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Issues:	*Rate Design* *Extension Tariff*
Witness:	*Sarah L. Kliethermes*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
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MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

OPERATIONAL ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

SARAH L. KLIETHERMES

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2016-0156

Jefferson City, Missouri
August 2016

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OF

SARAH L. KLIETHERMES

KCP&L GREATER MISSOURI OPERATIONS COMPANY

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REBUTTAL TESTIMONY

OF

SARAH L. KLIETHERMES

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2016-0156

Q. Please state your name and business address.

A. My name is Sarah L. Kliethermes and my business address is 200 Madison Street, P.O. Box 360, Jefferson City, Missouri 65102.

Q. Who is your employer and what is your present position?

A. I am employed by the Missouri Public Service Commission ("Commission") and my title is Regulatory Economist III, Economic Analysis Unit, Operational Analysis Department, Commission Staff Division.

Q. Are you the same Sarah L. Kliethermes that contributed to Staff's *Rate Design Report* filed in this proceeding?

A. Yes, I am.

Q. How is your testimony organized?

A. I will respond to Brad Lutz's direct testimony on behalf of KCP&L Greater Missouri Operations Company ("GMO") concerning the reasonableness of the company's proposed rate structures and designs, particularly in light of the customer notification and education that the company has undertaken. I will also respond to Mr. Maurice Brubaker's testimony on behalf of Midwest Energy Consumers Group ("MECG") regarding phase-ins and class cost of service methodologies. Finally, I will respond to Mr. Lutz's testimony

concerning GMO's requested modifications to the facilities extension and "special contract" tariff provisions.

CUSTOMER NOTIFICATION AND EDUCATION

Q. Did GMO pursue all reasonable avenues of customer communication to inform customers of GMO's requested changes to each customer's applicable rate design and charge elements, in particular the impact of annual and summer customer non-coincident peak ("NCP") demand on a customer's bill in each month of the year?

A. Unfortunately, no. While the customer notices for local public hearings for the rate case did go out to some customers prior to June 1, 2016, detailed communications to Commercial and Industrial ("C&I") customers did not occur. On July 19, 2016, GMO began the process of communicating directly with certain C&I customers that are expected to experience an increase of greater than 12% and an average monthly increase of greater than $190. Customers outside of that parameter have not received any information from the company aside from the filing of the requested tariff concerning the impact of annual and summer NCP demands.

Q. Did GMO request changes to the determinants that are used in calculating a customer's bill?

A. Yes. For most C&I customers, such as those taking service on the Large Power Service ("LPS"), Large General Service ("LGS"), and Small General Service – Demand ("SGS-D") rate schedules, GMO has modified the impact of annual and summer customer NCP demands in calculating a customer's bill.

Q. Does this determinant impact customer bills uniformly in all months of the year?

A. No. GMO's proposed rate structure and design for C&I customers place significant weight on the NCPs a customer experiences during the summer billing months: June, July, August, and September.

Q. Had GMO proposed these rate structures and designs prior to June of 2016?

A. Yes. As discussed by Brad Lutz, GMO has been evaluating this rate structure in more or less its present form for months prior to the filing of this rate case, which occurred well before June of 2016.

Q. Prior to June of 2016, did GMO take efforts beyond the required rate case notice filings to inform customers of its intention to shift emphasis in revenue recovery to summer NCPs?

A. No. While it has reached out to customers in the months of July and August, this is too late for customers to have undertaken efforts to reduce their peak NCP for this summer billing season.

CUSTOMER IMPACT FOR CUSTOMERS ON MPS RATE SCHEDULES

Q. For C&I customers currently served on MPS rate schedules, how significant is a customer's peak summer NCP as a determinant in a given month of the year and over the course of a year?

A. Currently, the NCP a customer experiences during the months of May - October can act as a collar to reduce the otherwise applicable charge for a given month's NCP each month until the next June. It can also reduce the per-kWh energy charges that the customer will pay on a pro-rated portion of that customer's energy usage each month until the next June.

Q. Do customers taking service under MPS rate schedules have a financial incentive to minimize their NCP demands during the months of June, July, August, and September?

A. Yes. For most C&I customers served on MPS rate schedules, the "Annual Base Demand" ("ABD") is set as the lesser of (1) 65% of that customer's highest NCP during June, July, August, or September, or (2) the customer's May NCPs, or (3) the customer's October NCP. The ABD itself is not multiplied by a particular rate to be charged throughout the year. Instead, the ABD is a collar that can determine the portion of the customer's NCP in a given non-summer month that gets billed to the customer as billing demand. The ratio of that customer's billing demand to that customer's NCP for that month also determines the percentage of energy that the customer is billed at a lower rate under the "Seasonal Energy Charge."

Q. Under existing MPS rate schedules, what charges does a customer have control over each month?

A. For C&I customers, MPS rate schedules consist of the following elements:

1) a customer charge, that does not vary with that month's usage;
2) a demand charge
   a) that varies exactly with that month's NCP during the months of June – September, and
   b) that may vary exactly with that month's NCP during the months of October – May, but that may be collared by 65% of the peak NCP experienced the prior June – September, or by the lower of the NCPs experienced the prior May or October,
3) energy charges, that vary by the ratio of that month's NCP to that month's energy usage and
   a) that are not impacted by other month's NCP's during the months of June – September, and
   b) that can be reduced in the months of October – May by the proportion of that month's NCP to the NCPs experienced in the prior May or October, or 65% of the peak NCP in the prior June – September.

