BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri Operations Company's Application for Approval of Demand-Side Programs and For Authority to Establish A Demand-Side Programs Investment Mechanism	)))))	Case No.: EO-2012-0009

NON-UNANIMOUS STIPULATION AND AGREEMENT RESOLVING KCP&L GREATER MISSOURI OPERATIONS COMPANY'S MEEIA FILING

COME NOW KCP&L Greater Missouri Operations Company d/b/a KCP&L ("GMO"), Kansas City Power & Light Company (KCPL), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), the Missouri Department of Natural Resources ("MDNR"), the Natural Resources Defense Council, Sierra Club and Earth Island Institute d/b/a Renew Missouri (collectively, the "Environmental Interveners"), the Missouri Industrial Energy Consumers ("MIEC"), Wal-Mart Stores East, L.P. and Sam's East, Inc. (collectively referred to as "WAL-MART"), (together, the "Signatories") and present this Non-Unanimous[1] Stipulation and Agreement ("Stipulation") to the Commission for the Commission's approval, and in support thereof respectfully state as follows:

BACKGROUND

1. On December 22, 2011, GMO filed an application under the Missouri Energy Efficiency Investment Act ("MEEIA") and the Commission's MEEIA rules, along with its direct testimony. Rebuttal testimony was filed on March 20, 2012, and surrebuttal and cross-surrebuttal testimony was filed on May 10, 2012.

[1] Southern Union Company d/b/a Missouri Gas Energy ("MGE") and Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") have indicated that they do not oppose this Stipulation.

SPECIFIC TERMS AND CONDITIONS

2. Complete Settlement of Case. As a result of extensive settlement discussions among all of the Signatories, the Signatories have agreed upon the terms[2] and conditions set forth below in full and final resolution of all remaining issues in this case.

3. Approval of Plan. The Signatories agree for purposes of this Stipulation, the "Plan" the Commission should approve for GMO to implement consists of the 15 demand-side programs ("MEEIA Programs") described in GMO's December 22, 2011 MEEIA Application (modified to reflect the terms and conditions herein), and the demand-side programs investment mechanism ("DSIM") described in this Stipulation.

4. Implementation and Term of the MEEIA Programs. GMO agrees to make its best effort to begin implementation of most of its 15 MEEIA Programs on the effective date of new base rates resulting from a Commission Order in Case No. ER-2012-0175. The three-year Plan period will end three years from the effective date of the tariff sheets of the first MEEIA Programs to be implemented. In the event that some MEEIA Programs (most likely the Residential Lighting and Appliance Program, Residential Energy Report Program (pilot), Multi-Family Rebate Program, Commercial & Industrial Prescriptive Rebate Program and Appliance Turn-In Program) start on a different date, the end date will be on the same date as the end date for GMO's other MEEIA programs.

5. DSIM. The Signatories agree to the DSIM described in this Stipulation. The DSIM addresses recovery of MEEIA Programs' costs, GMO's Throughput Disincentive Net Shared Benefits ("TD-NSB") Share and GMO's Performance Incentive Award. GMO shall recover through the general rates set in Case No. ER-2012-0175 ("base rates") estimated MEEIA

[2] Unless specifically defined herein, the terms used in the Stipulation are defined in the Commission's rules, 4 CSR 240-20.093(1) and 4 CSR 240-20.094(1)

Programs' costs and ninety percent (90%) of the estimated annualized GMO TD-NSB Share. The MEEIA Programs' costs and TD-NSB Share will be trued-up later, as described in paragraphs 6a and 6b. GMO will not recover any Performance Incentive Award until after the end of the three-year Plan period. Because certain non-residential customers may opt-out of participation in MEEIA Programs and such customers may not be charged for any of the DSIM revenue requirements for those programs, how MEEIA Programs' costs, the GMO TD-NSB Share and GMO's Performance Incentive Award are recovered from customers is addressed differently in this Stipulation for customers in residential versus the non-residential customer classes.

It is the intent of the Signatories that GMO shall ultimately collect from customers an amount as close as reasonably practicable to the MEEIA Programs' costs, the GMO TD-NSB Share and GMO's Performance Incentive Award earned as provided for herein. The Signatories contemplate that unless a rider that allows charges or changes in rates between general electric rate cases as contemplated in this Stipulation is available or they otherwise agree, the method to accomplish this intent will be to create regulatory assets and/or regulatory liabilities for the overcharge/undercharge so that such differences can be billed/returned through future general electric rate proceedings.

a. *MEEIA Programs' Costs*. One third of the estimated costs of the MEEIA Programs[3] ($13,944,367) for the MEEIA Programs shall be added to GMO's revenue requirement determined as if the Plan did not exist, both in Case No. ER-2012-0175 and in each subsequent GMO general electric rate case where new GMO general electric rates

[3] MEEIA Programs' costs include expenditures on items such as program design, administration, delivery, end-use measures and incentive payments, evaluation, measurement and verification, market potential studies and work on the technical resource manual.

("base rates") will become effective before the end of the three-year Plan period of the MEEIA Programs.

GMO shall track, with carrying costs, the differences between the estimated program costs billed to customers through rates and the actual program costs, separately for residential and non-residential customers, for recovery/return of the cumulative differences after the end of the three-year Plan period ("true-up"). Unless recovered/returned between general rate cases through a rider, the recovery/return shall be effectuated by using three-year amortizations of the ending cumulative differences as of the end of the last period used to update or true-up the test year used for setting new rates and including the annual amounts of those amortizations in GMO's revenue requirement upon which its general electric rates are set as well as the class cost of service upon which those rates are designed, i.e., there will be an annual amount included in the cost of service for residential customers and an annual amount included in the cost of service for non-residential customers. This may occur in more than one GMO general electric rate case. Because it is probable that there will be differences over the course of the three-year Plan period between the estimated costs of the programs billed to customers and GMO's actual costs for those programs as it incurs them, each month GMO shall apply a carrying cost using GMO's short-term borrowing rate to the cumulative differences (regulatory asset or regulatory liability accounts). No provision of this paragraph affects the Commission's ability to disallow imprudently incurred program costs through the prudence review process addressed in the Commission's MEEIA rules, and as provided for in paragraph 22 of this Stipulation. After the conclusion of the three-year Plan period, one or more true-ups will be performed to reflect actual MEEIA Programs' costs for the three-year Plan period, as provided for in paragraph 6.a below.

