Exhibit No.:	
Issue:	CCOS; Solar Subscription Pilot Rider; Renewable Energy Rider; EV Charging Stations; DER; Customer Rates
Witness:	Bradley D. Lutz
Type of Exhibit:	Rate Design Rebuttal Testimony
Sponsoring Party:	Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company
Case Nos.:	ER-2018-0145 and ER-2018-0146
Date Testimony Prepared:	August 7, 2018

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: ER-2018-0145 and ER-2018-0146

REBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY and
KCP&L GREATER MISSOURI OPERATIONS COMPANY

Kansas City, Missouri
August 2018

REBUTTAL TESTIMONY

OF

BRADLEY D. LUTZ

Case Nos. ER-2018-0145 and ER-2018-0146

Q: Please state your name and business address.

A: My name is Bradley D. Lutz. My business address is 1200 Main, Kansas City, Missouri 64105.

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

A: I am employed by Kansas City Power & Light Company ("KCP&L") as Senior Manager – Regulatory Affairs.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations Company ("GMO") (collectively, the "Company").

Q: Are you the same Bradley D. Lutz who filed Direct Testimony in both ER-2018-0145 and ER-2018-0146?

A: Yes, I am.

Q: What is the purpose of your testimony?

A: The purpose of my Rebuttal Testimony is to address a number of issues presented by the Staff of the Missouri Public Service Commission ("Staff"), the Missouri Energy Consumers Group ("MECG"), Renew Missouri, the Missouri Division of Energy ("DE"), and the Missouri Industrial Energy Consumers ("MIEC"). Those issues include:

I. Discuss how others approached production allocation within their respective Class Cost of Service Study ("CCOS") filed in this case;

II. Address comments and proposals concerning the Company's proposed Solar Subscription Pilot Rider tariff;

III. Address comments and proposals concerning the Company's proposed Renewable Energy Rider tariff;

IV. Address comments and proposals concerning the Company's proposed Standby tariff and its relationship to Combined Heat and Power ("CHP") projects;

V. Respond to a proposal concerning "make ready" line extensions for electric vehicle ("EV") charging stations.

VI. Respond to a proposal concerning Distributed Energy Resources ("DER"); and

VII. Address concerns about large customer rates.

I. PRODUCTION ALLOCATION WITHIN CCOS

Q: Did any parties prepare a CCOS study or otherwise provide comment concerning the Company's study?

A: Yes. Two parties offered CCOS studies, Staff and MIEC.

Q: What production allocators were used within these studies?

A: MIEC, through the testimony of Maurice Brubaker, offered a CCOS study using the Average & Excess ("A&E") method. Staff, through the testimony of Sarah L. K. Lange, offered a CCOS study using the Detailed Base, Intermediate, Peak ("DBIP") method.

Q: Is the A&E method offered by MIEC similar to the method proposed by the Company?

A: Yes. The MIEC method relies on four non-coincident peaks ("4NCP") for the excess component, while the Company method relies on four coincident peaks ("4CP"). Although resulting in different allocation percentages, the MIEC method is reasonable and generally consistent with that offered by the Company.

Q: Is there a reason why the Company chose to utilize 4CP within the calculation of the A&E allocation?

A: Yes. The Company believes the generation plant is better defined by the coincident peak view instead of the non-coincident view. In addition, use of 4CP serves, in part, to help transition to the A&E methodology. In its prior Missouri CCOS study the Company utilized an Average & Peak method based on the 4CP method. The Company understands it is more common to utilize the non-coincident peak view within the A&E method and would evaluate that approach in future applications of the A&E allocation.

Q: Is the DBIP method proposed by Staff similar to the BIP method used by the Company in past rate cases?

A: The DBIP method is somewhat similar. It uses three stratifications to subdivide plant in an effort to allocate the costs among the classes, consistent with the Company's past BIP approach. However, the methods used to identify the stratifications of the generating plant and ultimately calculate the allocations are considerably different.

Q: What are the differences and do these differences in method impact the determination of the production allocator?

A: The most significant difference is with the treatment of renewable generating plant. On page 9 of the Staff Class Cost of Service Report ("CCOS Report"), noted in footnote #7, Staff states in part:

> "…KCPL also has wind investment, and wind and hydroelectric purchased power agreements. Staff did allocate these expenses and costs to the classes using the DBIP allocators; however, Staff did not assign these expenses and costs in its allocator development."

This treatment is not consistent with the Company preparation of the BIP allocator in past cases and would tend to allocate more expensive units to base load. In the Company preparation of the BIP allocator, Company-owned renewable generation plant is placed in the generation list with the non-renewable plant. As the renewable sources tend to be economic sources, the output is assigned to the base strata, consuming much of this portion of the allocator. Other generating plants are then displaced into the higher strata, assigned to the remainder of the base, the intermediate, or moved into the peak. Staff's decision to not include Company-owned renewable generation plant in allocator development allows the plants with higher costs to be moved lower in the strata, skewing the allocator. Further comparison would show that past BIP allocations performed by the Company tended to be more closely aligned with energy allocations. The Staff DBIP method, based on the comparison table offered on page 17 of the Staff CCOS Report, indicates a closer alignment with demand allocations. This does not comport with the normal view of the BIP allocation result. Company witness Thomas J. Sullivan addresses this normal relationship on page 29 of his direct testimony and in his schedule TJS-9.