Therefore, for current C&I customers served on MPS schedules, in a given non-summer month, at an individual customer level, that customer's summer NCP's can limit what that customer pays in that non-summer month, but cannot force that customer to pay a higher bill if the customer had very low demand and usage in that month. Under current MPS rates, a customer's billing determinants each month are established by that customer's usage and demand in that month, unless the determinant or the rate is reduced in proportion of that month's determinants to the summer determinants.

Q. Could you give an example of how a customer could have a winter time bill reduced by their summer determinants?

A. Yes. Let's assume a customer had a 500kW NCP in each month of the year. That means that customer's ABD would be 325kW, because that is 65% of the maximum summer NCP, since under the MPS rate schedule definition of the ABD is the lesser amount of 65% of the maximum summer NCP, *or* 100% of the May or October NCP. So during October – May, that customer would only pay a demand charge on 325kW, and the remaining 175kW would be billed at the rate of $0.00 as seasonal demand. Since the ratio of that customer's base to seasonal demand is 54%, in each energy block, 54% of that customer's energy usage would be at the discounted seasonal rate. The customer would also pay a monthly customer charge.

Q. Could you give an example of how a customer would be indifferent to their summer determinants?

A. Yes. Let's assume a customer has a 770kW NCP in the months of May - October, and a 500kW NCP in November – April. That customer would be billed for

each month's demand and energy at that applicable month under the "base" rate for each. The customer would also pay a monthly customer charge.

Q. Could you give an example of how a customer would pay a higher bill due to their summer determinants?

A. No. Under current MPS rate schedules, at an individual customer level, a customer will not pay a higher bill due to their summer determinants.

Q. What is the significance of the reference to "at an individual customer level"?

A. In setting rates, the rate designer divides the revenue to be collected by the class's determinants. Because some customers get some seasonal discounts on some determinants, remaining "base" determinants are priced at a higher rate. Staff has not investigated the cost justification of the seasonal discounts in this case, and is not implying that they are not cost justified. Rather, this is simply to indicate that while a customer served on existing MPS rate schedules does not directly pay a higher rate in non-summer months because of that customer's summer NCPs, that customer does indirectly pay a higher rate in non-summer months because (1) that customer is unable to take advantage of the discounted seasonal energy rate and seasonal demand caps, and (2) the rate that the customer does pay on base energy and demand is increased to account for the revenue shortfall associated with the discounting of other customer's seasonal energy consumption and demand cap.

Q. How is this different under GMO's proposed rate structure and rate design?

A. Under GMO's proposal, the per-kW demand rate that applies to a given month's NCP is reduced by about 70-75%, but a per-kW demand rate is added that applies to the peak NCP experienced during the prior year (including the current month). Also, the measure of ABD is defined as 100% the peak summer NCP. For many customers, this

increases the seasonal demand collar described above, which in turn, reduces the portion of a given non-summer month's energy usage in each block that gets billed at the discounted seasonal rate.

Q. Will this change what a customer is billed on a monthly basis?

A. For many customers, yes. Compared to the bills produced by the MPS rate schedules, for many customers this change to rate design will cause summer and winter bills to go down, and spring and fall bills to go up. Even for those customers with very little change in bills on an annual basis, the shift in revenue recovery to months of lower or discounted consumption could cause bills to be difficult to manage.

Q. Will this change a customer's incentive to conserve energy during the summer billing months?

A. Yes and no. The tariffed energy rates shift some revenue recovery to the lower hours of use blocks, and some revenue recovery away from the highest hours of use block, so for customers with a 66% and below load factor there is a slight increase of incentive through the energy charge. The real incentive this rate design presents is to reduce a customer's summer NCP. That customer could reduce its NCP through a number of ways, some of which use more energy or less energy overall.

Q. Will a customer reducing its NCP reduce GMO's capacity requirements?

A. It could, but not necessarily. Incorporating a time of day component to the demand charge would incent customers to take actions to reduce GMO's capacity requirements, but only if a customer's NCP aligns with the system's CP would GMO experience a capacity benefit.

CUSTOMER IMPACT FOR CUSTOMERS ON L&P RATE SCHEDULES

Q. For C&I customers currently served on L&P rate schedules, how significant is a customer's peak summer NCP as a determinant in a given month of the year and over the course of a year?

A. Currently, the NCP a customer experiences during the months of May - October can act as a collar to reduce the otherwise applicable charge for a given month's NCP each month until the next June. Unlike MPS rate schedules, L&P rate schedules do not provide for a seasonal energy discount.

Q. For C&I customers currently served on L&P rate schedules, how significant is a customer's annual peak NCP as a determinant in a given month of the year and over the course of a year?

A. Currently, a customer's annual NCP sets the determinant for that customer's facilities charge that applies to each month, up to 11 months from when that peak was set.

Q. Do customers taking service under L&P rate schedules have a financial incentive to minimize their NCP demands during the months of June, July, August, and September?