b. *GMO TD-NSB Share*.

i. Net Shared Benefits ("NSB") Relating to the Throughput Disincentive ("TD"). The GMO TD-NSB Share shall be based on the actual number of energy efficiency measures installed each month during the three-year Plan period; however, over the three-year Plan period GMO shall recover in base rates a portion of estimated GMO TD-NSB Share as follows. In addition to the above-mentioned one third of the estimated costs of the MEEIA Programs ($13,944,367), $4,788,509 (90% of estimated annualized GMO TD-NSB Share) also shall be added to the revenue requirement determined as if the approved Plan did not exist, in Case No. ER-2012-0175, and in each subsequent GMO general rate case where new base rates will become effective before the end of the three-year Plan period. The $4,788,509 (as illustrated in Appendix A) is equal to ninety percent (90%) of the estimated amount of GMO's TD-NSB Share. "GMO's TD-NSB Share" or "GMO TD-NSB Share" is the annualized value of a three-year annuity of 13.55% [4] of the actual pre-tax NSB which the Signatories agree GMO is to recover to offset the TD associated with the MEEIA Programs. NSB are the present value of the lifetime avoided costs (i.e., avoided energy, capacity and transmission and distribution, and probable environmental compliance costs) for the approved MEEIA Programs using the deemed values of demand-side measures for each program less the present value of the MEEIA Programs' costs.

[4] The 13.55% is calculated using an assumed combined marginal federal/state tax rate of 38.39% and the customer charge as established in File No. ER- 2010-0356 for each of GMO's rate districts.

The Residential Appliance Turn-in Program will have a NTG ratio of 0.52 that will be used in the calculation of NSB. The revenue requirement addition provided for in this paragraph 5.b shall be trued-up as provided for in paragraph 6.b below.

ii. <u>NSB Relating to the Performance Incentive</u>. After the conclusion of the three-year Plan period, using final Evaluation, Measurement and Verification ("EM&V") results, GMO will be allowed to recover the performance incentive award, which is a percentage of NSB as described on Appendix B attached hereto and incorporated herein by this reference (the "Performance Incentive Award"). The cumulative annual net megawatt-hours ("MWh") and megawatts ("MW") determined through EM&V to have been saved during the three-year Plan period as a result of the MEEIA Programs will be used to determine the amount of GMO's Performance Incentive Award. The cumulative annual net MWh performance achievement level (expressed as a percentage) will be equal to cumulative annual net MWh savings determined through EM&V divided by GMO's total targeted 150,346 MWh (which is the cumulative annual net MWh savings in the third year of the three-year Plan period).[5] The cumulative annual net MW performance achievement level (expressed as a percentage) will be equal to cumulative annual net MW savings determined through EM&V divided by GMO's total targeted 37.521 MW (which is the cumulative annual net MW savings expected to be captured in the third year of

[5] The cumulative 150,347 MWh and 37.521 MW net (net-to-gross ratios are equal to 1.0 except for the Appliance Recycling Program which is equal to 0.52) energy and demand savings are based upon GMO having no approved opt-out customers. The use of a net to gross of 1 is not precedent setting.

the three-year Plan period).[6] The MWh performance achievement level (expressed as a percentage) will be weighted 80% and the MW performance achievement level (expressed as a percentage) will be weighted 20% to determine the overall level of achievement for the Plan when determining the Performance Incentive Award amount. The targeted net energy and demand savings shall be adjusted annually for full program year impacts on targeted net energy and demand savings caused by actual opt-out. [7] Actual net energy and demand savings will be determined through the EM&V, including full retrospective application of net-to-gross ratios at the program level using EM&V results. The total evaluated net cumulative annual net energy and demand savings achieved by the end of the three-year Plan period will be used to determine the amount of the Performance Incentive Award. Recovery of the Performance Incentive Award is addressed in paragraph 6.c.

6. Final Recovery/True-up. It is the Signatories' intent that GMO shall recover as close as reasonably practicable (separately for the residential and non-residential customer classes):

- its actual MEEIA Programs' costs;
- the GMO TD-NSB Share amounts; and
- the Performance Incentive Award determined in accordance with paragraph 5.b.ii. and Appendix B.

Initially, as detailed above, estimates of the MEEIA Programs' costs and 90% of estimated annualized GMO TD-NSB Share shall be recovered through base rates, with the

[6] Because peak demand savings are only relevant during a specific time (i.e., they do not accumulate over time) the *cumulative annual* MW savings in year 3 reflects simply the total peak demand savings achieved in year 3.
[7] This is based on a net-to-gross ratio equal to 1.0 except for the Appliance Recycling Program equal to 0.52.

difference between GMO's estimated and actual MEEIA Programs' costs and the difference between 90% of the estimated annualized GMO TD-NSB Share and actual GMO TD-NSB Share tracked for recovery by means of an amortization in a future general electric rate case. Similarly, GMO's Performance Incentive Award shall be recovered through base rates set in a future general electric rate case by using an amortization described in paragraph 6 c. However, if the pending challenge (currently before the Missouri Western District Court of Appeals in Case No. WD 74676) to the lawfulness of a DSIM rider is ultimately resolved in favor of it being lawful prior to any final true-up of the MEEIA Programs' costs or GMO's TD-NSB Share, then the respective associated regulatory asset or regulatory liability balance, or award shall (except as otherwise provided for in paragraph 7) be recovered from/returned to customers via such a rider. Furthermore, if the pending challenge (currently before the Missouri Western District Court of Appeals in Case No. WD 74676) to the lawfulness of a DSIM rider is ultimately resolved in favor of it being lawful prior to any determination of the amount of GMO's Performance Incentive Award, then (except as otherwise provided for in paragraph 7) the award shall be recovered from customers via such a rider. The basic terms of the riders referenced above are outlined in paragraph 7.

