks to exclude portions of Mr. William Addo’s surrebuttal testimony. KCPL asserts that Commission Rule 4 CSR 240-2.130(7) prohibits Public Counsel from offering surrebuttal testimony recommending a prudence disallowance because the amount of the disallowance was not raised in Public Counsel’s case in chief.¹

2. As the following facts show, Mr. Addo’s surrebuttal testimony is proper surrebuttal testimony in that it is responsive to matters raised in another party’s rebuttal testimony, and it addresses a rate case prudence issue initially raised in Mr. Addo’s direct testimony. Accordingly, KCPL’s motion should be denied.

3. In Mr. Addo’s direct testimony, he testified that prudently incurred rate case expense should be shared between the company and ratepayers. Mr. Addo’s direct testimony stated that “Public Counsel continues to evaluate the prudence of these costs since costs utilized in the development of normalized rate case expense would continue to be updated as this case progress[es].” Mr. Addo’s direct testimony clearly raised the issue of rate case prudence, and

¹ It is particularly noteworthy that the company moves to strike this testimony by incorrectly arguing that it was not raised in Public Counsel’s case in chief, while the company’s supplemental direct testimony on electric vehicle charging stations was offered several months after KCPL should have made its case in chief.

recognizes the on-going nature of rate case expense. The Commission's Staff's direct testimony also addressed KCPL's rate case expense.

4. In response to the Staff's and Public Counsel's direct testimony, KCPL's witness Mr. Darren Ives provided rebuttal testimony that included twenty-two (22) pages regarding rate case expense. Mr. Ives testified at length about the need for outside consultants and outside attorneys to assist the company in processing its rate case, and asserts that such expenses are prudent and reasonable (Ives Rebuttal, pp. 16-38).

5. Commission Rule 4 CSR 240-2.130(7)(D) states, "Surrebuttal testimony shall be limited to material which is responsive to matters raised in another party's rebuttal testimony." Mr. Addo's surrebuttal testimony responds to Mr. Ives' rebuttal testimony regarding the prudence and reasonableness of using outside consultants and attorneys. Mr. Addo highlights for the Commission the specific undisputed facts regarding consultants retained and attorney fees incurred that are neither prudent nor reasonable.

6. At the time Mr. Addo filed his direct testimony, the combined expense for the consultants/attorneys that Mr. Addo recommends a portion be disallowed as imprudent totaled only \$2,343 (Addo Direct, p. 30). The combined expense for the same consultants/attorneys at the time of Mr. Addo's surrebuttal testimony totaled \$100,279 (Addo Surrebuttal, p. 25). This change reflects the ongoing nature of rate case expense.

7. The company's motion to strike fails to recognize this ongoing nature of rate case expense. Multiple witnesses have testified that a large portion of rate case expense will be incurred as a result of the evidentiary hearing and post-hearing briefs, activities that will require significant attorney involvement. The prudence of rate case expenditures is examined in true-up and even after post-hearing briefs. Rate case costs are an on-going expense and the parties,

including Public Counsel, must be afforded the opportunity to address the prudence of these costs on an on-going basis. KCPL seeks to deprive Public Counsel of the opportunity to examine the prudence of rate case expenses as they continue to accrue. Accordingly, the motion should be denied.

WHEREFORE, the Office of the Public Counsel respectfully offers this response and urges the Commission to deny KCPL's motion.

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 25th day of June 2015.

/s/ Marc Poston