A. Yes. The previous summer's peak NCP is a collar that can determine the portion of the customer's NCP in a given non-summer month that gets billed to the customer as billing demand.

Q. Under existing L&P rate schedules, what charges does a customer have control over each month?

A. For C&I customers, L&P rate schedules consist of the following elements:

1) a base facilities charge regardless of usage, and an additional per-kW facilities rate that does not vary with that month's usage (L&P C&I schedules do not have a customer charge).
2) a demand charge
   a) that varies exactly with that month's NCP during the months of June – September, and
   b) that may vary exactly with that month's NCP during the months of October – May, but that may be collared by 100% of that customer's summer peak NCP,
3) energy charges that vary by the ratio of that month's NCP to that month's energy usage,[1]

Therefore, for current C&I customers served on L&P schedules, in a given non-summer month, at an individual customer level, that customer's summer NCPs will set the facilities charge to be paid, and can act as limit on that customer's demand charges in that non-summer month. A customer may be able to lower the energy and demand charges billed each month, but the facilities charge is based on the higher of the current month's NCP, or the highest NCP in the last 11 months.

Q. Do GMO's restructured and redesigned C&I rate schedules cause impact on the billing a C&I customer on the L&P rate schedules is used to experiencing?

A. Yes. In the same manner discussed above, in setting rates, the rate designer divides the revenue to be collected by the class's determinants. Because GMO's proposed design allows some customers to get some seasonal discounts on some determinants, remaining "base" determinants are priced at a higher rate. For some customers currently served on existing L&P rate schedules, the proposed rates could result in more monthly bill variability overall, and, in general, higher bills for customers unable to take advantage of the discounted seasonal energy rate and seasonal demand caps. This is because the rate that the

[1]The LPS L&P rate schedule features an on-peak/off-peak energy charge, and is not based on hours of use blocks. The SGS L&P rate schedule does not include the demand charge element.

customer does pay on base energy and demand is increased to account for the revenue shortfall associated with the discounting of other customer's seasonal energy consumption and demand cap.

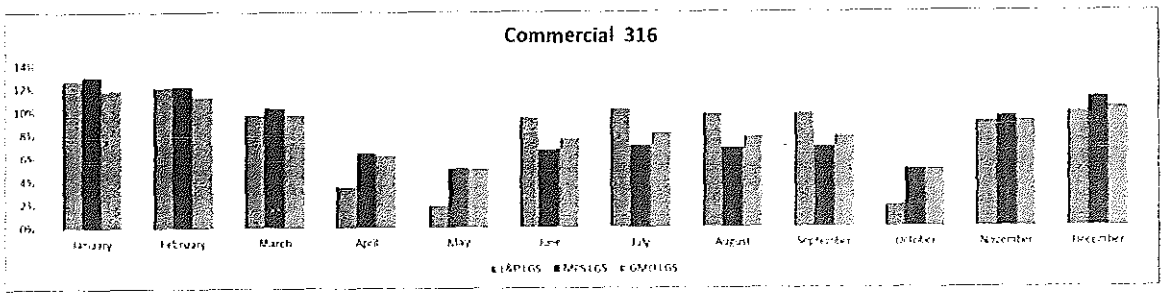
Q. Are there additional customer impacts expected for particular customers taking service on L&P rate schedules?

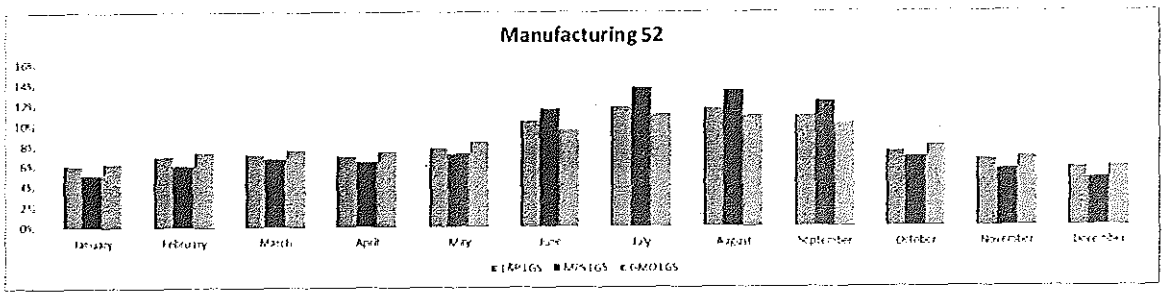
A. Yes. GMO chose to abandon the on-peak/off-peak rate design currently featured in the LPS L&P rate schedule. This is concerning in that time-of-use rates can both incent energy use patterns that are beneficial to the system as a whole, and help ensure that revenue recovery more closely follows cost causation. Instead GMO has moved to hours-of-use rate blocks for all C&I demand classes. Hours-of-use rate designs incent high load factors and around-the-clock energy consumption. Time of Use (ToU) rates have the benefit of incenting customers to conserve energy in peak hours, even if that causes a detriment to the customer's load factor, while hour-of-use rates do not.

