Exhibit No.:

Issue(s): Greenwood Solar Allocations,

Staff Work Papers, Lake Road Allocations, Fuel Model Results

Witness: Cl

Charles T. Poston, PE

Sponsoring Party: Type of Exhibit: MoPSC Staff
Surrebuttal and

True-Up Direct Testimony

Case Nos.:

ER-2018-0145 and

ER-2018-0146

Date Testimony Prepared:

September 4, 2018

# MISSOURI PUBLIC SERVICE COMMISSION COMMISSION STAFF DIVISION ENGINEERING ANALYSIS DEPARTMENT

SURREBUTTAL AND TRUE-UP DIRECT TESTIMONY FILED
October 23, 2018
Data Center
Missouri Public
Service Commission

OF

**CHARLES T. POSTON, PE** 

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

File No. ER-2018-0145 +

1 2	TABLE OF CONTENTS OF  SURREBUTTAL AND  TRUE-UP DIRECT TESTIMONY		
3 4			
5	OF		
6	CHARLES T. POSTON, PE		
7 8	KANSAS CITY POWER & LIGHT COMPANY CASE NO. ER-2018-0145		
9	AND		
10 11	KCP&L GREATER MISSOURI OPERATIONS COMPANY CASE NO. ER-2018-0146		
12	ALLOCATION OF ENERGY FROM GREENWOOD SOLAR (KCPL & GMO)2		
13	OPC'S USE OF STAFF WORKPAPERS IN TESTIMONY (GMO ONLY)2		
14	LAKE ROAD ALLOCATION FACTORS (GMO ONLY)3		
15	TRUE-UP VARIABLE FUEL & PURCHASED POWER EXPENSE (GMO ONLY)4		
16			

#### SURREBUTTAL AND 1 TRUE-UP DIRECT TESTIMONY 2 OF 3 CHARLES T. POSTON, PE 4 5 KANSAS CITY POWER & LIGHT COMPANY CASE NO. ER-2018-0145 6 AND 7 KCP&L GREATER MISSOURI OPERATIONS COMPANY 8 9 CASE NO. ER-2018-0146 Please state your name and business address. Q. 10 My name is Charles T. Poston and my business address is Missouri Public 11 A. Service Commission ("Commission"), 200 Madison Street P.O. Box 360, Jefferson City, 12 Missouri 65102. 13 By whom are you employed and in what capacity? 14 Q. I am employed by the Commission as a Utility Regulatory Engineer I. 15 A. Are you the same Charles T. Poston who, on July 27, 2018, filed 16 Q. Rebuttal Testimony in Case Nos. ER-2018-0145 and ER-2018-0146? 17 18 A. Yes, I am. What is the purpose of your Surrebuttal Testimony? 19 Q. The purpose of my Surrebuttal Testimony is to discuss Staff's allocation of 20 A. energy from the Greenwood Solar facility, to provide clarification of Staff's work paper used 21 in the Office of the Public Counsel's ("OPC") Rebuttal Testimony, and to offer Staff's 22 recommendation for allocation factors at the Lake Road Plant. 23

- Q. What is the purpose of your True-Up Direct Testimony?
- A. The purpose of my True-Up Direct Testimony is to provide an update to the variable fuel and purchased power expense from Staff's production cost model for KCP&L Greater Missouri Operations ("GMO").

# SURREBUTTAL TESTIMONY

# ALLOCATION OF ENERGY FROM GREENWOOD SOLAR (KCPL & GMO)

Q. GMO witness Mr. Tim M. Rush states in his Rebuttal Testimony that Staff recommends that the energy produced at the Greenwood Solar facility be allocated 100% to the customers of GMO. Does his statement accurately reflect how energy from the Greenwood Solar facility is treated in Staff's production cost models?

