

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

In the Matter of Kansas City Power & Light)	<u>File No. ER-2014-0370, et al.</u>
Company's Request for Authority to Implement a)	YE-2015-0194
General Rate Increase for Electric Service)	YE-2015-0195

NON-UNANIMOUS STIPULATION AND AGREEMENT ON CERTAIN ISSUES

COME NOW the Staff of the Commission ("Staff"), Office of the Public Counsel, Missouri Industrial Energy Consumers ("MIEC"), Midwest Energy Consumers' Group ("MECG"), Consumers Council of Missouri, Missouri Division of Energy, and the United States Department of Energy, (collectively, the "Signatories"), by and through their respective counsel, and, for their Non-Unanimous Stipulation and Agreement on Certain Issues ("Agreement"), respectfully state as follows to the Missouri Public Service Commission ("Commission"):

1. The Signatories to this Agreement have reached agreement as to the issues listed below which cover the issues listed in section XXV, Class Cost of Service and Rate Design, subsections A and B, as set forth in the *List of Issues* filed by Staff on June 9, 2015. Kansas City Power & Light Company (KCP&L), however, will be objecting to this Non-Unanimous Agreement and will request a hearing on certain of the agreed-upon issues. As such, this Non-Unanimous Agreement will become the joint position statement of the Signatories ("Joint Recommendation") on the issues addressed herein. The Signatories believe the Commission will need to make specific findings of fact as to certain issues addressed herein, except as otherwise provided below, but may then, based on the record evidence that will then be before the Commission, make the additional finding that acceptance of the Joint Recommendation is a fair and reasonable resolution of these issues.

2. This Agreement is being entered into solely for the purpose of settling the issues addressed herein and for purposes of this case only. Unless otherwise explicitly provided herein,

none of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology.

3. **Class Cost of Service, Production Plant:** The Signatories agree that the Commission should allocate any increase to revenue requirement resulting from this case as an equal percentage increase to all the classes. Given that an equal percent revenue allocation is consistent with some party recommendations contained on the record, the Signatories do not believe that the Commission needs to make specific findings as to the appropriate methodology for allocating production plant costs among the customer classes.

4. **Rate Design:** The Signatories agree that the appropriate methodology, in this case, for most reasonably allocating net cost of service among the customer classes, for allocating revenue increase among rate schedules, and for interclass shifts in revenue responsibilities, should be an equal percentage increase to all customer classes.

With regard to the residential customer charge, the Signatories agree that the current customer charge of \$9.00 should remain the same for a residential general use customer, and the residential customer charges for the other remaining residential customer rate schedules remain the same as currently charged.

With regard to the residential energy charge, the Signatories agree that after accounting for the continuation of the existing customer charges, the residential energy charges will be increased by the same percentages to achieve required revenues.

Regarding time of day rates, the Signatories agree that current residential and other special two part time of day or real time pricing tariffs remain available, and the Signatories would request that the Commission order Kansas City Power & Light Company to complete a

study regarding these issues within 2 years in which no party is obligated to support the findings of that study or any proposed tariff design as a result of that study.

Signatories agree that a working group should be formed to review KCP&L's Standby Service Tariff for the purposes of 1) ensuring that the design of standby rates and the terms and conditions of service are consistent with best practices and 2) to develop recommendations on cost-based rate levels. Signatories request that the Commission order KCP&L to file a new Standby Service Tariff in its next general rate case.

The Signatories agree to allow modification to the structure of the ResB rate to add an intermediate block rate which will be set equal to the first block rate to make it consistent with the ResA and ResC rate structures.

Except as provided in the following paragraph, as rate design relates to Commercial and Industrial classes the Signatories agree with the following as it relates to section B(e)(1)-(3) and section (B)(f)(1) and (3) in the *Issues List*: the following rate components of each class be increased across-the-board for each class on an equal percentage basis after:

- Increasing the first winter energy block rate of the frozen All-Electric Service rate schedules for the SGS, MGS, and LGS rate classes increasing by an additional 5%;
- Changing the winter second and third SGS all electric block rates to match the winter second and third general service SGS block rates; .

As explained in the pre-filed Direct Cost of Service and Rate Design testimony of Maurice Brubaker, at pages 32-33, the general service LGS and LP second block energy rates shall receive 75% of the applicable class percentage increases and there shall be no increase to the tail blocks of the general service LGS and LP energy rates. Any remaining increase in revenue requirement for these classes shall be collected through an equal percentage increase in the customer, demand and first energy blocks.

The Signatories do not oppose Kansas City Power & Light Company's request to eliminate the special interruptible rate.

WHEREFORE, the Signatories respectfully submit this Stipulation and Agreement on Certain Issues and respectfully request, with regard to the issues addressed herein that the Commission issue Orders consistent with the agreement of the parties.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by First Class United States Mail, postage prepaid, on this **16th day of June, 2015**, to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case, a copy of which is attached hereto and incorporated herein by reference.

/s/ Cydney D. Mayfield