

FILED

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Issue: CIP/Cyber Spend  
Witness: Joshua F. Phelps-Roper  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: KCP&L Greater Missouri Operations Company  
Case No.: ER-2016-0156  
Date Testimony Prepared: September 2, 2016

Missouri Public  
Service Commission

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2016-0156**

**SURREBUTTAL TESTIMONY**

**OF**

**JOSHUA F. PHELPS-ROPER**

**ON BEHALF OF**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri  
September 2016**

\*\*\* [REDACTED] \*\*\* Designates "Highly Confidential" Information.  
All Such Information Should Be Treated Confidentially  
Pursuant To 4 CSR 240-2.135.

**SURREBUTTAL TESTIMONY**

**OF**

**JOSHUA F. PHELPS-ROPER**

**Case No. ER-2016-0156**

1 **Q:** Are you the same Joshua F. Phelps-Roper who pre-filed direct testimony in this  
2 matter on behalf of KCP&L Greater Missouri Operations Company (“GMO” or  
3 the “Company”)?

4 **A:** Yes.

5 **Q:** What is the purpose of your surrebuttal testimony?

6 **A:** I will respond to the rebuttal testimony of Ms. Karen Lyons submitted in this proceeding  
7 on behalf the Staff of the Missouri Public Service Commission (“Staff”) as it relates to  
8 operations and maintenance (“O&M”) costs incurred by GMO in connection with Critical  
9 Infrastructure Protection (“CIP”) and cyber security (collectively (“CIP/cyber”).

10 **CIP/CYBER SPEND**

11 **Q:** Has the Federal Energy Regulatory Commission (“FERC”) or North American  
12 Electric Reliability Corporation (“NERC”) taken any actions this year affecting the  
13 CIP Standards and their implementation?

14 **A:** FERC has taken several actions in 2016 that have affected the Company’s forecasted CIP  
15 spend. As I stated in my previous testimony, FERC approved an update to the CIP  
16 Standards in January of 2016. These CIP version 6 standards, sometimes called CIP  
17 version 5 revisions, were to supplant the CIP version 5 standards with the first changes  
18 becoming enforceable on July 1, 2016. However, after testimony was filed for this rate

1 case, FERC modified the CIP version 5 “go-live date” from April 1, 2016 and aligned it  
2 with the CIP version 6 standards. CIP version 6 became enforceable on July 1, 2016.

3 FERC has also taken several other actions this year that will lead to further  
4 modifications of the CIP Standards. FERC has directed NERC to propose changes to the  
5 CIP Standards addressing: protections for Low Impact Bulk Electric System (“BES”)  
6 Facilities, protections for control center communications, protections for supply chain  
7 elements that provide hardware or software affecting the BES, and changes to address  
8 other issues found during the CIP version 5 Transition Advisory Group efforts. FERC  
9 has also issued a Notice of Inquiry for control center protections that could potentially  
10 lead to more mandated protections and possibly require re-architecting critical systems.

11 **Q: Have the changes FERC has ordered resulted in changes to the Company’s**  
12 **spending for CIP O&M compared to the 2016 budget?**

13 **A:** Yes they have. In response to the movement of the CIP version 5 “go-live date” from  
14 April 1, 2016 to July 1, 2016, the Company chose to focus its efforts on process testing  
15 rather than on starting new projects. This change in focus reduced GMO’s 2016 CIP  
16 O&M expenses relative to the 2016 budget. In response to FERC’s order regarding  
17 changes to Low Impact BES facilities protections, the Company has slowed the project  
18 schedule addressing Low Impact protections to allow for the NERC CIP Standards  
19 Drafting Team to propose modifications to the CIP Standards. Depending on what the  
20 NERC CIP Standards Drafting Team proposes, and what FERC approves, GMO’s  
21 forecasted costs may shift considerably. The Company has a large number of Low  
22 Impact BES Facilities, so any additional security controls ordered by FERC at those sites  
23 may become expensive due to the volume of sites.

1           In total, the Company's expense to meet the CIP requirements has been reduced  
2           in 2016 compared to forecast.

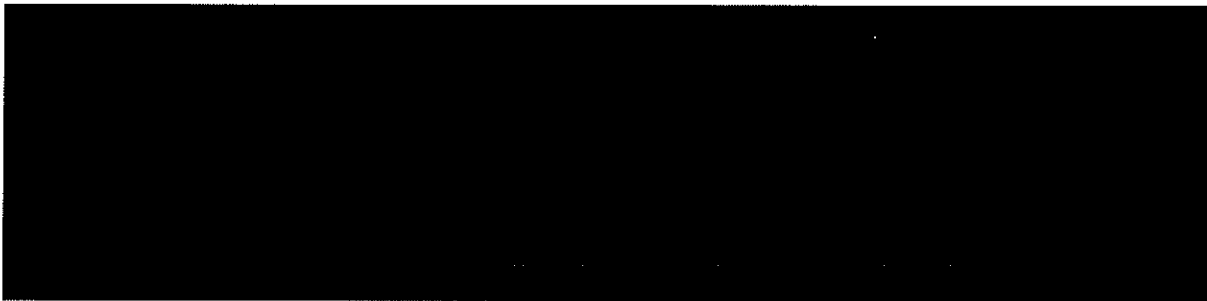
3   **Q: You have addressed CIP/cyber O&M costs incurred by GMO relative to 2016**  
4           **budget levels. What are your expectations regarding CIP/cyber O&M costs to be**  
5           **incurred by GMO in 2017 and 2018?**

6   **A:** With the changes to our 2016 schedule due to FERC's actions, we are expecting  
7           increases in our 2017 CIP/cyber O&M costs. The forecast for the increased costs in 2017  
8           is being finalized as part of the Company's annual budgeting cycle. For 2018, we do not  
9           currently have enough information to justify a change in our forecasted budget.

10 **Q: Have you reviewed the financial data included in Staff testimony?**

11 **A:** Yes I have. I was unable to discern the source for all of the various values Ms. Lyons  
12           used in her rebuttal testimony. I submitted a Data Request to Ms. Lyons and was  
13           informed the table on page 21 of her surrebuttal contained only the MPS forecasted costs  
14           for 2016-2019. I have included a corrected table below including the GMO 2016-2019  
15           forecasted O&M costs.

16   \*\*



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17 **Q: Does that conclude your surrebuttal testimony?**

18 **A:** Yes, it does.

**HIGHLY CONFIDENTIAL**

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF JOSHUA F. PHELPS-ROPER

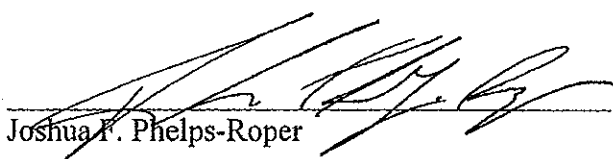
STATE OF MISSOURI )  
 ) ss  
COUNTY OF JACKSON )

Joshua F. Phelps-Roper, being first duly sworn on his oath, states:

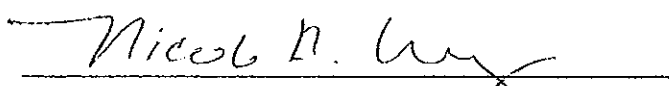
1. My name is Joshua F. Phelps-Roper. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Director – NERC Implementation and Operations.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of KCP&L Greater Missouri Operations Company consisting of three (3) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
Joshua F. Phelps-Roper

Subscribed and sworn before me this 2<sup>nd</sup> day of September, 2016.

  
Notary Public

My commission expires: Feb. 4 2019

