

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

In the Matter of Kansas City Power & Light Company's)
Request for Variance from Portions of 4 CSR 240-20.065) File No. ET-2014-0027

**APPLICATION FOR CLARIFICATION, RECONSIDERATION
AND/OR REHEARING OF KANSAS CITY POWER & LIGHT COMPANY**

COMES NOW Kansas City Power & Light Company ("KCP&L" or the "Company"), pursuant to §386.500.1 RSMo. and 4 CSR 240-2.160, and files its application for clarification, reconsideration and/or rehearing of the Missouri Public Service Commission's ("MPSC" or "Commission") Order Suspending Tariff issued August 28, 2013. In support thereof, KCP&L states:

I. Background.

1. The Missouri Legislature recently revised the Missouri Renewable Energy Standard ("RES"), §393.1030 RSMo. This revision known as House Bill 142 ("HB 142") became effective on August 28, 2013. Under the new law, the solar rebate established in the RES remains at \$2.00 per watt for systems becoming operational on or before June 30, 2014 and then the rebate is phased out over time by June 30, 2020. In addition, HB 142 provides that the customer-generator must transfer to the utility the rights to the renewable energy credits ("RECs") associated with the electrical system that qualified the customer for the rebate for a period of ten years.

2. In order to comply with the new law, KCP&L filed tariffs on August 5, 2013 with an effective date of September 4, 2013. KCP&L submitted the following modified tariffs: Schedule SR-Solar Photovoltaic Rebate Program, to reflect the legislative changes which primarily consist of establishing a phase-out of the solar rebate and ownership of RECs by the utility when a solar rebate is paid. The Company also submitted several variances to the

language required by the Commission's rules which are no longer consistent with the legislation. In addition, the Company submitted tariff changes to Sheet No. 34F and 34G in its net metering interconnection agreement which were not required under the new law.

3. On August 20, 2013, Brightergy filed an amended motion to suspend KCP&L's tariffs. While the motion requested the Commission suspend all of the tariffs that KCP&L filed on August 5, Brightergy only filed objections to tariff sheets 34A, 34F, 34G, 34Q and 46A.

4. The Commission Staff reviewed KCP&L's filing and on August 21, 2013 recommended that the Commission approve all of KCP&L tariff sheets with the exception of Sheet No. 34F and 34G. Staff requested that the tariffs be made effective August 28 (to coincide with the effective date of the new law) and that Sheet No. 34F and 34G be suspended for 45 days noting that they were not required by the new legislation.

5. On August 28, 2013, the Commission suspended all of the tariffs submitted by KCP&L until December 26, 2013.

6. The Commission should reconsider its August 28 suspension Order as it prevents KCP&L tariffs from complying with HB 142. In addition, the Commission has suspended certain tariffs that have not been opposed by any party and are supported by Commission Staff. Finally, should the Commission believe that suspension is warranted for the tariffs that have been opposed by a party, it should reduce the suspension period to 45 days as suggested by Staff so that KCP&L's tariffs can comply with the new law with minimal delay.

II. Tariffs that are not opposed by any party should not be suspended.

7. Staff's August 21, 2013 recommendation indicated that KCP&L's tariff changes implement HB 142 and make other changes to its net metering interconnection agreement

language not required by HB 142. Staff recommended that the following tariff sheets become effective on August 28, 2013, the date that HB 142 became law:

