

MEMORANDUM

FILED

JUL 12 1999

TO: Missouri Public Service Commission Official Case File
Case No. ET-2000-7, File No. 0000017, Missouri Public Service Commission

FROM: Mack McDuffey, Electric Department – Rates & Tariffs *mm* *fw*

Wendy Henderson 7-8-99
Utility Operations Division/Date

Steven R. Dotson 7/12/99
General Counsel's Office/Date

SUBJECT: Staff Recommendation for **Expedited Approval** of Tariff Sheets Filed to add Voluntary Load Reduction Rider.

DATE: July 8, 1999

On July 2, 1999, Missouri Public Service (MPS or Company) of Kansas City, Missouri filed three (3) rate tariff sheets to become effective on August 2, 1999. The Company requested that these tariff sheets become effective as quickly as possible, specifically in less than thirty days. This filing is designed to add a new rate schedule entitled "Voluntary Load Reduction Rider" (Rider). The purpose of this Rider is to allow bill credits to customers who, at Company's request, voluntarily curtail (interrupt and/or displace) electrical usage normally served by Company.

MPS has requested expedited treatment of the tariff sheets for the following reasons:

1. All customers have withdrawn from the Company's present Curtailment Rider.
2. The only means of curtailment is the Company's present Emergency Plan.
3. The Emergency Plan goes from voluntarily to mandatory with no compensation.
4. The summer electric peak demand season has begun.

The following is a summary of the new Rider:

1. Available to any nonresidential customer, except those on the Real Time Price Program, that has a contract with the Company for service under this Rider.
2. Customer has a peak demand in the past 12 months exceeding 500 kW.
3. Subject to economic and technical feasibility of required metering equipment.
4. Term of contract allows customer to sign up from October 1 through December 31 for the following year.
5. Amount of kWh eligible for curtailment credit is based on 90 % of the previous daily peaks in which no curtailment was requested corresponding to the hours of requested curtailment minus the actual load in each respective hour, and sum across all hours.
6. Company may provide customer with access to software for real-time meter information for \$75 per month.
7. Participation is any period between May 1 and September 30, inclusive.
8. Customer to inform Company with written response within two (2) hours of the time of the request which determines the load reduction period.

This Rider will provide the Company with greater flexibility in dealing with potential power supply problems during this summer, while also broadening customer load curtailment and load reduction opportunities.

On April 8, 1999 the Commission approved changes to The Empire District Electric Company's Interruptible Service Rider IR which contains a provision for Special "One-Time" Interruptible Credits that is similar in concept to MPS's proposed "Voluntary Load Reduction Rider." The Commission approved Voluntary Load Reduction Riders for Kansas City Power & Light Company, effective May 8, 1999, and Union Electric, effective June 1, 1999, that are very similar to Missouri Public Service's proposed Voluntary Load Reduction Rider.

The Staff is supportive of transitioning to pay-as-you-go credits for load curtailments / reductions. This method is more consistent with conditions in today's wholesale power markets, and better reflects current methods of determining capacity reserve requirements. Reserve requirements can now be met with short-term capacity purchases, i.e., it is no longer required that capacity must be available for the entire year in order to be counted towards the reserve requirements.

The Missouri Public Service Commission Electric - Tariff / Rate Design Staff (Staff) has reviewed the filed tariff sheets, and is of the opinion that they should be approved and that good cause has been stated for expedited treatment of this tariff filing. Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff therefore recommends that the Commission approve the proposed tariff sheets to become effective as soon as possible.

P.S.C. MO. No. 2

Original SHEET NO. 73

Original SHEET NO. 74

Original SHEET NO. 75

copies: Director - Utility Operations Division
 Director - Research and Public Affairs Division
 Director - Utility Services Division
 General Counsel
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