**FILED** 

October 23, 2018

Data Center Missouri Public

Exhibit No .: Issue:

Policy

Service Commission

Witness: Natelle Dietrich Sponsoring Party:

MoPSC Staff Surrebuttal and

True-Up Direct Testimony

Case Nos.:

Type of Exhibit:

ER-2018-0145 and

ER-2018-0146

Date Testimony Prepared:

September 4, 2018

# MISSOURI PUBLIC SERVICE COMMISSION **COMMISSION STAFF DIVISION**

# SURREBUTTAL AND TRUE-UP DIRECT TESTIMONY

OF

NATELLE DIETRICH

KANSAS CITY POWER & LIGHT COMPANY CASE NO. ER-2018-0145

AND

KCP&L GREATER MISSOURI OPERATIONS COMPANY CASE NO. ER-2018-0146

> Jefferson City, Missouri September 2018

1 2	SURREBUTTAL AND TRUE-UP DIRECT TESTIMONY
3	OF
4	NATELLE DIETRICH
5 6	KANSAS CITY POWER & LIGHT COMPANY CASE NO. ER-2018-0145
7	AND
8 9	KCP&L GREATER MISSOURI OPERATIONS COMPANY CASE NO. ER-2018-0146
10	Q. Please state your name and business address.
11	A. My name is Natelle Dietrich. My business address is 200 Madison Street, Jefferson City,
12	Missouri 65101.
13	Q. Are you the same Natelle Dietrich that previously filed direct testimony in these cases on
14	June 19, 2018, and July 6, 2018, and rebuttal testimony in these cases on July 27, 2018?
15	A. Yes I am.
16	EXECUTIVE SUMMARY
17	Q. What is the purpose of your testimony?
18	A. The purpose of my surrebuttal testimony is to respond to the Rate Design Rebuttal
19	Testimony ("RD Rebuttal") of Kansas City Power & Light ("KCPL") and KCP&L Greater
20	Missouri Operations ("GMO") (collectively, "the Company") witness Tim M. Rush. The
21	purpose of my true-up testimony is to sponsor the results of Staff's true-up audits of KCPL and
22	GMO pursuant to the Commission's March 13, 2018, Order Granting Motion to Consolidate
23	and Order Setting Procedural Schedule ("March 13 Order").
24	Q. You state you are responding to Mr. Rush's RD Rebuttal. Please elaborate.

- 1 A. Mr. Rush, at page 4, lines 7-12, comments on the impact of rate design on customers. He
- 2 observes in relevant part, "[t]he rate impact considerations, particularly for residential customers,
- 3 are critical to the success of the rate plan and acceptance of rate design by customers." The
- 4 importance of customer impact has been highlighted this week, when Staff received information
- 5 related to social media, news outlets, and petitions raising concerns with high KCPL/GMO
- 6 customer bills.
- 7 The Company contacted Staff on Monday, August 27, 2018, to inform us that a petition
- 8 was circulating related to the Company's rate increase requests and their budget billing plan.
- 9 The original petition is to Representative Emanuel Cleaver, Senator Claire McCaskill and
- 10 Senator Roy Blunt, and reads as follows:
- As a community we demand answers on why K[CP]L keeps applying rate
- increases. Also, we want the new budget billing system reviewed. It does not
- make sense how the system calls it a budget billing system when they review
- statements every month and either increase or decrease based on usage. That is
- not a true budget billing system. As a community we want to know why, and how,
- it costs the local community more to produce energy in the summer months than it
- does in the winter during less day light. Let[']s stand together as a community and
- get to the bottom of this. Where is our hard earned money really going?<sup>2</sup>

19

- An additional petition, attached as Schedule ND-s1, states it is to: Chairman Daniel Y.
- 21 Hall, Missouri Governor and KCP&L, and requests an "Investigation into kcpl and their business
- 22 practices and fixing budget billing plans."<sup>3</sup>
- 23 Through the various media outlets, and through a few customer contacts<sup>4</sup> received at the
- 24 Commission, customers are expressing concerns related to high bills and a change in the
- 25 Company's budget billing plans.

<sup>&</sup>lt;sup>1</sup> See change.org.

<sup>&</sup>lt;sup>2</sup> As of the end of business on August 30, 2018, the petition had 54,040 signatures.

<sup>&</sup>lt;sup>3</sup> As of the end of business on August 30, 2018, the petition had 800 signatures.

