Exhibit No.:

Issue: Policy

Witness: Natelle Dietrich

Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony

Case No.: ER-2016-0285

Date Testimony Prepared: March 1, 2017

## MISSOURI PUBLIC SERVICE COMMISSION COMMISSION STAFF DIVISION

# TRUE-UP DIRECT TESTIMONY OF NATELLE DIETRICH

## KANSAS CITY POWER & LIGHT COMPANY CASE NO. ER-2016-0285

Jefferson City, Missouri March 2017

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1		TRUE-UP DIRECT TESTIMONY		
2		$\mathbf{OF}$		
3		NATELLE DIETRICH		
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 Natelle Dietrich. My business address is 200 Madison Street,		
8	Jefferson City, Missouri 65101.			
9	Q.	Are you the same Natelle Dietrich that previously filed Direct Testimony in		
10	this case on November 30, 2016 and December 14, 2016 and surrebuttal testimony in this case			
11	on January 27	, 2017?		
12	A.	Yes I am.		
13	EXECUTIVE SUMMARY			
14	Q.	What is the purpose of your testimony?		
15	A.	The purpose of this testimony is to sponsor the results of true-up audits of		
16	KCPL pursuant to the Commission's August 10, 2016 Order Adopting Procedural Schedule			
17	And Delegating Authority. The true-up period is through December 31, 2016.			
18	Q.	Please summarize your true-up direct testimony.		
19	A.	In its August 10, 2016 Order Adopting Procedural Schedule And Delegating		
20	Authority, the	e Commission ordered the true-up period for this rate case to be through		
21	December 31,	2016. The Commission ordered the use of the twelve months ended December		
22	31, 2015 as th	e test year, updated for known and measurable changes through June 30, 2016.		

Staff's true-up run supports its recommendation to the Commission for the amount of the rate revenue increases Staff recommends the Commission order for KCPL. Staff's recommendations are based on its revenue requirement results for KCPL based on actual historical information through the period ending December 31, 2016. This recommendation is in Staff's separately filed True-up Direct Account Schedules for KCPL.

The same Staff members who prepared the rate revenue recommendations presented in Staff's direct testimony in this case performed Staff's true-up revenue requirement calculations.

#### **TRUE-UP**

In making its true-up revenue requirement recommendations, Staff reviewed all costof-service components (capital structure, return on rate base, rate base, depreciation expense, and operating expenses) that comprise KCPL's revenue requirement.

- Q. What are the results of Staff's true-up audits?
- A. Staff's updated revenue requirement for the December 31, 2016, true-up is \$12,240,459 based on recommended rate of return of 8.65%. (Staff witness Dr. Woolridge), including an adjustment to reflect the non-unanimous, but non opposed, stipulations and agreements reached between KCPL and various parties including Staff.

#### NON-UNANIMOUS STIPULATIONS AND AGREEMENTS

- Q. Have there been any Stipulations and Agreements in this case that would impact the revenue requirement of KCPL?
- A. Yes. On February 10, 2017, the *Non-Unanimous Partial Stipulation And Agreement* was filed with the Commission to resolve the following issues:

### True-Up Direct Testimony of Natelle Dietrich

1	1.	Hedging & Cross-Hedging	
2	2.	Prospective tracking of Regulatory Asset and Liability Recovery	
3	3.	Economic Relief Pilot Program ("ERPP")	
4	4.	Advanced Meter Infrastructure ("AMI") Meter Opt-Out Program	
5	5.	Customer Disclaimer	
6	6.	Management Expense	
7	7.	FAC (Not requesting to include in its FAC costs that are currently	
8		excluded - Administration charges - FERC assessment charges and	
9		NERC assessment charges)	
10	8.	Cost allocation manual ("CAM")	
11	9.	Tracking of forecasted costs for transmission costs/revenues and	
12		property taxes	
13	On February	22, 2017, the Nonunanimous Stipulation And Agreement Regarding	
14	Pensions and Other Post Employment Benefits ("OPEBs") was filed with the Commission to		
15	resolve Pensions and OPEBs.		
16	Q. Does t	his conclude your direct testimony?	
17	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-2016-0285 ) )					
AFFIDAVIT OF NATELLE DIETRICH						
STATE OF MISSOURI ) COUNTY OF COLE ) ss.						
COMES NOW Natelle Dietrich and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.						
Further the Affiant sayeth not.	Natelle Dietrich					
J	URAT					
Subscribed and sworn before me, a duly of the County of Cole, State of Missouri, at my March, 2017.	constituted and authorized Notary Public, in and for office in Jefferson City, on this day of					
JESSICA LUEBBERT  Notary Public - Notary Seal  State of Missouri  Commissioned for Cole County  My Commission Expires: February 19, 2019  Commission Number: 15633434	Jossica Luckbert  Notary Public					