

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 9<sup>th</sup> day of  
March, 2016.

In the Matter of	)	
Kansas City Power & Light Company's	)	File No. ET-2016-0185
Application for Authorization To Suspend	)	Tracking No. JE-2016-0184
Payment of Certain Solar Rebates	)	

**ORDER GRANTING APPLICATION AND APPROVING TARIFF**

Issue Date: March 9, 2016

Effective Date: March 18, 2016

The Commission is granting the application of Kansas City Power & Light Company ("KCP&L") to cease paying rebates for installing solar electric systems ("payments"), approving the substitute tariff sheets ("tariff") that implement the cessation of payments, and denying the relief sought by Earth Island Institute, d/b/a Renew Missouri ("Renew Missouri").

**Background**

This action arises from an earlier action<sup>1</sup> ("the underlying case"). The underlying case addressed the Renewable Energy Standard,<sup>2</sup> which provides when KCP&L must make and may cease payments. KCP&L may cease payments as follows.

If the electric utility determines the **maximum average retail rate increase** provided for in subdivision (1) of subsection 2 of this section **will be reached in any calendar year**, the electric utility shall be entitled to

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<sup>1</sup> File No. ET-2014-0071 *In the Matter of Kansas City Power & Light Company's Application for Authorization to Suspend Payment of Certain Solar Rebate Tariffs.*

<sup>2</sup> Section 393.1030, RSMo.

cease paying rebates to the extent necessary to avoid exceeding **the maximum average retail rate increase** if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of **that calendar year** at least sixty days prior to the change taking effect. [<sup>3</sup>]

The maximum average retail rate increase was the subject of a stipulation<sup>4</sup> in the underlying case (“stipulation”).

The stipulation’s signatories (“signatories”) agreed that KCP&L would not cease payments before payments reached \$36.5 million (“specified level”).<sup>5</sup> The settlement also provided that KCP&L would file the application and tariff when its payments neared the specified level.<sup>6</sup> The Commission issued its decision incorporating, and ordering compliance with, the settlement’s provisions.<sup>7</sup>

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<sup>3</sup> Section 393.1030.3, RSMo Supp. 2013. Emphasis added. The maximum average retail rate increase provided for in subdivision (1) of subsection 2 of that section is “determined by estimating and comparing the electric utility’s cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account future environmental regulatory risk including the risk of greenhouse gas regulation. Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase would be less than or equal to one percent if an electric utility’s investment in solar-related projects initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be paid and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent retail rate increase and the retail rate increase calculated when ignoring an electric utility’s investment in solar-related projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the contrary in this section, even if the payment of additional solar rebates will produce a maximum average retail rate increase of greater than one percent when an electric utility’s investment in solar-related projects initiated, owned or operated by the electric utility are included in the calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be recovered as contemplated by subdivision (4) of this subsection[.]”

<sup>4</sup> File No. ET-2014-0071, Electronic Filing and Information System (“EFIS”) No. 27 (October 3, 2013) *Non-Unanimous Stipulation and Agreement*. Except as noted otherwise, EFIS references are to this File No. ET-2016-0185.

<sup>5</sup> File No. ET-2014-0071, EFIS No. 27 (October 3, 2013) *Non Unanimous Stipulation and Agreement*, page 3, paragraph 7.a.

<sup>6</sup> File No. ET-2014-0071, EFIS No. 27 (October 3, 2013) *Non Unanimous Stipulation and Agreement*, page 3 through 4, paragraph 7.a.

<sup>7</sup> File No. ET-2014-0071, EFIS No. 25 (October 30, 2013) *Order Approving Stipulation and Agreement*.

KCP&L filed the application,<sup>8</sup> tariff,<sup>9</sup> and substitute tariff sheets. The Commission ordered that all parties to the action in the underlying case are parties to this action<sup>10</sup> as KCP&L requested.<sup>11</sup> The Missouri Division of Energy entered an appearance accordingly.<sup>12</sup> Renew Missouri filed a motion to intervene and a response to the application (“motion”).<sup>13</sup> KCP&L filed a response to the motion.<sup>14</sup> Staff filed a recommendation favoring approval of the tariff.<sup>15</sup> The Commission convened a conference on the parties’ positions.<sup>16</sup>

### **Motion**

Renew Missouri does not oppose the application and tariff, but asks that the Commission order KCP&L to file a calculation of the amount that KCP&L must pay out before ceasing payment:

The filing with the commission to suspend the electrical corporation's rebate tariff shall include the calculation reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached.<sup>[17]</sup>

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<sup>8</sup> EFIS No. 1 (January 18, 2016) *Application for Authority to Suspend Payment of Solar Rebates*.

