

FILED  
September 4, 2019  
Data Center  
Missouri Public  
Service Commission

Exhibit No.: 201  
Issue: KCPL REC  
Witness: Kory J. Boustead  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Cross-Rebuttal Testimony  
Case No.: EO-2019-0067  
Date Testimony Prepared: July 22, 2019

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**CROSS-REBUTTAL TESTIMONY**

**OF**

**KORY J. BOUSTEAD**

**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. EO-2019-0067**

(consolidated with EO-2019-0068 and ER-2019-0199)

Jefferson City, Missouri  
July 2019

Staff Exhibit No. 201  
Date 8-27-19 Reporter By  
File No. EO-2019-0067  
EO-2019-0068  
ER-2019-0199

1 **CROSS-REBUTTAL TESTIMONY**

2 **OF**

3 **KORY J. BOUSTEAD**

4 **KANSAS CITY POWER & LIGHT COMPANY**

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7 Q. Please state your name and business address.

8 A. Kory J. Boustead and my business address is Missouri Public Service  
9 Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

10 Q. Are you the same Kory J. Boustead that filed Rebuttal Testimony on June 6,  
11 2019?

12 A. Yes, I am.

13 Q. What is the purpose of your cross-rebuttal testimony?

14 A. The purpose of my testimony is to respond to the Office of the Public Counsel's  
15 ("OPC") witness Lena M. Mantle's rebuttal testimony filed on June 6, 2019 and supplemented  
16 on July 17, 2019, in regard to the imprudence of Kansas City Power & Light Company's  
17 ("KCPL") handling of excess Renewable Energy Credit ("RECs") and her recommended  
18 adjustment.<sup>1</sup>

19 Q. Does Staff agree with Ms. Mantle that the recommended adjustment should be  
20 reduced for the fees that would have been incurred to sell the RECs?

21 A. No. As stated in my rebuttal testimony, Staff's proposed disallowance is deemed  
22 by Staff to be net of any transfer or broker fees so no further adjustment is needed.

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<sup>1</sup> Rebuttal Testimony of Lena M. Mantle, Office of the Public Counsel, pages 3-5.

Cross-Rebuttal Testimony of  
Kory J. Boustead

1 Q. Does Staff agree with Ms. Mantle that the recommended adjustment should be  
2 calculated using the 95% adjustment?

3 A. No, Staff does not agree that a 95% adjustment is necessary. Tariff sheet  
4 No. 50.31, attached as Schedule KJB-cr1, shows a Prudence Adjustment Amount (P) is  
5 calculated independently of any sharing percent. The 95% – 5% sharing mechanism is designed  
6 to incentivize KCPL to provide customers with the least cost fuel and purchase power options.  
7 Staff's proposed adjustment is recognition that KCPL failed to act prudently in the selling of  
8 RECs. Therefore, if the 95% were to be applied, it would send the wrong signal to KCPL and  
9 actually reward KCPL for its imprudence. Also, as a function of the Fuel Adjustment Clause  
10 (FAC) Rider Tariff the 95% adjustment is calculated at line 7<sup>2</sup> which is to be applied to the  
11 over-under recovered amount. The FAC Rider Tariff is not designed to reduce a Prudence  
12 Adjustment Amount by the sharing mechanism

13 Q. Did Staff include interest in its recommended adjustment amount?

14 A. No, Staff inadvertently excluded interest from its recommended adjustment.  
15 Interest at KCPL's short-term borrowing rate should have been applied. Staff's calculated  
16 amount for the interest is \$6,957 for an updated recommended adjustment of \$357,308.

17 Q. Does this conclude your cross-rebuttal testimony?

18 A. Yes.

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<sup>2</sup> 95% \* ((ANEC-B)\*J).