P.S.C. MO. No. 7

5th Revised Sheet No. 34, Canceling 4th Revised Sheet No. 34

3rd Revised Sheet No. 34A, Canceling 2nd Sheet No. 34A

4th Revised Sheet No. 34B, Canceling 3rd Revised Sheet No. 34B

3rd Revised Sheet No. 34C, Canceling 2nd Revised Sheet No. 34C

3rd Revised Sheet No. 34D, Canceling 2nd Revised Sheet No. 34C

4th Revised Sheet No. 34E, Canceling 3rd Revised Sheet No. 34E

1st Revised Sheet No. 34H, Canceling Original Sheet No. 34H

1st Revised Sheet No. 34I, Canceling Original Sheet No. 34I

1st Revised Sheet No. 34L, Canceling Original Sheet No. 34L

1st Revised Sheet No. 34N, Canceling Original Sheet No. 34N

1st Revised Sheet No. 34P, Canceling Original Sheet No. 34P

1st Revised Sheet No. 34Q, Canceling Original Sheet No. 34Q

Original Sheet No. 34R

Original Sheet No. 34S

3rd Revised Sheet No. 46A, Canceling 2nd Revised Sheet No. 46A

Original Sheet No. 46B

8. Of the above tariff sheets supported by Staff, Brightergy filed opposition to Sheet No. 34A, 34F, 34G, 34Q and 46A. Brightergy supports Sheet No. 34L and is silent concerning the remainder of the tariff sheets. With the exception of the five tariff sheets opposed by Brightergy, the Commission has no basis to suspend tariff Sheet No. 34, 34B, 34C, 34D, 34E, 34H, 34I, 34L, 34N, 34P, 34R, 34S and 46B. KCP&L requests that the Commission issue an order making these unopposed tariff sheets effective immediately.

III. The Commission's Order prevents KCP&L's tariffs from complying with the law that requires that RECs be transferred to the utility and prevents customers from knowing the details of the solar rebate program.

9. The Company requested that tariff Sheet No. 34A (see Exhibit A, attached) be changed to reflect language which clarifies that a customer requesting a solar rebate will be transferring the solar RECs to the Company for a period of ten years. KCP&L's change to tariff Sheet No. 34A is required by HB 142. Staff recognizes on the first page of its August 21, 2013 memorandum that a customer, in order to receive a rebate after August 28, 2013, must transfer to

the utility for a period of ten years the RECs associated with the electrical system that qualified the customer for the solar rebate. Staff supports the change to tariff Sheet No. 34A which requires that this transfer takes place.

10. Brightergy takes issue with Sheet No. 34A, stating that KCP&L's revisions are unclear and inconsistent with the remainder of KCP&L's tariffs. Brightergy does not claim that KCP&L's revisions to Sheet No. 34A are in conflict with HB 142. KCP&L does not believe that Brightergy's objection is sufficient to warrant a 120-day suspension of the tariff. KCP&L's proposed language clearly identifies the solar rebate being the condition for transferring the RECs which is consistent with the language of §393.1030 RSMo which states:

As a condition of receiving a rebate, customers shall transfer to the electric utility all right, title, and interest in and to the renewable energy credits associated with the new or expanded solar electric system that qualified the customer for the solar rebate for a period of ten years from the date the electric utility confirmed that the solar electric system was installed and operational.

11. By suspending the tariff for 120 days, the Commission has prevented KCP&L's tariffs from coming into compliance with HB 142 so that the solar RECs are transferred from the customer to the Company. KCP&L requests that the Commission approve tariff Sheet No. 34A so that this provision of HB 142 can be implemented by the Company in its tariffs. In addition, the tariff is the primary method to communicate details of the solar rebate program. Due to the suspension of the tariffs, the customer is being deprived of important information concerning how RECs are treated when they receive solar rebates.

IV. The Commission's Order prevents KCP&L's tariffs from implementing a provision of the Commission's rules.

12. KCP&L filed changes to tariff Sheet No. 34Q so that the tariff would provide protection for other customers by requiring the customer requesting a solar rebate and net

metering to design the system such that 85% of the solar resource is available to the system. This tariff change is consistent with 4 CSR 240-20.100(4)(B) and was supported by Staff. Brightergy requested that further clarification be added with the following language: “Company may request a shade analysis report using commonly available shade analysis software upon meter inspection from the customer or customer’s installer.” This addition is unnecessary. The 85% requirement is attested to by the customer and the installer at the time an application is submitted to the Company. The Commission should reject Brightergy’s request as it is not consistent with the Commission’s rule.

V. The Commission’s Order prevents KCP&L tariffs from implementing the phase out of the solar rebate as required by law and prevents customers from knowing the details of the solar rebate program.

