

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 17th day of
July, 2015.

In the Matter of Kansas City Power & Light)	<u>File No. ER-2014-0370, et al.</u>
Company's Request for Authority to Implement a)	YE-2015-0194
General Rate Increase for Electric Service)	YE-2015-0195

**ORDER APPROVING STIPULATION AND AGREEMENT
REGARDING CERTAIN ISSUES**

Issue Date: July 17, 2015

Effective Date: July 17, 2015

On July 1, 2015, Kansas City Power & Light Company ("KCP&L"), Midwest Energy Consumers Group, and the Staff of the Commission filed a partial non-unanimous stipulation and agreement that would resolve between them certain issues, including the following disputed issues previously identified by the parties:

1. Transition Cost Amortization (Issue XV);
2. Missouri Corporate Franchise Tax (Issue XX);
3. Wolf Creek OPEBs (Issue X);
4. Swissvale/Stillwell and West Gardner (Issue XXIII);
5. Transmission Revenue –ROE (Issue XXII);
6. La Cygne environmental project construction accounting deferrals (Issue VIII);
7. Bad Debt Gross-Up (Issue XIII);
8. Wolf Creek Overtime (Issue IX);
9. Vegetation Management (Issue VI) with no tracker;

10. Jurisdictional Cost Allocations (Issue XXI);
11. Affiliate Transactions and Corporate Cost Allocations (Issue XVI);
12. Amortization periods ending before the end of the true-up period (Issue XI); and
13. DOE spent nuclear fuel fees (Issue XII).

The stipulation and agreement is non-unanimous in that it was not signed by all parties. However, Commission Rule 4 CSR 240-2.115(2) provides that other parties have seven days in which to object to a non-unanimous stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement. More than seven days have passed since the stipulation and agreement was filed, and no party has objected. Therefore, the Commission will treat the stipulation and agreement as a unanimous stipulation and agreement.

After reviewing the stipulation and agreement, the Commission independently finds and concludes that the stipulation and agreement is a reasonable resolution of the issues addressed by the stipulation and agreement and that such stipulation and agreement should be approved.

THE COMMISSION ORDERS THAT:

1. The Partial Non-Unanimous Stipulation and Agreement as to Certain Issues, filed on July 1, 2015, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order.

2. This order shall be effective when issued.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Bushmann, Senior Regulatory Law Judge

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Kansas City)	
Power & Light Company’s Request)	Case No. ER-2014-0370
for Authority to Implement a General)	
Rate Increase for Electric Service)	

**PARTIAL NON-UNANIMOUS STIPULATION AND
AGREEMENT AS TO CERTAIN ISSUES**

COME NOW the Staff of the Missouri Public Service Commission (“Staff”), Kansas City Power & Light Company (“KCP&L”), and Midwest Energy Consumers’ Group (“MECG”) (collectively, the “Signatories”), and, in consideration of the following agreements, the Signatories have resolved the issues listed below in this Partial Non-Unanimous Stipulation and Agreement as to Certain Issues (“Stipulation”).

A. SETTLEMENT OF SPECIFIC ISSUES

For a \$6.9 million increase in Staff’s revenue requirement (currently \$21,217,561 in Staff’s reconciliation filed on June 9, 2015 at Staff’s mid-point return on equity, prior to true-up), the following issues from the Issues List would be resolved without each issue being specifically decided by the Commission:

1. Transition Cost Amortization (Issue XV);
2. Missouri Corporate Franchise Tax (Issue XX);
3. Wolf Creek OPEBs (Issue X);
4. Swissvale/Stillwell and West Gardner (Issue XXIII);
5. Transmission Revenue –ROE (Issue XXII);
6. La Cygne environmental project construction accounting deferrals (Issue VIII);
7. Bad Debt Gross-Up (Issue XIII);
8. Wolf Creek Overtime (Issue IX);
9. Vegetation Management (Issue VI) with no tracker;
10. Jurisdictional Cost Allocations (Issue XXI);
11. Affiliate Transactions and Corporate Cost Allocations (Issue XVI);
12. Amortization periods ending before the end of the true-up period (Issue XI);
13. DOE spent nuclear fuel fees (Issue XII).

B. TRANSITION COST AMORTIZATION FROM CASE NO. ER-2010-0355

KCP&L agrees not to seek recovery of the transition cost amortization authorized in Case No. ER-2010-0355 in any future cases.

C. LA CYGNE ENVIRONMENTAL PROJECT CONSTRUCTION ACCOUNTING DEFERRALS

The Signatories agree that all issues relating to the La Cygne Environmental project construction accounting deferrals have been resolved, and KCP&L agrees not to seek recovery of La Cygne Environmental project construction accounting deferrals authorized in Case No. EU-2014-0255 in any future cases.