A. No. In Staff's production cost models, 62.51% of the energy from the Greenwood Solar facility is allocated to Kansas City Power and Light Company ("KCPL") with the remaining 37.49% being allocated to GMO. These allocation factors are the same as the customer-based allocation factors that Staff witness Karen Lyons presented in Staff's Cost of Service Report. The use of a method to share costs between KCPL and GMO customers is consistent with the Commission's order in the case that authorized the construction of the Greenwood Solar facility.

#### OPC'S USE OF STAFF WORKPAPERS IN TESTIMONY (GMO ONLY)

Q. The Rebuttal Testimony of OPC witnesses Ms. Lena M. Mantle and Mr. John A. Robinett provided confidential schedules LMM-R-3 and JAR-R-5C that were described as "the summary sheet of Staff's fuel run results for its direct case" and "the GMO fuel run summary sheet provided as a work paper by Staff supporting its fuel

expense in its direct case." Are these schedules the same as the work paper that you provided in support of your Direct Testimony?

A. Yes. However, it appears that some editing was done to my work paper prior to its attachment to OPC's testimony. Schedules LMM-R-3 and JAR-R-5C are not identical to the work paper that I created. The schedules filed by OPC contain listings for two additional power plants not owned or operated by either KCPL or GMO and that are not present in my original work paper. Additionally, a section of my work paper that contained a summary of fuel consumption and expense was omitted from the schedules filed by OPC. Aside from those differences and some minor formatting changes, the remainder of my work paper is the same.

# LAKE ROAD ALLOCATION FACTORS (GMO ONLY)

- Q. In Mr. Rush's Rebuttal Testimony, he states that GMO has spent considerable time discussing their proposed allocation methods with you during this case. Is this correct?
- A. Yes. During the course of my review of the proposed Lake Road allocation manual and supporting methods, I sent numerous data requests to GMO and was provided responses to all of my questions. Additionally, I had the opportunity to speak with Mr. Rush via telephone and in-person on several occasions in which I was able to ask questions related to the Lake Road allocation factors. I have also had the chance to review both of the revisions to the proposed Lake Road allocation procedures, and to provide feedback to GMO.
- Q. Has your review of the proposed Lake Road allocation procedures and their underlying methods caused you to change the recommendations that you made in your Direct and Rebuttal Testimonies?

A. No. GMO has not provided sufficient justification for the changes in methods				
that they are proposing. The most recent revision to their proposed Lake Road allocation				
procedures still contains inaccuracies known to both Staff and GMO. Staff continues to				
maintain that GMO's proposed Lake Road allocation procedures do not accurately allocate				
costs between steam and electric customers served by the Lake Road Plant. Therefore, Staff				
recommends that the allocation factors agreed to in the Stipulation and Agreement in				
Case No. ER-2016-0156 be left in place.				
Q. Does this conclude your Surrebuttal Testimony?				
A. Yes.				
TRUE-UP DIRECT TESTIMONY				
TRUE-UP VARIABLE FUEL & PURCHASED POWER EXPENSE (GMO ONLY)				
Q. Has Staff's production cost model been revised for true-up?				
A. Yes. The time period considered for certain model assumptions has been				
changed to reflect the true-up date of June 30, 2018. The inputs into Staff's model that have				
been updated include hourly load, planned and forced outages at power plants, fuel prices,				
generation at renewable energy facilities, and the hourly market price for power.				
Q. What is the trued-up value of Staff's variable fuel and purchased power				
expense for GMO?				
A. For known and measurable changes through June 30, 2018, Staff estimates the				
variable fuel and purchased power expense for GMO to be \$172,677,567.				
Q. Does this conclude your True-Up Direct Testimony?				
A. Yes.				

# 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
	•	and
In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service	)	Casé No. ER-2018-0146
AFFIDAVIT OF CH	ARLES	T. POSTON, P.E.
STATE OF MISSOURI		

SS.

COMES NOW CHARLES T. POSTON, P.E., and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Surrebuttal and True-Up Direct Testimony and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

COUNTY OF COLE

CHARLES T. POSTON, P.E.

#### JURAT

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

Notary Public