STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 3rd day of October, 2013.

In The Matter of Kansas City Power & Light Company's Practices Regarding Customer Opt-Out of Demand-Side Programs and Related Issues	))))	**File No. EO-2014-0029**

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: October 3, 2013 Effective Date: October 13, 2013

On September 23, 2013, Kansas City Power & Light Company, the Staff of the Commission, Midwest Energy Consumers Group (MECG), and Missouri Industrial Energy Consumers (MIEC) filed a stipulation and agreement to resolve all issues before the Commission in this case. The Office of the Public Counsel, the Missouri Division of Energy, and Midwest Energy Users' Association are also parties to this case and did not sign the stipulation and agreement. The stipulation and agreement represents that those parties do not oppose the agreement. Furthermore, they have not acted to oppose the stipulation and agreement within seven days of its filing. Therefore, pursuant to Commission Rule 4 CSR 240-2.115(2), the Commission will treat the stipulation and agreement as unanimous.

The stipulation and agreement arises from a recent KCP&L rate case in which concerns were expressed about the company's practices regarding customer opt-out of demand side management (DSM) programs. The stipulation and agreement represents the signatories' proposed resolution of those concerns

In summary, the stipulation and agreement provides that KCP&L will file agreed-upon revised rate schedules that will include a non-MEEIA energy efficiency charge that qualified opt-out customers can choose to avoid using the opt-out procedures specified in Commission rule 4 CSR 240-20.094(6). Once those rate schedules become effective, qualified opt-out customers will begin receiving a credit on monthly bills. In addition, certain customers who have already notified KCP&L of their desire to opt-out will receive retroactive crediting of opt-out charges calculated in a manner described in the stipulation and agreement. Ultimately, a non-MEEIA energy efficiency charge for qualified opt-out customer will be recalculated and will be included in appropriate rate schedules in KCP&L's next general rate case, including all unamortized energy efficiency costs KCP&L incurred since 2005 to the end of the test year in KCP&L's next general rate case.

The stipulation and agreement is premised upon the Commission authorizing KCP&L to establish a deferred account to include all non-MEEIA amounts credited under paragraphs 6.A and 6.B of the stipulation and agreement. The stipulation and agreement indicates the signatories will not object to the creation of such an account. However, the stipulation and agreement does not itself explain why such a deferred account is appropriate. KCP&L submitted the affidavit of Ryan Bresette to provide that additional information.

Mr. Bresette's affidavit explains that KCP&L needs the ability to defer opt-out costs to a regulatory asset for deferral and determination of recovery in a future rate case. Under Generally Accepted Accounting Principles and Uniform Systems of Accounts it cannot make those deferrals without authorization from the Commission to record the deferrals as a regulatory asset or regulatory liability to be addressed in the company's next general rate proceeding. Based on the stipulation and agreement and on the explanation in Mr. Bresette's affidavit, the Commission will authorize the deferred accounting requested by KCP&L.

After reviewing the stipulation and agreement, the Commission independently finds and concludes that such stipulation and agreement is in the public interest and should be approved. Since this stipulation and agreement is not opposed by any party and because some of the provisions of the stipulation and agreement are time-sensitive, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. The Stipulation and Agreement filed on September 23, 2013, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order, and is incorporated herein by reference.

2. Kansas City Power & Light Company is authorized to establish a deferred account to include all non-MEEIA amounts credited under paragraphs 6.A and 6.B of the stipulation and agreement as a regulatory asset (Account 182.3) or regulatory liability (Account 254) to be addressed in Kansas City Power & Light Company's next general rate proceeding.

3. When Kansas City Power & Light Company issues the tariff agreed upon in the stipulation and agreement it shall file it in this case.

4. This order shall become effective on October 13, 2013.

BY THE COMMISSION

Morris L Woodruff

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll,
and W. Kenney, CC., concur.
Hall, C., abstains.

Woodruff, Chief Regulatory Law Judge