

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

In the Matter of the Application of The)
Cathedral Square Corporation, a Missouri)
Non-Profit Corporation, For a Variance)
from Kansas City Power & Light) Case No. EO-2012-0141
Company's General Rules and Regulations)
Requiring Individual Metering)

**KANSAS CITY POWER & LIGHT COMPANY'S RESPONSE
TO APPLICATION FOR VARIANCE OF THE CATHEDRAL SQUARE
CORPORATION**

Pursuant to the Order issued by the Public Service Commission of the State of Missouri ("Commission") on November 7, 2011, in the above-captioned proceeding, Kansas City Power & Light Company ("KCP&L" or "Company") hereby submits its response to the application for variance ("Application") submitted by The Cathedral Square Corporation ("CSC") with respect to the Cathedral Square Towers, located at 444 W. 12th Street, Kansas City, Missouri. KCP&L believes that serving multiple-occupancy buildings with a single master meter is contrary to the provisions of KCP&L's tariff that prohibit KCP&L from providing electric service for resale or redistribution.

I. BACKGROUND

1. On November 4, 2011, CSC submitted an "Application for Variance" requesting (i) a confirmation that the Commission's requirement to separately meter each residential unit in a multiple-occupancy building, as set forth in 4 C.S.R. § 240-20.050(2), does not apply to Cathedral Square Towers; and (ii) a variance from Section 5.03 of the KCP&L Rules. CSC explained that it wants to install a master meter and consolidate the existing meters, for the entire Cathedral Square Towers Building located at 444 W. 12th Street in Kansas City, Missouri.

2. On November 7, 2011, the Commission issued an “Order Directing KCP&L and Staff to Respond to CSC, Inc.’s Application for Variance.” The Commission directed KCP&L to submit its response to CSC’s Application no later than December 7, 2011.

II. COMMUNICATIONS

3. In addition to undersigned Counsel, correspondence or communications regarding this proceeding, including service of all notices and orders of this Commission, should be addressed to:

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III. RESPONSE TO APPLICATION FOR VARIANCE

A. CSC’s Application for Variance

4. CSC requests an order determining that separate metering for Cathedral Square Towers is not required by 4 CSR 240-20.050 because the building was constructed before June 1, 1981. KCP&L believes that such a determination requires facts that are not established in the Application.

5. CSC also requests a variance from section 5.01 and 5.03 of KCP&L’s tariffs. Section 5.03 of the KCP&L Rules expressly provides that KCP&L will not supply electric service to a customer for resale or redistribution by the customer. It also specifies a limited number of exceptions; none of which apply in this particular instance. Section 5.01 of KCP&L’s Rules states that the occupant of each separate premises in or on any multiple occupancy premises will be individually metered and supplied electric service as the customer of the Company. As KCP&L understands CSC’s intended metering practices, CSC’s actions will

constitute either a prohibited resale of energy or a prohibited redistribution of energy and the occupants of Cathedral Square Towers will not be individually metered and served by KCP&L as the customer.

6. The Application does not provide the support necessary for a variance from KCP&L's tariffs. The Application, at paragraphs 21-32 discusses the factors from the Commission's *Brentmoor* case¹. The *Brentmoor* factors are applicable to a variance of the individual electric metering rules found in 4 CSR 240-20.050. They do not appear to be applicable to a request for a variance from a utility's tariff.

7. The Commission has granted a variance from Rule 5.01 and Rule 5.03 of KCP&L's tariff if the variance is in the public interest. For example, *In the Matter of the Application of WST, Inc., for a Variance from Kansas City Power & Light Company's General Rules and Regulations Requiring Individual Metering* ("WST")², the Commission granted a variance from the separate meter requirements of KCP&L's tariffs to permit a master meter for the Wall Street Tower condominiums. The facts and circumstances in *WST* are very different from those in CSC's situation. *WST* involved the conversion of a commercial high-rise facility to condominiums. An existing single meter and wiring was already installed for commercial operation. The Commission found that the public interest was served by the variance, in part, because the installation of separate meters for each condominium unit would cost approximately one million dollars and would delay completion of a community development project that was important to the future of Kansas City, Missouri.

¹ *In the Matter of the Application of Union Electric Company, d/b/a AmerenUE, for a Metering Variance to Serve Brentmoor at Oaktree*, Case No. EE-2004-0267, Order, November 2, 2004.

² *In the Matter of the Application of WST, Inc., for a Variance from Kansas City Power & Light Company's General Rules and Regulations Requiring Individual Metering*, Report and Order, October 19, 2005.

