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

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In the Matter of the KCP&L Greater Missouri Operations Company's Request for Authority to Implement A General Rate Increase for Electric Service

Case No. ER-2012-0175

# NON-UNANIMOUS STIPULATION AND AGREEMENT REGARDING CLASS COST OF SERVICE / RATE DESIGN

**COME** NOW the Midwest Energy Consumer's Group ("MECG"), Missouri Industrial Energy Consumers ("MIEC"), Federal Executive Agencies ("FEA") – Whiteman Air Force Base, KCP&L – Greater Missouri Operations Company ("GMO"), and the Staff of the Missouri Public Service Commission (collectively, the "Signatories") and respectfully state to the Missouri Public Service Commission ("Commission") that, as a result of negotiations, they have reached the stipulations and agreements contained herein in order to settle the class cost of service allocation issues in this rate case in the event the Commission finds that GMO's MPS or L&P rates should be increased.

1. <u>Class Cost of Service</u>: The Signatories agree that any rate increase for either the GMO – MPS or GMO – L&P rate districts should be implemented by: (1) allocating the portion of the increase not related to MEEIA on an equal percentage across-the-board basis to the current base revenues of all rate classes, and (2) assigning the portion of the increase related to MEEIA to customer classes in the manner outlined in the Stipulation and Agreement in Case No. EO-2012-0009.

2. <u>LGS, LP and Lighting Rate Design</u>: The Signatories further agree that, for the Large General Service, Large Power Service and Lighting classes of the MPS and L&P rate districts, any non-MEEIA portion of the rate increase to the rate class should be implemented on an equal percentage, across-the-board basis to each rate element for that rate class, and that the

MEEIA portion of the increase shall be in the form of a separate energy charge in each applicable rate schedule.

3. The Signatories further agree that the customer charge for the residential and Small General Service ("SGS") classes will remain unchanged.

4. With the acceptance of this Stipulation, the following issues have been settled: Issue III.7.a, Issue III.7.b, and III.7.c. All pending issues regarding residential and small general service ("SGS") rate design, including issues III.7.d "Residential Rate Adjustment," and III.7.a- [sec] "Residential Space Heating Services," would remain for Commission determination.

5. The parties agree and recommend that, as a result of this Stipulation, no class (residential, small general service, large general service, and large power service) should receive an overall rate decrease if any other class is receiving an overall rate increase. In such a circumstance, the class that would have received that decrease will be held at its current rates with the avoided decrease being spread equally among the remaining classes.

6. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation to, any other method of cost determination or cost allocation or revenue-related methodology. Other than as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner in this or any other proceeding by the terms of this Stipulation and Agreement regardless of whether this Stipulation and Agreement is approved.

7. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. If the Commission does not approve

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this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

8. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with \$536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement 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.

9. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the Signatories waive the following rights only as to the issues resolved herein: 1) their respective rights to present oral argument and written briefs pursuant to \$536.080.1 RSMo 2000; 2) their respective rights to seek rehearing, pursuant to \$536.500 RSMo 2000; and 3) their respective rights to judicial review pursuant to \$386.510 RSMo 2000. This waiver applies only to a final unappealed Commission order unconditionally approving this Stipulation and Agreement issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or

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subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

10. Dogwood Energy, LLC, Midwest Energy Users Association ("MEUA"), Ag Processing, Inc. a cooperative, and the Office of the Public Counsel have authorized the Signatories to represent in this Stipulation that that they do not oppose this Stipulation.

**WHEREFORE**, for the foregoing reasons, the undersigned Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Non-Unanimous Stipulation and Agreement.

Respectfully submitted,

# STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

#### /s/ Sarah Kliethermes

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# KANSAS CITY POWER & LIGHT COMPANY AND KCP&L GREATER MISSOURI OPERATIONS COMPANY

## /s/ Roger W. Steiner

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# **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

/s/ Sarah Kliethermes

Dated: October 29, 2012