a. *Final Recovery/True-up of Program Costs*: Because the MEEIA Programs' costs to be included in the revenue requirement in Case No. ER-2012-0175, and in each subsequent GMO general electric rate case where new base rates will become effective before the end of the three-year Plan period, are estimated, a true-up will be required to reflect actual MEEIA Programs' costs as compared to the billed amount. Because it is probable that there will be differences over the course of the three-year Plan period between the amount of MEEIA Programs' costs billed in rates to the residential and non-residential customer classes and the amount of MEEIA Programs' costs GMO actually incurs for the residential and non-residential customer classes, GMO shall track such differences and apply each month a carrying cost using GMO's short-term borrowing rate to the cumulative amount of the under- or over-recovery. Unless GMO's cost recovery component of a DSIM is being implemented through a rider, the true-up to reflect differences between billed and actual MEEIA Programs' costs will be effectuated through an amortization (implemented in one or more future general electric rate proceedings) of the balance in a regulatory asset or regulatory liability account. This amortization will reflect the difference between the amount of actual monthly MEEIA Programs' costs and the billed amount of monthly MEEIA Programs' costs at the end of the last period (separately for the residential and non-residential customer classes) used to update or true-up the test year used for setting new general electric rates. With respect to recovery/return of the difference between the amount of billed and the amount of actual MEEIA Programs' costs (separately for the residential and non-residential customer classes), the Signatories agree as follows:

i. Interest shall be applied monthly at GMO's short-term borrowing rate to the cumulative differences between the billed amount of monthly MEEIA Programs' costs and the monthly MEEIA Programs' costs actually incurred.

ii. If the regulatory asset or regulatory liability balance is not being recovered from/returned to customers via a rider, then in any general electric rate proceeding occurring after the conclusion of the three-year Plan period and concluding prior to when the entire difference between actual and billed MEEIA Programs' costs (separately for the residential and non-residential customer classes) have been recovered/returned, the regulatory asset or regulatory liability balance (with interest) as of the end of the last period used to update or true-up the test year used for setting new electric rates in such a general electric rate proceeding shall be amortized over three years and the resulting annual amount included in the revenue requirement used to determine base rates in that general electric rate proceeding. The unamortized balance of any regulatory asset or regulatory liability will be included in GMO's general electric rate base (separately for the residential and non-residential customer classes) in that general electric rate proceeding. It is the intent of the Signatories that GMO shall ultimately bill customers for an amount as close as reasonably practicable (separately for the residential and non-residential customer classes) to the MEEIA Programs' costs. The Signatories contemplate that unless they otherwise agree, the method to accomplish this intent will be to create a regulatory asset or regulatory liability for the overage/underage so that such difference can be billed/returned through future general electric rate proceedings.

iii. The provisions of this paragraph 6.a do not affect the Commission's ability to disallow imprudently incurred MEEIA Programs' costs through the prudence review process addressed in the Commission's MEEIA rules, and as provided for in paragraph 22 of this Stipulation.

b. *Final Recovery/True-up of GMO's TD-NSB Share*: Throughout the three-year Plan period, GMO will determine the monthly energy (KWh) and demand (KW) savings achieved through the demand-side programs to determine GMO's TD-NSB.

The actual energy and demand savings will most likely vary from the estimated energy and demand savings used to calculate the estimated TD-NSB Share to determine the $4,788,509 to be included in GMO's revenue requirement in Case No. ER-2012-0175, as also provided for in paragraph 5.b.i. above. Moreover, $4,788,509 is 90% of the estimate of GMO's TD-NSB Share, and the amount actually billed will almost certainly vary from the $4,788,509 to be reflected in GMO's revenue requirement in Case No. ER-2012-0175. The Signatories agree there is a need to true-up (separately for the residential and non-residential customer classes) the amount of the 90% of estimated annualized GMO TD-NSB Share that is billed to the amount of the GMO TD-NSB Share. GMO shall track the differences (separately for the residential and non-residential customer classes) between the amount billed and the dollar amount that equates to GMO's TD-NSB Share (determined using the actual measure energy and demand savings each month). EM&V shall not be utilized to calculate the actual NSB for the purposes of determining the amount of the GMO TD-NSB Share.

In order to determine the net present value of lifetime energy and demand benefits used to calculate the monthly NSB, GMO will use DSMore XLS Version 6.0.1, GCG Version 6.0.6 and the applicable DSMore electronic spreadsheets, provided as electronic workpapers (labeled as GMO DSMore Files 10-29-12), by month. The values in the DSMore electronic spreadsheets shall not be changed except as provided for in the discussion of each MEEIA Program below. The monthly NSB shall be the sum of cells D41 and B36 of the Test Results tab less cell B46 of the Test Results tab for all updated DSMore electronic spreadsheets.

Cool Homes – Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

MPower – GMO will change DSMore cells as necessary to model each participant's contracted curtailable load. GMO will model each MPower contract individually per each participant's contracted agreement for curtailable load and participant incentive payments. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87. GMO will enter the appropriate load profile on the Program Input sheet, MS-Excel cell A12 and A13. GMO will enter the appropriate electric rate on the Utility Input sheet, MS-Excel cell range A7 through D37.

