Exhibit No.:

Issue(s): Revenue Adjustment
Witness: Michael I. Stahlman

Witness: Michael L. Stahlman oring Party: MoPSC Staff

Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Direct

Testimony

Case No.: ER-2016-0285

Date Testimony Prepared: March 1, 2017

MISSOURI PUBLIC SERVICE COMMISSION COMMISSION STAFF DIVISION TARIFF AND RATE DESIGN UNIT

TRUE-UP DIRECT TESTIMONY OF MICHAEL L. STAHLMAN

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2016-0285

Jefferson City, Missouri March 2017

1		TRUE-UP DIRECT TESTIMONY	
2		OF	
3		MICHAEL L. STAHLMAN	
4		KANSAS CITY POWER & LIGHT COMPANY	
5	CASE NO. ER-2016-0285		
6	Q.	Please state your name and business address.	
7	A.	My name is Michael L. Stahlman, and my business address is P.O. Box 360,	
8	200 Madison Street, Jefferson City, Missouri, 65102.		
9	Q.	By whom are you employed and in what capacity?	
10	A.	I am employed by the Missouri Public Service Commission ("Commission")	
11	as a Regulatory Economist III of the Tariff and Rate Design Unit of the Operation Analysis		
12	Department, the Commission Staff Division.		
13	Q.	Are you the same Michael L. Stahlman who has previously filed rebuttal,	
14	surrebuttal, and a portion of the testimony for Staff's Revenue Requirement Cost of		
15	Service Rep	ort ("COS Report") in this case?	
16	A.	Yes.	
17	Q.	What is the purpose of your true-up testimony?	
18	A.	The purpose of my testimony is to address the Commission Staff ("Staff")'s	
19	true-up energy efficiency adjustment for Kansas City Power & Light Company's ("KCPL"		
20	MEEIA Cycle 2 kilowatt ("kWh") savings required by paragraph II.10. of the		
21	Non-Unanimous Stipulation and Agreement Resolving MEEIA Filings ("Cycle 2		
22	Stipulation") approved in Case. No. EO-2015-0240.		

Q. Do other witnesses for Staff discuss the energy efficiency adjustment for Kansas City Power & Light Company's ("KCPL") MEEIA Cycle 2 kWh savings?

A. Yes. Staff witness Dr. Seoung Joun Won discusses paragraph II.10.a. of the Cycle 2 Stipulation and Ms. Sarah Kliethermes discusses paragraph II.10.c. of the Cycle 2 Stipulation. This testimony discusses paragraph II.10.b. of the Cycle 2 Stipulation.

Q. What adjustment did Staff make for MEEIA cycle 2 kWh savings?

A. Staff made a true-up energy efficiency adjustment consistent with the method in KCPL's Tariff Sheets 49K and 49L which was prescribed by paragraph II.10.b. of Cycle 2 Stipulation.

Q. How was this adjustment made for true-up revenue?

A. Staff used the information from Staff Witness Dr. Won to subtract annualized MEEIA kWh energy savings from the weather normalized kWh usage. The process to adjust the actual billing determinates is identical to the weather normalization process described on pages 66 and 67 of the COS Report. This process uses the relationship between percentage of usage priced in the first rate block and the second rate block to distribute normalized and annualized monthly kWh to the rate blocks for the Residential (RES), Small General Service (SGS), Medium General Service (MGS), and Large General Service (LGS) classes. For the Large Power (LP) class, Staff subtracted the annualized MEEIA kWh energy savings from the kWh that was weather normalized and annualized in order to calculate the adjusted revenue.

Q. Where can this adjustment be found?

A. It was performed in the "WN Factor & MEEIA" and various class tabs of the "Revenue2" workpaper, and in the LPS Adjustment – True Up workpaper for the LP class.

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Q. Have you compared the normalized and annualized kWh through the true-up period in the last rate case ER-2014-0370 to the normalized and annualized kWh in this rate case?

- A. Yes, the ending kWh in Staff witness Robin Kliethermes' true-up direct workpaper for Case No. ER-2014-0370 included approximately 53.5 more kWh than my calculation for true-up kWh, prior to Staff's MEEIA Cycle 2 adjustment.
 - Q. Was this difference uniform across classes?
- A. No. Provided below is my calculation of class kWh, prior to the MEEIA Cycle 2 adjustment, and the change in kWh from Staff's true-up direct kWh by class in Case No. ER-2014-0370:

Class	True-up Pre Cycle 2	Change from ER-2014-0370 True-up Direct
Residential	2,582,959,915	(49,646,318)
Small GS	423,987,280	6,401,414
Medium GS	1,184,492,097	70,749,620
Large GS	2,211,659,380	14,548,879
Large Power	2,017,698,353	(94,685,901)
Lighting	85,125,176	(861,375)

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- These results show that kWh for the RES class decreased by approximately 50 million kWh while kWh actually increased for all other rate classes except LP. Much, if not all, of the
- change in kWh was due to customers leaving the LP class and moving to the LGS and MGS
- 15 classes.
 - Q. What are Staff's ending true-up kWh per class for this case, after application of the MEEIA Cycle 2 adjustment?

1 A. The MEEIA Cycle 2 Adjustment, and ending kWh per class, are provided in

2 the table below.

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Class	Cycle 2 Adjustment	True-Up Post- MEEIA Cycle 2 Adjustment
Residential	(12,250,320)	2,570,709,595
Small GS	(3,757,780)	420,229,500
Medium GS	(4,548,724)	1,179,943,373
Large GS	(9,311,093)	2,202,348,287
Large Power	(26,500)	2,017,671,853
Lighting	-	85,125,176

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) Case No. ER-2016-0285 Implement A General Rate Increase for) Electric Service)						
AFFIDAVIT OF MICHAEL L. STAHLMAN						
STATE OF MISSOURI)) ss. COUNTY OF COLE)						
COMES NOW MICHAEL L. STAHLMAN, and on his oath declares that he is of sound						
mind and lawful age; that he contributed to the foregoing True-Up Direct Testimony; and that						
the same is true and correct according to his best knowledge and belief.						
Further the Affiant sayeth not. MICHAEL L. STAHLMAN						
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 day						
of March, 2017.						
D. SUZIE MANKIN						

Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070

Notary Public