

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

REBUTTAL TESTIMONY OF

MARISOL E. MILLER

**ON BEHALF OF
KANSAS CITY POWER & LIGHT COMPANY**

**IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
TO MAKE CERTAIN CHANGES IN
ITS CHARGES FOR ELECTRIC SERVICE**

DOCKET NO. 17-KCPE-201-RTS

1 **I. INTRODUCTION AND PURPOSE**

2 **Q: Please state your name and business address.**

3 A: My name is Marisol E. Miller. My business address is 1200 Main Street, Kansas City,
4 Missouri 64105.

5 **Q: Are you the same Marisol E. Miller who provided direct testimony in this case?**

6 A: Yes.

7 **Q: What is the purpose of your testimony?**

8 A: I am testifying on behalf of Kansas City Power & Light Company (“KCP&L” or the
9 “Company”). The purpose of my Rebuttal Testimony is to respond to the testimony of
10 Joshua Frantz testifying on behalf of the Kansas Corporation Commission (“KCC” or
11 “Commission”) Staff (“Staff”) regarding: (1) the Company’s adjustment of billing
12 determinants resulting from customer migration, and (2) the revenue reductions
13 associated with customer migration.

1 **Q: Did the Citizens' Utility Ratepayer Board ("CURB") address the customer**
2 **migration issue or rate design?**

3 A: Yes. CURB's witness Ms. Andrea Crane laid out the provisions of the rate design
4 settlement agreement approved by the Commission in Docket No. 15-KCPE-116-RTS
5 ("Rate Design S&A" and "15-116 Docket"), KCP&L's last general rate case. While
6 Ms. Crane outlined different adjustments and allocation methods that could have been
7 used by the Company for purposes of addressing customer migration, she did not oppose
8 the Company methodology. However, CURB reserves its right to address this issue
9 should Staff or other parties propose alternatives to the allocation methodology proposed
10 by the Company.

11 **Q: Before you begin responding to Staff's testimony, please discuss the provisions**
12 **related to the customer migration issue as set forth in the Rate Design S&A and**
13 **subsequent related filings and Commission Orders.¹**

14 A: As outlined in my Direct testimony, the changes to billing determinants and revenue
15 reductions associated with customer migration reflected in this case are a result of
16 provisions outlined in the Joint Motion for Approval of Process to Implement Migration
17 Adjustment, filed on September 24, 2015 by KCP&L, Staff and CURB. In that Joint
18 Motion, approved by the Commission on October 27, 2015, KCP&L was to develop new
19 billing determinants to reflect the customer migration resulting from the 15-116 Docket
20 and track via a regulatory asset associated actual revenue reductions through March 2017
21 for customers who switched rate classes on or before September 1, 2016.

¹ See 15-116 Docket, *Order on KCP&L's Application for Rate Change*, issued Sep. 10, 2015; *Order Granting Joint Motion for Approval of Process to Implement Migration Adjustment*, issued Oct. 27, 2015; and *Order Granting Joint Motion for Approval of Modified Process to Implement Migration Adjustment*, issued Mar. 3, 2016.

1 **II. CUSTOMER MIGRATION-REVENUE ACCRUAL & ADJUSTMENT OF**
2 **BILLING DETERMINANTS**

3 **Q: Have you reviewed the testimony filed by Staff concerning the Company's**
4 **adjustments for customer migration?**

5 A: Yes, I have.

6 **Q: Please describe the position taken by Staff that you address in this testimony.**

7 A: Staff witness Josh Frantz provides testimony outlining expectations for lost revenue
8 adjustments related to customer migration, adjustment of billing determinants, as well as,
9 availability of information from the Company. Staff recommends that actual 2016 rate
10 switcher billing determinant data be used to adjust test year billing determinants and that
11 the lost revenue accrual associated with customer migration be updated to actual values
12 through March 31, 2017.

13 **Q: What did KCP&L use for purposes of adjusting billing determinants to reflect**
14 **customer migration in this case?**

15 A: In its Application filed on November 9, 2016, for purposes of adjusting the test year
16 billing determinants², the Company used actual 2015 billing determinants for customers
17 that requested migration.³ Calendar year 2015 was chosen for the billing determinant
18 adjustment because it was the same period used to identify those customers who would
19 be a better fit (or would likely experience a lower bill) if they were moved to a different
20 rate class. Pursuant to the Rate Design S&A, those commercial and industrial customers
21 identified were sent letters in December 2015 advising them that the Company believed

² Note that the test year billing determinants for this abbreviated rate case rely on the test year for the Company's last full general rate case, the 15-116 Docket, which used the test year July 1, 2013 through June 30, 2014.

³ Pursuant to the Rate Design S&A, only those commercial and industrial customers who requested to migrate after the effective date of rates in the 15-116 Docket (October 1, 2015) and on or before September 1, 2016 are used for adjusting billing determinants and for revenue adjustment calculations.

1 they might be better off on a different rate. A total of 195 commercial and industrial
2 customers/accounts chose to switch rate classes as a result.

3 **Q: Since the Application, has the Company worked with Staff to provide additional**
4 **information on its filing and to answer any questions they might have?**

5 A: Yes. In addition to numerous data requests responses, the Company also held several
6 conference calls with Staff on February 16, February 28, March 2, March 29, and April
7 17, 2017. On those calls, the Company attempted to answer all questions posed by Staff
8 and provided additional information to help aid them in their understanding of the
9 Company's filing. As a result of those calls and at Staff's request, KCP&L also provided
10 Staff with actual 2016 billing determinant data for customer migration.