Optimizer - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Multi-Family - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Low-Income Weatherization – The agencies currently managing LIW programs are:

1. Missouri Valley Community Action Agency –MVCAA
2. West Central Missouri Community Action Agency—WCMCAA
3. City of Kansas City, Missouri—KCMO
4. Green Hills Community Action Agency—GHCAA
5. Community Services Inc—CSI

Other communities' agencies that decide to offer LIW programs within GMO's service territory may be included: The Community Action Partnership of Greater St. Joseph is planning to offer a LIW program. GMO will develop the energy savings from the National Energy Assessment Tool (NEAT), which was developed by the Oakridge National laboratory. GMO shall prorate the kWh listed on the NEAT report for the actual measure(s) installed as follows:

GMO incentive payment / total cost on the agency payment sheet x NEAT kWh

GMO shall input the kWh information developed above into the DSMore spreadsheet for the Low Income Weatherization program in cell B21of the Program Input tab and DSMore will calculate the kW savings. The Customer Participation cells (Cell

D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) will also be updated with GMO's payment to the agency as the incentive costs, plus GMO's administrative cost, implementation cost, and other costs. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

C&I Custom Rebate Program - All rebate applications are submitted to GMO's implementation contractor, a consulting firm that evaluates the potential savings from each project. After the rebate application is submitted, the implementation contractor returns a project evaluation report to GMO with its best independent estimate of the impact savings data by project for measures that were actually installed. GMO will update cells of the DSMore electronic spreadsheets with the implementation contractor's estimate of impact savings data as necessary to calculate the lifetime energy and demand benefits for each project for monthly tracking. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. New construction is not eligible for T12 retrofit rebates in any program year. Standard T8 will be the baseline technology used to calculate energy and demand savings for all linear fluorescent new construction projects in program years one, two and three. Rebates for T12 retrofits will not be available in program year three. Standard T8 will be the baseline technology used to calculate energy and demand savings for all linear fluorescent retrofits in program year 3. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87. GMO will enter the appropriate load profile on the Program Input sheet, MS-Excel cell A12 and A13. GMO will enter the appropriate electric rate on the Utility Input sheet, MS-Excel cell range A7 through D37.

Residential Reports - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Energy Star New Homes - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Home Performance with Energy Star - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Residential Appliance Turn-in - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Residential Lighting and Appliances - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

C&I Prescriptive Rebate Program - Customer Participation (Cell D34 of the Program Input tab) and Utility Program Costs, including incentives (Cells D43 through D46 of the Program Input tab) shall be updated to reflect actual values. New construction is not eligible for T12 retrofit rebates in any program year. Standard T8 will be the baseline technology used to calculate energy and demand savings for all linear fluorescent new construction projects in program years one, two and three. Rebates for T12 retrofits will not be available in program year three. Standard T8 will be the baseline technology used to calculate energy and demand savings for all linear fluorescent retrofits in program year 3. In program year 2, the escalation rate data on the utility input tab, in columns D79 through AA87 will be shifted left one column, to cells C79 through Z87. In program year 3, the escalation data on the utility input tab, in columns E79 through AA87 will be shifted left two columns, to cells C79 through Y87.

Home Energy Analyzer – There are no demand or energy savings associated with this program.

Business Energy Analyzer – There are no demand or energy savings associated with this program.

Building Operator Certification Program – There are no demand or energy savings associated with this program.

If any true-up relating to GMO's TD-NSB Share is not being effectuated through a rider then that true-up shall be effectuated through an amortization (implemented in one or more future general electric rate proceedings) of the balance in a regulatory asset or regulatory liability account (separately for the residential and non-residential customer classes) that will reflect the difference between the actual amount billed and the dollar amount that equates to the actual GMO TD-NSB Share based on the actual measure savings each month. With respect to recovery/return of the difference between the amount billed through base rates and the dollar amount of GMO's TD-NSB Share, the Signatories agree as follows:

i. Interest shall be accrued at GMO's Allowance for Funds Used During Construction ("AFUDC") rate applied (separately for the residential and non-residential customer classes) to the monthly cumulative differences between the billed amount for GMO's TD-NSB Share (which is based upon 90% of GMO's estimated TD-NSB Share) and the amount of the GMO TD-NSB Share based on actual measure savings each month.

ii. If the regulatory asset or regulatory liability balance is not being recovered from/returned to customers via a rider, then in each GMO general electric rate proceeding that occurs after new general electric rates become effective in Case No. ER-2012-0175 and concludes prior to when the entire difference between the amount billed and the amount of GMO's actual TD-NSB Share (separately for the residential and non-residential customer classes) has been recovered/returned, the regulatory asset or regulatory liability balance (plus accrued carrying costs at GMO's AFUDC rates) at the end of the last period used to update or true-up the test year used for setting new general electric rates in such a general electric rate proceeding shall be amortized over three years and the resulting annual amount included in the revenue requirement used to determine base rates in that general electric rate proceeding. The unamortized balance of any regulatory asset or regulatory liability will be included in rate base. If such a general electric rate proceeding during the three-year Plan period, the true-up will only be partial, meaning at least one more true-up will occur (separately for the residential and non-residential customer classes) in later general electric rate proceedings concluding after the three-year Plan concludes. It is the intent of the Signatories that GMO shall ultimately bill customers for an amount as close as reasonably practicable (separately for the residential and non-residential customer classes) to the amount of GMO's TD-NSB Share. The Signatories contemplate that unless they otherwise agree, the method to accomplish this intent will be to create a regulatory asset or regulatory liability for the overage/underage so that such difference can be billed/returned through general electric rate proceedings.

c. *Recovery of Performance Incentive Award*:

If GMO does not recover its Performance Incentive Award amount through a rider, then GMO shall recover its Performance Incentive Award amount through an amortization of the award amount included in GMO's rate base in a general electric rate case that concludes after the Performance Incentive Award amount is determined for the end of the three-year Plan period. With respect to recovery of GMO's Performance Incentive Award amount through an amortization, the Signatories agree that in the first general electric rate proceeding for which the end of the last period used to update or true-up the test year used for setting new general electric rates occurs after the last of the three year Plan EM&V cycles have been completed, the amount of the Performance Incentive Award (plus an accrued carrying cost equal to GMO's short-term borrowing rate calculated from the end of the three-year Plan period until recovery begins) shall be amortized over two years and the resulting annual amount included in the revenue requirement used to determine base rates in that general electric rate proceeding. It is the intent of the Signatories that GMO shall ultimately bill customers for an amount as close as reasonably practicable (separately for the residential and non-residential customer classes) to the Performance Incentive Award earned as provided for in paragraph 5.b.ii. and Appendix B. The Signatories contemplate that unless they otherwise agree, the method to accomplish this intent will be to true-up the balance in the regulatory asset or regulatory liability to bill/return the difference between the amount previously billed for the Performance Incentive Award amount and the amount of the Performance Incentive Award earned.

