

**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-2018-0153</u>
Investment Mechanism Rider Rate)	Tracking No. JE-2018-0071
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, 4th Revised Sheet No. 138.7¹ as filed by KCP&L Greater Missouri Operations Company ("GMO" or "Company") on November 30, 2017, bearing an effective date of February 1, 2018 ("Tariff Sheet")². 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 \$0.00372 to \$0.00394 per kWh (kilowatt hour) and decreases non-residential customers' rate from \$0.00995 to \$0.00832 per kWh. For a residential customer using 1,000 kWhs, this change increases a bill by \$0.22 per month. For a non-residential

¹ Canceling 3rd Revised Sheet No. 138.7.

² Both tariff sheets were substituted by GMO on June 23, 2017 to revise some calculations. GMO submitted further revised calculations on June 28, 2017 but were not significant enough to alter the rates calculated from the June 23, 2017 substitute tariff sheets.

customer, this change decreases a bill by \$1.63 for every 1,000 kWhs used. The overall DSIM Rider rate change decreases revenue collected from both residential and non-residential classes by \$3.4 million.

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 November 30, 2017 for service on and after February 1, 2018:

P.S.C. MO. No. 1

4th Revised Sheet No. 138.7, Canceling 3rd 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 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-2018-0153 and Tariff Tracking No. JE-2018-00071
KCP&L Greater Missouri Operations

FROM: Michael L. 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 KCP&L Greater Missouri Operations' ("GMO")
Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM")
Rider Rates effective February 1, 2018.

DATE: December 28, 2017

GMO Filing

On November 30, 2017, GMO 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 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 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 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.

	Current MEEIA	Proposed MEEIA
Rate Class	Rate/kWh	Rate/kWh
Residential Service	\$0.00372	\$0.00394
Non-Residential Service	\$0.00995	\$0.00832

The DSIM Rider rate change decreases overall revenue collected through rates by approximately \$3.4 million. Specifically, the proposed change will increase residential customers' DSIM Rider rate from \$0.00372 to \$0.00394 per kWh and decrease non-residential customers' rate from \$0.00995 to \$0.00832 per kWh. For a residential customer using 1,000 kilowatt-hours (kWh), this would mean an increase of \$0.22 per month. For a non-residential customer, this would mean a decrease of \$1.63 for every 1,000 kWh's used.

Staff's recommendation to approve this Fourth 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 November 30, 2017, for service on and after February 1, 2018, the requested effective date.

P.S.C. MO. No. 1

4th Revised Sheet No. 138.7, Cancelling 3rd 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 240.3.163(8)

AFFIDAVIT OF BRAD FORTSON

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

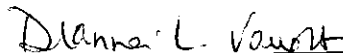
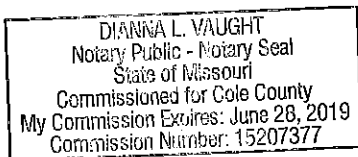
COMES NOW, Brad Fortson and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

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
OF THE STATE OF MISSOURI

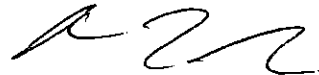
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AFFIDAVIT OF MICHAEL L. STAHLMAN

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

