

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

In the Matter of a Working Case to Explore                    )  
Emerging Issues in Utility Regulation                    )            Case No. EW-2017-0245

**RESPONSE OF KANSAS CITY POWER & LIGHT COMPANY AND  
KCP&L GREATER MISSOURI OPERATIONS COMPANY  
TO COMMISSION QUESTIONS**

Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively, “KCP&L” or “the Company”) hereby submit comments to the issues addressed in the Missouri Public Service Commission’s (“Commission”) Order Opening a Working Proceeding Regarding Emerging Issues and Scheduling a Workshop Meeting issued on April 6, 2017.

KCP&L welcomes the opportunity to continue to participate in the discussion surrounding the topics of interest to both the Commission and Staff. However, KCP&L urges caution in holding such an expansive workshop and suggests possibly breaking up the scheduled workshop into multiple days as some of the issues have already been discussed at day-long workshops<sup>1</sup>. Additionally, KCP&L is limited in the comments it can provide as four of the five issues are part of KCP&L’s pending rate case, File No. ER-2016-0285.

**Commission’s Role in Shaping the Solar Landscape**

KCP&L sees solar, along with other forms of renewable generation, as being important resources for both customers and the Company in the future. The Commission’s role with regard to the solar landscape is to provide a just and reasonable basis for expansion of the use of solar in a way that complies with the applicable statutes and seeks to balance the interests of all

---

<sup>1</sup> In the Matter of an Investigation of the Effects of Rate Design Modifications Associated with Demand-Side Cost Recovery, File No. EW-2011-0372 (Rate Design Modification); In the Matter of a Working Case Regarding Electric Vehicle Charging Facilities, File No. EW-2016-0123 (EVs); In the Matter of a Working Case to Consider Policies to Improve Electric Utility Regulation, File No. EW-2016-0313 (Alt. Regulation).

stakeholders. Whether this be through construction of solar facilities, approval of tariffs for solar-related initiatives, or treatment of costs and cost recovery through general rate proceedings, Commission action can influence the deployment of solar to achieve state goals and mandates. The Commission should continue to remain supportive of Company efforts to integrate solar and other renewables within the Integrated Resource Planning process and Renewable Energy Standard.

Regarding customer owned sources and the regulation of net metering pricing tariffs, the Company believes that the Commission's current rule is working as the Legislature intended when it passed the Net Metering and Easy Connection Act (section 386.890, RSMo Supp. 2008). 4 CSR 240-20.065 establishes standards for interconnection of qualified net metering units (generating capacity of one hundred kilowatts (100 kW) or less) with distribution systems of electric utilities. However, as explained below, the Commission needs to monitor the impact the rule has on electric utilities and customer rates.

The Commission should be aware of the potential impact of wide-scale increases of solar adoption on the regulatory landscape. As documented in other jurisdictions such as California, Hawaii, Nevada, and Arizona, the use of net metering mechanisms result in cost shifts between customer groups. Because residential and small commercial rates typically have most of the non-incremental costs included in the per kWh energy rates, when a net metering customer offsets their annual usage, they also offset the revenue that was formerly used to contribute to the fixed costs of providing, maintaining, and enhancing the energy grid. These fixed costs do not disappear when a customer utilizes net metering, the costs remain and are ultimately recovered from other non-net metering customers. The Commission should remain alert to this situation and monitor rate design brought before it to ensure equity among all customers. The

Commission should address the cost shifting within the ratemaking process and if necessary, alert the Legislature to the issue so that it may consider action.

#### **Commission's Role in Installation of Advanced Metering Infrastructure**

The Company recommends interested stakeholders review testimony supplied by Company witness Mr. Tim Rush in File No. ER-2016-0285.

#### **Commission's Role Regarding Property Assessed Clean Energy (PACE) and Pay as You Save (PAYS) Program**

The Company recommends interested stakeholders review testimony supplied by Company witness Mr. Brian File in File No. ER-2016-0285 regarding both PACE and PAYS.

#### **Implementation of Modified Rate Design Proposals**

The Company recommends interested stakeholders review testimony supplied by Company witness Ms. Marisol Miller in File No. ER-2016-0285 regarding modified rate design.

#### **Commission's Role in the Promotion of a Competitive Market for Plug-In Electric Vehicles**

The Company recommends interested stakeholders review testimony supplied by Company witness Mr. Tim Rush in File No. ER-2016-0285 and File No. ET-2016-0246 regarding electric vehicles and the potential marketplace.

#### **Conclusion**

The Company appreciates the opportunity to provide comments and participate in the upcoming workshop. Due to KCP&L's pending rate case, File No. ER-2016-0285 and existing ex parte rules, the Company chose to limit its May 1, 2017 comments. As such, should the Commission establish an alternate comment or hearing date, the Company will provide additional information.

Respectfully submitted,

*/s/ Roger W. Steiner*

Robert J. Hack, MBN 36496  
Roger W. Steiner, MBN 39586  
Kansas City Power & Light Company  
1200 Main Street, 19<sup>th</sup> Floor  
Kansas City, MO 64105  
Telephone: (816) 556-2791  
Telephone: (810) 556-2314  
Facsimile: (816) 556-2110  
E-Mail: [Rob.Hack@kcpl.com](mailto:Rob.Hack@kcpl.com)  
E-Mail: [Roger.Steiner@kcpl.com](mailto:Roger.Steiner@kcpl.com)

**Attorneys for Kansas City Power & Light  
Company and KCP&L Greater Missouri  
Operations Company**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 1<sup>st</sup> day of May, 2017, to all counsel of record.

*/s/ Roger W. Steiner*

Roger W. Steiner

**Attorney for Kansas City Power & Light  
Company and KCP&L Greater Missouri  
Operations Company**