7. If a rider is utilized in lieu of recovery/true up for the items reflected in paragraphs 5 and 6 above, it shall provide for rate adjustments outside general rate proceedings. The rider will be designed so that sums to be billed/returned via the rider will be billed/returned within two years of the annual period in which the sums being recovered under the rider were recognized in GMO's financial statements prepared in accordance with Generally Accepted Accounting Principles. Sums to be billed/returned under the rider shall bear interest at GMO's short-term borrowing rate until fully billed/returned. The rider will also provide for further adjustments as necessary after the billing/return period is complete to true-up any differences in the sums to be billed/returned and the actual billings/returns caused by a difference between the kilowatt-hour sales used to calculate the rider rate versus the actual kilowatt-hour sales that occurred during the billing/return period. The Signatories agree to cooperate in the creation of the riders referenced in this paragraph, including the tariff sheets to implement it. Notwithstanding anything to the contrary contained in this Stipulation, if the Commission does not approve an agreed-upon rider or a rider meeting the basic terms outlined in this paragraph 6, in either case within a time period that will not result in a delay in any amortization that would otherwise have occurred absent the use of a rider, then a rider shall not be used for recovery/true up for the items reflected in paragraphs 5 and 6 above, and recovery/true-up of such items shall occur as otherwise provided for in this Stipulation, the same as if the lawfulness of a DSIM rider had not ultimately been resolved in favor of it being lawful.

8. <u>Demand-Side Management ("DSM") Programs Tariff Sheets</u>. The tariff sheets in the form of the exemplar tariff sheets attached hereto and incorporated herein by reference as

Appendix E shall be filed as compliance tariff sheets concurrently with the filing of compliance tariff sheets in Case No. ER-2012-0175[8]. The five new programs, Multi-Family Rebate Program, Residential Lighting and Appliance Program, Appliance Turn-In Program, Commercial & Industrial Prescriptive Rebate Program and the Residential Reports Program, will become effective on that date, but could take up to six months to fully implement. The Signatories agree that the exemplar tariff sheets attached hereto (subject to inserting for each individual program the effective start date and end date in the applicable blanks) should be approved in Case No. ER-2012-0175.

The Signatories agree that GMO will be allowed to fulfill all obligations resulting from the existing DSM program tariff sheets.

Customers who opt-out of the demand-side programs will be permitted to participate in the Energy Optimizer and MPower programs. GMO will file tariff sheets that cap the level of participation in its MPower program for each year at the budgeted load curtailment levels (kW) by year shown below. GMO is permitted to propose modified MPower program tariffs that increase availability beyond these budgeted load curtailment levels after the initial tariffs become effective. The MPower program shall have a one year program life.

Year	kW
2013	14,308
2014	18,132
2015	21,637

GMO agrees that it will recommend to Kansas City Power & Light Company ("KCPL") that KCPL utilize DSM programs (i.e. MPower and Energy Optimizer) that are consistent with

[8] Appendix E does not reflect the final formatting of all tariff sheets. When final formatting is completed, the individual tariff sheets' numbers may change for the exemplar tariff sheets filed in Case No. ER-2012-0175.

the agreements in this paragraph. GMO and KCPL also agree that they will not assert in future proceedings that customers who opt out of the demand-side programs should not be permitted to participate in the Energy Optimizer and MPower program as long as the Section 393.1075.10, RSMo Cum. Supp. 2010 is not amended.

9. Case No. ER-2012-0175 Base Rate Schedules/Customer Bills. GMO's rate schedules, which will be submitted as part of its compliance tariff sheets filed in accordance with the Commission's Report and Order to be issued in Case No. ER-2012-0175, shall reflect the residential and non-residential class's allocation of program costs for GMO's demand-side programs in effect prior to the time the MEEIA demand-side programs to be approved as provided herein begin, but those programs' costs will not be reflected in a separate line item on GMO's bills to customers. Said rate schedules shall also reflect the residential and non-residential class's allocation of program costs ($13,944,367) and GMO's TD-NSB Share ($4,788,509) provided for in paragraph 5 relating to the MEEIA Programs. The charges resulting from the sums relating to the MEEIA Programs shall be reflected in a separate line item on GMO's bills that reads: "DSIM Charge." Customers who have opted out of participation in utility demand-side programs as provided in 4 CSR 240-20.094(6) shall not be charged for pre-MEEIA demand-side programs as set out above or the "DSIM Charge." The base rate schedules will also include language providing for the true-ups to be performed as provided for herein and for the prudence reviews referenced in paragraph 22 below. A sample calculation of the rate to be charged for the residential and non-residential class is attached as Appendix C.

