

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

In the Matter of the Application of Kansas City)
Power & Light Company for Approval to) **File No. ET-2018-0158**
Modify Existing Tariffs for Estimated Billing)
And Budget Billing)

In the Matter of the Application of Kansas City)
Power & Light Company Greater Missouri) **File No. ET-2018-0234**
Operations for Approval to Modify Existing)
Tariffs for Estimated Billing and Budget Billing)

STAFF’S RECOMMENDATION TO APPROVE TARIFFS

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its Recommendation to Approve Tariffs in this matter hereby states:

1. On February 27, 2018, Kansas City Power & Light Company (“KCPL”) and Kansas City Power & Light Company Greater Missouri Operations (“GMO”) filed an application with the Commission to revise its tariff sheets that relate to budget billing and estimated billing. The tariff changes will be necessary to implement KCPL and GMO’s new Customer Care and Billing (“CCB”) system, which the Companies anticipate implementing in May 2018. The application outlined how the new billing procedures will function in detail and had revised exemplar tariff sheets attached, but the Companies did not file actual revised tariff sheets with effective dates in the case.

2. On February 28, 2018, the Commission issued its Order Directing Staff to File a Recommendation Regarding Application, in which the Commission directed Staff to file a recommendation by March 23, 2018, and any party wishing to respond to Staff’s recommendation to file such response by April 2, 2018. The Commission on March 23,

2018 extended Staff's recommendation due date to March 30, 2018 and the deadline to respond to Staff's recommendation to April 6, 2018.

3. The Companies subsequently filed actual revised tariff sheets on March 16, 2018, with an effective date of May 7, 2018.

4. In order to correct some typos and clarify the tariff language within the tariff sheets, the Companies filed substitute tariff sheets on March 29, 2018.

5. Staff has reviewed the tariff sheets, and for the reasons outlined in the attached recommendation, recommends APPROVAL of the following tariff sheets.

P.S.C. MO. No. 2

Eighth Revised Sheet No.1.23, Cancelling Seventh Revised Sheet No. 1.23

Third Revised Sheet No. 1.67, Canceling Second Revised Sheet No. 1.67

Third Revised Sheet No. 1.68, Canceling Second Revised Sheet No. 1.68

Second Revised Sheet No. 1.69, Cancelling First Revised Sheet No. 1.69

WHEREFORE, Staff prays that the Commission will accept this recommendation and approve and allow the tariff sheets to go into effect on May 7, 2018 and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/s/ Nicole Mers

Nicole Mers

Deputy Counsel

Missouri Bar No. 66766

Attorney for the Staff of the

Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 30th day of March 2018, to all counsel of record.

/s/ Nicole Mers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. ET-2018-0158, File No. YE-2018-0115
Kansas City Power & Light Company

FROM: Michelle Bocklage, Energy Unit – Tariffs/Rate Design

/s/ Robin Kliethermes 03/30/2018 /s/ Nicole Mers 03/30/2018
Utility Operations Department/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for the Kansas City Power & Light Company Application For Approval of Revised Tariffs requesting Approval to Modify Existing Tariffs For Estimated Billing and Average Payment Plan and Level Payment Plan

DATE: March 30, 2018

On December 5, 2017, Kansas City Power & Light Company (“KCPL”) filed the Notice of Intended Case Filing requesting Approval to Modify Existing Tariffs For Estimated Billing and Average Payment Plan and Level Payment Plan. On February 27, 2018, KCPL filed an Application for Approval of Revised Tariffs. Then, on March 16, 2018, KCPL filed the revised tariffs, with a proposed effective date of May 7, 2018, that accompany the application filed on February 27th. In order to correct some typos and clarify the tariff language within the tariff sheets, KCPL filed substitute tariff sheets on March 29, 2018.

Estimated Billing

The substitute tariff sheets pertaining to estimated billing were filed to reflect changes in the tariff language regarding the procedures that will be used in KCPL’s new billing system to calculate daily meter readings.

For customers with AMI meters, KCPL receives daily meter readings. In situations where KCPL does not receive the daily reading(s) from the AMI meters, KCPL is proposing to modify the estimation process it uses in order to allow KCPL to estimate missing daily readings.

