

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

In the Matter of Kansas City Power & Light)	<u>File No. ER-2014-0370 et al.</u>
Company's Request for Authority to Implement a)	YE-2015-0194
General Rate Increase for Electric Service)	YE-2015-0195

**ORDER DIRECTING FILING REGARDING REVENUE
REQUIREMENT ESTIMATE**

Issue Date: August 19, 2015

Effective Date: August 19, 2015

At their agenda meeting on August 19, 2015, the Commissioners requested additional information from Staff to provide an estimated total revenue requirement based on hypothetical rulings on disputed issues in the case. The Commission will direct Staff to prepare and file such an estimate assuming the Commission were to issue a report and order with the following hypothetical rulings:

1. Cost of capital: ROE – 9.5%; cap structure – GPE as of 5/31/15; cost of debt – 5.55%
2. Grant an FAC with 95/5 cost pass-through; SPP transmission fees included consistent with recent Ameren MO and Empire decisions; no SPP/FERC admin fees included; Staff definition of J component; 2 voltage levels.
3. Transmission fee expense: include true-up amount in revenue requirement with no forward-looking estimate; no tracker.
4. Property tax expense: include true-up amount in revenue requirement with no forward-looking estimate; no tracker.
5. CIP/cyber-security expense: include true-up amount in revenue requirement with no forward-looking estimate: no tracker.

6. La Cygne retrofit: include true-up amount of costs
7. Rate case expense: no adjustments for prudence, but possible sharing may be required per Staff's alternate recommendation.
8. Management audit: performed by Staff
9. Clean Charge Network: costs not included in rates for this case.
10. Income tax-related issues: No further adjustments except that CWIP-related ADIT liability balances should be included in rate base.
11. Class cost of service/rate design: residential customer charge of \$11.88, otherwise adopting both non-unanimous stipulations and agreements relating to rate design and rate switchers. No increase to collection charge.
12. Low income weatherization: charges collected in base rates.
13. Economic relief pilot program: expand program with increased funding and additional customers, and update FPL provision.
14. True-up issues: exclude both costs from IPL and revenues from KMEA.

Staff should then report that estimated total revenue requirement as a percentage of the total revenue requirement requested by KCPL when it originally filed its rate case.

THE COMMISSION ORDERS THAT:

1. Staff shall prepare and file the information requested above no later than August 21, 2015.
2. Any other party wishing to respond to the above request shall do so no later than August 21, 2015.

3. This order shall be effective when issued.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

Michael Bushmann, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 19th day of August, 2015.