

**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))))
))	<u>File No. ER-2018-0152</u>
))	Tracking No. JE-2018-0070
))	

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 Fourth Revised Sheet No. 490¹ ("Tariff Sheet") as filed by Kansas City Power & Light Company ("KCPL" or "Company") on November 30, 2017, bearing an effective date of February 1, 2018. 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") and Commission rules 4 CSR 240-20.093(4) and 4 CSR 240.3.163(8) .

2. The DSIM Rider rate change increases overall revenue collected through rates. This proposed change will increase residential customers' DSIM Rider rate from \$0.00543 to \$0.00665 per kWh (kilowatt hour) and increase non-residential customers' rate from \$0.00502 to \$0.00592per kWh. For a residential customer using 1,000 kWhs, this change increases a bill by \$1.22 per month. For a non-residential customer, this change increases a bill by \$0.90 for every 1,000 kWhs used. The DSIM Rider rate

¹ Cancelling Third Revised Sheet No. 490

change increases overall revenue collected through residential and non-residential rates by \$2.0 million.

3. As further explained in detail 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 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 November 30, 2017, for service on and after February 1, 2018:

P.S.C. MO. No. 7

Fourth Revised Sheet No. 49O, Cancelling Third Revised Sheet No. 49O

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served electronically on this 28th day of December, 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-2018-0152 and Tariff Tracking No. JE-2018-0070
Kansas City Power & Light Company

FROM: Michael Stahlman, Regulatory Economist III
Brad Fortson, Regulatory Economist III

/s/ Robin Kliethermes 12/28/2017
Tariff / Rate Design Manager / Date

/s/ Robert S. Berlin 12/28/2017
Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve Kansas City Power & Light Company's ("KCPL")
Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM")
Rider Rate effective February 1, 2018.

DATE: December 28, 2017

KCPL Filing

On November 30, 2017, KCPL filed with the Commission one (1) tariff sheet bearing an issue date of November 30, 2017, and an effective date of February 1, 2018, proposing to adjust charges related to the Company's DSIM Rider. KCPL'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 1, 2017, 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 January 2, 2018.

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. Among other things, this adjustment to the DSIM rates continues to include the performance incentive and ordered adjustment for KCPL'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 the Company's retail rate schedules, excluding kWh of energy supplied to "opt-out" customers.

	Current MEEIA	Proposed MEEIA
Rate Class	Rate/kWh	Rate/kWh
Residential Service	\$0.00543	\$0.00665
Non-Residential Service	\$0.00502	\$0.00592

The DSIM Rider rate change increases overall revenue collected through rates by approximately \$2.0 million. Specifically, the proposed change will increase residential customers' DSIM Rider rate from \$0.00543 to \$0.00665 per kWh and increase non-residential customers' rate from \$0.00502 to \$0.00592 per kWh. For a residential customer using 1,000 kilowatt-hours (kWh), this would mean an increase of \$1.22 per month. For a non-residential customer, this would mean an increase of \$0.90 for every 1,000 kWh's used.

Staff's recommendation to approve this Fourth Revised Sheet 490 does not constitute a review of the prudence of KCPL's actions in relation to these measures or KCPL'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 November 30, 2017, for service on and after February 1, 2018, the requested effective date.

P.S.C. MO. No. 7

Fourth Revised Sheet No. 490, Cancelling Third Revised Sheet No. 490

The Staff has verified that KCPL is not delinquent on any assessment and has filed its Annual Report. KCPL 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 KCPL's calculations and is not indicative of prudence.

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Company's Demand Side Investment) File No. ER-2018-0152
Mechanism Rider Rate Adjustment and)
True-Up Required by 4 CSR 240.3.163(8))

AFFIDAVIT OF BRAD FORTSON

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Brad 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.

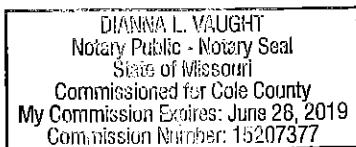


BRAD FORTSON

Subscribed and sworn to be this 28th day of December, 2017.



Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION
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Company's Demand Side Investment) File No. ER-2018-0152
Mechanism Rider Rate Adjustment and)
True-Up Required by 4 CSR 240.3.163(8))

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 29th day of December, 2017.



Notary Public

