

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

In the Matter of Kansas City Power & Light Company's)
Application for Authorization to Suspend Payment of) File No. ET-2014-
Certain Solar Rebates)

**APPLICATION FOR AUTHORITY TO SUSPEND
PAYMENT OF SOLAR REBATES
AND REQUEST FOR CONTINGENT WAIVER OF 4 CSR 240-4.020(2)**

Pursuant to 4 CSR 240-2.060, Section 393.1030, and 4 CSR 240-20.100, Kansas City Power & Light Company ("KCP&L") hereby respectfully submits to the Missouri Public Service Commission ("Commission") its application for authorization to suspend the payment of certain solar rebates in 2013 ("Application"). In support of its Application, KCP&L states as follows:

I. APPLICANT

1. KCP&L is a Missouri corporation with its principal office and place of business at One Kansas City Place, 1200 Main, Kansas City, Missouri 64105. KCP&L is primarily engaged in the business of generating, transmitting, distributing, and selling electric energy in portions of western Missouri. KCP&L is an electrical corporation and public utility as defined in Section 386.020.

2. KCP&L has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which has occurred within three years of the date of this Application other than the following pending action: *Earth Island Institute d/b/a Renew Missouri, et al. v. Kansas City Power & Light Company*, Case No. EC-2013-0379 and *SunSmart Technologies, LLC v. Kansas City Power & Light Company*, Case No. EC-2014-0039. In addition, no annual report or assessment fees are overdue.

3. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to the undersigned counsel and:

Tim M. Rush
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4. Data requests concerning this Application should be addressed to Regulatory.Affairs@kcpl.com.

II. AUTHORIZATION TO SUSPEND PAYMENT OF SOLAR REBATES

5. On November 4, 2008, Proposition C was adopted by the voters of Missouri and later codified as Section 393.1030 RSMo (Cum.Supp. 2009) which mandated, *inter alia*, that the “commission shall, in consultation with the department, prescribe by rule a portfolio requirement for all electric utilities to generate or purchase electricity generated from renewable energy resources. . . ” Section 393.1030.1. RSMo. (Cum. Supp. 2009). Proposition C also stated that “Such rules shall include: (1) A maximum average retail rate increase of one percent determined by estimating and comparing the electric utility’s cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account future environmental regulatory risk including the risk of greenhouse gas regulation. . . “ Section 393.1030.2(1).

6. In compliance with Section 393.1030, the Commission adopted 4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements (effective September 30, 2010) which states, *inter alia*, that: “The retail rate impact. . . may not exceed one percent (1%)

for prudent costs of renewable energy resources directly attributable to RES compliance.”

4 CSR 240-20.100(5). In addition, Subsection D of 4 CSR 240-20.100(5) states as follows:

For purposes of the determination in accordance with subsection (B) of this section, if the revenue requirement including the RES-compliant resource mix, averaged over the succeeding ten (10)-year period, exceeds the revenue requirement that includes the non-renewable resource mix by more than one percent (1%), the utility shall adjust downward the proportion of renewable resources so that the average annual revenue requirement differential does not exceed one percent (1%). . . . (emphasis added)

7. On May 28, 2013, KCP&L filed its 2013 Annual Renewable Energy Standard Compliance Plan (2013 KCP&L Plan¹) in File No. EE-2013-0452², pursuant to 4 CSR 240-20.100. In the 2013 KCP&L Plan, the retail rate impact was calculated by comparing a non-renewable generation and purchased power portfolio to a RES-compliant portfolio with sufficient renewable resources to achieve the renewable standards. This analysis showed that the retail rate impact would exceed the one percent (1%) cap for the years 2013, 2014 and 2015, unless solar rebates were limited to maintain the 1% cap. Since KCP&L is projected to exceed the 1% retail rate impact in 2013, 2014, and 2015 due to solar rebates, solar rebate payment assumptions were limited to maintain the 1% cap. (See 2013 KCP&L Plan, p. 14)

8. On July 3, 2013, Governor Jeremiah (Jay) Nixon signed into law HB 142 which became effective on August 28, 2013 and amends Section 393.1030. HB 142 states in part (codified in Section 393.1030(3)):

¹ The 2013 KCP&L Plan is incorporated herein by reference.

² On May 29, 2013, the Commission issued its *Order Closing Case, Order Directing Notice And Order Setting Filing Deadline* in File Nos. EE-2013-0452 and EO-2013-0504 directing that notice and establishing a deadline for Staff to file a report and for other interested entities to file comments by July 12, 2013. The 2013 KCP&L Plan was also filed in File No. EO-2013-0504.

If the electric utility determines the maximum average retail rate increase provided for in subdivision (1) of subsection 2 of this section will be reached in any calendar year, the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff shall include the calculation reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached. The commission shall rule on the suspension filing within sixty days of the date it is filed. . .

9. The purpose of this application is to request that the Commission authorize KCP&L to suspend solar rebate payments in order to meet the statutory and rule requirements to adjust downward the proportion of renewable resources so that the average annual revenue requirement differential does not exceed one percent. Suspension of these solar rebates is requested to begin no later than November 9, 2013. Pursuant to HB 142, the Commission should make its decision in this matter effective within sixty (60) days of the filing of this Application.

