

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

In the Matter of KCP&L Greater Missouri	)	
Operations Company's Demand Side	)	<b><u>File No. ER-2018-0358</u></b>
Investment Mechanism Rider Rate	)	Tracking No. JE-2018-0162
Adjustment and True-Up Required by	)	
4 CSR 240.3.163(8)	)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEETS**

**COMES NOW** Staff of the Missouri Public Service Commission, by and through counsel, and submits its Recommendation to the Missouri Public Service Commission ("Commission") recommending that the Commission issue an order approving P.S.C. MO. No. 1, 5<sup>th</sup> Revised Sheet No. 138.7<sup>1</sup> as filed by KCP&L Greater Missouri Operations Company ("GMO" or "Company") on June 1, 2018, bearing an effective date of August 1, 2018 ("Tariff Sheet"). Staff explains its reasons supporting approval of the Tariff Sheet in Staff's Memorandum attached hereto as Appendix A and incorporated herein, further stating as follows:

1. GMO filed its Tariff Sheet for the purpose of modifying the Company's DSIM ("Demand Side Investment Mechanism") rates under the Missouri Energy Efficiency Investment Act ("MEEIA") and Commission rules 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8) .

2. The DSIM Rider rate change increases residential customers' DSIM Rider rate from \$0.00394 to \$0.00443 per kWh (kilowatt hour) and decreases non-residential customers' rate from \$0.00832 to \$0.00348 per kWh. For a residential customer using 1,000 kWhs, this change increases a bill by \$0.49 per month. For a non-residential customer, this change decreases a bill by \$4.84 for every 1,000 kWhs used. The

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<sup>1</sup> Canceling 4<sup>th</sup> Revised Sheet No. 138.7.

overall DSIM Rider rate change decreases the total amount of revenue collected by \$6.4 million from both residential and non-residential classes.

3. As further explained in its Memorandum, Staff notes that this DSIM filing is based on six months of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest and includes continued recognition of the earned performance incentive award that is the result of evaluation, measurement, and verification (“EM&V”) for GMO’s MEEIA program performance in Cycle 1.

**WHEREFORE**, for the reasons discussed above and further explained in Staff’s Memorandum, Staff recommends the Commission issue an order approving the following tariff sheet as filed on June 1, 2018 for service on and after August 1, 2018:

P.S.C. MO. No. 1

5<sup>th</sup> Revised Sheet No. 138.7, Canceling 4<sup>th</sup> Revised Sheet No. 138.7

Respectfully submitted,

**/s/ Robert S. Berlin**

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served electronically on this 2<sup>nd</sup> day of July, 2018 to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

**/s/ Robert S. Berlin**

## M E M O R A N D U M

**TO:** Missouri Public Service Commission Official Case File  
File No. ER-2018-0358 and Tariff Tracking No. JE-2018-0162  
KCP&L Greater Missouri Operations

**FROM:** Michael L. Stahlman, Regulatory Economist III  
Brad Fortson, Regulatory Economist III

/s/ Robin Kliethermes      7/2/18                      /s/ Robert S. Berlin      7/2/18  
Tariff / Rate Design Manager / Date                      Staff Counsel Division / Date

**SUBJECT:** Staff Recommendation to Approve KCP&L Greater Missouri Operations' ("GMO")  
Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM")  
Rider Rates effective August 1, 2018.

**DATE:** July 2, 2018

### **GMO Filing**

On June 1, 2018, GMO filed with the Commission one (1) tariff sheet bearing an issue date of June 1, 2018, and an effective date of August 1, 2018, proposing to adjust charges related to GMO's DSIM Rider. GMO's filing also included the Direct Testimony of Tim M. Rush and work papers consisting of electronic worksheets showing its calculation of the proposed rates.

On June 4, 2018, the Commission issued its Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation which directed Staff to file its recommendation no later than July 2, 2018.

### **Change in GMO's DSIM Rates**

Per 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8), GMO is required to make semi-annual adjustments of DSIM rates to reflect the amount of revenue that has been over/under collected.

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is based on six months of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. Among other things, this adjustment to the DSIM rates continues to include the performance incentive for GMO's MEEIA Cycle 1.

Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kWh of energy supplied to customers under GMO's retail rate schedules, excluding kWh of energy supplied to "opt-out" customers.

<b>Rate Class</b>	<b>Current MEEIA Rate/kWh</b>	<b>Proposed MEEIA Rate/kWh</b>
Residential Service	\$0.00394	\$0.00443
Non-Residential Service	\$0.00832	\$0.00348

The DSIM Rider rate change decreases overall revenue collected through rates by approximately \$6.4 million. Specifically, the proposed change will increase residential customers' DSIM Rider rate from \$0.00394 to \$0.00443 per kWh and decrease non-residential customers' rate from \$0.00832 to \$0.00348 per kWh. For a residential customer using 1,000 kilowatt-hours (kWh), this would mean an increase of \$ 0.49 per month. For a non-residential customer, this would mean a decrease of \$4.84 for every 1,000 kWh's used.

Staff's recommendation to approve this Fifth Revised Sheet 138.7 does not constitute a review of the prudence of GMO's actions in relation to these measures or GMO's record keeping related to these measures.

**Staff Recommendation**

The Commission Staff's Tariff/Rate Design Unit has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on June 1, 2018, for service on and after August 1, 2018, the requested effective date.

P.S.C. MO. No. 1

5th Revised Sheet No. 138.7, Cancelling 4th Revised Sheet No. 138.7

The Staff has verified that GMO is not delinquent on any assessment and has filed its Annual Report. GMO is current on its submission of its Quarterly Surveillance Monitoring reports as required in 4 CSR 240-20.090(10). The Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the DSIM Rider rate change in this case is solely based on the accuracy of GMO's calculations and is not indicative of prudence.

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Adjustment and True-Up Required )  
By 4 CSR 240.20.093(4) )

**AFFIDAVIT OF BRAD J. FORTSON**

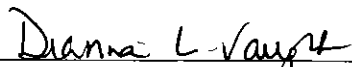
STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

**COMES NOW**, Brad J. Fortson and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
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**BRAD J. FORTSON**

Subscribed and sworn to be this 28th day of June, 2018.

  
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Notary Public

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 28, 2019  
Commission Number: 15207377

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By 4 CSR 240.20.093(4)

**AFFIDAVIT OF MICHAEL L. STAHLMAN**

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

**COMES NOW**, Michael L. Stahlman and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

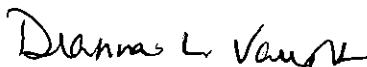
Further the Affiant sayeth not.



\_\_\_\_\_  
MICHAEL L. STAHLMAN

Subscribed and sworn to be this 28th day of June, 2018.

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
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