



3. On December 1, 2014, Kansas City Power & Light Company (“KCPL” or “Company”) filed an application to adjust charges related to its DSIM Rider and submitted its tariff sheet (Tariff Tracking No. JE-2015-0213) bearing an effective date of February 1, 2015. Specifically, the DSIM Rider rate change lowers overall rates by approximately \$0.4 million, or -0.06%.

4. Rule 4 CSR 240-20.093(4) requires the Commission’s Staff to analyze the information KCPL has submitted and file its recommendation not later than 30 days after the Company’s filing. As such, on December 3, 2014, the Commission issued its *Order Directing Notice and Establishing Intervention Date*, ordering Staff to file its recommendation no later than December 31, 2014.

5. In compliance with that Order, Staff has attached hereto its *Memorandum*, recommending the Commission approve the proposed tariff sheet assigned Tracking No. JE-2015-0213 to become effective on February 1, 2015.

6. Staff has verified that KCPL is not delinquent on any assessment and that it has filed its Annual Report and is current on its submission of its Quarterly Surveillance Monitoring reports as required by 4 CSR 240-20.090(10).

7. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

**WHEREFORE**, Staff recommends the Commission approve the tariff sheet submitted by KCPL and assigned Tracking No. JE-2015-0213 to become effective on February 1, 2015.

Respectfully submitted,

**/s/ Whitney Hampton**

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**CERTIFICATE OF SERVICE**

I certify that a true and accurate copy of the foregoing was mailed, electronically mailed, or hand-delivered to all parties to this cause on this 31<sup>st</sup> day of December, 2014.

**/s/ Whitney Hampton**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2015-0141 and Tariff Tracking No. JE-2015-0213  
Kansas City Power & Light Company

FROM: Michael Stahlman, Regulatory Economist III

/s/ Michael Scheperle 12/30/14                      /s/ Robert S. Berlin 12/30/14  
Manager, Economic Analysis / Date                      Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve Kansas City Power & Light Company's ("KCPL" or "Company") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate of Kansas City Power & Light Company effective February 1, 2015.

DATE: December 31, 2014

### KCPL Filing

On December 1, 2014, KCPL filed with the Commission one (1) tariff sheet bearing an issue date of December 1, 2014, and an effective date of February 1, 2015, proposing to adjust charges related to the Company's DSIM Rider. KCPL's filing also included the Direct Testimony of Tim M. Rush and work papers consisting of electronic worksheets showing its calculation of the proposed rates based upon actual and estimated performance in the six-month period through December 2014, and projected performance through June 2015 for Program Costs ("PC") and KCPL's Throughput Disincentive – Net Share Benefits ("TD-NSB") share. KCPL's DSIM Rider also includes provisions for collecting any Ordered Adjustments ("OA") and a Performance Incentive Award ("PIA"), although there are currently none in effect. The DSIM Rider rate change lowers overall rates by approximately \$0.4 million, or -0.06%. Specifically, the proposed change will reduce residential customers' DSIM Rider rate 11.6%, from \$0.00398 to \$0.00352, and increase non-residential customers' DSIM Rider rate 14.9%, from \$0.00215 to \$0.00247.

A December 3, 2014 Commission Order directed the Staff of the Commission to file its recommendation no later than December 31, 2014.<sup>1</sup>

### Background

On January 7, 2014, KCPL filed in File No. EO-2014-0095 an application, under the Missouri Energy Efficiency Investment Act ("MEEIA") statute and the Commission's MEEIA Rules, requesting Commission approval of demand-side programs and for authority to establish a DSIM.

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<sup>1</sup> Order Directing Notice and Establishing Intervention Date issued on December 3, 2014 in File No. ER-2015-0141.

On June 5, 2014, the Commission approved a Stipulation and Agreement (“Stipulation”) with an effective date of June 15, 2014. The Stipulation outlined the terms, conditions, and rates by residential and non-residential service classes for 1) estimated and actual MEEIA Programs’ costs; 2) estimated and actual TD-NSB Share amounts; and 3) Performance Incentive Award for KCPL’s portfolio of MEEIA Programs for the period of July 6, 2014 through December 31, 2015. The Stipulation allowed KCPL cost recovery through a DSIM Rider beginning in the August 2014 billing month. The Stipulation allows for True-up, Prudence Reviews, and Variances from certain Commission Rules. The Stipulation requires KCPL to include a separate line item on customer bills entitled “DSIM Charge”.

**Change in KCPL’s DSIM Rates**

Per 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8), KCPL is required to make semi-annual adjustments of DSIM rates to reflect the amount of revenue that has been over/under collected. This is KCPL’s first filing since the DSIM Rider was originally established in the Company’s MEEIA filing made in File No. EO-2014-0095.

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is based on six months of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kilowatt-hours (kWh) of energy supplied to customers under the Company’s retail rate schedules, excluding kWh of energy supplied to "opt-out" customers. For a residential customer using 1,000 kWh’s, this would mean a decrease of \$0.46 (46 cents) per month.

<b>Rate Class</b>	<b>Current MEEIA Rate/kWh</b>	<b>Proposed MEEIA Rate/kWh</b>
Residential Service	\$0.00398	\$0.00352
Non-Residential Service	\$0.00215	\$0.00247

**Staff Recommendation**

The Commission Staff’s Economic Analysis Department (“Staff”) has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on December 1, 2014, for service on and after February 1, 2015.

P.S.C. MO. No. 7

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1st Revised Sheet No. 49E, Cancelling Original Sheet No. 49E

The Staff has verified that KCPL is not delinquent on any assessment and has filed its Annual Report. KCPL is current on its submission of its Quarterly Surveillance Monitoring reports as required in 4 CSR 240-20.090(10). The Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff’s recommendation for approval of the DSIM Rider rate change in this case is solely based on the accuracy of KCPL’s calculations and is not indicative of prudence.

