

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of Kansas City)
Power & Light Company for Approval of) Docket No.: 16-KCPE-325-TAR
Residential All-Electric Rider Tariff)

**APPLICATION OF KANSAS CITY POWER & LIGHT COMPANY FOR
RESIDENTIAL ALL-ELECTRIC RIDER TARIFF**

COMES NOW Kansas City Power & Light Company (“KCP&L” or the “Company”) and hereby respectfully requests approval from the State Corporation Commission of the State of Kansas (“Commission”) of KCP&L’s Residential All-Electric Rider Tariff. KCP&L requests that the proposed tariff become effective in accordance with applicable statutes and regulations. In support of this Application, KCP&L states the following:

I. THE APPLICANT

1. KCP&L is a Missouri corporation and a vertically integrated electric public utility company under the jurisdiction of the Commission engaged in the production, transmission, delivery and furnishing of power within the meaning of K.S.A. 66-104, in legally designated areas of Kansas. KCP&L holds a certificate of convenience and authority issued by the Commission, authorizing KCP&L to engage in such utility business. KCP&L has previously filed with the Commission certified copies of its Articles of Incorporation under which it was organized, its Certificate of Registration as a Foreign Corporation authorized to do business in Kansas, and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

II. DESCRIPTION OF THE COMPANY'S REQUEST

2. In KCP&L's 2015 rate case, Docket No. 15-KCPE-116-RTS ("15-116 Docket"), the Commission, in its deliberations, and the Citizens' Utility Ratepayer Board ("CURB"), in its testimony, raised concerns regarding the manner in which KCP&L's residential all-electric rates were changed in KCP&L's 2010 rate case, Docket No. 10-KCPE-415-RTS ("10-415 Docket"). In the 10-415 Docket, KCP&L's all-electric winter energy rate differentials were reduced from 35% for Residential General Use and Space Heat – One Meter ("RESC Rates") and 51% for Residential General Use and Space Heat – Two Meters ("RESL Rates") to 10% and 21%, respectively, as compared to the winter energy rates of the Residential General Use ("RESA Rates"). As noted in the 15-116 Docket, "gradualism" is a commonly employed tool of rate design used when cost studies indicate a large increase in a particular rate is necessary, but implementing the full increase at one time would likely have a significant negative impact on customers in that rate category. The Commission, in its deliberations, and CURB, in its testimony, questioned whether gradualism should have been applied in implementing the all-electric rate changes in the 10-415 Docket such that the winter season differential between KCP&L's residential general service rates and KCP&L's residential all-electric rates would have been modified gradually over a period of years rather than in a single shift on December 1, 2010. A more gradual shift would have helped mitigate the impact of this abrupt change on KCP&L's residential all-electric customers, and would have allowed a shorter period of investment recovery for those who may have made purchasing decisions in reliance on the winter season residential all-electric rate differential existing prior to December 1, 2010, the effective date of rates from the 10-415 Docket.

3. This Application presents KCP&L's request to address the concerns raised by the Commission and CURB in the 15-116 Docket regarding the winter season residential all-electric rate differential by implementing a new rider tariff applicable to those residential all-electric customers affected by the abrupt December 1, 2010 rate change. This new tariff will apply only to the winter season usage of qualifying customers under KCP&L's RESC Rates and RESD Rates (Sections C and D of Schedule R for all-electric customers). The new tariff requested is titled Residential All-Electric ("RAE") Rider (Schedule RAE, also to be known as Schedule 17), and is proposed as a bill credit to be effective for a limited time, in a manner that is revenue-neutral to KCP&L. The bill credit would be in operation for a five-year period and would apply to prospective winter season usage of KCP&L qualified customers on KCP&L Rate Codes 2RS6A, 2RW6A, 2RS2A, 2RS3A, or 2RS7A as of the effective date of the RAE Rider who were also on those rate codes as of December 1, 2010 when the abrupt rate change took place. Qualifying customers will be identified by KCP&L analyzing its customer data.

4. KCP&L's proposed RAE Rider is designed to provide, over a five-year period, a credit to qualifying residential all-electric customers for prospective winter season usage (*i.e.*, usage during the period between September 15 and May 15) designed to help mitigate the potential negative ramifications of the abrupt December 1, 2010 rate change. The RAE Rider works by applying a gradually decreasing credit in each of the five years the Rider is in place, tied to the level of the customer's future winter season usage. Following the fifth year, the Rider credit would terminate.

5. The impact of the RAE Rider will be to reduce the usage-based portion of prospective winter season bills of KCP&L's qualifying residential all-electric customers over the five-year period the Rider credit is in place. This would also reduce KCP&L's revenues below

currently authorized levels. To effect a revenue-neutral rider, KCP&L proposes to track the revenue impact over the five years, defer such revenue in a regulatory asset account, with such deferred revenue to be recovered in subsequent KCP&L full general rate case(s), on the basis of a three-year amortization, applied to the winter season rates of all residential customers except for those served under KCP&L's Rate Codes 2RS6A, 2RW6A, 2RS2A, 2RS3A, or 2RS7A, until all such deferred revenue has been recovered.

6. KCP&L's proposal for this Residential All-Electric Rider Tariff is contingent upon the Commission's simultaneous approval of the revenue recovery mechanism proposed herein, or approval of an alternative revenue recovery mechanism acceptable to KCP&L. Absent approval of such a mechanism, KCP&L will withdraw this Application in its entirety.

7. The Direct Testimony of Darrin R. Ives is filed in support of this Application. Company witness Mr. Ives addresses the mechanics and application of the proposed RAE Rider in his Direct Testimony filed concurrently with this Application.

8. As discussed in Mr. Ives Direct Testimony, KCP&L anticipates that this program will provide benefits to its Kansas customers. Commission approval of the RAE Rider as proposed herein is in the public interest.

III. PROCEDURAL MATTERS

9. In accordance with K.S.A. 66-117, KCP&L respectfully requests the Commission approve this tariff, as proposed, within 30 days of the filing of this Application with the Residential All-Electric Rider to take effect on February 1, 2016.

IV. SERVICE

10. In addition to the undersigned, all correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

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WHEREFORE, KCP&L respectfully requests that the Commission approve the proposed Residential All-Electric Rider tariff for qualifying KCP&L all-electric customers, approve the revenue recovery mechanism as described in the tariff and the testimony of Mr. Ives, and order the tariff to become effective as proposed and grant such other and further relief as may be identified during the course of this docket and as the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert J. Hack

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ATTORNEYS FOR
KANSAS CITY POWER & LIGHT COMPANY

VERIFICATION

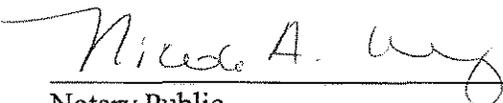
STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

I, Darrin R. Ives, being duly sworn, on oath state that I am Vice President – Regulatory Affairs of Kansas City Power & Light Company, that I have read the foregoing Application and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

KANSAS CITY POWER & LIGHT COMPANY

By: 
Darrin R. Ives

The foregoing Application was subscribed and sworn to before me this December
30, 2015.


Notary Public

My Commission Expires:

Feb. 4 2019