D. JURISDICTIONAL COST ALLOCATIONS

The Signatories agree for settlement purposes that Staff's position regarding the jurisdictional demand allocator will be used for calculating KCP&L's revenue requirement in this case and that the jurisdictional allocators for meter accounts 370.00 and 370.02 will be trued up.

E. GREAT PLAINS POWER ("GPP")

The GPP portion of Iatan plant balances will not be included in any future KCP&L Missouri rate case.

F. WOLF CREEK OPEBS

The Signatories agree that the Wolf Creek OPEBs cost will be based on the "pay as you go" amount as specified in paragraph 10.d.i. of the Non-Unanimous Stipulation and Agreement Regarding Pension and Other Post Employment Benefits filed on June 26, 2015.

G. EXPENSE ACCOUNT IMPLEMENTATION PLAN

KCP&L will submit to Staff and interested parties to this case an implementation plan 180 days after the date rates are effective in this case regarding the actions, if any, it will

implement to address expense account issues, such as proper account charging, reporting and other issues noted by the Staff in this case.

H. SURVEILLANCE REPORTS

KCP&L agrees to continue to provide the Annual Surveillance Report consistent with past practice prior to 2015 in which it has been providing the annual surveillance reporting previously agreed to by KCP&L, other parties including Staff in the November 23, 1987 Order Approving Joint Recommendation in Case Nos. EO-85-185 and EO-85-224 and modified in the November 6, 1992 Order in Case No. EO-93-143 Order Modifying Joint Recommendation in Case No. EO-93-143, and to provide them to counsel for the MEEG, Missouri Industrial Energy Consumers and the Office of the Public Counsel.

I. PROSPECTIVE TRACKING OF REGULATORY ASSET AND LIABILITY RECOVERY

In each future KCP&L general rate case, the Signatories agree that the balance of each amortization relating to regulatory assets or liabilities that remains, after full recovery by KCP&L (regulatory asset) or full credit to KCP&L customers (regulatory liability), shall be applied as offsets to other amortizations which do not expire before KCP&L's new rates from that rate case take effect. In the event no other amortization expires before KCP&L's new rates from that rate case take effect, then the remaining unamortized balance shall be a new regulatory liability or asset that is amortized over an appropriate period of time. For example, the Demand Side Management amortizations, once fully recovered, will be used to offset (reduce) other vintages of DSM amortizations, each reducing other vintages as those become fully recovered and, in the event no other vintages remain to be amortized, the Demand Side Management amortizations will be applied to other amortizations that do not end before new rates take effect.

J. AVERAGE PAYMENT PLAN

The Signatories agree that when the status of a named account holder changes (for example, the account holder dies), a member of the household during the time when the account was in the name of the person whose status as changed and who continues to reside at that premise should neither be denied participation in the level payment plan nor charged a deposit simply because the original named account holder's status has changed such that the original named account holder is no longer responsible for payment. This has been and continues to be KCP&L's policy and KCP&L will ensure that its practices, procedures and call center representative training are aligned so that customers are advised appropriately. Exemplar tariff sheets are appended hereto as Attachment 1 which will be included in the compliance tariff filing in this case.

K. STIPULATION CONTINGENT ON AGREEMENT OR NON-OPPOSITION BY ALL PARTIES

The Signatories agree that this Stipulation shall be void and of no effect whatsoever if it is opposed by any party to this proceeding.

GENERAL PROVISIONS

1. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of their witnesses on the issues that are resolved by this Stipulation.

2. This Stipulation is being entered into solely for the purpose of settling the issues/adjustments in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, method of cost determination or cost allocation or

revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, regardless of whether this Stipulation is approved.

3. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same.

4. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

5. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

6. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

7. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in

accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

8. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

REPRESENTATIONS REGARDING NON-SIGNATORIES

1. The Office of the Public Counsel; Missouri Industrial Energy Consumers; Brightergy, LLC; Missouri Gas Energy; IBEW Local Union 1464; IBEW Local Union 1613; and, IBEW Local Union 412 have authorized the Signatories to represent in this Stipulation that that they do not oppose this Stipulation.

WHEREFORE, for the foregoing reasons, the Signatories respectfully request that the Commission issue an Order approving the terms and conditions of this Partial Non-Unanimous Stipulation and Agreement As To Certain Issues.

Respectfully submitted,

STAFF OF THE MISSOURI PUBLIC
SERVICE COMMISSION

/s/ Nathan Williams

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 1st day of July, 2015.