Additionally, I note that Staff does not establish a "size" for the base component, instead, the generating plants are simply grouped with no consideration of the load being served. In past Company preparations of the BIP allocator, the base strata is defined as the lowest monthly (non-zero) energy use for the test year and applying this level to each month. This level of average demand formed the basis for allocating the base MW capability to each customer class. This step identifies the amount of load that is truly used year-round and would appropriately be considered base. The Company would then layer in the base generation plant until that load level was accounted for, with the remaining generation applied to the intermediate and peak strata.

Q: Do you believe the production plant is appropriately segmented within the base, intermediate, and peak strata by Staff?

A: No. Since renewable generation plant is not considered and the base threshold is not defined, I believe the generation plant is misplaced, particularly between the base and intermediate strata. Without producing an allocator myself, I would offer that in past determinations LaCygne was generally considered as an intermediate resource while in the Staff allocation, it is treated as base.

Q: Why did you chose not to prepare a BIP allocator?

A: I continue to believe, based on the operation of units resulting from the implementation of the SPP Integrated Marketplace, that the Company cannot accurately segment its generating plant into the base, intermediate, and peak strata. This was discussed in my direct testimony offered in this case. In order to complete the segmentation, it would require you to generalize or even ignore important operational considerations to fit the generating unit into the categories. You can produce a result, but I contend the result is not

reflective of the cost causation observed by the generation operation. I believe this is further evidenced in one of the footnotes in the Staff CCOS Report. On page 10 in foot note 8, Staff states in part:

> "Intermediate units can be dispatched in the SPP to follow load and to provide regulating reserves, but given current gas prices, it would not be surprising if these units were offered into the SPP as price takers (*base*)."

Then again in foot note 9, Staff states in part:

> "Gas combustion turbines are capable of high capacity factors, but tend to have the lowest capacity factors of any units, as operated. However, because KCPL participates in the SPP IM; its generation is dispatched as part of the larger SPP fleet, so its combustion turbines may be dispatched at night to assist in wind integration, as opposed to operating at times of peak demand when another utility may have less expensive energy available."

I would contend Staff chose to generalize or ignore elements of the operational characteristics when assigning the generation plant to the strata of the DBIP allocation.

Q: How do the results of the DBIP method compare to the A&E method?

A: On page 29 of the Staff report, a comparison table is offered. I provide a copy of it here:

Figure 1 - Staff Allocation Comparison

	Residential	Small General Service	Medium General Service	Large General Service	LPS	Lighting
DBIP Allocator:	35.07%	5.43%	14.95%	24.06%	19.69%	0.80%
A&E 4 NCP:	41.15%	5.58%	14.88%	22.01%	15.29%	1.09%
A&E 4 NCP Non-Dispatchable:	40.77%	5.57%	14.88%	22.12%	15.57%	1.09%
A&E 4 CP:	35.60%	5.47%	15.06%	23.81%	19.55%	0.51%
Sales @ Generation	31.04%	5.26%	14.90%	25.02%	22.79%	0.99%

Staff's method is represented by the DBIP row and Staff offers that the fourth row, titled "A&E 4CP", is representative of the Company method. I checked the work papers of Company witness Thomas J. Sullivan and disagree with the values offered to represent the

Company allocator. According to Mr. Sullivan the allocations prepared by the Company are:

Figure 2- KCP&L-Missouri A&E 4CP Allocation

Description	Total	Residential	Small General Service	Medium General Service	Large General Service	Large Power Service	Lighting
A&E Allocation - 4 CP	100.00%	42.29%	5.27%	14.88%	21.13%	15.87%	0.56%

Figure 3 - GMO A&E 4CP Allocation

Description	Total	Residential	Small General Service	Large General Service	Large Power Service	Other
A&E Allocation - 4 CP	100.00%	54.28%	10.42%	17.03%	17.75%	0.52%

Q: What is the impact of these differences to the CCOS study?

A: Differences in allocation percentages will shift costs between the classes. The differences in cost will then be reflected as differences in the rate of return measured for each class and would impact the determination of revenue shifts recommended in the subsequent rate design. In the Staff comparison table, it would seem the Company method and the Staff method produced similar results. This is not the case.

Q: How are these differences impactful to the results of the Staff CCOS study?

A: These differences will tend to shift costs within the study impacting the interclass relationships. Further, since Staff took the unconventional approach of using the DBIP method to also allocate production O&M and fuel costs[1], the impacts of the differences are multiplied through the study and begin to influence the unbundled views (detail of customer, demand, and energy cost components) used for rate design. Of particular concern may be the treatment of fuel as it is unclear how the fuel allocation has been harmonized with the FAC methodologies.

[1] Staff's DBIP Model uses the 5-BIP O&M allocator for Generation O&M accounts 500-554 (excluding the following accounts); their 3-BIP Fuel for Energy for fuel accounts 501, 518.000, 519, 547, and 555; and their 4-BIP Fuel in Storage for 518.1 Nuclear Fuel Exp-Oil and 518.2 Prod Nuclear-Disposal Cost.

Q: How does the Company approach allocation of Production O&M and Fuel?

A: The Company relies on a more granular approach where allocation of each cost account is individually considered. This approach helps ensure better alignment with cost causation. To generalize for the purpose of discussion here, O&M costs are allocated based on plant and fuel is allocated on the basis of energy. More specifically, different allocations for steam, nuclear, and other plant are used to allocate the respective O&M costs for each type of plant. The fuel allocation is the product of energy produced and average fuel costs.

