

Exhibit No.:
Issue: Demand Side Investment Mechanism
Rider
Witness: Lisa A. Starkebaum
Type of Exhibit: Direct Testimony
Sponsoring Party: KCP&L Greater Missouri Operations
Company
Case No.: ER-2019-0397
Date Testimony Prepared: June 17, 2019

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2019-0397

DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
June 2019**

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

In the Matter of KCP&L Greater Missouri Operations)
Company's Demand Side Investment) Case No. ER-2019-0397
Mechanism Rider Rate Adjustment and True-Up)
Required by 4 CSR 240-20.093(4))

AFFIDAVIT OF LISA A. STARKEBAUM

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

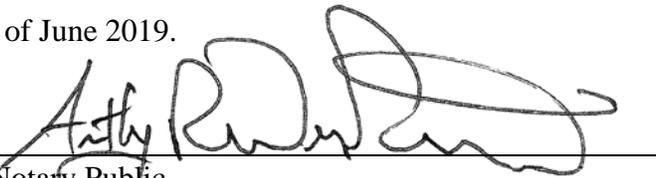
Lisa A. Starkebaum, being first duly sworn on his oath, states:

1. My name is Lisa A. Starkebaum. I work in Kansas City, Missouri, and I am employed by KCP&L Greater Missouri Operations Company as Manager - Regulatory Affairs.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of KCP&L Greater Missouri Operations Company consisting of seven (7) 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.



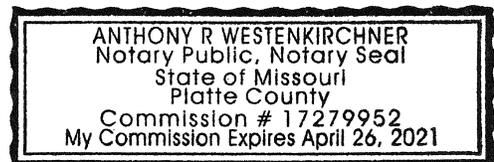
Lisa A. Starkebaum

Subscribed and sworn before me this 17th day of June 2019.



Notary Public

My commission expires: 4/26/2021



DIRECT TESTIMONY

OF

LISA A. STARKEBAUM

Case No. ER-2019-0397

1 **Q: Please state your name and business address.**

2 A: My name is Lisa A. Starkebaum. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L” or “Company”) as
6 Manager - Regulatory Affairs.

7 **Q: What are your responsibilities?**

8 A: My responsibilities include the coordination, preparation and review of financial
9 information and schedules associated with the Company’s compliance filings for Westar,
10 KCP&L and KCP&L Greater Missouri Operations Company (“Company” or “GMO”).

11 **Q: Please describe your education.**

12 A: In 1994, I received a Bachelor of Science Degree in Finance from Northwest Missouri
13 State University in Maryville, Missouri.

14 **Q: Please provide your work experience.**

15 A: In 1995, I joined Cerner Corporation as an Accountant in the Finance Department
16 assisting with month-end close and reporting responsibilities. In 1997, I joined Aquila,
17 Inc. (“Aquila”) where I worked in the Financial and Regulatory Reporting group as an
18 Accountant, until joining Regulatory Accounting Services as a Regulatory Analyst in
19 1999. I was employed by Aquila for a total of 11 years prior to beginning my

1 employment with KCP&L in July 2008 as a part of the acquisition of Aquila, Inc., by
2 Great Plains Energy Incorporated. Since that time, I have held various positions with
3 increasing responsibilities within Regulatory Accounting Services and Regulatory
4 Affairs. As a Lead Analyst in the Regulatory Affairs department, my main areas of
5 responsibility included the preparation of FERC and jurisdictional reporting, and the
6 preparation of rate cases and rate case support for both KCP&L and GMO. In December
7 2015, I became a Supervisor, Regulatory Affairs responsible for overseeing a team
8 dedicated to compliance reporting and was later promoted to Manager, Regulatory
9 Affairs effective June 2018. In my current position, I am responsible for overseeing
10 various reporting requirements to ensure Westar, KCP&L and GMO are compliant with
11 its jurisdictional rules and regulations, in addition to the implementation of new reporting
12 or commitments resulting from various rate case orders and other regulatory filings. In
13 addition, I oversee the coordination, review and filing of the various rider mechanisms
14 utilized by Westar, KCP&L and GMO.