/s/ Robert J. Hack

Robert J. Hack

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 2 Original Sheet No. 1.09B
 Revised
Cancelling P.S.C. MO. No. _____ Original Sheet No. 1.09B
 Revised
For Rate Area No. 1-Urban Area &
Rate Area No. 3-Suburban

GENERAL RULES AND REGULATIONS APPLYING TO ELECTRIC SERVICE

2. SERVICE AGREEMENTS (Continued)

2.07 CREDIT REGULATIONS: (Continued)

(E) Deposit refunds: (Continued)

account shall be reviewed annually thereafter for refund consideration. The Company may withhold refund of the deposit or release of the guarantor pending the resolution of a matter in dispute involving disconnection for nonpayment or unauthorized interference by the customer. The Company may apply all deposits subject to refund and accrued interest, if any, against undisputed utility charges. The amount of the refund will be identified and disclosed on the Customer's bill.

2.08 CUSTOMER INSOLVENCY:

A service agreement shall, at the option of the Company, cease and terminate and all amounts due the Company thereunder shall become immediately payable without further notice in case any act of bankruptcy is made or committed by the Customer, or any petition in bankruptcy, either voluntary or involuntary, is filed by or against the Customer.

2.09 SUCCESSION AND ASSIGNMENT:

A service agreement shall inure to the benefit of, and be binding upon, the Customer's successors by operation of law but shall not be assignable voluntarily by the Customer.

Customers having a change in status of the designated account holder, having lived in the household for a minimum of 6 months shall not be required to apply for service. A change in the status of the designated account holder could be due to but not limited to: death, divorce, or other similar circumstance whereby the designated account holder no longer resides at the premise.

Upon notification to the Company the Customer remaining at the premise will become the designated account holder with no new deposit requirements or changes to payment plans required. All rights and responsibilities of the designated account holder shall inure to the remaining Customer.

2.10 AUTHORITY:

Except as provided in 4 CSR 240-13.040, no representative, agent or employee of the Company, except a corporate officer, shall have authority to amend, alter, waive or change any of the Company's rules and regulations or otherwise bind the Company by promises or representations.

2.11 WAIVER:

Waiver by the Company with respect to any default by a Customer in complying with the provisions of his service agreement shall not be deemed to be a waiver with respect to any other or subsequent default by such Customer.

DATE OF ISSUE:

ISSUED BY:

DATE EFFECTIVE:

1200 Main Street, Kansas City, MO 64105

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 2 Original Sheet No. 1.67
 Revised
Cancelling P.S.C. MO. No. 2 Original Sheet No. _____
 Revised
For Missouri Retail Service Area

GENERAL RULES AND REGULATIONS APPLYING TO ELECTRIC SERVICE

19. AVERAGE PAYMENT PLAN

19.01 AVAILABILITY: This Plan is available to Customers receiving service under rate schedules for Residential Service. Such Customers may elect to be billed, and must pay for, all electric service provided by the Company under said Schedules, in accordance with the terms and provisions of the Company's Average Payment Plan.

See Section 2.09 SUCCESSION AND ASSIGNMENT, for rules regarding successor Customers.

19.02 ELIGIBILITY: To be eligible to elect to be billed under the terms and provisions of the Average Payment Plan, the Customer must meet the following requirements:

- (a) The Customer must be currently receiving service under one of said schedules.
- (b) The Customer must have received service continuously at his present premises for at least twelve (12) months prior to the election or agree to Company's estimate for such service.
- (c) The Customer must not have outstanding with the Company any delinquent amount not in dispute.
- (d) The Customer must satisfy, and be in conformance with, the Company's General Rules and Regulations Applying to Electric Service.

19.03 ELECTION: The Company shall choose a period of time in each year, designated as the "enrollment period" for those Customers then eligible under the Plan. The bills rendered to these Customers during the enrollment period shall contain two amounts: The actual amount due, and the amount due under the Plan. The Customer elects to pay under the Plan if he pays the amount shown to be due under the Plan. The next bill rendered to Customers who have not elected to pay under the Plan shall contain two amounts: the actual amount due, and the amount due under the Plan, adjusted for any difference between the prior month's actual amount due and the amount due under the Plan for the prior month, and the Customer again will have the option to elect to pay under the Plan. Thereafter, a Customer may also elect to pay under the Plan at any time by contacting the Company's Customer Service Center. All qualified new Customers will be offered the Plan on their first bill. The Customer must pay any past due amount owed for electric service, except as provided in Missouri Commission Rule 4 CSR 240-13.045, before billing under the Plan will be commenced.

DATE OF ISSUE:
ISSUED BY:

DATE EFFECTIVE:
1200 Main Street, Kansas City, Mo. 64105

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17th day of July 2015.



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

July 17, 2015

File/Case No. ER-2014-0370

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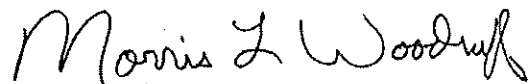
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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,


Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.