

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

In the Matter of Kansas City Power & Light)	
Company's Demand Side Investment)	<u>File No. ER-2019-0375</u>
Mechanism Rider Rate Adjustment and)	Tracking No. JE-2019-0216
True-Up Required by 4 CSR 240-20.093(4))	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, and submits its Recommendation to the Missouri Public Service Commission ("Commission") recommending that the Commission issue an order approving P.S.C. MO. No 7 Seventh Revised Sheet No. 49O Cancelling P.S.C. MO. No 7 Sixth Revised Sheet No. 49O ("Tariff Sheet") as filed by Kansas City Power & Light Company ("KCPL") on May 31, 2019, bearing an effective date of August 1, 2019. Staff has reviewed the Tariff Sheet and explains its reasons supporting its approval in Staff's Memorandum attached hereto as Appendix A and incorporated herein, further stating as follows:

1. KCPL filed its Tariff Sheet for the purpose of modifying its Demand Side Investment Mechanism ("DSIM") under the Missouri Energy Efficiency Investment Act ("MEEIA") and Commission rules 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8).¹

2. This proposed DSIM rate change will increase residential customers' DSIM rider rate from \$0.00017 to \$0.00362 per kWh and decrease non-residential customers' rate from \$0.00274 to \$0.00252 per kWh. For a residential customer using 1,000 kWhs, this change increases a bill by \$3.45 per month. For a non-residential customer, this change decreases a bill by \$0.22 for every 1,000 kWhs used.

¹ Tariff Sheet is filed pursuant to KCPL's Demand Side Investment Mechanism Rider, P.S.C. Mo. No. 7, Tariff Sheet 49D.

3. As further explained in detail in its Memorandum, Staff notes that this DSIM filing is based on six months of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. In addition, this rate adjustment filing includes KCPL's MEEIA Cycle 2 extension through December 31, 2019 per a stipulation and agreement filed in EO-2019-0132.

WHEREFORE, for the reasons discussed above and further explained in Staff's Memorandum, Staff recommends the Commission issue an order approving P.S.C. MO. No 7 Seventh Revised Sheet No. 49O Cancelling P.S.C. MO. No 7 Sixth Revised Sheet No. 49O as filed May 31, 2019, for service on and after August 1, 2019.

Respectfully submitted,

/s/ Karen E. Bretz

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 1st day of July, 2019.

/s/ Karen E. Bretz

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File
File No. ER-2019-0375 and Tariff Tracking No. JE-2019-0216
Kansas City Power & Light Company

FROM: Joseph P. Roling, Regulatory Economist II

/s/ Robin Kliethermes / 07-01-19
Rate & Tariff Examination Manager / Date

/s/ Karen Bretz / 07-01-19
Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve Kansas City Power & Light Company's ("KCPL") Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism ("DSIM") Rider Rate effective August 1, 2019.

DATE: July 1, 2019

KCPL Filing

On May 31, 2019, KCPL filed with the Commission one (1) tariff sheet bearing an issue date of May 31, 2019, and an effective date of August 1, 2019, proposing to adjust charges related to the Company's DSIM Rider. KCPL's filing also included the Direct Testimony of Lisa A. Starkebaum and work papers consisting of electronic worksheets showing its calculation of the proposed rates.

On May 31, 2019, the Commission issued its Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation which directed Staff to file its recommendation no later than July 1, 2019.

Change in KCPL's DSIM Rates

Per 4 CSR 240-20.093(4) and 4 CSR 240-3.163(8), KCPL is required to make semi-annual adjustments of DSIM rates to reflect the amount of revenue that has been over/under collected.

The current MEEIA mechanism rate per class of customer is collected through a line item on current bills and is based on six months of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. In addition to reconciliations for prior periods, this adjustment includes KCPL's MEEIA Cycle 2 extension through December 31, 2019 per Stipulation and Agreement filed in EO-2019-0132.¹

Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kWh of energy supplied

¹ Per the Stipulation and Agreement filed in EO-2019-0132 to extend the MEEIA Cycle 2 program into program year 4 (PY4), the PY4 budgets and savings targets will be scaled accordingly if PY4 does not extend through 12/31/2019.

to customers under the Company's retail rate schedules, excluding kWh of energy supplied to "opt-out" customers.

Rate Class	Current MEEIA Rate/kWh	Proposed MEEIA Rate/kWh
Residential Service	\$0.00017	\$0.00362
Non-Residential Service	\$0.00274	\$0.00252

The proposed change will increase residential customers' DSIM Rider rate from \$0.00017 to \$0.00362 per kWh and decrease non-residential customers' rate from \$0.00274 to \$0.00252 per kWh.² For a residential customer using 1,000 kilowatt-hours (kWh), this would mean an increase of \$3.45 per month. For a non-residential customer, this would mean a decrease of \$0.22 for every 1,000 kWhs used.

Staff's recommendation to approve this Seventh Revised Sheet No.49O does not constitute a review of the prudence of KCPL's actions in relation to its DSIM Rider.

Staff Recommendation

The Commission Staff's Tariff/Rate Design Department has reviewed the filed tariff sheet and recommends the Commission issue an order approving the following tariff sheet, as filed on May 31, 2019, for service on and after August 1, 2019, the requested effective date.

P.S.C. MO. No. 7

Seventh Revised Sheet No. 49O, Cancelling Sixth Revised Sheet No. 49O

Staff has verified that KCPL is not delinquent on any assessment and has filed its Annual Report. KCPL is current on its submission of its Quarterly Surveillance Monitoring reports as required in 4 CSR 240-20.090(10). Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the DSIM Rider rate changes in this case are solely based on the accuracy of KCPL's calculations and is not indicative of prudence.

² The non-residential rate is decreasing due to an increase in forecasted kWh. The cost to be recovered over the next six months is increasing compared to KCPL's prior DSIM filing; however, since there is a larger amount of kWh for the costs to be spread over the rate decreased.

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OF THE STATE OF MISSOURI

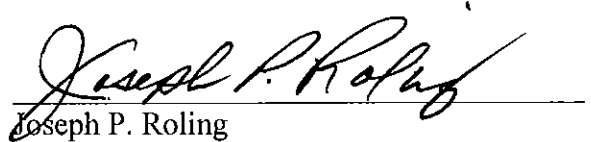
In the Matter of the Kansas City Power & Light)
Company's Demand Side Investment) File No. ER-2019-0375
Mechanism Rider Rate Adjustment and True-Up)
Required by 4 CSR 240-20.093(4))

AFFIDAVIT OF JOSEPH P. ROLING

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

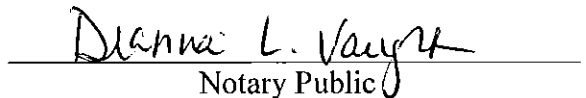
COMES NOW, Joseph P. Roling, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Joseph P. Roling

Subscribed and sworn to be this 28th day of June, 2019.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 28, 2019
Commission Number: 15207377