Exhibit No.:	
Issue:	Demand Side Investment Mechanism Rider
Witness:	Tim M. Rush
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Kansas City Power & Light Company
Case No.:	ER-2016-_____
Date Testimony Prepared:	December 11, 2015

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2016-_____

DIRECT TESTIMONY

OF

TIM M. RUSH

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
December 2015

Certain Schedules Attached To This Testimony Contain Highly Confidential Information. All Such Information Should Be Treated Confidentially Pursuant To 4 CSR 240-2.135.

DIRECT TESTIMONY

OF

TIM M. RUSH

Case No. ER-2016-_____

Q: Please state your name and business address.

A: My name is Tim M. Rush. My business address is 1200 Main Street, 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" or "Company") as Director, Regulatory Affairs.

Q: What are your responsibilities?

A: My general responsibilities include overseeing the preparation of rate cases, for both KCP&L and KCP&L Greater Missouri Operations Company ("GMO"). I am also responsible for overseeing the regulatory reporting and general activities as they relate to the Missouri Public Service Commission ("MPSC" or "Commission"), including Missouri Energy Efficiency Investment Act ("MEEIA") filings.

Q: Please describe your education, experience and employment history.

A: I received a Master of Business Administration degree from Northwest Missouri State University in Maryville, Missouri. I did my undergraduate study at both the University of Kansas in Lawrence and the University of Missouri in Columbia. I received a Bachelor of Science degree in Business Administration with a concentration in Accounting from the University of Missouri in Columbia.

Q: Please provide your work experience.

A: I was hired by KCP&L in 2001 as the Director, Regulatory Affairs. Prior to my employment with KCP&L, I was employed by St. Joseph Light & Power Company ("Light & Power") for over 24 years. At Light & Power, I was Manager of Customer Operations from 1996 to 2001, where I had responsibility for the regulatory area, as well as marketing, energy consultant and customer services area. Customer services included the call center and collections areas. Prior to that, I held various positions in the Rates and Market Research Department from 1977 until 1996. I was the Manager of that department for 15 years.

Q: Have you previously testified in a proceeding before the MPSC?

A: I have testified on many occasions before the MPSC on a variety of issues affecting regulated public utilities.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to support the rate schedule filed by KCP&L to adjust the Demand Side Investment Mechanism ("DSIM") Rider. This testimony will explain the change to the DSIM components based upon actual and estimated performance in the six-month period through December 2015, as well as, forecasted performance through June 2016 for Program Costs and Throughput Disincentive ("TD-NSB"). This six-month period is the third accumulation period under the KCP&L MEEIA DSIM Rider, which was originally approved by the Commission in Case No. EO-2014-0095 on June 5, 2014. The proposed change will result in a decrease to residential customers' rate from $$0.00132 to $0.00022 per kWh and decrease to non-residential customers' rate from $0.00450 to $0.00358 per kWh.

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

A: The requirements for adjustment of DSIM rates are found in Commission Rules 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8). In summary, the requirements outline that the update filing include applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

A) Amount of revenue that was over-collected or under-collected through the most recent recovery period by rate class.

B) Proposed adjustments or refunds by rate class.

C) Electric utility's short term borrowing rate.

D) Proposed adjustments to the current DSIM rates.

E) Complete documentation for the proposed adjustments to the current DSIM rates.

F) Annual report as required by 4 CSR 240-20.093(8).

G) Any additional information the Commission ordered to be provided.

As part of my Direct Testimony, I include the information required for update of the DSIM rate in the attached Schedules TMR-1 through TMR-2.

Q: Are you sponsoring this information?

A: Yes, I am.

Q: Has KCP&L been granted a waiver for any MEEIA rule requirement impacting this update?

A: Yes. Per Commission rule 4 CSR 240-20.093(4), semi-annual adjustments to DSIM rates shall only include adjustments to the DSIM cost recovery revenue requirement. Since KCP&L's DSIM rate includes recovery of TD-NSB, KCP&L requested a variance under the Non-Unanimous Stipulation and Agreement ("S&A") filed on May 27, 2014 to allow adjustment to the DSIM rate for the TD-NSB component of the rate. The Commission approved this S&A and granted this variance on June 14, 2014. Per the granted variance, KCP&L has included in this semi-annual adjustment, an adjustment to the TD-NSB. Additionally, the annual report requirement (item F above) was filed on March 31, 2015 under Non-Case Related Filing BIRR-2015-1125, which was transferred on May 18, 2015 to Case No. EO-2015-0306.

Q: Please explain why KCP&L has filed adjusted DSIM Rider rate schedules at this time?