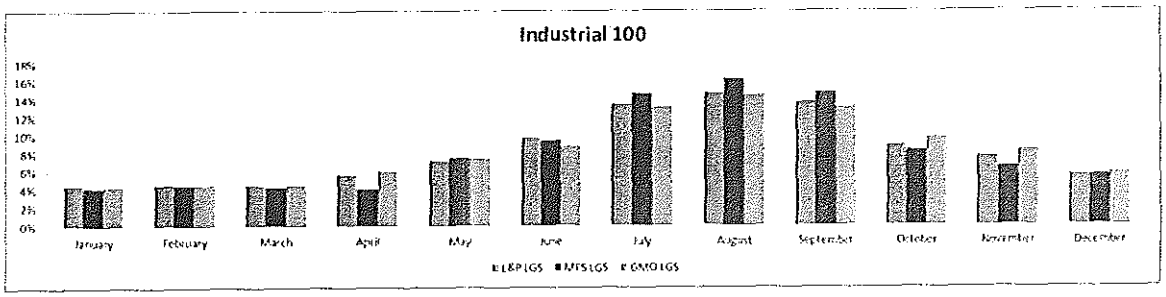
MONTHLY VARIATIONS IN REVENUE RECOVERY

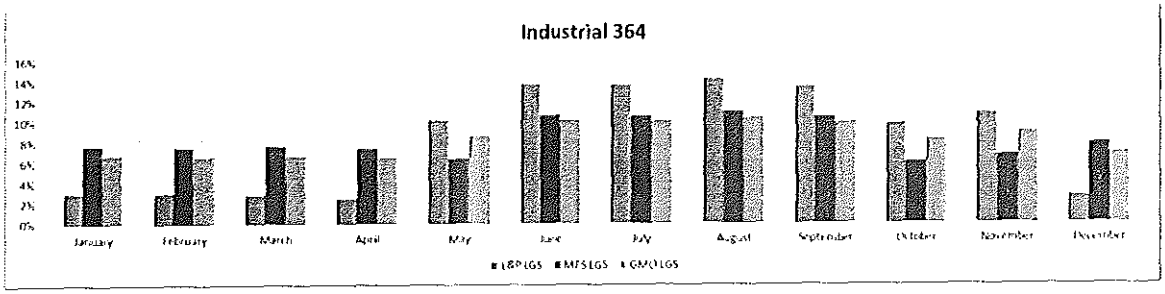
Q. Could you provide an example of how a hypothetical customer's bill would be different under the consolidated rate schedules, while the annual bill may not change by a large amount?

A. Yes. Provided in the graphs below are the monthly bills as a percent of annual total for a series of hypothetical customers under a variety of usage and load factor patterns, demonstrating how a customer's bill could vary over a year. These shapes and customers are intended as representative examples, and not an indication of what any particular customer would experience. All customers in these examples would pay the lowest total annual bill on each indicated rate schedule as a LGS customer.