Q: How should the Commission use these study results?

A: Since study methods and interpretations can vary but still produce valid results, the Company has long held the opinion that each CCOS study holds value and that some collective view might be warranted. Since CCOS results are used as a guide to revenue change allocation and rate design and that bill impacts, revenue stability, rate stability and public acceptance are also considered, there is room for the alternate views. The Company sponsored study and in turn our rate design proposal include provision for different impacts to the classes. Those class impacts are guided by the CCOS study. It is my opinion that the Company study remains more reasonable and more reliable to support decisions concerning rate design in this case.

II. SOLAR SUBSCRIPTION PILOT RIDER TARIFF

Q: Did any parties provide comment concerning the Company's proposed Solar Subscription Pilot Rider?

A: Yes. Staff, through witness Claire M. Eubanks P.E., identified a series of "key principles" for a quality program and offered a recommendation that "KCPL and GMO offer, for each

jurisdiction, a community solar program to provide increased renewable choices to customers".

Q: Concerning the "key principles", what is your opinion of these characteristics and how do they compare to the program design offered by the Company?

A: The key principles are a broad set of factors associated with the major components of a program design. As noted in the Staff CCOS Report, the principles are based on Staff's review of various sources. I note the materials are from industry organizations and renewable energy advocate associations. These principles are generally reasonable for consideration. When compared to the Solar Subscription Pilot Rider proposed by the Company, I would offer all are considered in the Company's proposed design.

Q: What is your response concerning the recommendation to offer a separate program in the KCP&L and GMO jurisdictions?

A: I disagree with the recommendation. The only basis for the recommendation is to "offer increased renewable choice to customers" and I would contend a separate program provides no opportunity for increased choice compared to the combined program proposed by the Company. The primary purpose of the combined program is to control the cost of the program by capturing the benefit of larger scale renewable systems. Dividing the program will reduce the size of the renewable system used to support the subscriptions and would increase the subscription cost. Also, additional review of the Solar Subscription Pilot Rider design has identified potential modifications that would further reduce any necessity to divide the program.

Q: What is the nature of these potential modifications?

A: The primary modifications suggested by the Company would clarify the treatment of subscriptions and renewable energy credits between the jurisdictions. Details of the proposed modifications are attached as Schedule BDL-6 to this testimony. The Company believes these modifications would improve the design and alleviate concerns about treatment between the Company jurisdictions. If found appropriate, these modifications could be integrated with the proposed tariff at the time of compliance filing. Efforts will be made to apply these modifications in all jurisdictions to ensure consistency.

III. RENEWABLE ENERGY PROGRAM TARIFF

Q: Did any parties provide comment concerning the Company's proposed Renewable Energy Program Tariff?

A: Yes. MECG, through witness Steve Chriss, suggested a few modifications to the program design. Staff, through witness Cedric E. Cunigan, identified a series of "key principles" for a quality program and offered a recommendation that "KCPL and GMO each offer independent green tariff programs to provide increased renewable choices to customers."

Q: Responding first to the recommendations by Mr. Chriss, what are the modifications proposed and what is your response concerning their appropriateness?

A: Mr. Chriss recommends approval of the proposed tariff with modifications to address enrollment, renewal processes, and transfer terms. Mr. Chriss also recommends the Company add a 15-year term to complement the propose 5, 10, and 20-years terms. These recommendations are generally consistent with the intent of the Company design and could be incorporated without objection by the Company.

Q: Turning to the "key principles" offered by Staff, what is your opinion of these characteristics and how do they compare to the program design offered by the Company?

A: Similar to the key principles offered for the solar Subscription Pilot Rider, the key principles offered are a broad set of factors associated with the major components of a program design. Although the source is not noted, the principles are recognized as being consistent with industry sources, including materials from renewable energy advocate associations. These principles are generally reasonable for consideration. When compared to the Renewable Energy Program Tariff proposed by the Company, I would offer all are considered in the Company's proposed design.

Q: What is your response concerning the recommendation to offer independent programs in the KCP&L and GMO jurisdictions?

A: Again, I disagree with the recommendation. Again, the only basis for the recommendation is to "offer increased renewable choice to customers" and I would contend a separate program provides no increased choice compared to the combined program proposed by the Company. The primary purpose of the combined program is to control the cost of the program by capturing the benefit of larger power purchase agreements. Dividing the program will reduce the size of the agreement obtained to support the subscriptions and would increase the subscription cost. Also, additional review of the Renewable Energy Program Tariff design has identified potential modifications that would further reduce any necessity to divide the program.

Q: What is the nature of these potential modifications?

A: The primary modifications suggested by the Company would clarify the treatment of subscriptions and renewable energy credits between the jurisdictions. Of particular importance would be modifications that are believed to allow the program to be more appropriately tracked through the Company Fuel Adjustment Clause ("FAC"). The FAC is a complex mechanism with extensive reporting requirements to ensure proper transparency to fuel-related transactions. Many of the complexities of the FAC were not fully developed at the time of the initial program design and these modifications would ensure proper treatment. A list of the proposed modifications is attached as Schedule BDL-7 to this testimony. The Company believes these modifications would improve the design and alleviate concerns about treatment between the Company jurisdictions. Efforts will be made to apply these modifications in all jurisdictions to ensure consistency.