# Surrebuttal and True-Up Direct Testimony of Natelle Dietrich

KCPL and GMO<sup>5</sup> submitted applications, separate and apart from these general rate 1 2 proceedings, for approval of revised tariffs on February 27, 2018. Among other things, the revised tariffs modified KCPL's Average Payment Amount<sup>6</sup> and GMO's Level Payment Plan<sup>7</sup> 3 (collectively "Plans") as follows: 4 5 Commencing sixty (60) days after the implementation of the Customer Care and 6 Billing (CCB) system, with each monthly bill CCB will total up to and including, 7 the last twelve (12) months' bills plus any over/under amount due, and divide by 8 the number of months available to calculate a new Average Payment [8] amount. If 9 there is more than a 10% variance in the calculation from the current Average 10 Payment Plan amount, the Plan payment will automatically adjust on the next 11 month's bill. 12 13 Staff filed its recommendations to approve these tariffs on March 30, 2018, and the 14 Office of the Public Counsel filed its non-objections to Commission approval of tariff sheets, 15 subject to receiving certain bill messaging information and CCB contracts, on April 13, 2018. 16 On April 18, 2018, the Commission issued Notice[s] That Tariff Will be Allowed to Go Into 17 Effect. The tariffs went into effect May 7, 2018. 18 The Customer Care and Billing system (referred to as One CIS in testimonies in these cases) was placed in-service in May 2018, and the change in Plans presumably would have taken 19 effect during the July/August billing cycles. It is Staff's understanding that, during the transition 20 21 to the new Plans, the Company is offering residential and small business customers the option to 22 divide high bills across four months. In addition, but unrelated, customers will soon receive a 23 credit on their bills as a result of the March 8, 2018, Stipulation and Agreement, approved by the Commission on May 24, 2018, in Case No. EM-2018-0012 (See Schedule ND-s2). 24

<sup>&</sup>lt;sup>4</sup> Contacts were received through quick hits, inquiries, informal complaints, and public comments.

<sup>&</sup>lt;sup>5</sup> Case Nos. ET-2018-0158 and ET-2018-0234, respectively.

<sup>&</sup>lt;sup>6</sup> KCPL Third Revised Sheet No. 1.68.

<sup>&</sup>lt;sup>7</sup> GMO 1<sup>st</sup> Revised Sheet No. R-41.

<sup>8</sup> Identical language was contained in the GMO tariff, substitute "Average Payment" with "Level Payment Plan".

# Surrebuttal and True-Up Direct Testimony of Natelle Dietrich

- Staff has submitted Data Requests asking for additional information related to the Plans,
- 2 customer notices of changes to the Plans, circumstances surrounding the high bills, and the
- 3 Company's offer to spread bills over four months. On August 31, 2018, the Company provided
- 4 Staff a copy of a news release, "KCP&L Temporarily Expands Payment Options for Customers",
- 5 attached as Schedule ND-s3. Due to the timing of the event, additional information is not
- 6 available at the time of this filing, but Staff continues to monitor the situation.
- 7 Q. Please summarize your true-up direct testimony.
- 8 A. In its March 13, 2018, Order, the Commission established a test year ending June
- 9 30, 2017, updated through December 31, 2017. The Commission further ordered that the true-up
- period shall end June 30, 2018. In making its true-up revenue requirement recommendations,
- 11 Staff reviewed all cost of-service components (capital structure, return on rate base, rate base,
- 12 depreciation expense, and operating expenses). Staff's true-up runs support its revenue
- 13 requirements of (\$3,956,692) for KCPL and (\$23,449,657) for GMO, based on KCPL's and
- 14 GMO's actual historical information through the period ending June 30, 2018, with a
- recommended rate of return of 9.85%. See separately filed True-up Accounting Schedules.

16

# Surrebuttal and True-Up Direct Testimony of Natelle Dietrich

- 1 Q. Does this conclude your direct testimony?
- 2 A. Yes.

# BEFORE THE PUBLIC SERVICE COMMISSION

# OF THE STATE OF MISSOURI

In the Matter of Kansas Cit Light Company's Request to Implement a General Ra	for Authority	,	Case No. ER-2018-0145
Electric Service		)	and
In the Matter of KCP&L G		)	
Missouri Operations Comp for Authority to Implement		st )	Case No. ER-2018-0146
Rate Increase for Electric S		)	·
A	FFIDAVIT	OF NATEI	LE DIETRICH
STATE OF MISSOURI	)		
COUNTY OF COLE	) ss.		

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

Further the Affiant sayeth not.