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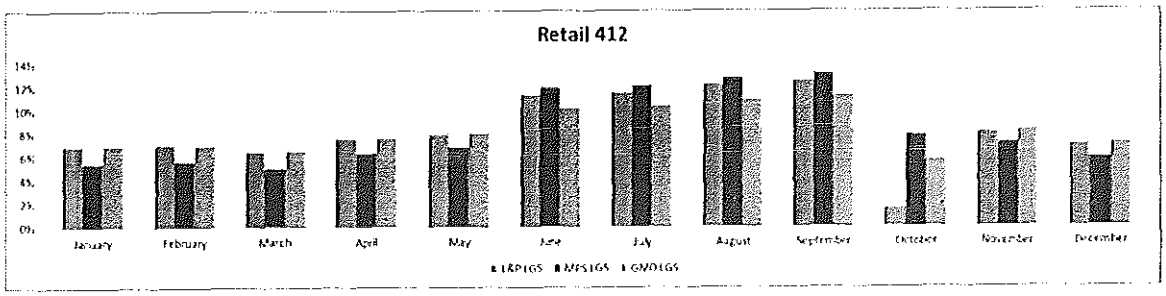
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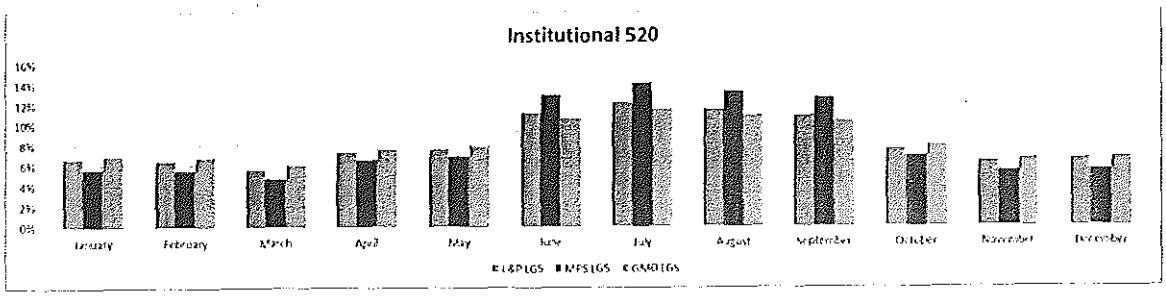
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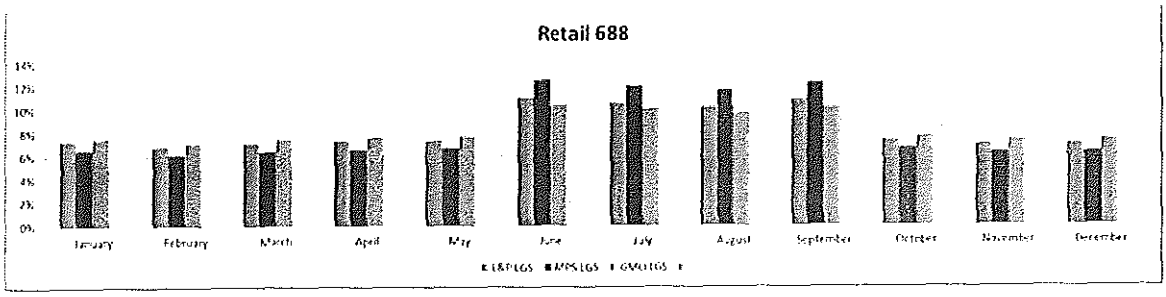
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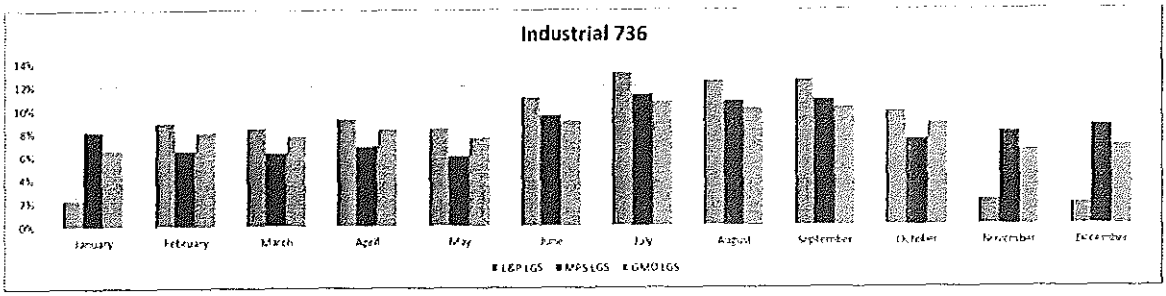
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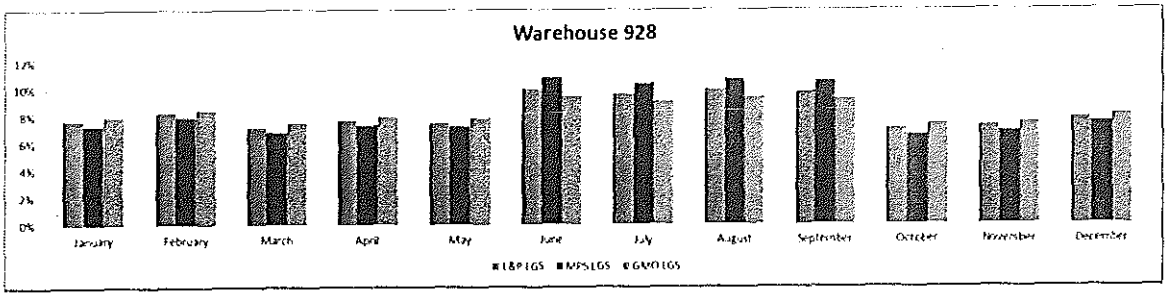
Warehouse 928
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Q. What consistencies are observable in these graphs?

A. In each graph, the proposed consolidated rate mitigates the extremes of high bills in some months and low bills in other months.

Q. Is that mitigation of extremes appropriate?

A. At this time and with the current information, I cannot say. To study properly what a given customer should be paying, it is necessary to study what costs are directly caused or allocated to that customer's class, and how that customer's usage and demand relate to the class as a whole in each month. As Staff recommended in its Rate Design Report, GMO should be ordered to collect the data for such a study, and file a rate design case to reasonably address misalignments in rates and cost causation.

Q. Are these monthly bills consistent with GMO's increased reliance on peak summer and annual NCP demands for C&I customers?

A. Yes.

CUSTOMER IMPACT MITIGATION

Q. Have parties proposed customer impact mitigation approaches?

A. Yes. In particular, Maurice Brubaker on behalf of MECG, discussed phase in concepts.

Q. Is Staff supportive of these approaches?

A. Staff is concerned that the approach discussed by Mr. Brubaker would result in a different initial "best-fit" of customers to rate schedules than those anticipated from the current rates. This new "best-fit" would almost certainly include a new set of customers facing the same level of bill change that Mr. Brubaker is attempting to address. Then, when the new full-charge tariffs Mr. Brubaker proposes are implemented, many customers

would be better off changing rates. Staff does not foreclose the concept of a phase in, but is concerned the proposal could prove unworkable in light of iterative nature of the best-fit analysis.