15 **Q: Have you previously testified in a proceeding before the Missouri Public Service**
16 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**
17 **agency?**

18 A: Yes, I have testified before the MPSC, the Kansas Corporation Commission (“KCC” or
19 “Commission”), and have provided written testimony before the Public Utilities
20 Commission of Colorado. I have sponsored testimony in Missouri related to various tariff
21 filings involving rider mechanisms utilized by the Company. In addition, I have worked
22 closely with both MPSC and KCC Staff on numerous filings and rate case matters.

23 **Q: What is the purpose of your testimony?**

1 A: The purpose of my testimony is to support the rate schedule filed by GMO to adjust the
2 Demand Side Investment Mechanism (“DSIM”) Rider. My testimony will explain the
3 change to the DSIM components based upon actual performance in the six-month period
4 ending April 2019, as well as forecasted performance through December 2019 for
5 Program Costs and Throughput Disincentive (“TD”). The proposed change will result in
6 a increase to a residential customer’s rate from \$0.00019 to \$0.00387 per kWh. The
7 proposed non-residential rate would increase from \$0.00258 to \$0.00451 per kWh.

8 **Q: What are the MEEIA rule requirements for adjustments of DSIM rates?**

9 A: The requirements for adjustment of DSIM rates are found in Commission rules 4 CSR
10 240-20.093(4). In summary, the requirements outline that the update filing include
11 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

- 12 A) Amount of revenue that was over-collected or under-collected through the most
13 recent recovery period by rate class.
- 14 B) Proposed positive or negative adjustments by rate class.
- 15 C) Electric utility’s short term borrowing rate.
- 16 D) Proposed adjustments to the current DSIM rates.
- 17 E) Complete documentation for the proposed adjustments to the current DSIM rates.
- 18 F) Any additional information the Commission ordered to be provided.
- 19 G) Annual report as required by 4 CSR 240-20.093(9).

20 As part of my Direct Testimony, I have included the information required for update of
21 the DSIM rate in the attached Schedules LAS-1 and LAS-2. In addition, GMO’s 2018
22 Demand-Side Program Annual Report for MEEIA Cycle 1, referenced in Item G above,
23 was filed on March 29, 2019 in Case No. EO-2019-0298 and GMO’s 2018 Demand-Side

1 Program Annual Report for MEEIA Cycle 2, referenced in Item G above, was filed on
2 June 29, 2018 in Case No. EO-2018-0406.

3 **Q: Are you sponsoring this information?**

4 A: Yes, I am.

5 **Q: Please explain why GMO has filed an adjusted DSIM rate schedule at this time?**

6 A: The Commission's rule governing DSIM filings and submission requirements for electric
7 utilities, specifically 4 CSR 240-20.093(4), requires GMO to make at least annual
8 adjustments of DSIM rates that reflect the amount of revenue that has been over/under
9 collected. GMO will continue to make semi-annual rate adjustments. Based upon actual
10 and estimated performance during the six-month time period(s), DSIM rates may be
11 adjusted up or down.

12 **Q: How did you develop the various DSIM rate components that make up the proposed
13 DSIM rate?**

14 A: As the DSIM tariff describes, the DSIM rate components consist of projected Program
15 Costs and projected TD associated with Cycle 2 for May 2019 through December 2019
16 and the reconciliation of actual and expected Program Costs and actual and expected
17 TD/TD-NSB for both Cycles 1 and 2 through April 2019. The performance incentive
18 from Cycle 1 was recovered over a two-year period ending January 2019. So, the
19 performance incentive is reflected in the DSIM rate in this filing only as it relates to
20 certain under-recovered balances. These amounts are divided by the projected retail sales,
21 excluding opt-out sales from customers, for August 2019 through January 2020, to
22 develop a rate to be used in the DSIM rate. All of this is separately distinguished
23 between Residential and Non-Residential classes.