13. HB 142 provides that solar rebates be phased out over a period of years. Section 393.1030.3 now states:

The solar rebates shall be two dollars per watt for systems becoming operational on or before June 30, 2014; one dollar and fifty cents per watt for systems becoming operational between July 1, 2014, and June 30, 2015; one dollar per watt for systems becoming operational between July 1, 2016, and June 30, 2017; fifty cents per watt for systems becoming operational between July 1, 2017, and June 30, 2019; twenty-five cents per watt for systems becoming operational between July 1, 2019, and June 30, 2020; and zero cents per watt for systems becoming operational after June 30, 2020.

14. In order to comply with the new law, KCP&L requested that tariff Sheet No. 46A (Exhibit B, attached) be revised to reflect a schedule of the phased out rebate amount. Brightergy opposed this tariff because it claimed that the Company did not define the term “operational” nor did it define what constitutes a “complete and accurate rebate application.” KCP&L defines the meter exchange date as the operational date because 4 CSR 240-

20.100(4)(K) provides that “full operation means the purchase and installation on the retail account holders premises of all major system components of the on-site solar electric system and production of rated electrical generation.” This rule provides clear support for the Company’s tariff language since the production of rated electrical energy cannot occur unless the system is properly interconnected to KCP&L’s system through a meter able to measure the energy produced by the customer’s system. It is only when the meter is exchanged has the system been determined suitable by KCP&L for interconnection. Moreover, KCP&L’s proposed tariff contains the application which is completed by the customer to implement net metering and to receive a solar rebate. As such, it is the primary method to communicate details of the solar rebate program and is the only documentation signed by the customer. Without this information, customers may not include the phase-out of rebates in their consideration of net metering.

WHEREFORE, KCP&L respectfully requests clarification, reconsideration and/or rehearing of the Commission’s Order Suspending Tariff, as discussed herein. Specifically, KCP&L request that the tariffs it filed on August 5, 2013, with the exception of Sheet No. 34F and 34G, be approved as complying with HB 142. For tariff sheets 34F and 34G, the Company requests a 45-day suspension period.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 3rd day of September, 2013.

/s/ Roger W. Steiner

Roger W. Steiner

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 7 Third Original Sheet No. 34A Deleted: Second
 Revised

Cancelling P.S.C. MO. No. 7 Second Original Sheet No. 34A Deleted: First
 Revised

For Missouri Retail Service Area

**NET METERING INTERCONNECTION AGREEMENT
Schedule NM (continued)**

DEFINITIONS (continued)

- H. Renewable energy resources means electrical energy produced from wind, solar thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen produced by one (1) of the above-named electrical energy sources, and other sources of energy that become available after August 28, 2007, and are certified as renewable by the Missouri Department of Natural Resources.
- I. Staff means the staff of the Public Service Commission of the state of Missouri.

APPLICABILITY

Applicable to Customer-Generators with a Company approved interconnection agreement. This schedule is not applicable where the Customer's electrical generating system exceeds 100 kW.

REC OWNERSHIP

For rebates paid on and after August 28, 2013 and as a condition of receiving a rebate, customers shall transfer to the electric utility all rights, title, and interest in and to the renewable energy credits associated with the new or expanded solar electric system that qualified the customer for the solar rebate for a period of ten years from the date the electric utility confirmed that the solar electric system was installed and operational.

Deleted: RECs associated with Customer-generated net-metered renewable energy resources shall be owned by the Customer-generator until explicitly transferred to another entity. Nothing in this rider gives the Company any preferential entitlement to the RECs generated by the Customer-generator's qualified electric energy generation system.

COMPANY OBLIGATIONS

- A. Net metering shall be available to Customer-Generators on a first-come, first-served basis until the total rated generating capacity of net metering systems equals five percent (5%) of the Company's Missouri jurisdictional single-hour peak load during the previous year. The Commission may increase the total rated generating capacity of net metering systems to an amount above five percent (5%). However, in a given calendar year, the Company shall not be required to approve any application for interconnection if the total rated generating capacity of all applications for interconnection already approved to date by the Company in said calendar year equals or exceeds one percent (1%) of the Company's single-hour peak load for the previous calendar year.
- B. A tariff or contract shall be offered that is identical in electrical energy rates, rate structure, and monthly charges to the contract or tariff that the Customer would be assigned if the Customer were not an eligible Customer-Generator but shall not charge the Customer-Generator any additional standby, capacity, interconnection, or other fee or charge that would not otherwise be charged if the Customer were not an eligible Customer-Generator.