IV. STANDBY SERVICE TARIFF

Q: Did any parties provide comment concerning the Company's proposed Standby Service Tariff?

A: Yes. DE through witness Jane E. Epperson and Renew Missouri through witness Jamie Scripps provided limited comment concerning the proposed tariff. Renew Missouri recommended the Commission continue to exempt customers with solar generation from the Standby rate. This exception is part of the design proposed by the Company. DE does not offer any comment specific to the Company proposal, but instead offers a

recommendation that the Commission avoid designs that would hinder customers from utilizing CHP.

Q: Beginning with the testimony of Jamie Scripps, does the Company have any response to the recommendation offered?

A: No. It would not appear any response is needed. The tariff, as proposed, is inclusive of the Renew Missouri recommendation.

Q: Turning to the recommendation of Jane E. Epperson, does the proposed Standby Service Tariff include provisions that would hinder CHP deployment by customers?

A: No.

V. LINE EXTENSION- ELECTRIC VEHICLE MAKE READY PROPOSAL

Q: What is the purpose of this portion of your testimony?

A: I will respond to the Staff's Electric Vehicle Make Ready Model recommendation impacting the KCP&L's line extension tariffs.

Q: What does Staff recommend regarding the Electric Vehicle Make Ready Model?

A: In its CCOS Report, Staff recommends changes to KCP&L tariff sheets 1.30, Extension of Electric Facilities, to establish a separate category of electric facility extensions for providers of electric vehicle ("EV") charging services.[2] Staff recommends draft tariff language to include definition and terms of service for Make Ready EV Extensions. The recommendation also defines a specified number of facility extensions to be provided at no cost to the of EV charging service providers applying for service.

[2] The Staff Report does not directly state if this recommendation is applicable to the GMO line extension tariffs. For the purpose of this rebuttal, the Company is presuming the recommendation applies to both jurisdictions and the Company rebuttal offered is intended to speak for GMO as well.

Q: Does Staff offer any support for making this recommendation?

A: Minimally. On page 49 of the CCOS Report, Staff cites the Report and Order in Case No. ER-2016-0285, where the Commission stated as follows:

> KCPL may include in rate base any equipment, such as distribution lines, transformers, and meters, necessary to provide electric service to an owner of an EV charging station, whether or not that owner is affiliated with KCPL. Also, the Commission orders KCPL to accumulate data regarding the appropriate electric rate to charge owners of EV charging stations and provide that data during its next general rate case. Finally, KCPL shall file an amended tariff to revise the existing prohibition on the resale of electricity in order to clarify that EV charging stations are not reselling electricity.

Staff then goes on in that same section to state the justification for the recommendation:

> To more fully effectuate the quoted provisions of the Commission's Report and Order in No. ER-2016-0285, sometimes referred to as the "make ready" model for installation of EV charging equipment, Staff recommends incorporating additional provisions generally consistent with the following language into KCPL's existing line extension tariff provisions.

Q: Do you agree with Staff's interpretation of the Commission order?

A: No, not at all. Even a broad reading of the order does not support a mandate for these recommended changes to the Company's line extension policies. The only portion that is close is the language allowing inclusion into rate base of equipment needed to provide service. Concerning a plain reading of the order language, the Company has complied with the order and nothing more is needed.

Q: Do you agree with Staff's recommendation regarding the Electric Vehicle Make Ready Model?

A: No. This Staff recommendation is an overreach, encroaching on the right of the Company to manage its business. Nevertheless, the Company wishes to identify appropriate opportunities to promote EV and has fully considered the recommendation offered by Staff.

With that, I have numerous issues with the Staff's proposed draft language to incorporate an Electric Vehicle Make ready model in the line extension tariff, including:

- Use of the term 'Make-Ready' and the scope of facilities to be covered.
- Numerous provisions of the Terms of Service
- Construction Allowance for EV charging line extensions
- Requirement for the Company to pre-locate sites

Q: What is your concern with the use of the term "Make Ready" regarding line extensions to EV charging service providers?

A: In its Report and Order in Case No. ER-2016-0285, the Commission's Decision stated:

> KCPL may include in rate base any equipment, such as distribution lines, transformers, and meters, necessary to provide electric service to an owner of an EV charging station, whether or not that owner is affiliated with KCPL.

EV "charging infrastructure" can be divided into three pieces:

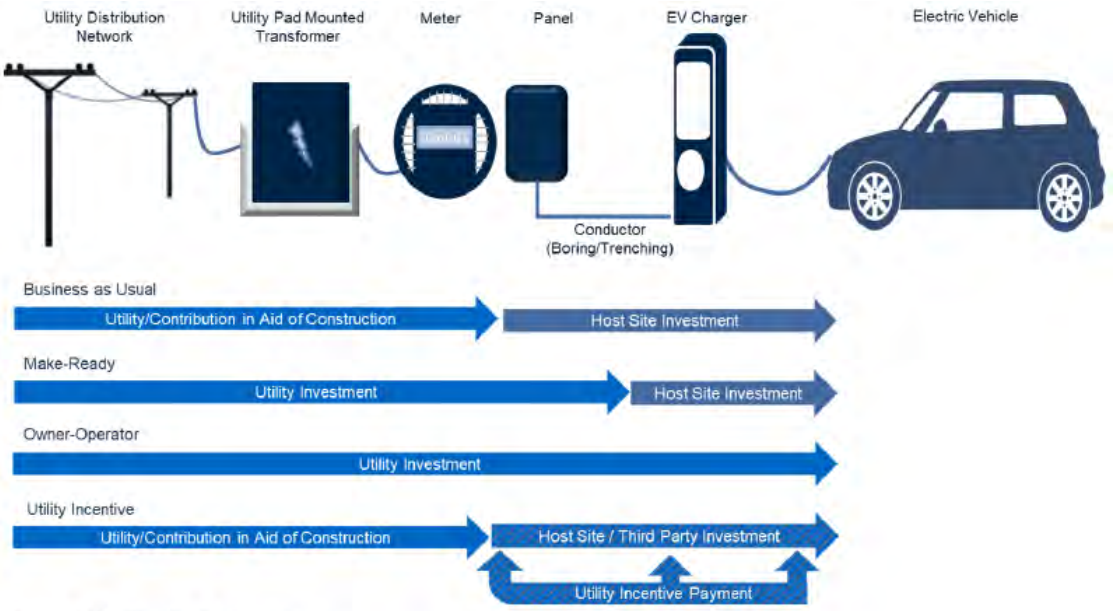
1) secondary distribution infrastructure up to the point of delivery (the customer meter) to connect the new installation to the electric grid;

2) trenching and wiring to connect the meter to the charging infrastructure, as well as the foundation and insulating material for the charging infrastructure; and

3) the actual charging infrastructure, or electric vehicle supply equipment purchase and installation.

Under the current line extension policies, responsibility for the first component is split between the utility and the customer, based on an evaluation of the construction cost as compared to the revenue to be produced by the new load. The second and third components, those behind the point of delivery, are the full responsibility of the customer. Most "make-ready" models used in other jurisdictions would have the utility cover all of

first and second components.[3] The following graphic illustrates a few of the models for utility investment in EV charging infrastructure being tested by multiple utilities across several regulatory jurisdictions.



Source: M.J. Bradley & Associates

As would be expected, the term 'Make Ready' has differing meaning, depending on the utility program, regulatory jurisdiction and the level of State policies and mandates supporting EV adoption. In the EV industry, 'Make Ready' originally referred to the electrical wiring and infrastructure between the utility's point of delivery and the individual charging station, also known as EV Charging Infrastructure, but has expanded in some definitions, to also include the utility line extension.

[3] *Utility Investment in Electric Vehicle Charging Infrastructure: Key Regulatory Considerations*, M.J. Bradley & Associates and Georgetown Climate Center, November 2017. Pg. 8.

Q: Do you agree with this broad definition of the term "Make Ready" used in these other jurisdictions?

A: No. The Company maintains its responsibility must remain with distribution infrastructure up to the point of delivery. The EV Charging Infrastructure between the point of delivery and the charging stations should be constructed, operated, and maintained by the owner and operator of the charging stations.

Q: Why should the Company not provide the EV Charging Infrastructure?

A: In most jurisdictions where the utility provides the EV Charging Infrastructure between the utility meter and the charging station, there typically is a clear state mandate supporting transportation electrification and utility EV charging programs often include significant oversight in the design and operation of the customers EV charging stations. Those factors do not apply in this jurisdiction.

Q: What issues do you have with Staff's Definitions and Terms of Service for EV charging services?

A: As with the topic overall, these provisions are beyond the purview of Staff. These recommendations attempt to dictate policy within the EV charging space when undertaken by the Company's customers, most of which has been determined by the Commission to be outside of the utility responsibility. However, again in the spirit of providing benefit to the EV system, I believe the recommendations are misplaced. Staff's definition of Summer Day Time, Non-Winter Time, and Ordinary Time are unnecessary in the line extension tariff provisions and any such requirements should be part of an appropriate EV charging service rate schedule.

Q: What issues do you have with Staff's recommendations regarding Construction Allowance for EV charging line extensions?

A: Staff recommends that a specific number of line extensions of specified length, up to 1000 feet, based on the number and type of charge ports will be available to prospective providers of charging service providers at no cost. Staff also includes a requirement based on the number of available parking spaces. I disagree with this recommendation and believe it represents subsidy of Charging Station Providers, certainly not supported by the ER-2016-0285 Report and Order. Review of that order, particularly paragraph 122, shows the Commission had concern about protecting non-participants. To provide line extensions at no cost is unreasonable.

Line extensions for EV should be subject to the same revenue justification tests as other line extensions. All other commercial and industrial distribution extensions are provided a Construction Allowance that is economically justified based on the Estimated Margin derived from the additional load. If there is a need to streamline the determination of this revenue justification, some form of standardized Construction Allowance could be established. A Construction Allowance based on the type of charge port, would retain the spirit of the line extension policy by estimating the load from charging services that should be realistically achieved in some period of time, the next five years for example.

Q: What issues do you have with Staff's recommendations that the Company file a tariff sheet identifying 50 locations meeting specific design criteria and suitable for publicly-available charging?

A: Item number seven (7) of Staff's Make Ready EV Definitions and Terms of Service reads as follows[4]:

> Within 30 days of the promulgation of this tariff sheet the utility shall file an additional tariff sheet bearing 30 days' effective date designating no fewer than 50 locations as suitable for publicly-available capable of charging no fewer than five (5) ports at a capacity of 40-50 kW on the basis of distribution system capacity, that are accessible within .25 miles of two or more roads carrying an average of not less than 10,000 cars per day.