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

the Matter of the Eighth Prudence Review of     )  
Costs Subject to the Commission-Approved     )     Case No. EO-2019-0067  
Fuel Adjustment Clause of KCP&L Greater     )  
Missouri Operations Company     )

**AFFIDAVIT OF KORY J. BOUSTEAD**

STATE OF MISSOURI     )  
  )     ss.  
COUNTY OF COLE     )

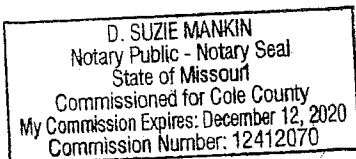
**COMES NOW KORY J. BOUSTEAD** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Cross-Rebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.

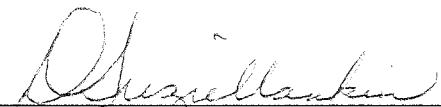
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**KORY J. BOUSTEAD**

**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 22nd day of July 2019.



  
\_\_\_\_\_  
Notary Public

KANSAS CITY POWER AND LIGHT COMPANY

P.S.C. MO. No. 7 1st Revised Sheet No. 50.31

Canceling P.S.C. MO. No. 7 Original Sheet No. 50.31

For Missouri Retail Service Area

**FUEL ADJUSTMENT CLAUSE – Rider FAC**  
**FUEL AND PURCHASE POWER ADJUSTMENT ELECTRIC**  
 (Applicable to Service Provided December 6, 2018 and Thereafter)  
 Effective for Customer Usage Beginning April 1, 2019 through September 30, 2019

Accumulation Period Ending:		December 31, 2018
1	Actual Net Energy Cost (ANEC) = (FC+E+PP+TC-OSSR-R)	\$145,773,099
2	Net Base Energy Cost (B)	- \$129,775,638
	2.1 Base Factor (BF)*	
	2.2 Accumulation Period NSI (S <sub>AP</sub> )	8,320,697,000
3	(ANEC-B)	\$15,997,461
4	Jurisdictional Factor (J)	x 56.32005%
5	(ANEC-B)*J	\$9,009,778
6	Customer Responsibility	x 95%
7	95% *((ANEC-B)*J)	\$8,559,289
8	True-Up Amount (T)	+ (\$511,952)
9	Interest (I)	+ \$708,656
10	Prudence Adjustment Amount (P)	+ \$0
11	Fuel and Purchased Power Adjustment (FPA)	= \$8,755,994
12	Estimated Recovery Period Retail NSI (S <sub>RP</sub> )	+ 8,982,300,350
13	Current Period Fuel Adjustment Rate (FAR)	= \$0.00097
14		
15	Current Period FAR <sub>Trans</sub> = FAR x VAF <sub>Trans</sub>	\$0.00098
16	Prior Period FAR <sub>Trans</sub>	+ \$0.00292
17	Current Annual FAR <sub>Trans</sub>	= \$0.00390
18		
19	Current Period FAR <sub>Sub</sub> = FAR x VAF <sub>Sub</sub>	\$0.00099
20	Prior Period FAR <sub>Sub</sub>	+ \$0.00292
21	Current Annual FAR <sub>Sub</sub>	= \$0.00391
22		
23	Current Period FAR <sub>Prim</sub> = FAR x VAF <sub>Prim</sub>	\$0.00101
24	Prior Period FAR <sub>Prim</sub>	+ \$0.00299
25	Current Annual FAR <sub>Prim</sub>	= \$0.00400
26		
27	Current Period FAR <sub>Sec</sub> = FAR x VAF <sub>Sec</sub>	\$0.00103
28	Prior Period FAR <sub>Sec</sub>	+ \$0.00306
29	Current Annual FAR <sub>Sec</sub>	= \$0.00409
30	VAF <sub>Trans</sub> = 1.0129	
31	VAF <sub>Sub</sub> = 1.0162	
32	VAF <sub>Prim</sub> = 1.0383	
33	VAF <sub>Sec</sub> = 1.0592	

\*From July 1, 2018 through December 5, 2018, the base factor was \$0.01542. As ordered by the Commission in Case No. ER-2018-0145, effective December 6, 2018, the base factor is \$0.01675.

Issued: January 31, 2019  
 Issued by: Darrin R. Ives, Vice President

Effective: April 1, 2019  
 1200 Main, Kansas City, MO 64105