10. EM&V.

a. Approximately five percent (5%) of the three-year MEEIA Programs' costs budget will be spent for EM&V. GMO will work with the stakeholder group, as described in paragraph 11, to develop an evaluation plan to determine how best to allocate and utilize the EM&V budget.

b. The following process, as set out in Appendix D, will be used for EM&V reports:

i. 120 days after the end of each program year, the EM&V contractor will circulate a draft EM&V report to all stakeholders participating in the stakeholder group and the Commission's Independent EM&V Auditor ("Auditor"). This provision does not affect the requirement in the MEEIA rules for the EM&V contractors to provide copies of draft EM&V reports to stakeholders participating in the stakeholder group at the same time that draft reports are provided to GMO.

ii. 60 days after circulation of the draft EM&V report, the Auditor and each stakeholder group participant will provide any comments and recommendations for report changes to the EM&V contractor and to all other stakeholder group participants and the Auditor. The Signatories recognize there is a benefit to providing comments as early as possible, as providing comments and recommendations earlier to the EM&V contractor will allow for more time for the incorporation of comments and changes into subsequent drafts and the Final Report.

iii. Prior to issuing the Final Draft EM&V Report, the EM&V contractor will host at least one meeting with the Auditor and the stakeholder group participants to discuss the comments and recommendations for report changes. The EM&V contractor will determine what comments and/or changes are incorporated into the Final Draft EM&V Report. 30 days after the deadline for comments and recommendations for report changes, a Final Draft EM&V report will be provided to all stakeholder group participants and the EM&V Auditor by the EM&V contractor.

iv. Any stakeholder group participant that still has concerns with the Final Draft EM&V Report will simultaneously provide GMO, all participating stakeholders, the EM&V Auditor, and the EM&V contractor any comments within 20 days from issuance of the Final Draft EM&V Report. The EM&V Contractor will meet at least once (likely by phone) with the commenting stakeholder and any stakeholder group participants and the EM&V auditor that choose to participate within 10 days of receipt of comments to attempt to resolve the stakeholder concerns prior to issuance of the Final EM&V Report. Following any final meetings to discuss outstanding comments, the EM&V Contractor will issue a Final EM&V Report within 15 days simultaneously to GMO, all stakeholder group participants and the EM&V Auditor.

iv. Any stakeholder group participant which wants a change to the impact evaluation portion of a Final EM&V Report will have 21 days from the issuance of the Final EM&V Report to file a request with the Commission to make such a change ("Change Request"). Any stakeholder group participant filing a Change Request will set forth all reasons and provide support for the requested change in its initial Change Request filing. Responses to a Change Request may be filed by any stakeholder group participant and are due 21 days after the Change Request is filed. The response should set forth all reasons and provide support for opposing or agreeing with the Change Request. Within two business days after the deadline for filing a Change Request (if a Change Request is filed), the Signatories agree that the stakeholder group participants will hold a conference call/meeting to agree upon a proposed procedural schedule that results in any evidentiary hearing that is necessary to resolve the Change Request to be completed within 60 days of the filing of the Change Request, and which will recommend to the Commission that the Commission issue its Report and Order resolving the Change Request within 30 days after the conclusion of such a hearing. The Signatories anticipate a hearing with live testimony may be required to resolve a Change Request, but if a hearing is not required, they agree to cooperate in good faith to obtain Commission resolution of a Change Request as soon as possible. The Signatories will be parties to a Change Request resolution proceeding without the necessity of applying to intervene. The procedural schedule for such a Change Request proceeding will provide that data request objections must be lodged within 7 days and responses will be due within 10 days (notifications that additional time is required to respond will also be due within 7 days).

v. All Signatories agree to accept the impact evaluation energy and demand savings (MWh and MW) estimates of the Final EM&V Report, as it may be modified by the Commission's resolution of issues in a non-appealable Order related to the impact evaluation portion of the Final EM&V Report, for purposes of calculating achievements towards targeted net energy and demand savings and performance incentives.

c. Consistent with the requirements of 4 CSR 240-20.093(7), the Staff commits to take all steps within its control to complete the State procurement process and provide the Commission with an evaluation and recommendation such that the Commission may award a contract for the Auditor to begin work no later than January 2013. The Auditor will audit and report on the work of GMO's independent EM&V contractors. It is anticipated that the Auditor will (a) monitor EM&V planning, implementation, and analysis of the EM&V contractors, (b) provide on-going feedback to the Signatories on EM&V issues, (c) provide all Signatories with a copy of its final annual report in a timely manner, and (d) ensure an adequate level of independence is maintained between the EM&V contractors and GMO. If, by November 1, 2012, it becomes apparent that the State procurement process will not be completed in time for the Auditor to begin work no later than January 2013, the Staff commits to complete the Commission's local procurement process, and request Commission approval, to obtain the services of an interim Auditor from January 2, 2013 through June 30, 2013. It is anticipated that the interim Auditor will provide limited input on EM&V planning. If an interim Auditor is used, the permanent Auditor will make all reasonably practicable efforts to make the permanent Auditor's findings with respect to EM&V contractors' work completed prior to the permanent Auditor's commencement of work ("prior EM&V work") consistent with the input and findings of the interim Auditor. To the extent the permanent Auditor's input and findings about the prior EM&V work are inconsistent with those of the interim Auditor GMO shall not be required to undertake additional analysis on the prior EM&V work if such analysis would be burdensome. To the extent the permanent Auditor's input and findings about the prior EM&V work are inconsistent with those of the interim Auditor, GMO's actions taken in reliance on the input and findings of the interim Auditor about the prior EM&V work shall have a rebuttable presumption of prudence. If at any point during the process described in this section, neither a permanent nor an interim Auditor has been hired, the process will proceed as described, without the Auditor.

11. Demand Response Programs. GMO will evaluate demand response programs as part of its currently ongoing DSM market potential study. The results of this study will be updated as necessary due to potential changes in assumptions regarding parameters including rate design, avoided costs, Southwest Power Pool (RTO) rules and regulations, and appropriate uncertainty factors will be used in GMO's April 2013 annual update filing under the Commission's Chapter 22 rules. GMO will not limit its evaluation of demand response programs by only adding demand response resources to an alternative resource plan in years where there is a need to reduce peak demand due to shortfalls in GMO's planning capacity reserve margins. Demand response program(s) that are determined to be cost-effective shall be included in at least one candidate resource plan during the integrated resource plan and risk analysis for the April 2013 annual update filing.

12. Market Potential Study. GMO will perform a market potential study meeting the requirements of 4 CSR 240-3.164(2)(A) to be completed in 2013, and will use the same in informing future program designs, future MEEIA applications and in updates to its Chapter 22 triennial compliance and annual update filings beginning with its 2013 annual update filing. GMO will evaluate demand response programs as part of its currently ongoing DSM market potential study, which will include a comprehensive analysis of demand response programs.