In the current system (“CIS Plus”), when a meter read is unavailable for the current month’s billing, if customer history is available, the CIS Plus system will estimate usage based upon the customer’s previous usage and a historical trend of like customers. In the new system (Customer Care and Billing (“CCB”)), KCPL will continue to receive daily meter readings. However, on days when the current meter reading is not transmitted, the CCB system will average the usage from the three prior days of usage at the customer’s address to determine an estimated meter reading for that day. If the usage/meter readings from the three prior days is not available, the CCB system will average the usage from five historical reads from the previous year – usage from the same day plus three days prior and one day after from the previous year. If the CCB system is unable to estimate the reading utilizing the second method, then KCPL will utilize a

manual process. The manual process would require the billing department to estimate usage based on historical usage from the same premise or the usage of customers with like premises.

The procedures for estimating meter readings for KCPL customers with non-AMI meters will vary from the procedure used for customers with AMI meters. In the case of non-AMI meters, if a meter reading is unavailable, the CCB system will average the usage from the same billing month and following billing month from the prior year. If the billing information is unavailable for the customer from the prior year, the CCB system will attempt to estimate the reading by averaging the usage from the meter readings the two prior months. If this is not successful, then the estimation process becomes a manual process by the billing department. The billing department will base the estimated reading on historical information from the same premise and if not available, the usage of customers with like premises.

Average Payment Plan

KCPL currently offers the Average Payment Plan (“Budget Billing”) solely to residential customers in order to levelize a customer’s bill amount by calculating a 12-month average cost. KCPL’s current CIS Plus system does not have the functionality to offer Budget Billing for Small General Service (“SGS”) customers. With the implementation of the CCB system, KCPL would also be able to offer Budget Billing to SGS customers.

In addition, KCPL filed revisions to the tariff language to reflect changes in the procedures used to calculate the monthly Average Payment Plan (“APP”), the method used to offer Budget Billing, and how true-up or settlement of Budget Billing balances are managed within the CCB system. With the Budget Billing program KCPL is proposing, Residential and SGS customers that have a minimum of nine months of usage history at the premise, that are not currently enrolled in budget billing, will receive a bill message indicating what the optional Budget Billing amount would be. The bill message will also advise that if they wish to enroll they simply have to pay the amount listed on the bill as the Budget Billing amount.

For customers that do not have 12 months of service at the premise, the CCB system will determine whether or not there is nine months of customer usage history at the premise to calculate the monthly budget amount. Customers without nine months of usage history at the premise will be directed to contact a customer service representative to enroll. At that point, the customer service representative will manually calculate the monthly budget amount.

Once customers are enrolled in Budget Billing, the CCB system will recalculate the average monthly budget amount, plus any over/under balance, every month. If there is a variance of 10% or more, the budget amount will be adjusted to the new budget amount on the next billing. This is designed to prevent large settlement amounts resulting from annual Budget Billing settlements. If customers decide to unsubscribe from Budget Billing, the actual bill amount will also be listed on the bill and customers may pay that amount to unsubscribe.

Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff has reviewed this filing and is aware that KCPL is currently involved in a rate

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OFFICIAL CASE FILE MEMORANDUM
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case, ER-2018-0208, that is currently pending before the Commission. The pending rate case filing should not affect this filing or be affected by this filing.

Therefore, Staff recommends that the following tariff sheets be approved and allowed to go into effect on May 7, 2018.

P.S.C. MO. No. 2

Eighth Revised Sheet No.1.23, Cancelling Seventh Revised Sheet No. 1.23
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BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In The Matter Of The Application Of)
Kansas City Power & Light Company For) File No. ET-2018-0158
Approval To Modify Existing Tariffs For)
Estimated Billing And Budget Billing)

AFFIDAVIT OF MICHELLE A. BOCKLAGE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

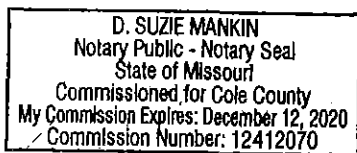
COMES NOW MICHELLE A. BOCKLAGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Michelle A. Bocklage
MICHELLE A. BOCKLAGE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of March 2018.



D. Suzie Mankin
Notary Public