

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

In the Matter of Kansas City Power & Light Company's Demand Side Investment Mechanism Rider Rate Adjustment and True-Up Required by 4 CSR 240.3.163(8)	)	)	)
	)	)	<b><u>File No. ER-2017-0167</u></b>
	)	)	Tracking No. JE-2017-0111
	)	)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET**

**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 Tariff Sheet 490 ("Tariff Sheet") as filed by Kansas City Power & Light Company ("KCPL" or "Company") on December 1, 2016, bearing an effective date of February 1, 2017. Staff has reviewed the Tariff Sheet and explains its reasons supporting its approval in Staff's Memorandum attached hereto as Appendix A and incorporated herein, further stating as follows:

1. KCPL filed its Tariff Sheet for the purpose of modifying the Company's DSIM ("Demand Side Investment Mechanism") under the Missouri Energy Efficiency Investment Act ("MEEIA").

2. The DSIM Rider rate change increases overall revenue collected through rates. This proposed change will increase residential customers' DSIM Rider rate from \$0.00332 to \$0.00391 per kWh (kilowatt hour) and reduce non-residential customers' rate from \$0.01010 to \$0.00433 per kWh. For a residential customer using 1,000 kWhs, this change increases a bill by \$0.59/month. For a non-residential customer, this change decreases a bill by \$5.77 for every 1,000 kWhs used. The non-residential rate reduction is related to the completion of rate recovery associated with the dramatic increase in expenditures and recoveries related to the Commercial and Industrial ("C&I")

Custom Rebate Program under KCPL's MEEIA program Cycle 1 and Cycle 1 transition period.

3. As further explained in its Memorandum, Staff notes that this DSIM filing, unlike the previous filing, includes the recognition of the earned performance incentive award that is the result of evaluation, measurement, and verification ("EM&V") for KCPL'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 December 1, 2016.

P.S.C. MO. No. 7

2<sup>nd</sup> Revised Sheet No. 49O, Cancelling 1<sup>st</sup> Revised Sheet No. 49O

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 12<sup>th</sup> day of January, 2017 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**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2017-0167 and Tariff Tracking No. JE-2017-0111  
Kansas City Power & Light Company

FROM: Sarah Kliethermes, Regulatory Economist III  
Brad J. Fortson, Regulatory Economist III

/s/ Robin Kliethermes      1/12/2017                      /s/ Robert S. Berlin      1/12/2017  
Tariff and Rate Design Manager / Date                      Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve Kansas City Power & Light Company's ("KCPL")  
Proposed Tariff Sheet to Adjust its DSIM Rider Rates effective February 1, 2017.

DATE: January 12, 2017

### Background

On December 1, 2016, KCPL filed Tariff Sheet 490 to implement new DSIM rates under the Missouri Energy Efficiency Investment Act ("MEEIA"), assigned Tariff Tracking No. JE-2017-0111.

### Change in KCPL's DSIM Rates

Per 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8), KCPL 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. 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 KCPL's retail rate schedules, excluding kWh of energy supplied to "opt-out" customers.

Among other things, this adjustment to the DSIM rates will begin to incorporate the performance incentive for KCPL's MEEIA Cycle 1.

For a residential customer using 1,000 kWh, this would mean an increase of \$0.59 per month. For a non-residential customer, this would mean a decrease of \$5.77 for every 1,000 kWh used.

Rate Class	Current MEEIA	Proposed MEEIA
	Rate/kWh	Rate/kWh
Residential Service	\$0.00332	\$0.00391
Non-Residential Service	\$0.01010	\$0.00433

As discussed in "Staff Recommendation to Reject Tariff Sheets" filed July 1, 2016, in File No. ER-2016-0325, this reduction in the non-residential rate is related to the completion of recovery associated with the dramatic increase in expenditures and recoveries associated with the Commercial and Industrial ("C&I") Custom Rebate Program under KCPL's MEEIA Cycle 1 and the Cycle 1 Transition.

**Staff Recommendation**

The Commission Staff's Tariff and Rate Design Department has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on December 1, 2016, for service on and after February 1, 2017.

P.S.C. MO. No. 7  
2<sup>nd</sup> Revised Sheet No. 490, Cancelling 1<sup>st</sup> Revised Sheet No. 490

The Staff has verified that KCPL has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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Rider Rate Adjustment and True-Up Required by  
4 CSR 240.3.163(8).

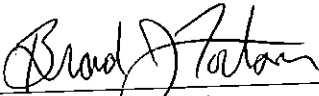
)  
) File No. ER-2017-0167  
) Tariff No. JE-2017-0111  
)

**AFFIDAVIT OF BRAD J. FORTSON**

STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

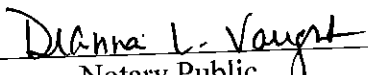
**COMES NOW**, Brad J. Fortson and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Brad J. Fortson

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12th day of January, 2017.

  
\_\_\_\_\_  
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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OF THE STATE OF MISSOURI

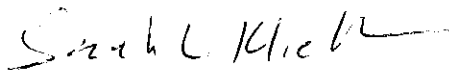
In the Matter of Kansas City Power & Light )  
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Rider Rate Adjustment and True-Up Required by ) **Tariff No. JE-2017-0111**  
4 CSR 240.3.163(8). )

**AFFIDAVIT OF SARAH L. KLIETHERMES**

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

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

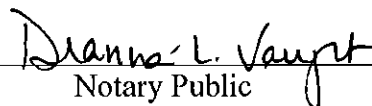
Further the Affiant sayeth not.



Sarah L. Kliethermes

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12th day of January, 2017.

  
Notary Public