8. Unlike the *WST* case, operating meters already exist at the Cathedral Square Towers and residents are already living in the building. CSC wants the variance so that it can reduce its monthly electricity charges and use the savings to finance other improvements at the Cathedral Square Towers building. The Application states in paragraph 25, that CSC estimates that it will be able to save approximately \$37,000 per year with a master meter due to reduced meter charges, fees, administrative costs and rate savings.

9. KCP&L does not believe a change in the metering necessitates a change in rates. The class of usage at Cathedral Square Towers—residential—will not change just because the metering changes. The apartments still meet the definition of “residential” as found in 4 CSR 240-20.050(G) “A residential unit is defined as one (1) or more rooms for the use of one (1) or more persons as a housekeeping unit with space for eating, living, and sleeping, and permanent provisions for cooking and sanitation.” Should this facility become master metered, KCP&L’s Residential Service rate has provisions to handle this situation. From KCP&L’s Schedule R, Availability, “For secondary electric service through one meter, at one point of delivery to a single metered multiple-occupancy residential building: The total monthly bill to each such building to which service is delivered and metered at one point shall consist of the customer charge multiplied by total number of residence units plus each kilowatt hour step shall be multiplied by total number of residence units and calculated on the Residential Service Rate Schedule. This paragraph applies only to single metered multiple-occupancy buildings served as such prior to June 1, 1981.” This same date, June 1, 1981, coincides with the language in 4 CSR 240-20.050(2) “Each residential and commercial unit in a multiple-occupancy building construction of which has begun after June 1, 1981 shall have installed a separate electric meter for each residential or commercial unit.” There is a linkage between the June 1, 1981 KCP&L Residential tariff language and 4 CSR 240-20.050. If a variance is granted allowing for master

metering for CSC because the facility was constructed before 1981, then similarly the Company should be allowed to bill CSC as a Residential customer with multiple units as though the facility was master metered before June 1, 1981. The Company believes that if CSC is allowed to master meter, CSC would fall under this provision of the Residential tariff and there would be no savings to CSC.

10. In paragraphs 26 and 34 of the Application, CSC states that it will use the \$37,000 in savings to finance energy efficiency improvements. As shown above, KCP&L does not agree that the savings do exist, but if such savings do exist KCP&L does not believe that the public interest is served by allowing CSC a rate which it is not entitled to so it can finance improvements to private property. The public interest is not served by reducing CSC's operating costs.

11. The rate that CSC pays, including meter charges, is set by the Commission so that KCP&L can recover its investment and ongoing costs to serve the Cathedral Square Tower building. It is not in the public interest to change this rate since the costs of the investment and ongoing costs to serve CSC will then be recovered from other KCP&L customers.

12. The Commission, on page 8 of the *WST* Order, also noted that consumers of electricity are more likely to restrict their usage of electricity when they are responsible for paying for the electricity that they use. The Commission found this energy efficiency goal, which was set by the Public Utility Regulatory Act of 1978³, would be met with the proposed *WST* master meter arrangement since the condominium association installed monitoring devices to measure the amount of electricity used in each individual condominium unit and that each owner would be billed by the condominium association for the exact amount of electricity used. At paragraph 32 of the Application, CSC indicates that residents of Cathedral Square Towers

³ 16 U.S.C. 2601 et seq.

don't pay their own electricity bills and argues that this energy efficiency goal is not applicable. KCP&L submits that individual metering can still aid energy efficiency by providing an indication to CSC if a particular residence's usage is not consistent with the remainder of the billing. CSC's Application says nothing about individual metering devices and thus this energy efficiency goal would not be met by granting the requested variance.

13. At paragraph 35 of the Application, CSC argues that KCP&L's tariffs have an exception that permits individual metering at "old folks homes." This exception only applies when the individual dwelling quarters are not equipped with kitchen and bathroom facilities. The apartments at Cathedral Square Towers have separate kitchen and bathroom facilities so this exception does not apply.

14. KCP&L supports CSC's desire to install energy efficiency improvements at its property. CSC has applied for a KCP&L energy efficiency rebate, which will be awarded at the completion of its project, once KCP&L has received the required paperwork from CSC. Additionally, summary billing using KCP&L's ApartmentLink bill consolidation feature is available to CSC to reduce its administrative costs.

15. KCP&L requests a hearing on CSC's Application.

IV. CONCLUSION

16. For the foregoing reasons, KCP&L respectfully requests that the Commission deny CSC's Application.

Respectfully submitted,

/s/ Roger W. Steiner

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Attorney for KCP&L

Dated: December 7, 2011

Certificate of Service

I hereby certify that a true and correct copy of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all parties of record on this 7th day of December, 2011.

/s/ Roger W. Steiner

Attorney for KCP&L