<sup>9</sup> EFIS No. 2 (January 18, 2016) and substitute pages at EFIS No. 13 (February 25, 2016).

<sup>10</sup> EFIS No. 4 (January 19, 2016) *Notice and Order Setting Dates for Filings*.

<sup>11</sup> EFIS No. 1 (January 18, 2016) *Application for Authority to Suspend Payment of Solar Rebates*, page 3, paragraph 8.

<sup>12</sup> EFIS No. 5 (December 22, 2016) *Entry of Appearance*.

<sup>13</sup> EFIS No. 6 (February 1, 2016) *Application to Intervene of Renew Missouri and Renew Missouri's Response to KCP&L's Application to Suspend Payment of Solar Rebates*.

<sup>14</sup> EFIS No. 9 (February 11, 2016) *Kansas City Power & Light Company's Response In Opposition to Renew Missouri's Application to Intervene*.

<sup>15</sup> EFIS No. 14 (March 1, 2016) *Staff Recommendation to Approve Revised Tariff Sheets*.

<sup>16</sup> EFIS No. 11 (February 11, 2016) *Order Setting Conference*.

<sup>17</sup> Section 393.1030.3, RSMo Supp. 2013.

KCP&L responds that it has satisfied that requirement because the signatories stipulated to the specified level in lieu of a calculation. KCP&L is correct. KCP&L has shown it will reach the maximum average retail rate increase by showing it will pay out the specified level as agreed by the signatories—including Renew Missouri—and ordered by the Commission. The Commission’s order is not subject to collateral attack.<sup>18</sup> Therefore, the Commission will deny the motion.<sup>19</sup>

### **Application and Tariff**

The standard for deciding the application and tariff is as follows.

If the commission determines that **the maximum average retail rate increase will be reached**, the commission shall approve the tariff suspension.<sup>[20]</sup>

Based on the verified filings,<sup>21</sup> the Commission independently finds and concludes that KCP&L will meet the specified level in the calendar year. Therefore, the Commission will grant the application and approve the tariff. The tariff’s proposed effective date and the statutory deadline for the Commission’s decision<sup>22</sup> support an effective date for this order less than 10 days from issuance.<sup>23</sup>

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<sup>18</sup> Section 393.550, RSMo 2000.

<sup>19</sup> This is consistent with the Commission’s ruling under the same procedure in File No. ET-2014-0350, *In the Matter of Ameren Missouri’s Application for Authorization to Suspend Payment of Solar Rebates*, EFIS No. 42 (September 23, 2015) *Order Granting Application for Rehearing*, page 1 through 2.

<sup>20</sup> Section 393.1030.3, RSMo Supp. 2013. Emphasis added.

<sup>21</sup> EFIS No. 1 (January 18, 2016) *Application for Authority to Suspend Payment of Solar Rebates*; EFIS No. 3 (January 18, 2016) *Direct Testimony of Tim M. Rush*, page 6, lines 1 through 18.

<sup>22</sup> Section 393.1030.3, RSMo Supp. 2013.

<sup>23</sup> Section 386.490.2, RSMo Supp. 2014; *State ex rel. Office of Pub. Counsel v. Pub. Serv. Comm’n of State*, 409 S.W.3d 522, 529 (Mo. App., W.D. 2013).

**THE COMMISSION ORDERS THAT:**

1. The tariff sheets assigned Tracking No. JE-2016-0184 are approved.

The specific tariff sheets approved are:

**P.S.C. MO. No. 7**

3rd Revised Sheet No. 46 Cancelling 2nd Revised Sheet No. 46  
4th Revised Sheet No. 46A Cancelling 3rd Revised Sheet No. 46A  
1st Revised Sheet No. 46B Cancelling Original Sheet No. 46B

2. The motion of Renew Missouri, as described in the body of this order,  
is denied.

3. This order shall be effective on March 18, 2016.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and  
Coleman, CC., concur.

Jordan, Senior Regulatory Law Judge