

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

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| In the Matter of Kansas City Power & Light Company's Request for Authority to Implement A General Rate Increase for Electric Service.) | <u>Case No. ER-2012-0174</u> Tracking No. YE-2012-0404 |
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and

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| In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority To Implement a General Rate Increase for Electric Service.) | <u>Case No. ER-2012-0175</u> Tracking No. YE-2012-0405 |
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**NON-UNANIMOUS STIPULATION AND AGREEMENT REGARDING
LOW-INCOME WEATHERIZATION AND WITHDRAWAL
OF OBJECTION AND REQUEST FOR HEARING**

COME NOW the Staff of the Missouri Public Service Commission ("Staff"), Kansas City Power & Light Company ("KCPL"), KCP&L Greater Missouri Operations Company ("GMO"), the Office of the Public Counsel ("Public Counsel"), the City of Kansas City, Missouri (the "City"), and the Missouri Department of Natural Resources ("MDNR"), collectively the "Signatories," and for this *Non-Unanimous Stipulation and Agreement Regarding Low-Income Weatherization and Withdrawal of Objection and Request for Hearing*, respectfully submit the following:

1. On October 19, 2012, Staff, KCPL and GMO filed a *Non-Unanimous Stipulation and Agreement as to Certain Issues* (the "October 19 Stipulation") in these cases (Case Nos. ER-2012-0174 and ER-2012-0175) which addressed, and purported to resolve, several issues in these cases. The October 19 Stipulation also represented that Public Counsel did not oppose that Stipulation. Among the issues addressed and purportedly resolved by the October 19 Stipulation was Issue II.14 **Low Income Weatherization**.

2. On October 24, 2012, the City filed an objection to the October 19 Stipulation. Specifically, the City objected to the resolution of Issue II.14 **Low Income Weatherization** contained in the October 19 Stipulation and requested that issue, and only that issue, be scheduled for hearing. The City stated it does not oppose the balance of the issues addressed and resolved in the October 19 Stipulation.

3. In consideration of the agreements set forth herein, the Signatories have resolved the issue of low-income weatherization as follows: (a) The Signatories agree that the **Resolution** language set forth in the October 19 Stipulation under Issue II.14 **Low Income Weatherization** should be and is hereby superseded in its entirety by the following **Resolution** language:

Resolution:

In regard to GMO, if the Commission approves a MEEIA low-income weatherization program for GMO, then that MEEIA program should be funded and included in revenue requirement to the extent the Commission determines under MEEIA it is appropriate to do so. Otherwise, GMO's low-income weatherization program should be funded (included in cost of service) at \$150,000 annually. (Both programs are not funded at the same time and they are mutually exclusive.) If GMO's low-income weatherization program is funded and included in cost of service at \$150,000 annually as set forth in this paragraph, the City of Kansas City, Missouri (KCMO) shall be allocated a minimum of \$50,000 (of the \$150,000 total) annually for low-income weatherization. The allocation of the remainder of the \$150,000 shall be determined as provided below.

In regard to KCPL, KCPL's low-income weatherization program should be funded (included in cost of service) at \$573,888 annually; however, this low-income weatherization program should not be funded in rates at the same time KCPL's retail customers are funding a low-income weatherization program the Commission approves under the MEEIA, if any. (Both programs are not funded at the same time and they are mutually exclusive.) If KCPL's low-income weatherization program is funded and included in cost of service at \$573,888 annually as set forth in this paragraph, the City of Kansas City, Missouri (KCMO) shall be allocated a minimum of \$450,000 (of the \$573,888 total) annually for low-income weatherization. The allocation of the remainder of the \$573,888 shall be determined as provided below.

Any low-income weatherization funds which KCPL collects through its rates during a year which are not distributed to the low-income weatherization agencies during that year will be available for distribution in subsequent years. This will also apply to GMO's low-income weatherization funds if the Commission does not approve a MEEIA low-income weatherization program for GMO.

Prior to executing contracts for distribution of low-income weatherization funds for calendar year 2013, KCPL and GMO will consult the DSM Advisory Group (DSMAG) regarding the allocation and distribution of the low-income weatherization funds in excess of the minimum annual allocations to KCMO set forth above. The resulting calculation or formula for allocation of funds shall be reflected in revised tariff sheets filed as compliance tariffs in these rate cases as described in the following paragraph. KCPL and GMO will also provide quarterly reports to the DSMAG on the allocation and distribution of all of their low-income weatherization funds.

KCPL and GMO will file revised tariff sheets regarding their low-income weatherization program as reflected herein as part of their compliance tariffs in these rate cases, which must include provisions that incorporate the obligations of the preceding paragraphs.

(b) Other than the **Resolution** language change set forth in 3(a) above, this *Non-Unanimous Stipulation and Agreement Regarding Low-Income Weatherization and Withdrawal of Objection and Request for Hearing* makes no change to any of the other provisions of the October 19 Stipulation, including but not limited to the Revenue Requirement provisions thereof.

4. In consideration of the agreements set forth herein, the City hereby withdraws its objection to the October 19 Stipulation and its request that Issue II.14 **Low Income Weatherization** be scheduled for hearing.

GENERAL PROVISIONS

5. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of their witnesses on the issue of Low-Income Weatherization.

6. This Stipulation is being entered into solely for the purpose of settling the issue(s)/matter(s) in these cases explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, regardless of whether this Stipulation is approved.

7. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same.

8. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation

shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

9. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issue(s)/matter(s) addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

10. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

11. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

12. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issue(s)/matter(s) in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in these proceedings and only to the issue(s)/matter(s) that are resolved hereby. It does not apply to any issue(s)/matter(s) raised in any prior or subsequent Commission proceeding nor any issue(s)/matter(s) not explicitly addressed by this Stipulation.

WHEREFORE, the Signatories respectfully request that the Commission issue an Order approving the terms and conditions of this *Non-Unanimous Stipulation and Agreement Regarding Low-Income Weatherization and Withdrawal of Objection and Request for Hearing*.

Respectfully submitted,

STAFF OF THE MISSOURI PUBLIC
SERVICE COMMISSION

KANSAS CITY POWER & LIGHT
COMPANY and KCP&L GREATER
MISSOURI OPERATIONS COMPANY

/s/ Jeffrey A. Keevil

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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 hand delivery or by First Class United States Mail, postage prepaid, on this **26th day of October, 2012**, on 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.

/s/ Jeffrey A. Keevil