

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

In the Matter of KCP&L Greater Missouri Operations) Case No. EO-2013-0505
Company Submission of its 2013 RES Compliance Plan)

**Brightergy, LLC's Additional Comments in Opposition of
KCP&L Greater Missouri Operations Company's
Motion Suspend Payment of Solar Rebates and Motion for Expedited Treatment**

Brightergy, LLC ("Brightergy"), pursuant to 4 CSR 240-20.100 and the Missouri Public Service Commission's ("Commission") Order Directing Filing, hereby submits its Additional Comments in Opposition of KCP&L Greater Missouri Operations Company's ("GMO") Motion to Suspend Payment of Solar Rebates and Motion for Expedited Treatment ("Motion to Suspend").

After filing its initial comments in this case on July 12, 2013, Brightergy has received responses (designated "Highly Confidential") to data requests served on KCP&L and GMO (collectively, the "Company"). In addition, Company representatives have made statements in the press, which if quoted correctly, indicate that inflated solar rebates have been approved and paid by the Company. In light of these statements in the press and the responses to data requests, Brightergy strongly urges the Commission to deny GMO's Motion to Suspend Payment of Solar Rebates. Instead, Missouri ratepayers and the solar industry would benefit from a thorough investigation and independent audit of the entire KCP&L and GMO solar rebate program. Brightergy further urges the Commission to continue the solar rebate program while conducting the requested investigation and audit. In support of this position, Brightergy states:

1. The Company's ineffective administration and oversight of the solar rebate program calls into question whether the program has actually reached its alleged rate impact limit. Company representatives have recently noted in the press that the Company found

“instances of installed [solar] systems that were smaller than promised” by U.S. Solar, a solar installation company located in St. Joseph, Missouri. (Ex. A.) The Company also admitted that it has been cooperating with an ongoing FBI investigation of U.S. Solar since June of 2013. (Ex. A.)

2. Allegedly, U.S. Solar installed solar systems on its customer’s property with an alleged generating capacity. Allegedly, thereafter U.S. Solar filed GMO solar rebate applications for the installed systems. It is alleged that the solar systems listed in the U.S. Solar rebate applications claimed a generating capacity substantially greater than the generating capacity of the installed system. GMO, apparently, did not verify the actual capacity of these installed U.S. Solar systems. GMO, in certain instances, also dispensed its solar rebate checks directly to U.S. Solar, rather than the GMO customer—a practice that was not available to Brightergy. (Ex. B.)

3. In June 2013, KCP&L and GMO commissioned an audit of the solar rebate program. (Ex. A.) The audit was commissioned after the Company filed its 2013 Annual RES Compliance Plan, but before the filing of the instant Motion to Suspend. (Ex. A.) And according to recent press statements:

the utility said enough has been discovered to conclude there were ***numerous examples of U.S. Solar installations’ having less capacity to generate power than the company said.*** That allowed U.S. Solar to overcharge those customers and ***collect more rebates than justified.***

(Ex. A.) (emphasis added.) In response, the Company has publically stated it will no longer accept rebate applications from U.S. Solar. (Ex. A.) However, it does not appear that the Company ever adjusted its submitted rate impact calculation to account for the “numerous examples” of inflated rebate payments made to U.S. Solar.

4. On July 2, 2013, Brightergy submitted written data requests to KCP&L and GMO. Brightergy Request No. 1-1 asked each Company to “provide a complete list of all solar rebates paid” in 2012 and 2013 year to date.

5. On July 24, 2013, KCP&L and GMO each responded to Brightergy Request No. 1-1. Each company submitted an identical, highly confidential spreadsheet listing all solar rebates paid in 2012 and 2013 year to date. (Ex. C.) The solar rebate lists provided by the Company separated all solar rebates according to rate jurisdiction.

6. KCP&L and GMO divide the Company’s Missouri service territory into three rate jurisdictions. The most populated jurisdiction is labeled “KCP&L-Missouri” and encompasses the Kansas City metropolitan area. The remaining two rate jurisdictions are operated by GMO. One GMO rate jurisdiction encompasses the former St. Joseph Light & Power (“SJLP”) service territory and provides electric service primarily to the city of St. Joseph. The remaining GMO rate jurisdiction, “GMO-Missouri Public Service,” serves all remaining Missouri ratepayers located south and east of Kansas City.

7. When examining past participation in the solar rebate program, one would reasonably expect program participation and rebate distribution to be spread among the three rate jurisdictions, based (roughly) on population. This is not the case. The substantial variation from an approximate, equal distribution of rebates throughout the Company’s service territory calls into question whether the rebate program has been accurately and effectively administered.

8. In 2012, the Company approved and paid **__** solar rebates across all three rate jurisdictions. (Ex. C.) Annual solar rebate payments totaled **\$_____**. (Ex. C.) Of the **\$_____** of total rebates paid, KCP&L’s Kansas City rate jurisdiction accounted for **__** rebate applications and **\$_____** in rebate payments. (Ex. C.) In contrast,

GMO SJLP accounted for **__** rebate applications and **\$_____** in solar rebate payments. (Ex. C.) In 2012, the SJLP rate jurisdiction received nearly **\$_____** more solar rebate payments than the more populous KCP&L rate jurisdiction. (Ex. C.)

9. This statistically anomaly is even more pronounced in 2013. Through June, the Company has approved **__** solar rebate applications and paid a total of **\$_____** in rebates. (Ex. C.) GMO SJLP ratepayers account for only **__** rebate applications, but have been paid **\$_____** in solar rebates—nearly **__** of all rebate funds. (Ex. C.) The KCP&L and Missouri Public Service rate jurisdictions have approved a total of **__** rebate applications. (Ex. C.) Despite approving nearly **__** more applications, the KCP&L and Missouri Public service rate jurisdictions only account for **\$_____** and **\$_____** of total solar rebate payments, respectively. (Ex. C.)

10. The KCP&L and GMO data clearly supports a reasonable inference that the solar rebate program may contain inappropriate rebate payments in the SJLP rate jurisdiction. On information and belief, this jurisdiction was U.S. Solar’s primary service territory. The SJLP rate jurisdiction includes only a small portion of the Company’s total service territory and ratepayer population. Additionally, the number of rebate applications approved in the SJLP jurisdiction is reasonably similar to those approved in the other two jurisdictions. Nevertheless, the small population of the SJLP jurisdiction accounts for a substantial majority of all solar rebate funds paid.

11. The Company has publicly stated that its ongoing audit has discovered “numerous examples” in which U.S. Solar submitted rebate applications with inflated generating capacities. (Ex. A.) The Company has also stated that it will continue to honor previously approved U.S. Solar rebates. (Ex. A.) These statements, when viewed in concert with the attached solar rebate

data and the ongoing FBI investigation of U.S. Solar, clearly call for the Commission to deny GMO's Motion to Suspend. Suspending payment of solar rebates without a full investigation of the matter, could potentially bar legitimate solar generating customers from receiving lawful and economically beneficial rebates.

WHEREFORE, Brightergy respectfully urges the Commission to deny GMO's Motion to Suspend Payment of Solar Rebates and Motion for Expedited Treatment. In light of: (i) the abnormal solar rebate data; (2) the ongoing KCP&L audit; (3) the ongoing FBI investigation of U.S. Solar; and (4) the public statements made by Company representatives, Brightergy respectfully requests the Commission continue the Company's solar rebate tariff pending a full investigation and audit of the rebate program.

Respectfully submitted,

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ATTORNEYS FOR BRIGHTERGY, LLC

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 30th day of July, 2013, to all parties on the Commission's service list in this case.

/s/ Carson M. Hinderks