

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

In the Matter of the Application of Kansas City )  
Power & Light Company for Authority to )  
Implement a General Rate Increase for Electric )  
Service )

**File No. ER-2018-0145**

In the Matter of the Application of KCP&L )  
Greater Missouri Operations Company for )  
Authority to Implement a General Rate Increase )  
for Electric Service )

**File No. ER-2018-0146**

**RENEW MISSOURI'S STATEMENT OF POSITIONS**

COMES NOW Renew Missouri Advocates (“Renew Missouri”) and offers the following statement of positions on issues III.b.i., III.b.ii., III.b.iv. (Residential Rate Design); V.b. (Solar Subscription Rider); and VI. (Indiana Model):<sup>1</sup>

**III.b.i. What residential rate design should be ordered for each utility?**

**Renew Missouri Position:**

The Commission should continue to fully migrate KCPL and GMO residential tariffs away from declining and toward inclining block rates.<sup>2</sup> KCPL currently offers a declining block rate for the winter season and is proposing to retain this rate design instead of migrating to an inclining block rate or a flat rate for the winter season. The opportunity for improvement with GMO is even greater; in this proceeding, the company proposes a flat summer rate and a declining block rate for the winter. Instead of retaining a declining block rate in the winter (both KCPL and GMO) or retaining a flat rate in the summer (GMO), the companies should move toward inclining block

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<sup>1</sup> Renew Missouri did not file testimony on the other issues and reserves the right to base a final position on the evidence presented at hearing.

<sup>2</sup> Scripps Direct, p 1; Scripps Surrebuttal, p. 1.

rates that reasonably balance the encouragement of efficient consumption with the need to keep customers safe.<sup>3</sup>

**III.b.ii. What residential customer charges should be ordered for each utility?**

Renew Missouri Position:

The residential customer charge should include those costs necessary to make electric service available to the customer, regardless of the level of electric service utilized. Examples of such costs include monthly meter reading, billing, postage, customer accounting service expenses, a portion of costs associated with meter investment, and the service line.<sup>4</sup> The companies' current cost study inappropriately includes not only a "portion of costs associated with meter investment," but includes the full cost of AMI meter deployment in the customer component. Because the many benefits of AMI serve all of KCPL/GMO operation functions, it is inappropriate to include the full cost of AMI meter deployment in the customer component.<sup>5</sup> The per meter cost difference between an AMI meter and a standard meter of \$71.50 per meter is a reasonable estimate of the portion of the AMI investment that should be removed from the customer charge. Renew Missouri recommends that the Commission order the companies to lift out from the customer component in their cost of service study the \$71.50 per AMI meter deployed and reclassify this cost as demand-related or energy-related, thereby reducing the meter cost allocated to the customer charge.<sup>6</sup> Re-allocating the costs of AMI meter deployment away from the customer component is necessary to know whether raising the customer charge is truly justified, or whether the customer charge might

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<sup>3</sup> Scripps Surrebuttal, p. 1.

<sup>4</sup> Scripps Surrebuttal, p. 3.

<sup>5</sup> Scripps Surrebuttal, p. 5.

<sup>6</sup> Scripps Surrebuttal, p. 5.

even be lowered to better reflect only those costs necessary to make electric service available to the customer.<sup>7</sup>

**III.b.iv. Should the Commission order implementation of KCPL’s and GMO’s proposed Time of Use Pilots? If so, how?**

Renew Missouri Position:

The Commission should require KCPL and GMO to expand their use of residential time-of-use pilots. The proposed opt-in time-of-use (“TOU”) rate pilot programs should be expanded to accommodate a larger total number of non-EV residential customers, EV-residential customers, and residential customers with solar generation. Expanding the opt-in pilots, rather than rushing to a mandatory roll-out, would be a measured and reasonable step toward realizing the value proposition of the advanced metering infrastructure that has already been deployed.<sup>8</sup>

Furthermore, although Renew Missouri disagrees with Staff’s mandatory TOU proposal, it agrees with the Staff’s recommendation that customers receive information about how bills will be charged going forward including “shadow billing.” Shadow billing can be an important tool to provide customers with the advance education needed to respond to time-of-use rate offerings. Through the practice of shadow billing, “consumers receive full information about what billing under the full range of rate options would have been given existing usage level and timing of consumption.”

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<sup>7</sup> Scripps Surrebuttal, p. 4.

<sup>8</sup> Scripps Direct, p 21; Scripps Surrebuttal, p. 8.

**V.b. Solar Subscription Rider – Should the Commission order the implementation of a solar subscription rider for each utility? If yes, should the Commission order the adoption of any other recommendations made by parties?**

Renew Missouri Position:

Yes. While Renew Missouri applauds the companies' interest in putting forward a project aimed at pursuing renewable resources and providing customers the opportunity to participate, there are a few areas where the proposal can be improved. One concern that Renew Missouri maintains is that the subscription price is unreasonably high.<sup>9</sup> With the declining cost of solar systems, the benefits of economies of scale, and the general location of the system, the companies should be able to offer customers a more favorable price than is contained in their program as proposed. The Commission should order that the final subscription price be based on the actual project costs resulting from a competitive and open RFP process to ensure customers are realizing the greatest benefit possible.<sup>10</sup>

**VI. Indiana Model – Should the Commission order each utility's Demand Response Incentive Tariff be modified to incorporate the Indiana Model, as proposed by AEMA?**

Renew Missouri Position:

With only slight modifications to formatting, the model tariffs submitted with the companies' supplemental testimony should be adopted in these rate cases. If adopted in this case, the utility and customers can begin seeing the benefits of adopting these new processes right away. Waiting to resolve this matter in companies' MEEIA Cycle III application is problematic in that there is no current MEEIA filing pending from the companies and there is no statutory requirement for them to file for a demand response or Indiana model tariff in that application.<sup>11</sup> Just this week,

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<sup>9</sup> Fracica Rebuttal, p. 2.

<sup>10</sup> Fracica Rebuttal, pp. 2; 11.

<sup>11</sup> Owen Rebuttal, p. 18.

KCPL and GMO filed testimony in Ameren Missouri's MEEIA case stating that the companies have "hit the pause button on the filing of our MEEIA Cycle 3 application" creating more uncertainty of these programs being implemented outside of this rate case.<sup>12</sup>

Although Renew Missouri finds the model tariffs submitted with the companies' supplemental testimony to be acceptable if ordered in this case, Renew Missouri also supports AEMA's proposed tariff.<sup>13</sup> Renew Missouri would like for this proposed tariff to be considered, as well as what Renew Missouri suggested, in this case and for the Commission to order the companies to enact a demand response aggregation program.<sup>14</sup>

Lastly, Renew Missouri believes that an Indiana model tariff can be enacted without revisiting the Commission's 2010 order regarding 3<sup>rd</sup> party demand response aggregators, but that the 2010 order should be revisited as to reflect new developments in the energy market and to give the Commission more tools in increasing DR and other energy efficiency efforts.<sup>15</sup>

WHEREFORE, Renew Missouri submits its *Statement of Positions*.

Respectfully,

**/s/ Tim Opitz**

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<sup>12</sup> EFIS Case No. EA-2018-0211, Surrebuttal Testimony of Charles Caisley, p. 8.

<sup>13</sup> Owen Surrebuttal, p. 1.

<sup>14</sup> Owen Surrebuttal, p. 3.

<sup>15</sup> Owen Rebuttal, p. 18.

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 19<sup>th</sup> day of September 2018:

**/s/ Tim Opitz**

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