Q. Does Staff propose any modifications to GMO's proposed tariff to achieve customer impact mitigation?

A. Yes. GMO's requested tariff includes the following definitions:

> Annual Base Demand: The Annual Base Demand is 100% of the maximum measured demand established during the preceding four (4) summer billing months. Company will determine the Annual Base Demand each year prior to the October billing month to be used for the following twelve (12) billing months. Company will estimate the Annual Base Demand for customers who have insufficient billing history.
>
> Facilities Demand: Facilities Demand shall be equal to the higher of: (a) the highest Monthly Maximum Demand occurring in the last twelve (12) months including the current month or (b) the Minimum Demand.[2] If there are less than eleven (11) previous billing periods, the determination will be made using all available previous billing periods. The Facilities Demand is defined as the Maximum Actual Demand as determined from the comparison but in no case less than five hundred (500) for Facilities Demand Charge billing purposes.

In light of the nature of the customer impacts anticipated, and recognizing GMO's lack of timely discussions with its customers concerning the relevance of summer NCPs, Staff recommends GMO revise these definitions as follows (additions in bold):

> Annual Base Demand: The Annual Base Demand is 100% of the maximum measured demand established during the preceding four (4) summer billing months. Company will determine the Annual Base Demand each year prior to the October billing month to be used for the following twelve (12) billing months. Company will estimate the Annual Base

[2] The 500kW found in this definition is from the proposed Large Power Service tariff sheet, 149.5. The applicable Minimum Demand varies by class.

> Demand for customers who have insufficient billing history. **For billing months prior to June 2017, the Annual Base Demand will be the lesser of (1) 85% of the customer's maximum demand during the billing months of June – September 2016, (2) 100% of the customer's billing demand in May of 2016, or (3) 100% of the customer's billing demand in October of 2016.**
>
> Facilities Demand: Facilities Demand shall be equal to the higher of: (a) the highest Monthly Maximum Demand occurring in the last twelve (12) months including the current month or (b) the Minimum Demand. If there are less than eleven (11) previous billing periods, the determination will be made using all available previous billing periods. The Facilities Demand is defined as the Maximum Actual Demand as determined from the comparison but in no case less than five hundred (500) for Facilities Demand Charge billing purposes. **For billing months prior to June 2017, the Facilities Demand shall be the highest Monthly Maximum Demand occurring since the effective date of this tariff sheet.**

Staff recommends that customers be placed onto the best-fit rates determined without consideration for these mitigation provisions so that customers are not incented to switch rates before and after June of 2017.

COST CAUSATION

Q. Do you generally agree with Mr. Lutz's testimony concerning class cost of service as it applies to the consolidated classes?

A. No. As discussed in Staff's Rate Design Report, the relationship between the hourly loads of customers taking service on existing MPS and L&P rate schedules is too attenuated to be useful for setting rates for the best-fit consolidated classes in this case.

Q. Do you have any specific criticisms of Mr. Lutz's study?

A. No. Mr. Lutz's study is irrelevant to the best-fit consolidated classes that will result from this rate case, so I do not have specific criticisms to offer.[3]

Q. Do you generally agree with Mr. Lutz's assertions concerning cost causation and revenue recovery?

A. No. Again, specific values are difficult or impossible to quantify without a reasonable class cost of service study, but in the abstract GMO's proposed rates place a seemingly excessive level of emphasis on customer NCP. Further, GMO's decision to abandon the LPS L&P rate schedule's reliance on time-differentiated rates seems facially inconsistent with the cost-based revenue-generation almost inherent to time-differentiated rates such as time of use and on-peak/off-peak pricing.

Q. Does Staff have any specific recommendations to address the alignment of cost-causation and revenue generation within GMO's rates?

A. Yes. As stated in the Staff Rate Design Report, Staff recommends the Commission order GMO to do new and/or reassigned load sampling, and to derive new load research data that is appropriate for the classes resulting from this case. Staff recommends the Commission order GMO to file a rate design case upon the completion of one year's worth of load research data. Included in this filing should be (1) a class cost of service study, (2) GMO's proposal to make Time of Use (ToU) rates available to all customers including a study of applicable ToU determinants, and (3) a study of the reasonableness of modifying

[3] Mr. Brubaker's testifies at page 3, that were he to perform a Class Cost of Service in this case he "would be proposing use of a production fixed cost allocation method similar to what the Commission has approved for Ameren Missouri, and similar to what I have proposed in previous KCP&L and GMO cases; namely the average and excess-4 non-coincident peak allocation method ("A&E-4 NCP")." This is concerning to the extent that Mr. Brubaker's phrasing implies the Commission "approved" use of the A&E 4 NCP in Ameren Missouri's most recent rate case, Case No. ER-2014-0258, because the Commission did not do so.

GMO's seasonal rates to establish rates for Peak months and Shoulder months, as opposed to GMO's current Summer / Non-Summer seasonal split, including applicable determinants.

FACILITIES EXTENSION AND SPECIAL CONTRACT TARIFF PROVISIONS

Q. Does Staff support GMO's request to expand the availability of its "special contract rate" schedule, currently tariffed on P.S.C. MO. No. 1 Original Sheet No. 78 *et seq.* for the MPS rate district?

A. No. In October of 2013, Staff and other parties pursued extensive negotiations with GMO to modify GMO's Economic Development Rider ("EDR"), currently tariffed on P.S.C. MO. No. 1 1st Revised Sheet No. 120 *et seq.* to significantly increase GMO's flexibility in making that rider available to customers, and to impose customer safeguards appropriate for that increased flexibility. GMO's special contract tariff lacks these safeguards, and is largely superseded by the EDR. Staff recommends the special contract rate schedules be removed from GMO's tariff.

