

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

In the Matter of KCP&L Greater Missouri Operations)	
Company's Application for Authority to Establish a)	File No. EO-2014-0151
Renewable Energy Standard Rate Adjustment)	Tariff No. YE-2014-0407
Mechanism)	

THE OFFICE OF THE PUBLIC COUNSEL'S COMMENTS

COMES NOW the Office of the Public Counsel ("OPC"), pursuant to Missouri Public Service Commission ("Commission") Rule 4 CSR 240-20.100(6)(A), and for its *Comments* states:

Introduction

On April 10, 2014, KCP&L Greater Missouri Operations Company ("GMO") submitted an application and tariff designed to establish a Renewable Energy Standard Rate Adjustment Mechanism ("RESRAM") pursuant to Section 393.1030, RSMo Supp. 2013, and Commission Rule 4 CSR 240-20.100(6). OPC offers comments on (1) solar rebate payments and (2) the exclusion of St. Joseph landfill gas costs from the RESRAM. Additionally OPC requests the Commission instruct GMO to include all other Renewable Energy Standard ("RES") compliance costs, including power purchase agreements for RES compliance, as a part of its RESRAM as required by Commission rule.

Solar Rebate Payments

In previous cases several parties have raised questions about the prudence of solar rebates GMO has paid or committed to KCP&L Solar, an unregulated affiliate of

GMO.¹ Rebate payments to GMO customers served by KCP&L Solar are not included in the period of time that is covered by this RESRAM filing; however, they were recorded in a regulatory account to preserve the possibility of recovery in a general rate case or future RESRAM filing. Because KCP&L Solar transactions were recorded as having occurred outside the period in which GMO is attempting to recover RES compliance costs, OPC does not at this time address whether those transactions with the affiliate were imprudent. OPC will continue to examine the prudence of costs related to the solar rebates in future cases in which recovery is considered by the Commission.

St. Joseph Landfill Gas Costs

“RES compliance costs shall only be recovered through an [sic] RESRAM or as part of a general rate proceeding and shall not be considered for cost recovery through an environmental cost recovery mechanism or fuel adjustment clause or interim energy charge.” 4 CSR 240-20.100(6)(A)(16). Methane from landfills is specifically identified by Section 393.1025(5) RSMo as a renewable energy source. It follows naturally that any cost related to that renewable energy source should be recovered through a RESRAM.

Presently, GMO St. Joseph Landfill Gas Facility costs are recovered through GMO’s Fuel Adjustment Clause (“FAC”) not through a RESRAM. This method was approved in Case No. ER-2013-0341, when the Commission granted the company a variance from 4 CSR 240-20.100(6)(A)(16). Now, the circumstances surrounding the variance are changed. At the time the Commission permitted GMO to include the landfill gas costs in its FAC, GMO had not yet filed an application to establish a RESRAM, as it

¹ Case No. ET-2014-0277, *Application For Authorization To Suspend Payment of Certain Solar Rebates*, Rush Direct, p. 10.

has here. Further, in its *Order Granting Waiver* in Case No. ER-2013-0341, the Commission provided two primary reasons for granting the waiver: (1) the landfill gas costs in the FAC would have a small impact; and (2) “recalculating many of the agreed upon particulars of the fuel adjustment clause at this late date would be difficult.” These reasons, too, are now less compelling based on the present circumstances.

In this application, GMO requests continuation of the variance from 4 CSR 240-20.100(6)(A)(16) until its next rate case.² GMO is also currently seeking a continuation of that variance in its FAC case, Case No. ER-2014-0373. Now that GMO has filed this RESRAM and has an on-going FAC case, the time is right to eliminate two variances and require GMO to account for the landfill gas costs per the Commission’s rules. Accordingly, OPC respectfully requests the Commission deny GMO’s request for variance and instruct the company to include landfill gas costs in this RESRAM.

As well, to the extent that GMO currently flows any other RES compliance costs, including power purchase agreements related to RES compliance, through an environmental cost recovery mechanism, fuel adjustment clause or interim energy charge, those costs must also be recovered through a RESRAM or as part of a general rate proceeding.³ Accordingly, OPC respectfully requests the Commission order any other RES compliance costs, including power purchase agreements for RES compliance, to be included in GMO’s RESRAM application or held for inclusion in a general rate proceeding.

² Rush Direct, p. 16.

³ 4 CSR 240-20.100(6)(A)(16).

WHEREFORE, the Office of the Public Counsel submits these comments for the Commission's consideration.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

/s/ Tim Opitz

Tim Opitz
Assistant Counsel
Missouri Bar No. 65082
P. O. Box 2230
Jefferson City MO 65102
(573) 751-5324
(573) 751-5562 FAX
Timothy.opitz@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 8th day of August 2014:

/s/ Tim Opitz
