

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

| | | |
|---|---|-------------------------------------|
| In the Matter of KCP&L Greater Missouri |) | |
| Operations Company's Demand Side |) | <u>File No. ER-2019-0166</u> |
| Investment Mechanism Rider Rate |) | Tracking No. JE-2019-0109 |
| Adjustment and True-Up Required by |) | |
| 4 CSR 240.3.163(8) |) | |

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 P.S.C. MO. No. 1, 6th Revised Sheet No. 138.7¹ as filed by KCP&L Greater Missouri Operations Company ("GMO" or "Company") on November 30, 2018, bearing an effective date of February 1, 2019 ("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

2. The DSIM Rider rate change decreases residential customers' DSIM Rider rate from \$0.00443 to \$0.00019 per kWh (kilowatt hour) and decreases non-residential customers' rate from \$0.00348 to \$0.00258 per kWh. For a residential customer using 1,000 kWhs, this change decreases a bill by \$4.24 per month.

¹ Canceling 5th Revised Sheet No. 138.7.

² Tariff Sheet filed pursuant to GMO's Demand Side Investment Mechanism Rider, P.S.C. Mo. No. 1, 1st Revised Tariff Sheet 138.6.

For a non-residential customer, this change decreases a bill by \$0.90 for every 1,000 kWhs used.

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. In addition, this rate adjustment filing reflects a general reduction in DSIM rates because GMO's MEEIA Cycle 2 is nearing its expiration on March 31, 2019.

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 November 30, 2018 for service on and after February 1, 2019:

P.S.C. MO. No. 1

6th Revised Sheet No. 138.7, Canceling 5th Revised Sheet No. 138.7

Respectfully submitted,

/s/ Robert S. Berlin

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 31st day of December, 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

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2019-0166 and Tariff Tracking No. JE-2019-0109
KCP&L Greater Missouri Operations

FROM: Robin Kliethermes, Rate & Tariff Examination Manager
Brad Fortson, Regulatory Economist III

/s/ Natelle Dietrich 12/31/18
Director, Commission Staff / Date

/s/ Robert S. Berlin 12/31/18
Staff Counsel Dept. / 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 February 1, 2019.

DATE: December 31, 2018

GMO Filing

On November 30, 2018, GMO filed with the Commission one (1) tariff sheet bearing an issue date of November 30, 2018, and an effective date of February 1, 2019, 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 December 3, 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 December 31, 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 is generally reducing the DSIM rates because GMO's MEEIA Cycle 2 is set to expire on March 31, 2019.

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.

| Rate Class | Current MEEIA Rate/kWh | Proposed MEEIA Rate/kWh |
|-------------------------|---------------------------------------|--|
| Residential Service | \$0.00443 | \$0.00019 |
| Non-Residential Service | \$0.00348 | \$0.00258 |

The proposed change will decrease residential customers' DSIM Rider rate from \$0.00443 to \$0.00019 per kWh and decrease non-residential customers' rate from \$0.00348 to \$0.00258 per kWh. For a residential customer using 1,000 kilowatt-hours (kWh), this would mean a decrease of \$ 4.24 per month. For a non-residential customer, this would mean a decrease of \$0.90 for every 1,000 kWhs used.

Staff's recommendation to approve this 6th Revised Sheet No. 138.7 does not constitute a review of the prudence of GMO's actions in relation to its DSIM Rider.

Staff Recommendation

The Commission Staff's Tariff/Rate Design Department has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on November 30, 2018, for service on and after February 1, 2019, the requested effective date.

P.S.C. MO. No. 1

6th Revised Sheet No. 138.7, Canceling 5th Revised Sheet No. 138.7

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). 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 changes in this case is solely based on the accuracy of GMO's calculations and is not indicative of prudence.

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Operations Company's Demand Side) File No. ER-2019-0166
Investment Mechanism Rider Rate)
Adjustment and True-Up Required by)
4 CSR 240.3.163(8))

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 foregoing *Staff Recommendation to Approve Tariff Sheet*; and that the same is true and correct according to his best knowledge and belief.

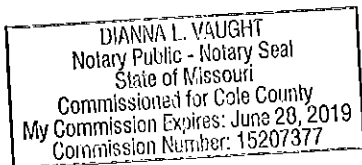
Further the Affiant sayeth not.

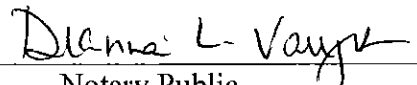


BRAD J. FORTSON

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 31st day of December, 2018.





Notary Public

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OF THE STATE OF MISSOURI

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Operations Company’s Demand Side) File No. ER-2019-0166
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4 CSR 240.3.163(8)

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW ROBIN KLIETHERMES and on his oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation to Approve Tariff Sheet*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

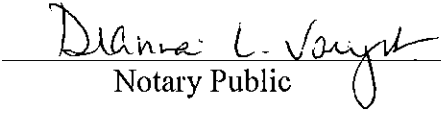


ROBIN KLIETHERMES

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 31st day of December, 2018.

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



Notary Public