Q. Does Staff have concerns with the changes GMO has requested to its facilities extension tariff provisions, sponsored in testimony by Mr. Lutz?

A. Yes. As discussed in Staff's report in the Working Docket to Consider Mechanisms to Encourage Infrastructure Efficiency, File No. EW-2016-0041, GMO's existing facilities extension tariff provisions better consider the incremental costs a customer causes to a system in determining how much, if any, customer advance is required as compared to other utility's tariffs. GMO's existing tariff strikes a reasonable balance to align cost-causation without restricting new growth. GMO's revisions would distort that balance and fail to hold the monthly bills of existing ratepayers harmless to increased rates resulting from the addition of a new customer, without significant offsetting advantages.

Q. How do GMO's existing extension tariff provisions operate?

A. In general, the customer's load requirements and estimated revenue are used in determining the cost, if any, to be paid for extensions beyond the basic extension.[4] For all GMO net revenue calculations, the cost includes all construction costs related to the extension (materials, labor, and incidental costs). The GMO construction allowance is calculated based on a five year estimate of the margin (revenue less infrastructure support cost and incremental fuel supply costs) divided by the fixed carrying costs (cost of capital plus depreciation, taxes, and insurance).

GMO's tariff provides a more detailed examination of cost causation than other utilities' tariffs. Specifically, customers seeking service in excess of the standard minimum extension request are responsible for costs in excess of the "construction allowance." GMO's tariff provides that generally, the formula used to determine the construction allowance is the customer-provided "Estimated Margin" divided by the "Fixed Carrying Costs," with both elements based on the first five (5) years of life of the Distribution Extension. This calculation is given by the formula:

$$CA = \frac{SUM\ (EM1 + EM2 + EM3 + EM4 + EM5)}{SUM\ (FCC1 + FCC2 + FCC3 + FCC4 + FCC5)}$$

Where, CA = Construction Allowance;

EM = Estimated Margin;

FCC = Fixed Carrying Cost;

Estimated Margin: The Estimated Margin will be determined by first multiplying the effective rates for each customer class by the estimated

[4] GMO has specific language for Large Power customers allowing the repurposed use of a premise when the change provides economic benefit to the immediate area.

incremental usage – and then subtracting 1) applicable margin allocation for network and infrastructure support costs; and 2) incremental power and energy supply costs.

Fixed Carrying Cost: Company's cost of capital to provide the requisite return on its investment as well as the costs for depreciation, property taxes, and property insurance.

Q. What changes to these provisions does Staff oppose?

A. Staff opposes those changes that move away from the existing "construction allowance" calculation. In particular, Staff opposes revisions to:

- 7.04(A) Permanent Service, to remove reference to Construction Allowance,
- 7.10(B) Applicability Limitation, which is only occasioned by the requested changes to section 7.04,
- 7.11(B)(2)(b) Subdivision Projects, to redefine the Construction Allowance, Refundable Charge, and non-Refundable charges associated with subdivision development.
- 7.11(C) Residential Multi-Family, to make the Feasibility model applicable to commercial customers only.

Q. In its direct, did the GMO provide justification for changing these provisions?

A. Generally, the rationale GMO has offered is to match its terms of service to those offered by GPE companies in other jurisdictions.

Q. Does Staff support these modifications?

A. No. GMO has not alleged instances where application of the 7.02(C) calculation has been problematic, nor has the company provided any explanation of the meaning of the sentence, "Where sufficient growth is anticipated, the extension may be made

without an additional charge or at a reduced rate." This new language leaves determination of "sufficient growth" to the company's discretion. If this growth does not pan out, existing ratepayers will have paid for facilities that may never be used. Other revisions appear to set up a situation where the trigger for a refund is the installation of a meter on a constructed home, as opposed to the occupancy of that home for any specified duration. As a whole, this provision could lead to existing customers bearing unreasonable financial responsibility for residential extensions that may not take purchase energy for some period of time. In general, these revisions shift risks and cost responsibility to existing customers.

Q. Does Staff address additional changes GMO has requested to its facilities extension tariff provisions that Staff does not oppose?

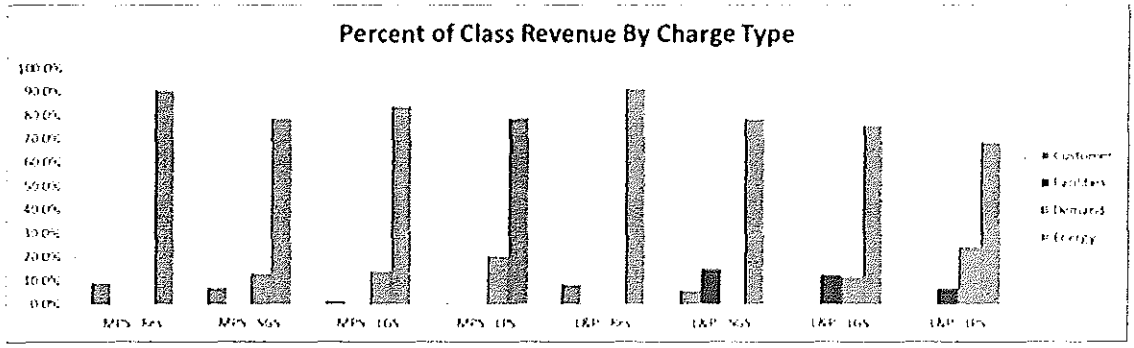
A. Yes. Staff does not oppose GMO's requested modifications to 7.06 Temporary Service and 7.11(1) Free of Charge Overhead Extensions. Additional tariff changes are also discussed by Staff witness Michael L. Stahlman.