13. Stakeholder Meetings. GMO will continue meeting at least quarterly with its stakeholder group which shall consult with and advise GMO on at least the topics the stakeholder group currently addresses, with GMO providing at least information of the nature it currently provides. The stakeholder group will consist of the Signatories who choose to participate and their invitees. [9] The stakeholder group will: (a) receive program updates from GMO and EM&V updates and report presentations from GMO's evaluators; (b) consult with and advise GMO on the possible expansion of energy efficiency and demand response programs, and the design of such programs (possibly including co-delivery of programs with gas/water utilities); and (c) consult with and advise GMO on issues related to EM&V (including GMO's proposed EM&V Requests for Proposals, the scope of work for future EM&V projects, and issues relating to net-to-gross ratios that may be used in future MEEIA plans), and the development and use of a technical resource manual ("TRM"). GMO will solicit agenda items from all stakeholder group participants at least two weeks prior to any scheduled meeting, and will circulate a draft agenda for each stakeholder group meeting approximately one week prior to the scheduled meeting date. Any stakeholder group member can suggest items for the agenda for a stakeholder group meeting. A suggested agenda item will be included on the agenda for a stakeholder group meeting so long as a majority of the Signatories voting on inclusion of the suggested item believe it is appropriate to do so. This stakeholder group fulfills the requirements of 4 CSR 240-20.094(8)(A) regarding a utility specific collaborative. The Signatories agree to support efforts to develop a statewide TRM as set forth in 4 CSR 240-20.094 (8)(B). If a statewide TRM is approved by the Commission prior to the end of GMO's initial three-year

[9] The Signatories agree that Missouri Gas Energy, AG Processing, Inc., and Sedalia Industrial Energy Users Association may participate as a stakeholder in the stakeholder group notwithstanding that they are not a Signatory.

MEEIA programs, the Signatories agree that GMO's measurement of energy and demand savings will continue to be used for the Plan.

14. The Signatories to this Stipulation commit to work with the stakeholder group for the purpose of developing a TRM that will further support savings to be measured and deemed at the measure level relying on best available information rather than the participant level where appropriate. The collaborative will work toward consensus on a NTG framework in the next MEEIA plan. The Signatories will use their best efforts to complete the TRM within 24 months of Commission approval of this Stipulation and the NTG framework will be considered for use in the next program plan. The Signatories will support the efforts to develop a statewide TRM as established in 4 CSR 240-20.094(8)(B).

15. Rate of Return. The Signatories agree that the Commission should not make any decisions in this case regarding the impact (if any) of the approvals reflected in this Stipulation on GMO's business risk. If the Commission determines in Case No. ER-2012-0175, and in each subsequent GMO general rate case where new base rates will become effective before the end of the three-year Plan period, that approval of this Stipulation and the items addressed herein affects GMO's business risk and that consequently an adjustment to the cost of capital is warranted, such adjustment shall be made before any additions provided for in paragraphs 5.a and 5.b and the revenue requirement after such adjustment shall be considered to be the revenue requirement determined as if approved Plan did not exist.

16. No Seasonality of DSIM Rates. The DSIM rates agreed upon herein shall be uniform throughout a billing year, with no summer or winter or other seasonal differentiation.

17. Assignment and Allocation of Program Costs. With the exception of the costs of the low-income program, which will be allocated and trued-up as provided for in paragraph 20,

the costs of all residential MEEIA Programs shall be assigned to the residential class and based upon the test year kWhs used to determine base rates for those rate classes in GMO's pending general electric rate case, Case No. ER-2012-0175 and trued-up. All non-residential (Small General Services (SGS), Large General Service (LGS) and Large Power (LP) Classes) MEEIA Program costs shall be assigned to the non-residential rate classes based upon the test year kWhs used to determine base rates for those rate classes in GMO's pending general electric rate case, Case No. ER-2012-0175, after excluding the kWhs of the opt-out customers and trued-up. General and common costs associated with MEEIA programs shall be allocated to residential and non–residential customer classes based upon true up test year kWh in Case No. ER-2012-0175, excluding opt-out customers. GMO agrees to track actual program costs by rate jurisdictions for L&P and MPS and further broken down by class cost-of-service classes, i.e., SGS, LGS and LP Classes.

18. Assignment and Initial Allocation of GMO's TD-NSB Share and Performance Incentive Award. With the exception of GMO's TD-NSB Share and Performance Incentive Award associated with the low-income program, which will be allocated and trued-up as provided for in paragraph 20, the annual revenue requirement associated with GMO's TD-NSB Share and Performance Incentive Award associated with residential MEEIA Programs shall be allocated to the residential class and trued-up. Likewise, the annual revenue requirement associated with GMO's TD-NSB Share and Performance Incentive Award associated with non-residential MEEIA Programs shall be allocated to the non-residential classes based upon the test year kWhs used to determine base rates for those rate classes in GMO's pending general electric rate case, Case No. ER-2012-0175, after excluding the kWhs of the opt-out customers and trued-up.

19. Tracking of Programs Costs by Jurisdiction and Rate Class. Actual program costs will be tracked by rate jurisdictions for L&P and MPS and further broken down by class cost-of-service classes, i.e., Residential (RES), Small General Services (SGS), Large General Service (LGS) and Large Power (LP) Classes.

20. Allocation and True-Up of Program Costs, GMO's TD-NSB Share and Performance Incentive Award for the Low-Income Program. All costs for the Low-Income program (commonly referred to as Low Income Weatherization), including program costs, the annual revenue requirement of GMO's TD-NSB Share and the annual revenue requirement of GMO's Performance Incentive Award, shall be allocated to the residential and non-residential rate classes based upon the ratio of the true up test year kWh in Case No. ER-2012-0175, excluding opt-out customers to the total kWhs of all the rate classes. The difference between the actual amounts of Program Costs, GMO's TD-NSB Share and Performance Incentive Award for the Low-Income Program allocated to the residential rate class and the non-residential rate classes and the amounts billed to the residential rate class and the non-residential rate classes shall be trued-up as part of the true-up process described in paragraph 6.

