

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

In the Matter of a Working Case to Review)
Electric Vehicle Charging Stations)

File No. EW-2015-0184

**STAFF'S RESPONSE TO KCPL AND GMO'S
RESPONSE TO COMMISSION ORDER**

COMES NOW the Staff of the Missouri Public Service Commission and, in response to the response of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company to the Commission's February 13, 2015, order directing them to file a pleading in which they "explain[] what steps, if any, the Commission and interested stakeholders should take to ensure that *ex parte* communications about issues pending in KCP&L's on-going rate case, ER-2014-0370, do not occur in the requested working case, states:

1. KCPL and GMO state that they "envision[] a bright line distinction between KCPL's [pending] rate case [(Case No. ER-2014-0370)], in which [it] has requested recovery of costs in connection with the Clean Charge Network pilot project for electric vehicle charging stations, and this working case which would encompass a much broader discussion of the general regulatory policy issues around electric vehicles and electric vehicle charging stations." They then explicate they mean, "Specifically, issues regarding the impact of the Clean Charge Network pilot project on KCPL's revenue requirement would be addressed in Case No. ER-2014-0370, and all other general regulatory and public policy issues attendant to electric vehicles and electric vehicle charging stations would be explored on a collaborative basis in the working docket."

2. They further opine the following issues are not implicated in KCPL's pending rate case:

- Should non-utilities be able to charge for the use of electric vehicle charging stations and, if so, would such charges be subject to regulation by the Commission?
- Can electric vehicles and electric vehicle charging stations enhance efficiency and utilization of the grid and, if so, how should such impacts be assessed, optimized and recognized?
- Do electric vehicles and electric vehicle charging stations present demand response opportunities and, if so, how should such opportunities be assessed, optimized and implemented?
- Does the regulatory process need more flexibility to permit real-time exploration of costs and benefits associated with evolving markets such as that associated with electric vehicles and, if so, what approaches to increase regulatory flexibility should be pursued or adopted?

3. While if the Commission approves KCPL's proposal that "electricity used to charge electric vehicles through the Clean Charge Network pilot is to be billed at standard tariff rates and for two years paid (1) through a partnership with Nissan for the fifteen or so fast charging stations, and (2) by the host site for the remaining regular charging stations," then its suggested "bright line" might be workable; however, Staff anticipates one or more of the following will be issues in KCPL's pending rate case:

- Is owning and operating an electric vehicle charging station regulated by this Commission?
- Who pays for the facilities used to deliver electricity to electric vehicles, *i.e.*, the charging stations, the transformers, and any grid upgrades associated with them?

4. If owning and operating electric vehicle charging stations is an unregulated activity, then it follows that non-utilities should be able to charge for the use of electric vehicle charging stations, payment for using them would not be regulated by this Commission, and KCPL's retail customers should not bear any of the costs associated with them.

5. If owning and operating an electric vehicle charging station is regulated by this Commission, then the Commission will need to decide who bears the costs of the facilities used to deliver electricity to electric vehicles, *i.e.*, are they borne by all of KCPL's retail customers (socialized), by the owner and operator of the charging stations, by those who charge their vehicles, or in some other way?

6. That charging stations may enhance efficiency and utilization of the grid and may present demand response opportunities are likely to arise as arguments in KCPL's rate case for socializing the costs of the facilities used to deliver electricity to electric vehicles (the charging stations, the transformers, and grid upgrades associated with them) as KCPL is proposing.

7. Staff believes that the *ex parte* concerns Commissioners expressed during the Commission's February 11, 2015, Agenda session are real. The steps KCPL and GMO have suggested that the Commission should take "to ensure that *ex parte* communications about issues pending in KCP&L's on-going rate case, ER-2014-0370, do not occur in the requested working case," while substantive, do not resolve the potential problem of the Commission relying on information in this case when deciding the rate case, when that information is not in the rate case record.

WHEREFORE, Staff responds to KCPL and GMO'S Response to Commission Order above.

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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 24th day of February, 2015, to all counsel of record.

/s/Nathan Williams