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Exhibit No.:

Issue: Economic Development Rider

Witness: Joe G. Fangman

Type of Exhibit: Surrebuttal 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: September 4, 2018

#### MISSOURI PUBLIC SERVICE COMMISSION

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

#### SURREBUTTAL TESTIMONY

OF

JOE G. FANGMAN

#### ON BEHALF OF

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

Kansas City, Missouri September 2018

> Date 9-25-18 Reporter TM File No ER 20 18-0145+0146

## SURREBUTTAL TESTIMONY

## OF

## JOE G. FANGMAN

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

Q:	Please state your name and business address.
A:	My name is Joe G. Fangman. 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
	Economic Development.
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 Joe G. Fangman who filed Rebuttal 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 testimony is to address concerns raised by Office of Public Counsel
	("OPC") (found at pp 16-18 in Geoff Marke rebuttal testimony) regarding the Staff's
	review of the Economic Development Rider ("EDR").
	A:  Q: A:  Q: A:  Q: C: A:  Q: C:

1		I. REVIEW OF OPC ASSERTIONS
2	Q:	Have you reviewed the rebuttal testimony of OPC concerning Staff's review of the
3		EDR?
4	A:	Yes.
5	Q:	Do you agree with OPC's proposal for KCP&L and GMO to file annual publicly-
6		available reports of EDR participants and contract terms?
7	A:	No, customer specific data should be confidential for EDR participants.
8		OPC's proposal puts EDR participants at a competitive disadvantage because
9		competing companies would know the EDR participant's electric costs, but the EDR
10		participant would not be allowed to know the competing companies' costs.
11		In addition, site selection consultants expect this information to be kept confidential
12		and may avoid future projects in the state. If it is known by prospective companies and
13		their site selection consultants of the publicly-available EDR reports, the overall State of
14		Missouri Economic Development efforts would be harmed. Prospective customers may
15		stop including Missouri in their future searches. This would result in the loss of new jobs,
16		investment and tax revenues.
17	Q:	Do you agree with OPC that the public report is necessary to demonstrate the EDRs
18		are actually providing and maintaining expected outcomes under the agreed-to terms
19		in which they were approved?
20	A:	No. The Company performs an annual incremental cost review showing the EDR prices
21		continue to provide a net positive margin. This incremental cost review demonstrates that
22		each EDR provides a net positive margin contribution and that other customers are not
23		subsidizing EDR participants.

- The incremental cost review determines the applicable incremental cost to provide electric service, as determined by the Company pursuant to KCP&L Sheet Nos. 32I and 32J and GMO Sheet Nos. 123.5 and 123.6 ensuring a positive contribution to fixed costs. This review is provided with each EDR contract filing to show the EDR meets the new positive contribution requirement.
- 6 Q: Have you provided additional documentation of EDR compliance by EDR 7 participants?
- Yes, in my rebuttal testimony, I provided responses and answers to Staff's concerns of
   Company and customer compliance with EDR requirements.
- 10 Q: Does that conclude your testimony?
- 11 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 JOE G. FANGMAN				
STATE OF MISSOURI )				
COUNTY OF JACKSON )				
Joe G. Fangman, being first duly sworn on his oath, states:				
1. My name is Joe G. Fangman. I work	in Kansas City, Missouri, and I am employed by Kansas City			
Power & Light Company as Senior Manager Economic Development.				
2. Attached hereto and made a part her	eof for all purposes is my Surrebuttal Testimony on behalf of			
Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of three (3)				
pages, having been prepared in written form for introduction into evidence in the above-captioned docket.				
3. I have knowledge of the matters se	t 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				
	Joe G. Fangman			
Subscribed and sworn before me this 4 <sup>th</sup> day of Sep	Notary Public			
My commission expires: $\frac{1/26/2621}{1}$	ANTHONY R WESTENKIRCHNER Notary Public, Notary Seal State of Missouri Platte County Commission # 1 7279952 My Commission Expires April 26, 2021			