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

Joint Application of Kansas City Power & ) Light Company and KCP&L Greater Missouri ) Operations Company for A Variance from the ) Provisions of 4 CSR 240-20.100(4)(H)(2) ) Related to Tariff Submission Date. )

Case No. EE-2011-0119

## APPLICANTS' REPLY TO RESPONSES OF STAFF AND RENEW MISSOURI

COME NOW Kansas City Power & Light Company ("KCPL") and KCP&L Greater Missouri Operations Company ("GMO") (collectively "Applicants") and, in accordance with the Commission's *Order Directing Response* dated November 19, 2010 ("Order"), respectfully submit their Reply to the responses of the Staff of the Commission ("Staff") and the Missouri Coalition for the Environment, d/b/a Renew Missouri ("Renew Missouri"), as follows:

1. On October 29, 2010, Applicants filed their joint application ("Application") for a

variance from the provisions of 4 CSR 240-20.100(4)(H)(2), to allow Applicants to delay the

filing of tariff sheets detailing the provision of a standard offer contract for the purchase of solar

renewable energy credits ("S-RECs") beyond the prescribed November 1 submission date.

2. The Commission established November 18 as the deadline for interested parties to

respond to that application. As noted in the Commission's Order:

The Staff of the Commission and the Missouri Coalition for the Environment, d/b/a Renew Missouri filed separate responses on November 18. Staff's only objection to the application was that it did not indicate when the applicants would be prepared to file a standard offer contract. Renew Missouri also objected to the open-ended nature of KCP&L and KCP&L-GMO's application. Renew Missouri initially asked the Commission to deny the application for that reason, but on November 19, filed an amended response asking that if the Commission grants the variance application, it do so with a date certain when the applicants might file a standard offer contract. (Order, page 1).

In its filing, the Staff "recommends that the Commission order the Joint Applicants to provide more information, in particular as to a variance ending date, on an expedited basis."<sup>1</sup> As a result

<sup>&</sup>lt;sup>1</sup> Staff Response to Variance Request, p. 2.

of the above-referenced responses, the Commission ordered Applicants to reply to those responses no later than November 29, 2010.

3. As discussed in the Application, questions relating to geographic sourcing and other issues remain that served to impede Applicants' ability to prepare and submit tariff sheets by the November 1 date in the Commission's rule, and the resolution of geographic sourcing issues will substantially affect the pricing provisions contained in the Applicants' tariffs. Two of three scheduled roundtable meetings have now been held "to discuss concrete solutions for the geographic sourcing issues" (conducted under the auspices of File No. EW-2011-0031), recognizing that future judicial and/or legislative actions regarding the subject rule are on the horizon.

4. The Applicants are closely monitoring the progress of the Ameren Standard Offer Contract tariff filing. It is the Applicants intention to understand the assumptions and conditions associated with that tariff and determine if its principals are suitable to value S-RECs for Applicants' customers.

5. The Applicants believe it would be prudent to thoroughly analyze the situation and balance the wants of those deploying renewable energy and the need of our customers to receive cost-effective compliance with state law.

6. Whereas the subject rule prescribes an *annual* November 1 submission date for the filing of a *discretionary* standard offer contract for the purchase of solar renewable energy credits, Applicants do not want to be foreclosed from the ability to still make such a filing for the 2011 compliance year.

7. Further, as the subject rule states a SE-REC may be used for compliance in a calendar year as long as it was valid during some portion of that year, any Standard Offer Contract tariff filing executed by the Applicant and intended for 2011 compliance would need to occur prior to November 1, 2011 to provide time for Commission approval and execution of the

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purchases. Therefore, the Applicants recognize that the variance need not extend beyond that date.

WHEREFORE, having replied to the responses of the Staff and Renew Missouri, KCPL and GMO respectfully request that the Commission grant them a variance from 4 CSR 240-20.100(4)(H)(2) to permit them to delay the filing of tariff sheets detailing the provision of a standard offer contract for the purchase of solar renewable energy credits ("S-RECs") for 2011 compliance to November 1, 2011.

Respectfully submitted,

## |s| Roger W. Steiner

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#### 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 26<sup>th</sup> day of November, 2010, to:

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<u>|s| Roger W. Steiner</u>

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