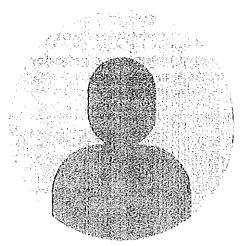
NATELLE DIETRICH

**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 304 day of August 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missourt
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070

Notary Public



# Autumn Gust started this petition to Chairman daniel y. Hall and 2 others

We the undersigned residents of the state of Missouri, customers of Kansas City Power and Light (KCPL), present this petition regarding concerns over unfair billing practices and unanswered questions by KCPL. We are petitioning for an audit of KCPL's billing practices, meter calibration and reading practices, consistency in billing between customers, and history of maintenance and upgrades to their existing infrastructure. Further, we petition for rate decreases, and the option for reasonable monthly payment arrangements for delinquent accounts.

First, customer bills are much higher than normal and have been since KCPL merged with Westar Energy. Bills are routinely doubling and tripling over this same time last year, despite similarities in weather.

KCPL is now billing customers every 21 days instead of on a monthly basis. Customers had bills due both August 2, 2018 and August 30, 2018.

Level pay has been discontinued for numerous customers, sometimes with no reason given. For other customers, the level pay amount has been increased by as much as 100% - not feasible for many on fixed incomes, and far beyond the "up to 10%" figure given by KCPL.

For customers who are late with payments, the late fee charged by KCPL is highly variable, from a few cents to several hundred dollars, with no rationale given when requested.

Customers are no longer able to make reasonable payment arrangements for delinquent bills, and instead are required to produce up to half of the amount owed every two weeks. This is an unfair burden on us as citizens of Missouri and customers of KCPL. KCPL is not showing good stewardship of the responsibility for powering communities in the State of Missouri.

### Start a petition of your own

This petition starter stood up and took action. Will you do the same? Start a petition

Start a petition of your own

This petition starter stood up and took action. Will you do the same?

# Updates

1. 10 hours ago 750 supporters

Schedule ND-s1





For billing and service information: 816-471-5275 (816-471-KCPL)

ortoll-free: 1-888-471-5275 (1-888-471-KCPL)

For emergencies or lights out: 1-888-544-4852 (1-888-LIGHT-KC)

Customer Name	
Account Number	

Page 1 of 4 Billing Date 08/13/2018

#### **MESSAGE BOARD**

If you decide to cancel budget billing or end your electric service, your account will be \$216.32.

Thank you for choosing KCP&L Budget Billing program. This bill statement reflects a new budget bill amount based on usage over the past 12 months.

You live in KCP&L — MO service area. Rates and available programs can vary based on your service area. For more information visit www.kcpl.com/ServiceArea.

If you were an active KCP&L electric utility customer as of Aug. 15, you received a KCP&L/Westar Merger Bill Credit(s) on this bill. The credit reflects a portion of savings resulting from our recent merger with Westar Energy, See kcpl.com/merger for details.

Effective August 1, the factor for the Demand Side Investment Mechanism (DSIM) charge on your bill will charge. For more information about this charge, visit www.kcpl.com/programs.

Starting September 16, the price you pay for electric service will be lower than summer usage pricing. Our cost to provide service decreases in winter. We pass this savings to you! Summer prices return on May 16, 2019.

Account Summary - Budget Billing	
Previously Billed	\$115.00 \$115.00
Payment Received 07/14/2018 - Thank you	-\$115.00
Current Budget Billing Amount (delalis on back) Utility Miscellaneous	\$109.75 \$118.00 -\$8.25
Due Upon Receipt	\$109.75
Late charge fireceived after September 04, 2018	\$1.55
Amount due with late charge	\$111.30

	Account Summary - Actual	l
100 X 200 E	Previous Balance as Balance as Ocurent Bill Adjustments of 09/13/2018	I
	\$325.72 \$115.00 \$147.29 -\$141.69 \$216.32	l

Payments must be received by: September 04, 2018

Due upon receipt : \$109.75

Customer Name :
Account Number :
Billing Date : 08/13/2018

CHECK HERE
to indicate address or phone
changes on back of stub

IERE Siddless or phone

Please return this portion with your payment. Thank you

թմիկոփդիկորկկիկիկիկինիկինիկուկինիկիրկինիկի KCP&L PO BOX 219330 KANSAS CITY MO 64121-9330

> Schedule ND-s2 Page 1 of 6

360 1/2

Customer Name	
Account Number	

Page 2 of 4 Billing Date 08/13/2018

# Miscellaneous

Date	Description	Amount
05/02/2018	3 - This is the 4th Arrangement Installment of 12	\$13.34
Total		. \$13.34

# KCP&L MO Residential Heat - \_\_\_\_\_ kWh Energy Use 1500 500 500 6 An So Oth Man Day for Eth Man Land State of State o

