

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

In the Matter of Kansas City Power & Light            )  
Company's Application for Approval of                )  
Demand-Side Programs and for Authority to         ) **File No. EO-2014-0095**  
Establish a Demand-Side Programs                    )  
Investment Mechanism

**STAFF RECOMMENDATION TO SUSPEND TARIFF SHEETS**

**COMES NOW** Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and hereby submits Staff's recommendation for the Commission to suspend the tariff sheets issued by Kansas City Power & Light Company ("KCPL") on January 7, 2014,<sup>1</sup> with an effective date of May 7, and assigned Tariff Tracking No. YE-2014-0288. In support hereof, Staff states as follows:

1. On February 25, 2014, Staff filed a motion to modify the procedural schedule on behalf of all the parties, to allow the opportunity to continue discussions towards settlement of this case.

2. On February 26, the Commission issued its Order that granted the parties' request to modify the procedural schedule and extended the filing of rebuttal testimony from February 28 to March 28. The settlement discussions have failed to result in a unanimous stipulation and agreement and Staff is filing its rebuttal testimony to KCPL's Missouri Energy Efficiency Investment Act<sup>2</sup> ("MEEIA") *Application* concurrent with this Motion.

---

<sup>1</sup> All dates herein refer to calendar year 2014, unless otherwise specified.

<sup>2</sup> The Commission's rules promulgated as a result of the Missouri Energy Efficiency Investment Act of 2009 ("MEEIA") (Section 393.1075, RSMo (Supp. 2013) include Rules 4 CSR 240-3.163, 4 CSR 240-3.164, 4 CSR 240-20.093 and 4 CSR 240-20.094.

Staff was made aware of an agreement in principle between KCPL, the environmental groups (Earth Island Institute d/b/a Renew Missouri, Natural Resources Defense Council, and Sierra Club) and the Division of Energy after the close of business on March 27. *The Statement In Lieu Of Rebuttal Testimony* filed today by these non-utility parties confirms they have reached an agreement in principle; a fair inference is that the terms of the agreement are almost certain to be inconsistent with the tariff sheets KCPL filed.

3. As part of the Commission's February 26 Order, the Commission recognized that KCPL's proposed tariff sheets will become effective prior to the proposed effective date for any Commission Report and Order. In so noting, the Commission's Order stated that "[r]ather than immediately suspend the tariffs until June 6 as contemplated by the modified procedural schedule, the Commission first will allow KCP&L an opportunity to extend the effective date of the tariffs." KCPL has not yet extended the effective date of the proposed tariff sheets.

4. While Rule 4 CSR 240-20.094 does not specifically mention the suspension of tariff sheets, subparagraph (3)(D) states that "[u]tilities shall file and receive approval of associated tariff sheets prior to implementation of approved demand-side programs." This subparagraph suggests that MEEIA program tariff sheets should only go into effect after the Commission approves a MEEIA program plan and the subsequent filing of tariff sheets in compliance with the program plan the Commission approved.

5. Staff's overall recommendation in rebuttal testimony is for the Commission to reject KCPL's MEEIA *Application* and associated tariff sheets for the proposed

demand-side program plans and the demand-side programs investment mechanism (“DSIM”). This recommendation does not come lightly from Staff, but as demonstrated through testimony, extensive adjustments are necessary for the Commission to even begin to consider modifying KCPL’s proposed DSM programs and proposed DSIM to be consistent with MEEIA and the MEEIA rules. In Staff’s opinion, the Commission’s only option is to reject KCPL’s MEEIA *Application*.

Further, the customer rate impact of KCPL’s *Application* will not be known until some future date regardless of whether the Commission rejects or approves KCPL’s *Application* as filed. The Commission’s findings, on what is now a very long list of issues in this case, cannot result in a new revenue requirement and new rates because a “redo” of much of the analysis to support KCPL’s *Application* for approval of DSM programs and a DSIM will have to be performed – consistent with the Commission’s findings on the individual issues. At that time, the parties should be afforded the opportunity to review and comment on the “redone” analysis. Staff recommends the Commission allow additional opportunity for consideration of the analysis and comments by parties before approving any new revenue requirement and new rates for insertion into a tariff sheet compliance filing by KCPL.

6. In light of Rule 4 CSR 240-20.094 (3)(D), Staff recommends the Commission suspend the effective date of the tariff sheets assigned Tariff Tracking No. YE-2014-0288 to some date beyond June 6, 2014, taking into account the requirement for KCPL to file tariff sheets in compliance with any Commission Order allowing demand-side management programs and a DSIM under MEEIA.

**WHEREFORE**, Staff recommends the Commission suspend the effective date of KCPL's tariff sheets assigned Tracking No. YE-2014-0288 to a date beyond June 6, 2014.

Respectfully submitted,

**STAFF OF THE MISSOURI  
PUBLIC SERVICE COMMISSION**

**/s/ Jennifer Hernandez**

Jennifer Hernandez  
Senior Staff Counsel  
Missouri Bar No. 59814

Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
Phone (573) 751-8706  
Facsimile (573) 751-9285  
[jennifer.hernandez@psc.mo.gov](mailto:jennifer.hernandez@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 28th day of March, 2014 to all counsel of record in this proceeding.

**/s/ Jennifer Hernandez**