10. Supporting testimony from the following witnesses, including the documentation reflecting that the maximum average retail rate increase will be reached, is attached to this application and incorporated herein by reference:

Burton L. Crawford— RES Retail Rate Impact Calculation

Tim M. Rush— Policy/Overview

11. In File No. ET-2014-0059³, the Commission issued an *Order Granting Interventions And Setting Procedural Schedule* on September 5, 2013 in which the Commission allowed the automatic intervention to the parties granted intervention in File No. ET-2014-0026

³ KCP&L Greater Missouri Operations Company (“GMO”) filed a similar application and tariffs in File No. ET-2014-0059 on September 4, 2013 since GMO is also projected to exceed the 1% retail rate impact cap in 2013

(GMO's previous solar rebate suspension tariff case) and adopted the following procedural schedule:

GMO Direct Testimony	September 4, 2013
Conference call – List of Issues	September 6, 2013
Rebuttal Testimony – All Parties	September 16, 2013
Surrebuttal Testimony – All Parties	September 23, 2013
Settlement Conference	September 25, 2013
List of Issues, Order of Cross-Examination, and Order of Opening Statements	September 27, 2013
Position Statements	October 1, 2013
Evidentiary Hearing	October 3-4, 2013
Briefs	October 17, 2013

12. In order to expedite this proceeding, KCP&L requests that all parties in File No. ET-2014-0059 be automatically made parties to this proceeding, unless they indicate that they do not wish to participate in this matter. In addition, since the Company is filing the KCP&L Application approximately one week after the GMO Application was filed in File No. ET-2014-0059, KCP&L requests that the Commission adopt in this case a similar procedural schedule and procedures adopted in File No. ET-2014-0059 delayed or lagged by one week. Under this proposal, the procedural schedule for this case would be as follows:

KCP&L Direct Testimony	September 10, 2013
Conference call – List of Issues	September 13, 2013
Rebuttal Testimony – All Parties	September 23, 2013
Surrebuttal Testimony – All Parties	September 30, 2013
Settlement Conference	October 2, 2013
List of Issues, Order of Cross-Examination, and Order of Opening Statements	October 4, 2013
Position Statements	October 8, 2013
Evidentiary Hearing	October 10-11, 2013
Briefs	October 24, 2013

III. CONTINGENT REQUEST FOR WAIVER

13. While KCP&L does not know whether this filing is likely to become a contested case subject to the notice of filing requirement of 4 CSR 240-4.020(2), it is filing this Application as soon as possible after its forecast of solar rebate payments indicated that it would be reaching the 1% retail rate impact cap sooner than expected in 2013. Accordingly, should the Commission conclude that the filing of this application is likely to be a contested case and subject to the notice of filing requirement of 4 CSR 240-4.020(2), KCP&L requests a waiver of the sixty (60) day notice requirement for good cause shown pursuant to 4 CSR 240-4.020(2)(B).

WHEREFORE, for the foregoing reasons, KCP&L respectfully requests that the Commission authorize it to suspend solar rebate payments beginning no later than November 9, 2013, in order to comply with Section 393.1030.2(1) RSMo (Cum.Supp. 2009) and 4 CSR 240-20.100(5). Pursuant to Section 393.1030(3), the Commission should make its decision in this matter effective within sixty (60) days of the filing of this Application. KCP&L also requests that the Commission adopt the proposed procedural schedule and procedures discussed herein and make the parties to File No. ET-2014-0059 intervenors in the current case without the need to file new motions to intervene. If the Commission concludes that the filing of this Application is likely to be a contested case and subject to the notice of filing requirement of 4 CSR 240-4.020(2), KCP&L requests a waiver of the sixty (60) day notice requirement for good cause shown pursuant to 4 CSR 240-4.020(2)(B).

Respectfully submitted,

/s/ James M. Fischer

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**ATTORNEYS FOR KANSAS CITY POWER &
LIGHT 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, to the certified service list in File No. ET-2014-0059 this 10th day of September, 2013.

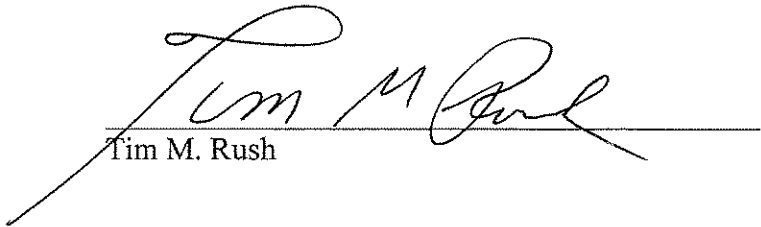
/s/ Roger W. Steiner

Roger W. Steiner

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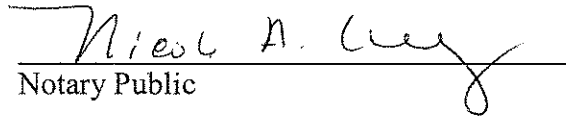
State of Missouri)
) ss
County of Jackson)

I, Tim M. Rush, having been duly sworn upon my oath, state that I am the Director, Regulatory Affairs of Kansas City Power & Light Company ("KCP&L"), that I am duly authorized to make this affidavit on behalf of Kansas City Power & Light Company, and that the matters stated in the foregoing application are true and correct to the best of my information, knowledge and belief.



Tim M. Rush

Subscribed and sworn before me this 10th day of September, 2013.



Notary Public

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2015
Commission Number: 11391200