#### Comparative Usage Information

Period	kWh	Days	kWh / day	Avg Temp
Current	846	31	27.3	79°
Previous	977	30	32.6	82°
Last Year	1,007	29	34.7	79°

Billing Details - service from 07/12/2018 to	08/12/2018	
Customer Chg	\$12.62	-
Energy Chg 600.0000 kWh at \$0.13806 per kWh	\$82.84	
Energy Chg 246.0108 kWh at \$0.13806 per kWh	\$33.96	
DSIM Chg 07-13-2018-07-31-2018 for 518.5227 kWh at \$0.00665 per kWh	\$3.45	
DSIM Chg 08-01-2018-08-12-2018 for 327.4881 kWh at \$0.00424 per kWh	\$1.39	
FAC Chg 07-13-2018-08-12-2018 for 846.0108 kWh at \$0.00495 per kWh	\$4.19	ř.
Subtotal	\$138.45	-
Kansas City Franchise Fee	\$8.84	
Current Charges	\$147.29	_
Current Budget Billing Amount	\$118.00	

# Contact Information Change Form

				Account Number: _	
Your current telephone listing or	n file simplifies outage an	d emergency rep	oorting.		
	Change to : (	)			
Mailing Address changes only.	For service address char	nges call 816-47	1-5275 or toll-free	1-888-471-5275.	
Mailing Address Line 1:					
Mailing Address Line 2:					
City:		State:		ZIP:	
E-mail Address (optional):				Schedule	ND-s2

							<b>\</b> -	<b>,</b>
Meter	Start Read Date	End Read Date	Days	End Read ()	Slart Read (=)	Read Dillerence (x)	Meter Multiplier (=)	kWn Used
	07/13	08/13	31	27,608.3016	26,762.2908	846.0108	1,0000	846.0108

Adjustmen	ts		
Date	Description	Cancel Reason	Amoun
08/13/2018	KCP&L/Westar Merger Bill Credit		-\$21.59
Total	***************************************	***************************************	-\$21.59

Please ensure payment on your payment arrangement posts to your account on or before the bill due date. Otherwise, the arrangement will be cancelled, and the balance of the arrangement will be due immediately.

i di





For billing and service information: 816-471-5275 (816-471-KCPL)

or toll-free: 1-888-471-5275 (1-888-471-KCPL)

For emergencies or lights out: 1-888-544-4852 (1-888-LIGHT-KC)

Customer Name	:	
Account Number	:	

Page 1 of 2

-Billing Date: 08/13/2018

#### MESSAGE BOARD

KCP&L's Budget Billing option allows you to make consistent monthly bill payments. For more information, visit www.kcpl.com/budgetbilling.

You live in KCP&L Greater Missouri Operations — GMO service area. Rates and available programs can vary based on your service area. For more information visit www.kcpl.com/ServiceArea.

If you were an active KCP&L electric utility customer as of Aug. 15, you received a KCP&L/Westar Merger Bill Credit(s) on this bill. The credit reflects a portion of savings resulting from our recent merger with Westar Energy. See kcpl.com/merger for details.

Effective Sept: 1, the factor for the Fuel Adjustment Clause (FAC) charge on your bill will change. For more info, visit www.kcpl.com/my-account.

Starting October 1, the price you pay for electric service will be lower than summer usage pricing. Our cost to provide service decreases in winter. We pass this savings to you. Summer prices return on June 1, 2019.

Effective August 1, the factor for the Demand Side Investment Mechanism (DSIM) charge on your bill will change. For more information about this charge, visits www.kcpl.com/programs.

Dailing	, Date. 00 10/201
Account Summary	, , , , , , , , , , , , , , , , , , ,
For service from 07/12/2018 to 08/12/2018	
Previously Billed	\$230.37 \$230.37
Current Charges (details on back)	\$105.73 \$130.12 -\$24.39
Due Upon Receipt	\$336.10
Please pay by September 04, 2018	\$336.10
Pay \$337.78 after September 04, 2018	

Customer Nar	me	:		Please pay by 09/04/2018: \$336.10
Account Numb	ber	:		Amount due after 09/04/2018 : \$337.78
Billing Date		:	08/13/2018	Amount Enclosed: \$
	to ina	ical	HERE e address or phone on back of stub	

Other Responsible Customers

լովկլովորիկրդկկկկկկրդինկիոկինկիրկիկիրկի KCP&L PO BOX 219703 KANSAS CITY MO 64121-9703

Customer Name	:	
Account Number	;	

Page 2 of 2

Billing Date: 08/13/2018

# kWh Energy Use

Comparative Usage Information						
Period	kWh	Days	kWh / day	Avg Temp		
Current	855	31	27.6	77°		
Previous	834	30	27.8	80°		