1 **Q: Please describe the impact of the change in costs and how it will affect GMO**
2 **customers.**

3 **A:** At this time, based on actual performance experienced through April 2019 and forecasts
4 through December 2019, the residential DSIM rate will be higher than the current rate of
5 \$0.00019 per kWh and will become \$0.00387 per kWh. For a residential customer using
6 1,000 kWh's, this would mean an increase of \$3.68 per month. The DSIM rate will
7 increase for the non-residential class from \$0.00258 per kWh to \$0.00451 per kWh. For a
8 non-residential customer, for every 1,000 kWh's used, this would mean an increase of
9 \$1.93. This increase is primarily the result of an increase in program costs due to the
10 extension through December 31, 2019 of MEEIA Cycle 2 programs which were
11 previously scheduled to expire effective March 31, 2019.

12 **Q: If the rate schedule filed by GMO is approved, what safeguards exist to ensure that**
13 **the revenues the Company bills to its customers do not exceed actual DSM Program**
14 **Costs and TD/TD-NSB incurred, as well as the earnings opportunity or**
15 **performance incentive?**

16 **A:** GMO's DSIM Rider mechanism and the Commission's rules provide two mechanisms to
17 ensure that amounts billed to customers do not exceed GMO's actual, prudently incurred
18 DSM Program Costs and TD/TD-NSB and earnings opportunity or performance
19 incentive. First, at the end of each recovery period, the Company is required to true up
20 amounts billed to customers through the DSIM Rider based upon Program Cost and
21 TD/TD-NSB actually incurred during that six-month period. Per MEEIA rule 4 CSR
22 240-20.093(4), these adjustments will be supported by complete documentation and
23 workpapers that demonstrate the need for DSIM rate adjustment. All proposed

1 adjustments and supporting documentation is subject to review by MPSC Staff and all
2 MEEIA stakeholders. Second, per MEEIA rule 4 CSR 240-20.093(11), GMO's DSIM is
3 subject to periodic prudence reviews by MPSC Staff to ensure that only prudently
4 incurred Program Costs and TD/TD-NSB are billed to customers through GMO's DSIM.
5 These two mechanisms serve as checks to ensure that the Company's customers pay only
6 the prudently incurred, actual Program Costs and TD/TD-NSB resulting from
7 implementation of MEEIA DSM programs.

8 **Q: Has GMO made any adjustments to previously filed costs included in the current**
9 **DSIM rate?**

10 A: Yes, GMO recently identified certain errors in reported kWh energy savings reported for
11 LED lighting measures which impacted MEEIA Cycle 2 TD for the period April 2018
12 through October 2018 which were included in the DSIM filing made on November 30,
13 2018 in Case No. ER-2019-0166. The Company has computed the impact of this error to
14 be an overstatement of \$14,754, approximately 0.24% of reported TD for the period
15 affected. The Company has included this adjustment plus related carrying costs of \$106
16 in the MEEIA Cycle 2 TD schedule in this filing as a refund to customers.

17 **Q: Has GMO been subject to any prudence reviews by MPSC Staff?**

18 A: Yes, GMO has been through three prudence reviews.

19 Prudence reviews have been performed in Case Nos. EO-2015-0180 and EO-
20 2017-0210. In those prudence reviews, Staff found no instances of imprudence on the
21 part of GMO.

22 Most recently, in the third prudence review initiated by Staff on June 4, 2018 in
23 Case No. EO-2018-0364, the Company, Staff and the Office of the Public Counsel filed a

1 Unanimous Stipulation and Agreement dated February 20, 2019 pursuant to which the
2 Company will reduce MEEIA costs by \$8,500 plus interest at its short-term borrowing
3 rate from January 1, 2019 in GMO's DSIM rider rate adjustment. This Stipulation and
4 Agreement was approved by the Commission on March 6, 2019. Accordingly, the
5 Company has made an adjustment to reduce proposed costs to be recovered by \$8,500
6 plus carrying costs of \$187 in this filing. The details of this Ordered Adjustment ("OA")
7 can be found in Schedule LAS-2 included with this filing, specifically the "OA" tab.

8 **Q: What action is GMO requesting from the Commission with respect to the rate**
9 **schedule that the Company has filed?**

10 A: The Company requests the Commission approve the rate schedule to be effective as of
11 August 1, 2019.

12 **Q: Does that conclude your testimony?**

13 A: Yes, it does.