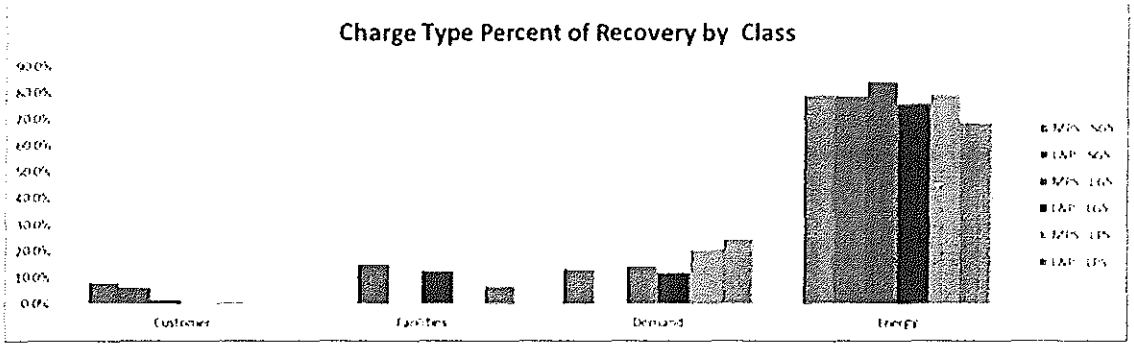
CONCLUSION

Q. Was an error brought to your attention regarding a table and graph providing the percentages of class revenue provided by each type of rate element for each current major customer rate classification, as filed in the Rate Design Report?

A. Yes. At pages 16, lines 6 – 9, as well as page 17, line 9 – 10, and page 18, line 7-8, the percentage of customer charge for the MPS – LPS revenue generated by customer charge appears as "40.0%." It is actually "0.4%." The corrected table and graphs are provided below.

Percent of Class Revenue by Charge Type				
	Customer	Facilities	Demand	Energy
MPS - Res	9.2%	0.0%	0.0%	90.8%
MPS - SGS	7.6%	0.0%	13.3%	79.1%
MPS - LGS	1.6%	0.0%	14.2%	84.2%
MPS - LPS	0.4%	0.0%	20.6%	79.0%
L&P - Res	8.8%	0.0%	0.0%	91.2%
L&P - SGS	6.2%	15.0%	0.0%	78.8%
L&P - LGS	0.0%	12.4%	11.8%	75.8%
L&P - LPS	0.0%	6.6%	24.5%	68.9%





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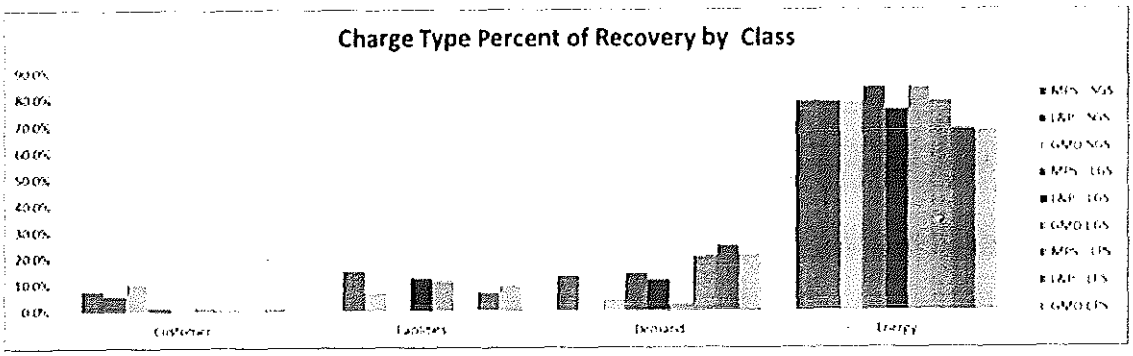

Q. Do these graphs recognize the interplay of the measures of demand with the facilities and energy charges? For example, is the "demand" charge type adjusted to reflect that a portion of the energy charge is set by the relationship of base and seasonal demand?

A. No. These graphs simply reflect the percentage of class revenue generated by the each charge type, not the impact of one charge type's determinants on other charge types.

Q. Does this conclude your rebuttal testimony?

A. Yes.

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 A General Rate Increase for Electric Service	))))	Case No. ER-2016-0156

AFFIDAVIT OF SARAH L. KLIETHERMES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW SARAH L. KLIETHERMES and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Rebuttal Testimony and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah L. Kliethermes

SARAH L. KLIETHERMES

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 12th day of August, 2016.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070

D. Suzie Mankin

Notary Public