11 **Q: Staff is recommending that 2016 billing determinant data be used for purposes of**
12 **adjusting test year billing determinants because this time period aligns with the time**
13 **period that will be used to update the revenue reductions associated with customer**
14 **migration. Does the Company agree with this methodology?**

15 A: Yes. On a conference call held with Staff on March 29, 2017, Mr. Frantz first
16 communicated Staff's desire to use 2016 billing determinants for purposes of adjusting
17 test year billing determinants. While the Company had already provided 2015 rate
18 switcher billing determinants and supporting documents as part of the Application, after
19 this conference call, the Company provided the 2016 rate switcher billing determinants
20 for Staff to use at their request. Additionally, based on Staff's request that the Company
21 adjust test year billing determinants using 2016 rate switcher billing determinants, the
22 Company began work to adjust and update these billing determinants, as part of and in
23 support of this rebuttal testimony.

1 **Q: Has the Company completed its update of test year billing determinants based on**
2 **Staff's request to utilize 2016 data?**

3 A: Yes. The revenue impact of using 2016 to update the test year billing determinants is
4 \$399,736. This changed from the Application that included a revenue impact of
5 \$242,625.

6 **Q: Besides the change from utilization of 2015 to 2016 data to adjust the test year**
7 **billing determinants, were there any other adjustments made by the Company when**
8 **compared to its Application?**

9 A: Yes. There was one other change that the Company made that was not reflected in the
10 Application. In the Application, the Company's adjustment for customer migration did
11 not reflect weather normalization and instead adjusted weather-normalized test year
12 billing determinants using 2015 actual billing determinants. Following discussions with
13 Staff, KCP&L weather-normalized the 2016 actual billing determinants reflecting
14 customer migration prior to using them to adjust the test year billing determinants. This
15 put both sets of data on a weather-normalized basis.

16 **Q: Staff is requesting that the accrual associated with revenue reductions due to**
17 **customer migration be updated through March 2017. Does the Company have any**
18 **concerns with this?**

19 A: No. The Joint Motion for Approval of Process to Implement Migration Adjustment
20 requires the Company to provide a final update to the regulatory asset reflecting the
21 actual revenue reductions associated with customer migration on or before the date of the
22 prehearing conference. The update shall include revenue reductions through the last full
23 calendar month prior to the date of the prehearing conference. With the prehearing

1 conference date of April 26, 2017, KCP&L is providing the update through March 2017
2 as part of my rebuttal testimony.

3 **Q: Has the Company completed its update of the accrual?**

4 A: Yes. Using actuals through March 2017, the revenue accrual has been updated to a
5 revenue adjustment of \$127,417 (\$382,251 total deferral amortized over three years).
6 This reflects a change from the estimate used in the Application which included a
7 revenue adjustment of \$93,282.

8 **III. RATE DESIGN**

9 **Q: Are you recommending changes to the rate design as outlined in the Application?**

10 A: No. KCP&L maintains its proposal that the decrease requested in this filing be applied to
11 all customer classes on an equal percentage basis⁴, with the exception that the net
12 revenue reduction associated with the commercial and industrial customer migration
13 remain with the rate class where the migration occurred in compliance with the approved
14 Joint Motion referenced above. Additionally, as outlined in the Joint Motion for
15 Approval of Non-Unanimous Rate Design Settlement Agreement,⁵ which was approved
16 by the Commission on September 10, 2015, KCP&L maintained no change to the
17 Residential customer charge and applied the decrease equally across the remainder of the
18 billing components.

19 **Q: Does that conclude your testimony?**

20 A: Yes, it does.

⁴ See 15-116 Docket, Joint Motion for Approval of Process to Implement Migration Adjustment, filed Sep. 24, 2015, p. 5-6.

⁵ See 15-116 Docket, Joint Motion for Approval of Non-Unanimous Rate Design Settlement Agreement, filed Jun. 17, 2015, Attachment A, p. 4.

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas)
City Power & Light Company to Make)
Certain Changes in Its Charge for Electric) Docket No. 17-KCPE-201-RTS
Service)

AFFIDAVIT OF MARISOL E. MILLER

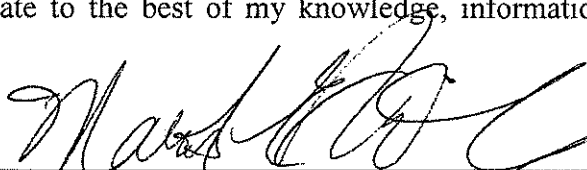
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Marisol E. Miller, being first duly sworn on his oath, states:

1. My name is Marisol E. Miller. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Supervisor – Regulatory Affairs.

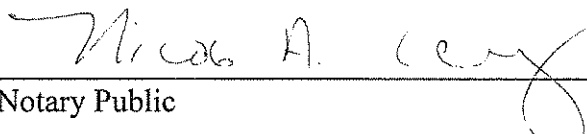
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Kansas City Power & Light Company consisting of six (6) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set 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.



Marisol E. Miller

Subscribed and sworn before me this 18th day of April, 2017.



Notary Public

My commission expires: Feb 4, 2019

