



Hampton Williams  
Public Counsel

State of Missouri

Michael L. Parson  
Governor

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TO: Utility Ratepayers of KCPL and GMO  
FROM: Hampton Williams, Public Counsel  
DATE: July 5, 2018

RE: Kansas City Power & Company's (KCPL) and KCP&L – Greater Missouri Operation Company's (GMO) Rate Increase Requests [ER-2018-0145 and ER-2018-0146]

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### **What is the Office of the Public Counsel?**

The Office of the Public Counsel (Public Counsel) is the consumer advocate office representing the interests of the public utility customers of Missouri in proceedings before the Public Service Commission and in appeals in the courts.

### **What is Public Counsel's Perspective on these Cases?**

In these cases, KCPL and GMO are requesting a \$16 and \$19 million rate increases respectively. The Commission's technical staff filed testimony that it does not support a rate increase and indicate that the companies should reduce their rates. At this time, Public Counsel's position is that there should be no rate increase and the full impact of federal income reductions should be reflected in customer rates as soon as possible.

While Public Counsel is still conducting its investigation and discovery into the companies' filings, it has filed testimony discussing issues of concern. Public Counsel will be filing rebuttal testimony on July 29, 2018 opposing several of the companies' ratemaking proposals that attempt to shift risk to and increase costs unnecessarily to Missouri ratepayers.

Ms. Lena Mantle, Senior Analyst, and Mr. John Riley, C.P.A, Public Utility Accountant III, filed testimony to present Public Counsel's recommendation that the Commission approve a fuel adjustment clause (FAC) for KCPL and GMO that will reduce the complexity of the companies' current FACs, increase transparency, and limit costs adjustments only to the direct cost of the energy used to serve Missouri consumers. In addition, Public Counsel opposes the inclusion of energy costs used to serve customers in Kansas in Missouri ratepayers'.

Ms. Amanda Connor, Public Utility Accountant I, filed testimony to present Public Counsel's recommendation to make several accounting adjustments that reduce the amount of KCPL's requested increase. Notably, Ms. Connor recommends the Commission order changes to KCPL's management expense policies to help reduce excessive costs incurred by KCPL's management and, further, exclude certain management costs from customer utility rates. Ms. Connor also opposes the full inclusion KCPL/GMO rate case expense unless the companies can prove-up their entire cases.

Mr. John Robinett, Utility Engineering Specialist, filed testimony to present Public Counsel's position that the current ordered depreciation rates should be used for this case and opposes company proposals to increase their rates for disputed expense issues. Mr. Robinett opposes the retirement of the Sibley 3 power plant for both economic and reliability reasons. Mr. Robinett contests the Companies' request to charge customers for power plant expenses for plant the companies intend to retire.

Dr. Geoff Marke, Ph.D., Chief Economist, filed testimony to present Public Counsel's proposed privacy standards and safeguards regarding customer data and advanced metering infrastructure ("AMI" or "smart meter"). It is OPC's position that customers (individuals, groups, companies or institutions) should determine for themselves when, how, and to what extent information about them is communicated to others. Public Counsel's position includes a recommendation to open a rulemaking docket to codify privacy standards regarding customer data.

Mr. Robert Schallenberg, C.P.A., Director of Policy, filed direct testimony regarding the areas of the cases that need examination such as the companies' productivity and cost efficiency practices and legitimacy of affiliate transactions expense being included in their cases.

**You Can Make a Difference:**

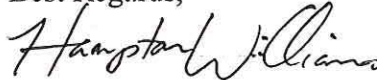
Your testimony at public hearings is important to the case because the PSC will consider this testimony as evidence when it decides whether to allow the proposed rate increase request, no increase, or part of the proposed increase. Written comments<sup>1</sup> may also be submitted to:

Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
Phone: (800) 392-4211  
Fax: (573) 751-1847  
email: [pscinfo@psc.mo.gov](mailto:pscinfo@psc.mo.gov)

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Thank you for attending this public hearing, your participation is sincerely appreciated.

Best Regards,



Hampton Williams  
Public Counsel

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<sup>1</sup> Please note that written comments may not be accepted as evidence. Public Counsel highly encourages ratepayers to voice their concerns regarding the proposed rate increases or service issues at the local public hearings.