A: The Commission's rule governing DSIM filings and submission requirements for electric utilities-specifically 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8) require KCP&L to make semi-annual adjustments of DSIM rates that reflect the amount of revenue that has been over/under collected. Based upon actual and estimated performance during the six-month time period(s), DSIM rates may be adjusted up or down. KCP&L's approved DSIM Rider requires a semi-annual adjustment through December 31, 2015.

Q: Why is KCP&L including in the DSIM rate an estimate of Program Costs and TD-NSB beyond the December 31, 2015 program plan end date?

A: The calculated DSIM rate includes Program Costs and TD-NSB associated with the C&I Custom Rebate Programs which are expected to be incurred through June of 2016. Details of these costs are explained in the filing made on November 13, 2015 in Docket No. EO-2014-0095. This request was approved by the Commission on December 2, 2015. Additionally, KCP&L includes Program Costs for the following programs: Business Energy Analyzer, Home Energy Report, Income-Eligible Home Energy Report Programmable Thermostat, Home Energy Analyzer, which the Company filed request for extensions for on December 4, 2015. Inclusion of these costs are necessary to bridge the gap between MEEIA Cycle 1's plan end date and MEEIA Cycle 2's start date, estimated to begin on April 1, 2016. All of the above costs are MEEIA related costs and therefore were included in this DSIM rate update.

Q: Does KCP&L include any estimate of Program Costs or TD that pertain to Cycle 2 in this filing?

A: No. MEEIA Cycle 2's Program Costs and TD will be reflected in the DSIM rate to be included in the compliance tariffs to support the S&A filed on November 23, 2015. These tariffs will become effective following a Commission order.

Q: How did you develop the adjustments for the various DSIM rate components that make up the proposed DSIM rate?

A: The adjustment reflects actual Program Costs, TD-NSB, and retail base sales for April, May, and June 2015 in order to true-up estimates previously included in the June 2015 true-up filing in addition to actuals for July, August, and September 2015. Also included in this true-up are estimates for Program Costs, TD-NSB, and retail base sales for October, November, and December 2015. These estimates for Program Costs and TD-NSB reflect forecast changes that are anticipated for the remainder of 2015 and are based on current estimates of participation levels for each program. The adjusted rate also includes estimates for the Program Costs and TD-NSB through the next six-month period or June 2016, and retail base sales for February 2016 through July 2016.

Q: Please describe the impact of the change in costs and how it will affect KCP&L customers.

A: At this time, based on actual performance experienced through September 2015 and forecasts through June 2016, the residential DSIM rate will be lower than the current rate from $0.00132 per kWh to $0.00022 per kWh. The DSIM rate will decrease for the non-residential class from $0.00450 per kWh to $0.00358 per kWh. For a residential customer using 1,000 kWh's, this would mean a decrease of $1.10 per month. Conversely, for a non-residential customer, for every 1,000 kWh's used, this would mean a decrease of $0.92.

Q: If the rate schedules filed by KCP&L are approved, what safeguards exist to ensure that the revenues the Company bills to its customers do not exceed actual DSM Program Costs and TD-NSB incurred?

A: KCP&L's DSIM Rider mechanism and the Commission's rules provide two mechanisms to ensure that amounts billed to customers do not exceed KCP&L's actual, prudently incurred DSM Program Costs and TD- NSB. First, at the end of each recovery period, the Company is required to true up amounts billed to customers through the DSIM Rider based upon Program Cost and TD-NSB actually incurred during that 6 month period. Per MEEIA rule 4 CSR 240-20.093(4), these adjustments will be supported by complete documentation and workpapers that demonstrate the need for DSIM rate adjustment. All proposed adjustments and supporting documentation is subject to review by MPSC Staff and all MEEIA stakeholders. Second, per MEEIA rule 4 CSR 240-20.093(10), KCP&L's DSIM is subject to periodic prudence reviews by MPSC Staff to ensure that only prudently incurred Program Costs and TD-NSB are billed to customers through

KCP&L's DSIM. These two mechanisms serve as checks to ensure that the Company's customers pay only the prudently-incurred, actual Program Costs and TD-NSB resulting from implementation of MEEIA DSM programs.

Q: What action is KCP&L requesting from the Commission with respect to the rate schedules that the Company has filed?

A: The Company requests the Commission approve the rate schedule to be effective as of February 1, 2016.

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 Second Demand Side Investment Mechanism Rider Rate Adjustment and True-Up Required By 4 CSR 240-3.163(8)	))))	Case No. ER-2016-

AFFIDAVIT OF TIM M. RUSH

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Tim M. Rush, being first duly sworn on his oath, states:

1. My name is Tim M. Rush. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Director, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light 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.

Tim M. Rush

Tim M. Rush

Subscribed and sworn before me this 4th day of December, 2015.

Nicole A. Wehry

Notary Public

My commission expires: Feb. 4 2019

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2019
Commission Number: 14391200