DATE OF ISSUE: August 5, 2013 DATE EFFECTIVE: September 4, 2013 Deleted: December 18, 2012
ISSUED BY: Darrin R. Ives, Senior Director Kansas City, Mo. Deleted: January 17, 2013

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 7 Third Original Sheet No. 46A Deleted: Second
 Revised

Cancelling P.S.C. MO. No. 7 Second Original Sheet No. 46A Deleted: First
 Revised

For Missouri Retail Service Area

SOLAR PHOTOVOLTAIC REBATE PROGRAM
 Schedule SR (continued)

PROGRAM REBATE

Customers with installed and interconnected Solar Electric Systems may be eligible to receive a rebate up to a maximum of twenty-five (25) kilowatts (kW) per retail account. For the purpose of determining the amount of rebate, the Solar Electric System wattage rating will be the direct current wattage rating provided by the original manufacturer. Customers will be required to complete a rebate application. Applications will be accepted for pre-approval starting January 1, 2010. Customers will be notified in writing, by letter or email, that the rebate application has been accepted or that the rebate application has not been accepted. Complete and accurate rebate applications received by the Company on or before December 31st of any year and for which the system becomes operational on or before June 30th of the following year, will be eligible for a solar rebate according to the following schedule:

Deleted: of two (\$2) dollars per installed watt
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Application Received on or before December 31 st of the year	Operational on or before June 30 th of the year	Rebate Rate per Watt
<u>2013</u>	<u>2014</u>	<u>\$2.00</u>
<u>2014</u>	<u>2015</u>	<u>\$1.50</u>
<u>2015</u>	<u>2016</u>	<u>\$1.00</u>
<u>2016</u>	<u>2017</u>	<u>\$0.50</u>
<u>2017</u>	<u>2018</u>	<u>\$0.50</u>
<u>2018</u>	<u>2019</u>	<u>\$0.50</u>
<u>2019</u>	<u>2020</u>	<u>\$0.25</u>

The Customer must notify the Company when the Solar Electric System is ready for interconnection. The Company will verify the Solar Electric System installation at the time of interconnection. A rebate payment will be issued within thirty (30) days of verification. If full operation is not achieved within six (6) months of acceptance of the rebate application, in order to keep eligibility for the rebate offer, the Customer must file a report with the Company demonstrating substantial project progress and indicating continued interest in the rebate. The six (6)-month report shall include proof of purchase of the majority of the solar electric system components, partial system construction, and building permit if required by the jurisdictional authority. Customers who do not demonstrate substantial progress within six (6) months of receipt of the rebate offer, or achieve full operation within one (1) year of receipt of rebate offer, will be required to reapply for any solar rebate.

Rebates will be paid on a first-come, first-served basis, as determined by the Solar Electric Systems operational date. Any rebate applications that are received in a particular calendar year but not approved due to Program funding limitations will be the first applications considered in the following calendar year. Applications accepted by the Company will expire 12 months after receipt if the Customer has not satisfied the terms of this tariff or if the Solar Electric System has not become operational. All Application forms may be obtained from the Company's website www.KCPL.com.

Deleted: SOLAR ELECTRIC SYSTEM INTERCONNECTION AND INSPECTION
 Interconnection of the Solar Electric System shall be made under Schedule NM, the Net Metering Interconnection Agreement tariff approved by the Commission for customer-owned renewable generation. The Solar Electric System shall meet all of the requirements of Schedule NM to be considered for rebate under this Program.

DATE OF ISSUE: August 5, 2013 DATE EFFECTIVE: September 4, 2013
 ISSUED BY: Darrin R. Ives, Senior Director Kansas City, Mo.

Deleted: December 6, 2012
 Deleted: January 7, 2013