I strongly disagree with this recommendation. This recommendation would require the Company to make choices about the location of EV chargers. Paragraph 123 of the ER-2016-0285 Order clearly identifies the charger as a "deregulated service".[5] Staff has the "cart before the horse" with this recommendation. Under the structures set forth by the Commission, the Company should not be involved in customers' placement of chargers. It is not appropriate for the Company to perform this level of analysis and provide such a list, to share the decision as to where to deploy these unregulated devices. If the Commission wished for the utility to shape the placement of chargers within the grid, I offer they would have stated that as part of their evaluation of the facts in ER-2016-0285. Further, if this recommendation is considered to allow some future utility coordination similar to discussion occurring around DER, then more broad policy, operational, and rate making issues must be addressed. Regardless, the Company does not perform this type of analysis

[4] MO Commission Staff Report Class Cost of Service, ER-2018-0145 and ER-2018-0146, pg. 50 line 28-33.

[5] It should be noted that although the Company has appealed the Commission's ruling declaring EV charging stations owned and operated by KCP&L not to be "electric plant", the Company agrees that EV charging stations owned and operated in the Company's service territory by entities other the Company should be considered non-regulated.

for any other type of customer and providing this level of pre-engineering for EV charging service providers is unwarranted.

Q: Is there some support that could be provided to ensure beneficial placement of chargers?

A: Yes. When approached by a party wishing to install a charger, the Company can then evaluate the condition of the grid to support the added load. This is consistent with how other line extension and load additions are currently treated. Putting the analysis at this point in the process helps ensure there is no favoritism or subsidy provided to charger installers.

Q. Are modifications to the Company's Line Extension Rules needed concerning EV chargers?

A: No. The current line extension policies are more than able to accommodate the deployment of chargers. The existing processes help ensure equitable treatment of all customers and the existing policies do not represent any added barrier to EV charger deployment.

VII. DER-RELATED PROPOSAL

Q: Staff includes a recommendation concerning DER data collection. Please describe the recommendation.

A: Staff, through witness Claire M. Eubanks P.E., recommends language detailing information to be collected about customer systems be included in KCPL's and GMO's Parallel Generation Contract Service (Cogeneration Purchase Schedule) and Standby Service Rider. These information elements have already been proposed in Staff's Report on Distributed Energy Resources filed in EW-2017-0245, dated April 5, 2018.

Q: What is your response to this recommendation?

A: I suggest the Commission reject this recommendation as premature and allow the DER-related recommendations to be fully considered within the EW-2017-0245 case and the associated rulemaking. The rulemaking would result in terms fully vetted, consistent with statutes, and would be applicable to all electric utilities. I should note that from the Company perspective, there are open questions concerning the information requirements yet to be resolved in that case. In its response to the EW-2017-0245 Staff Report dated April 13, 2018, KCP&L and GMO identify the need to clarify the definition of DER, the role of energy efficiency, and the role of electric vehicles within this information gathering. Instead of attempting to address those questions in this rate case and again in the working docket, it would be more appropriate to allow any DER-related information gathering mandate to originate only from EW-2017-0245 docket. Further, and depending on the timing of each effort, application of an information requirement in this rate case could result in requirements out of alignment with provisions established later during the working docket.

VIII. LARGE CUSTOMER RATES

Q: What is the purpose of this section of your testimony?

A: MIEC witness Maurice Brubaker takes issue with the KCP&L and GMO industrial rates, claiming the rates are not representative of cost and are not competitive in the Midwestern region. I will speak to elements of the Company's proposed rate design that are intended to help address these concerns and to offer an example of high use/high load factor rate that might be used to address the economic development elements of Mr. Brubaker's concerns.

Q: How do you respond to these claims?

A: Concerns about the Commercial and Industrial rates, particularly those for large customers, are found throughout testimony in this case. First, the Company has incorporated elements in the CCOS and rate designs to better reflect the benefit of large customer loads and attempt to make positive movement in the rates charged to these customers. Later, in rebuttal, testimony from MECG witness Greg R. Meyer and MIEC with Maurice Brubaker offer the perspectives of the large customers themselves. The Company is aware of the assertions made and although disagreement may persist as to why the rates are as they are, or the value received from all customers as a result of those cost increases, but the fact that Company rates at face value, do not compare well with other locations is difficult to debate. Company witness Darrin R. Ives addresses the Company perspective as to why the rates have experienced increase in his rebuttal. The response by Mr. Ives is applicable to the assertions made by Mr. Brubaker.

Q: Is the Company taking any action to address large customer rates?

A: Yes. Proposals offered in this filing to utilize A&E production allocation and rate designs that recognize the benefit of large customers are present and should make incremental steps toward the concerns offered. Further, the Company continues to explore alternatives and approaches that might better recognize the nature of large customers.

Q: Are there any details that could be provided at this time?

A: Yes. Separate from this case, the Company is willing to share work that has been done to develop a rate design concept for high use/high load factor customers that might be considering locating in our area.

Q: Please describe this rate design concept.

A: Originally conceived in response to prospective customers using competitive means to make investment decisions, the high load/high load factor rate was designed to provide a streamlined rate for large, prospective customers that could be easily understood and evaluated as part a competitive process. A conceptual tariff draft is included with this testimony as Schedule BDL-8. The Company has not determined when, or if it will seek approval of this rate design concept.