21. Non-residential Class Adjustment of Initial Amounts for Program Costs and Company TD-NSB Share. The adjustment to the initial amount for the non-residential program costs will be the difference by rate class (i.e. Small General Service, Large General Service and Large Power) between the estimated and actual demand-side program expenditures arising from business demand-side programs. The adjustment to the initial amount of GMO's TD-NSB Share allocated among the affected non-residential classes will be the difference by rate class (i.e. Small General Service, Large General Service and Large Power) between the initial amounts of the Company's non-Residential TD-NSB Share allocated to affected non-residential rate classes

as described in paragraph 17 and actual amount of the Company's non-Residential TD-NSB Share based on actual energy and demand savings measures. The adjusted amounts will be used as part of the true-up process described in paragraph 6 for GMO general electric rate cases filed after Case No. ER-2012-0175.

22. Prudence Review. A prudence review in accordance with 4 CSR 240-20.093(10) shall be conducted. Any amount ordered refunded as a result of such prudence review shall be a reduction to GMO's revenue requirement in the first general electric rate proceeding occurring after a Commission order specifying such a refund; provided, that if a rider mechanism is in place for the program costs, GMO's TD-NSB Share and the Performance Incentive Award, then a rider mechanism will be used to effectuate the results of the prudence review.

23. Methodologies for Estimation of Targeted Energy Savings (MWh) and Targeted Demand Savings (MW) and for Estimation of Actual Energy Savings (MWh) and Demand Savings (MW) for Tracking and True-Up of the GMO TD-NSB Share. The Signatories agree that the "top-down" methodology used to estimate targeted energy savings of 150,346 MWh and the targeted demand savings of 37.521 MW for this Stipulation is not the preferred methodology to estimate targeted energy savings (MWh) and targeted demand savings (MW) and will not be used in future MEEIA filings by GMO or KCPL. Similarly, the Signatories agree that the methodology described in section 6. b. *Final Recovery/True-up of GMO's TD-NSB Share* of this Stipulation to estimate the actual energy savings (MWh) and demand savings (MW) for tracking and true-up of the GMO TD-NSB Share is not the preferred methodology for estimating actual energy savings (MWh) and demand savings (MW) for tracking and true-up of the GMO TD-NSB Share and will not be used in future MEEIA filings by GMO or KCPL.

Prior to making its next MEEIA application to continue or to modify its DSM programs' plan, GMO agrees to review with the other Signatories its proposed methodologies to estimate targeted energy savings, targeted demand savings, and actual energy and demand savings for tracking and true-up of its TD-NSB share component (or an equivalent component) of its proposed DSIM so that GMO can receive input and advice from the non-utility Signatories. Further, the signatories agree that it is highly desirable to have a common methodology and modeling to estimate targeted energy savings, targeted demand savings, and actual energy and demand savings for tracking and true-up of its TD-NSB share component (or an equivalent component) of its proposed DSIM in any future MEEIA application to continue or to modify GMO's DSM programs' plan.

24. Variances. The Signatories agree that the terms and conditions in this Stipulation may be inconsistent with the following Commission rules, and that good cause exists to grant GMO variances from those rules:[10]

Variances related to timing of recovery of net shared benefits

20.093(2)(H); 20.093(2)(H)3; 20.093(1)(EE); 20.093(1)(A); 20.093(1)(C); 20.093(1)(M)5; 20.094(1)(Z); 20.094(1)(C); 20.094(1)(J)5; 3.163(1)(F)5; 3.164(1)(F)5;

Variances related to calculation of net shared benefits (related to timing)

20.093(2)(H);

Variances related to net shared benefits (annual)

3.163(1)(A); 3.163(1)(J); 20.093(1)(A); 20.093(1)(Q); 20.093(2)(M); 20.093(2)(H); 20.093(1)(EE); 20.094(1)(C); 20.094(1)(Z);

Variances related to Annual Energy and Demand Savings Goals (move forward one year)

20.094(2);

[10] All rule references are to 4 CSR Division 240.

Variances related to TRM (not statewide)

20.093(7)(E);

Variances related to rider - so can file changes at the same time as file FAC changes and so can collect GMO's TD-NSB Share and the Performance Incentive Award payments through the rider - (if rider upheld)

20.093(4);

Variances related to Promotional Practices

14.030(3);

Variances related to Chapter 22 integration analysis and Preferred Plan

20.094(3)(A)(3); and

Variances related to the market potential study

4 CSR 240-3.164(2)(A)

Variances related to annual reports (timing)

4 CSR 240-20.093(8)

GENERAL PROVISIONS

25. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein. Without limiting the foregoing, it is agreed that this Stipulation encompasses this particular three-year Plan and does

not serve as a precedent for future MEEIA plans, and does not preclude a party from arguing whether the Plan has (or does not have) an impact on GMO's business risk in any pending or future proceeding.

26. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation shall be void and no signatory shall be bound by any of its provisions. Moreover, if the Commission does not implement the terms and conditions agreed upon in this Stipulation in its orders in Case No. ER-2012-0175, then this Stipulation shall also become void and no Signatory shall be bound by any of its provisions.

27. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

28. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their

respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000 and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2012. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

29. This Stipulation contains the entire agreement of the signatories concerning the issues addressed herein.

30. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

31. The Signatories agree that this Stipulation resolves all remaining issues raised in this case, and that the testimonies of all witnesses whose testimony was pre-filed in this case should be received into evidence without the necessity of the witnesses taking the witness stand.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail, or mailed, First Class, postage prepaid, this 29th day of October 2012, to counsel for all parties on the Commission's service list in this case.

/s/ Jennifer Hernandez
Jennifer Hernandez