Billing Details - service from 07/12/2018	to 08/12/2018
Customer Chg	\$10.43
Energy Chg 600.0000 kWh at \$0.1205 per	
kWh	\$72.30
Energy Chg 255.1722 kWh at \$0.1205 per	
kWh	\$30.75
DSIM Chg 07-13-2018-08-12-2018 for 855.1722 kWh at \$0.00443 per kWh	\$3.79
FAC Chg 07-13-2018-08-12-2018 for 855.1722	
kWh at \$0.00126 per kWh	\$1.08
RESRAM Chg 07-13-2018-08-12-2018 for	
855.1722 kWh at \$0.00085 per kWh	\$0.73
Subtotal	\$119.08
Peculiar Franchise Fee	\$6.27
Cass County Sales Tax @ 1.5%	\$1.79
Peculiar City Sales Tax @ 2.5%	\$2.98
Current Charges	\$130.12

Meter	Start Read Date	End Read Date	Days	End Read (-)	Start Read (=)	Read Difference (x)	Meter Mulliplier (≂)	kWh Used
	07/13	08/13	31	19,790.6934	18,935,5212	855.1722	1.0000	855.1722

# Adjustments

Date	Description	Cancel Reason	Amount
08/13/2018	KCP&L/Westar Merger Bill Credit		-\$25.54
08/13/2018	Late Payment Charge		\$1.15
75			-\$24.39

# Contact Information Change Form

			·	Account Number :	
our current telephone listing on	file simplifies outage an	d emergency rep	orting.		
	Change to : (	)			
Mailing Address changes only. <i>I</i>	For service address cha	nges call 816-47	1-5275 or toll-free	1-888-471-5275.	
Mailing Address Line 1:					
Mailing Address Line 2:					
City:		State:		ZIP:	
E-mail Address (optional):				Schedule N	D-s2

### NEWS RELEASE FOR IMMEDIATE RELEASE



Evergy companies

# KCP&L Temporarily Expands Payment Options for Customers

KCP&L urges customers to call to set up payment arrangements following the holiday weekend

KANSAS CITY, Mo., Aug. 31, 2018 — As a result of high customer bills due to one of the hottest summers on record, KCP&L is temporarily expanding its customer payment options and delaying residential disconnections.

Effective immediately and through the month of September, KCP&L will not disconnect residential customers. Further, customers will be offered a four-month grace period to pay their balances. Customers should be aware that disconnect notices, including letters and phone calls, will continue to be sent out so that customers remain aware of their balances and can work toward paying them off to avoid disconnection once this grace period concludes Sept. 30.

"We understand that our customers are feeling the stress of higher bills due to one of the hottest summers on record," said Chuck Caisley, Chief Customer Officer. "We are providing extra time and additional payment options to help customers manage this expense."

To participate in the extended pay period being offered, customers should call the KCP&L customer care center after the Labor Day holiday. KCP&L customer service representatives will be available beginning Sept. 4 to assist customers with questions about these options. Given the number of expected calls, wait times may be longer than normal.

"To ensure service isn't interrupted in October, it's important that customers call us in September to make payment arrangements," Caisley said.

#### ####

# About KCP&L and Westar Energy:

Serving approximately 1.5 million customers in Kansas and Missouri, Kansas City Power & Light Company (KCP&L), KCP&L Greater Missouri Operations Company and Westar Energy are the electric utilities of Evergy, Inc. (NYSE: EVRG). Together we generate nearly half the power we provide to homes and businesses with emission-free sources. We support our local communities where we live and work, and strive to meet the needs of customers through energy savings and innovative solutions.

#### **Media Contact**

Jeremy McNeive Media Communications Phone: 913-556-2011 jeremy.mcneive@kcpl.com

Media line: 816-392-9455 or 888-613-0003

# BEFORE THE PUBLIC SERVICE COMMISSION

## OF THE STATE OF MISSOURI

In the Matter of Kansas City Pow Light Company's Request for Au to Implement a General Rate Inco Electric Service	thority	) ) )	Case No. ER-2018-0145
In the Matter of KCP&L Greater Missouri Operations Company's for Authority to Implement a Ger Rate Increase for Electric Service	neral	) ) )	Case No. ER-2018-0146
AFFIDA	AVIT OF	NATELI	LE DIETRICH
STATE OF MISSOURI )	٠		
COUNTY OF COLE ) ss.			

COMES NOW NATELLE DIETRICH and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony* and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

NATELLE DIETRICH

**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 304 day of August 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missourt
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070

Notary Public