Q: How was this rate concept developed?

A: In preparing the concept rate, the Company began with the current Large Power rate, Schedule LPS, and attempted to design a rate that allows customers with larger, high load factor load receive direct benefit for the nature of their energy use. Targeted to provide service at the substation or transmission voltage, the rate uses a simple three-part design with a customer charge, demand charge, and energy charge. If found desirable, this rate could be deployed to serve new load, addressing the role electric rates also play a in economic development, mentioned by Mr. Brubaker. Later, if the rate operates as intended, elements of the design could be applied to other large customer rates, potentially expanding the benefit to existing customers.

Q: Are there other elements of the MIEC testimony you would like to address?

A: Yes. I agree with concerns raised by Mr. Brubaker about the proper pricing of energy, demand and customer components of the rate schedules. The Company has offered significant testimony on this issue in the past and supports the concern that the energy price is generally overpriced. Although the overpricing varies from rate to rate, it is generally

more prominent for the smaller rates. Providing a better balance to the fixed and variable elements would provide a better cost signal to all customers.

Q: Does that conclude your testimony?

A: Yes, it does.

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 A General Rate Increase for Electric Service	)))	Case No. ER-2018-0145
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-2018-0146

AFFIDAVIT OF BRADLEY D. LUTZ

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Bradley D. Lutz, being first duly sworn on his oath, states:

1. My name is Bradley D. Lutz. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Manager – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my [Rate Design] Rebuttal Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of twenty-four (24) 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.

Bradley D. Lutz

Subscribed and sworn before me this 7th day of August 2018.

Notary Public

My commission expires: 4/26/2021

ANTHONY R WESTENKIRCHNER
Notary Public, Notary Seal
State of Missouri
Platte County
Commission # 17279952
My Commission Expires April 26, 2021

SOLAR SUBSCRIPTION PILOT RIDER
CROSS JURISDICTIONAL TERMS AND CONSIDERATIONS

1. The Companies (KCP&L (MO & KS) and KCP&L-GMO) will combine the subscription requirements for all jurisdictions in sizing the solar resource.

2. The combined Program will be initially limited to a maximum of 10,000 Solar Blocks. Once deployed, the Solar Blocks will be split between the jurisdictions based on the same ratio as the expected Customer subscriptions. Once the Solar Block split is established, that amount will be fixed for the life of the solar resource. Any subsequent solar resource built under this tariff will also be split between the jurisdictions based on the same ratio as the expected Customer subscription and similarly fixed for the duration of that solar resource.

3. Separate waiting lists will be used for this Rider in each jurisdiction. Service under this Rider will be limited to the Solar Blocks available to the jurisdiction, as described in paragraph 2 of this section.

4. Subscription levels will be recalculated monthly if one of the following actions takes place in the previous month: new subscriber added, subscription cancellation, or subscription transfer. All changes in Subscription status will occur at the end of the respective billing month in which the status change is requested.

5. Unsubscribed amounts will be determined monthly within the jurisdictions using the monthly subscriptions in place at the time of the allocation of costs for that jurisdiction.

6. Participants may request to transfer their subscription, subject to the terms of transfer, only within their current jurisdiction. Transfers between jurisdictions are not allowed. If customers choose to move between jurisdictions, they will be required to terminate their subscription in the previous jurisdiction and subscribe in the new jurisdiction, subject to the terms of the approved tariff in that jurisdiction.

7. Participants may not combine loads across the jurisdictions for achieving participation limits, determination of subscription levels, or aggregated billing. Loads will not be combined across jurisdictions for the purpose of applying minimum term limits.

8. Renewable Energy Credits (RECs) produced by solar resources associated with this program will be tracked jurisdictionally, consistent with the Customer subscriptions. The Company will retain any RECs received by the Companies through the unsubscribed allocations.

9. All time-related terms and periods referenced within the Rider will be applied consistently across the jurisdictions as appropriate and allowed by the respective individual tariffs for this program.

RENEWABLE ENERGY RIDER
CROSS JURISDICTIONAL TERMS AND CONSIDERATIONS

1. The Companies (KCP&L (MO & KS) and KCP&L-GMO) will combine the subscription requirements for all jurisdictions in obtaining the PPA(s) for the Renewable Energy resource.

2. The combined Program will be initially limited to a minimum total load of 100 megawatts (MW) and a maximum total load of 200 MW. Once obtained, the PPA will be split between the jurisdictions based on the same ratio as the expected Customer subscriptions. Once the PPA split is established, that amount will be fixed for the duration of the PPA. Any subsequent PPA established under this tariff will also be split between the jurisdictions based on the same ratio as the expected Customer subscription and similarly fixed for the duration of that PPA.

3. Separate waiting lists will be used for this Rider in each jurisdiction. Service under this Rider will be limited to the PPA amounts available to the jurisdiction, as described in paragraph 2 of this section.

4. Subscription levels will be recalculated monthly if one of the following actions takes place in the previous month: new subscriber added, subscription cancellation, or subscription transfer. All changes in Subscription status will occur at the end of the respective billing month in which the status change is requested.

5. The costs associated with the Power Purchase Agreement(s) (PPA) for the Renewable Energy resource will be determined monthly and will include PPA costs, regional transmission provider settlements, and administration costs associated with that jurisdiction's PPA amount. Subscribers will be responsible for all costs recognized in the respective month regardless if they are directly associated with service received under this Rider for that month.

