

Exhibit No.:
Issue: *Fuel Adjustment Clause*
Witness: *Alan J. Box*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal 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 TESTIMONY

OF

ALAN J. BAX

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
November 2017

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **ALAN J. BAX**

4 **KANSAS CITY POWER & LIGHT COMPANY**

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6 **AND**

7 **KCP&L GREATER MISSOURI OPERATIONS**

8 **CASE NO. ER-2018-0146**

9 Q. Please state your name and business address.

10 A. My name is Alan J. Bax and my business address is Missouri Public Service
11 Commission, P.O. Box 360, Jefferson City, MO 65102.

12 Q. What is your position at the Commission?

13 A. I am a Utility Engineering Specialist III in the Engineering Analysis
14 Department, Commission Staff Division.

15 Q. Are you the same Alan J. Bax that contributed to Staff's Cost of Service
16 Report ("COS Report") filed June 19, 2018, and Class Cost of Service Report ("CCOS
17 Report") filed on July 6, 2018?

18 A. Yes, I am.

19 Q. What is the purpose of your surrebuttal testimony?

20 A. My surrebuttal testimony responds to the rebuttal testimony filed August 7,
21 2018, by Tim M. Rush regarding certain proposed changes to the KCPL and GMO Fuel
22 Adjustment Clause ("FAC") tariffs as a result of the completion of a recent Loss Study.

23 Q. Please summarize the rebuttal testimony of Tim M. Rush regarding these
24 specific proposed FAC tariff changes in conjunction with the recently completed Loss Study.

1 A. First, on page 5, lines 16-18, Mr. Rush indicates his anticipation that Staff
2 "...will conclude that the Loss Study presented by the Company will be acceptable and
3 should be implemented." Second, on lines 20-21, Mr. Rush proposes that the GMO FAC
4 tariff differentiate the losses for GMO between Transmission and Substation Losses. As
5 illustrated in his "Loss Study Table" on page 6, Mr. Rush is proposing to add two voltage
6 adjustment factors (pertaining to GMO customers receiving service at either the Transmission
7 or the Substation level) to GMO's FAC tariff, which currently only includes Primary and
8 Secondary voltage level adjustments. In addition, this "Loss Study Table" also reflects Mr.
9 Rush's proposed revised voltage adjustment factors resulting from the analysis contained in
10 the Loss Study for both the KCPL and GMO FAC tariffs.

11 Q. Does Mr. Rush also propose four voltage level adjustments be applied in
12 KCPL's FAC Tariff?

13 A. Yes, however, as compared to GMO's system, Mr. Rush states, "We currently
14 don't have metering available to measure the distinction between Transmission and
15 Substation for KCP&L". Consequently, Mr. Rush asserts that KCPL is not able to make this
16 determination. Thus, Mr. Rush's proposed FAC tariff for KCPL reflects a Substation level
17 voltage adjustment that is equal to his proposed Transmission level voltage adjustment.

18 Q. Do you believe that there should be a differentiation between a Substation
19 level voltage adjustment and a Transmission level voltage adjustment reflected in both
20 respective FAC tariffs?

21 A. Yes. Without information to more appropriately account for losses between
22 the Substation and Transmission levels, I am proposing that the difference illustrated in the
23 Loss Study for the GMO system between the Substation and Transmission voltage levels, and

1 | noted in Mr. Rush's rebuttal testimony in his proposed "Loss Study Table", be similarly
2 | applied on the KCPL system as well.

3 | Q. Does Staff intend to recommend accepting and implementing the results of the
4 | Loss Study as recommended by Mr. Rush to develop voltage adjustment factors?

5 | A. Yes, with the proposed change noted above for the corresponding substation
6 | level voltage adjustment on the KCPL system. The Loss Study includes information to add
7 | Transmission and Substation voltage level adjustments to the GMO FAC tariff, which is
8 | appropriate as it more correctly reflects the costs associated with a customer taking service at
9 | either the Substation or Transmission Level. While the resulting voltage adjustment factors
10 | for GMO listed in Mr. Rush's "Loss Study Table" appear to be lower than a range of loss
11 | values that Staff has historically calculated for GMO's system, the resulting voltage
12 | adjustment factors shown for KCPL are compatible with a historical range of loss factors
13 | calculated by Staff on KCPL's system. The voltage adjustment factors illustrate the expected
14 | increasing magnitude of losses that are experienced as energy is transformed from a higher
15 | voltage level to a lower secondary level. Therefore, Staff will accept the analysis contained in
16 | the Loss Study overall and incorporate the results of this Loss Study into its proposed
17 | respective KCPL and GMO FAC tariffs.

18 | Q. What are your recommended voltage adjustment factors that you are proposing
19 | based on your analysis of the Loss Study?

20 | A. My calculated voltage adjustment factors, based on my evaluation of the Loss
21 | Study and incorporating the adjustment explained above to the substation voltage level factor
22 | for KCPL, are as follows for KCPL and GMO respectively:

23 |

Surrebuttal Testimony of
Alan J. Bax

1	KCPL:
2	Transmission 1.0129
3	Substation 1.0162
4	Primary 1.0383
5	Secondary 1.0592
6	GMO:
7	Transmission 1.0100
8	Substation 1.0133
9	Primary 1.0268
10	Secondary 1.0426

11 These voltage adjustment factors will be utilized by Staff witnesses Catherine F. Lucia
12 and Brooke Mastrogiannis¹ for their corresponding calculations of Fuel Adjustment Rates
13 (“FARs”) in conjunction with their respective evaluations of the KCPL and GMO FAC tariffs
14 respectively.

15 Q. Does this conclude your surrebuttal testimony?

16 A. Yes.¹

¹ Ms. Mastrogiannis previously provided testimony as Brook Richter, and has since changed her name from her maiden name, Richter, to her new married name, Mastrogiannis.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power &)
Light Company's Request for Authority) Case No. ER-2018-0145
to Implement a General Rate Increase for)
Electric Service)
and

In the Matter of KCP&L Greater)
Missouri Operations Company's Request) Case No. ER-2018-0146
for Authority to Implement a General)
Rate Increase for Electric Service)

AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ALAN J. BAX and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony* and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.




ALAN J. BAX

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 30th day of August 2018.

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