6. Unsubscribed amounts will be determined monthly within the jurisdictions using the monthly subscriptions in place at the time of the allocation of costs for that jurisdiction.

7. Participants may request to transfer their subscription, subject to the terms of transfer, only within their current jurisdiction. Transfers between jurisdictions are not allowed. If customers choose to move between jurisdictions, they will be required to terminate their subscription in the previous jurisdiction and subscribe in the new jurisdiction, subject to the terms of the approved tariff in that jurisdiction.

8. Participants may not combine loads across the jurisdictions for achieving participation limits, determination of subscription levels, or aggregated billing. Loads will not be combined across jurisdictions for the purpose of applying minimum term limits.

9. Renewable Energy Credits (RECs) produced by Renewable resources associated with this program will be tracked jurisdictionally, consistent with the Customer subscriptions. The Company will retain any RECs received by the Companies through the unsubscribed allocations.

10. All time-related terms and periods referenced within the Rider will be applied consistently across the jurisdictions as appropriate and allowed by the respective individual tariffs for this program.

HIGH USE – HIGH LOAD FACTOR SERVICE
Schedule PHS

AVAILABILITY

For electric service through one meter to a customer using electric service for purposes other than those included in the availability provisions of the Residential Service Rate Schedule. Customers receiving service under this schedule must have loads equal to or greater than 7000 kW representing new or incremental load at the time of application for this schedule. Customers must maintain a monthly load factor equal to or greater than 80%. At the Company's discretion, customers failing to maintain the load and load factor minimums will be moved to Schedule LPS. Incremental load will be separately metered. If not feasible to meter at a single point and at the Company's discretion, new service may be provided through more than one meter where it is economical for the Company to do so.

Standby, breakdown, or supplementary service, temporary, or seasonal service will not be supplied under this schedule.

TERM OF CONTRACT

Contracts under this schedule shall be for a period of not less than one year from the effective date thereof.

RATE FOR SERVICE, 1PHSV, 1PHSZ

A. CUSTOMER CHARGE (per month): $X,XXX.XX

B. DEMAND CHARGE:

	Summer Season	Winter Season
Per kW of Billing Demand per month	$XX.XXX	$XX.XXX

C. ENERGY CHARGE:

	Summer Season	Winter Season
All kWh per month:	$X.XXXXX	$X.XXXXX

REACTIVE DEMAND ADJUSTMENT

Company shall determine the customer's monthly maximum 30-minute reactive demand in kilovars. In each month a charge of $X.XXX per month shall be made for each kilovar by which such maximum reactive demand is greater than fifty percent (50%) of the customer's Monthly Maximum Demand (kW) in that month. The maximum reactive demand in kilovars shall be computed similarly to the Monthly Maximum Demand as defined in the Determination of Demands section.

MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall be equal to the sum of the Customer Charge, Demand Charge, and Reactive Demand Adjustment.

SUMMER AND WINTER SEASONS

The Summer Season is four consecutive months, beginning and effective May 16 and ending September 15, inclusive. The Winter Season is eight consecutive months, beginning and effective September 16 and ending May 15. Customer bills for meter reading periods including one or more days in both seasons will reflect the number of days in each season.

DETERMINATION OF DEMANDS

Demand will be determined by demand instruments or, at the Company's option, by demand tests. The Minimum Demand for this schedule shall be 7000 kW.

MONTHLY MAXIMUM DEMAND

The Monthly Maximum Demand is defined as the highest demand indicated in any 30-minute interval during the month on all meters.

BILLING DEMAND

Billing Demand shall be equal to the higher of (a) the Monthly Maximum Demand in the current month or (b) the Minimum Demand.

METERING AT DIFFERENT VOLTAGES

The Company may, at its option, install metering equipment beyond the point of delivery. For substation voltage customers metered at primary or secondary voltage level, the metered demand and energy shall be increased by 1.20% (metered at primary voltage) or 3.56% (metered at secondary voltage), or alternatively, compensation metering may be installed.

For transmission voltage customers metered at substation, primary, or secondary voltage level, the metered demand and energy shall be increased by .90% (metered at substation voltage), 2.11% (metered at primary voltage), or 4.50% (metered at secondary voltage), or alternatively, compensation metering may be installed.

SERVICE VOLTAGE

Customers will receive service at either the substation or transmission voltage. Service at primary or secondary voltages will not be permitted under this schedule.

ECONOMIC DEVELOPMENT RIDER APPLICABILITY

Customers receiving service under this Schedule may apply for the Economic Development Rider, Schedule EDR, but approval to receive the EDR will be based on a review of the overall economic attributes of the new, or incremental load. The Company will determine the applicability of the EDR consistent with the terms of that Schedule.

DEMAND SIDE INVESTMENT MECHANISM RIDER & NON-MEEIA OPT-OUT PROVISIONS

Subject to Schedule DSIM and Rules and Regulations filed with the State Regulatory Commission (Section 8.10, Sheet 1.28).

FUEL ADJUSTMENT

Fuel Adjustment Clause, Schedule FAC, shall be applicable to all customer billings under this schedule.

TAX ADJUSTMENT

Tax Adjustment Schedule TA shall be applicable to all customer billings under this schedule.

REGULATIONS

Subject to Rules and Regulations filed with the State Regulatory Commission.