

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 19<sup>th</sup>  
day of September, 2017.

In the Matter of Kansas City Power & Light )  
Company for Authority to Implement Rate Adjustments ) **File No. ER-2018-0036**  
Required by 4 CSR 240-20.090(4) and the Company's ) Tariff No. JE-2018-0016  
Approved Fuel and Purchased Power Cost Recovery )  
Mechanism )

In the Matter of the Application of Kansas City )  
Power & Light Company Containing Its Semi- ) **File No. ER-2018-0037**  
Annual Fuel Adjustment Clause True-Up )

**ORDER RESOLVING ANNUAL FUEL ADJUSTMENT CLAUSE  
TRUE-UP AND TARIFF**

Issue Date: September 19, 2017

Effective Date: October 1, 2017

On July 31, 2017, Kansas City Power & Light Company ("KCPL") submitted an application containing its true-up filing for its Fuel Adjustment Clause ("FAC"). KCPL requests that the Commission authorize a true-up adjustment and implement it under its FAC tariff. Also on July 31, 2017, KCPL filed a proposed tariff to adjust its fuel adjustment rates, which are used to determine customer charges related to its FAC. The submitted tariff bears an effective date of October 1, 2017. The Commission received no applications to intervene.

**FAC true-up**

In File No. ER-2018-0037, the true-up amount identified in this filing is the result of an under-collection of \$195,397 from KCPL's customers during Recovery Period 1 ("RP1") from April 1, 2016 through March 31, 2017. The true-up amount for RP1 is

included in KCPL's proposed changes to its current period fuel adjustment rates for Accumulation Period 1 ("AP1") in File No. ER-2018-0036.

Staff examined the direct testimony of Lisa A. Starkebaum, the supporting schedules KCPL provided with its application in this case, and the monthly information KCPL has submitted to the Commission. Staff also reviewed KCPL's monthly interest calculations and agrees with them. Staff has verified that KCPL has filed its 2016 annual report and is not delinquent on any assessment. KCPL is current on the filing of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein. Staff recommends the Commission approve KCPL's RP1 true-up filing which indicates KCPL under-collected \$195,397 from its customers, for inclusion in KCPL's AP1 adjustment filing in File No. ER-2018-0036.

Neither the governing statute<sup>1</sup> nor any other law requires a hearing before approving the unopposed application.<sup>2</sup> Because this is a non-contested case, the Commission acts on evidence that is not formally adduced and preserved.<sup>3</sup> There is no evidentiary record.<sup>4</sup> Consequently, the Commission bases its decision on the parties' verified filings. Based on the Commission's independent and impartial review of the verified filings, the Commission finds that it is in the public interest to approve KCPL's

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<sup>1</sup> Section 386.266, RSMo 2016. This section provides for a hearing when the FAC is approved, modified or rejected. It does not require a hearing when annual true-ups are filed by the company. Commission Rule 4 CSR 240-20.090(5) states the Commission may hold a hearing if needed, one is not required.

<sup>2</sup> Section 536.010(4), RSMo 2016, defines a contested as "a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing." *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App.1989).

<sup>3</sup> *State ex rel. Public Counsel v. Public Service Commission*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

<sup>4</sup> *Id.*

application and authorize KCPL to include the calculated amounts in its next FAC accumulation period as previously described.

### **FAC tariff**

With regard to KCPL's request to approve its FAC tariff in File No. ER-2018-0036, the proposed rate schedules are designed to recover from customers 95 percent of the company's net cost increases or decreases. KCPL's requested adjustment would result in an increase in the bill of a typical residential customer of approximately \$0.27 per month.

The Commission's Staff filed a recommendation regarding KCPL's tariff on August 30, 2017. Staff verified that KCPL's actual fuel and purchased power costs match the fuel and purchased power costs included in the company's calculated rates set in the submitted tariff. Staff advises the Commission to approve the tariff submitted by KCPL to become effective on its October 1, 2017 effective date.

The Commission's rule regarding FACs requires the Commission to issue an order approving or rejecting the company's tariff within 60 days of its filing.<sup>5</sup> If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo 2016, and the FAC mechanism established in the most recent general rate proceeding, the Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.<sup>6</sup>

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<sup>5</sup> Commission Rule CSR 240-20.090(4).

<sup>6</sup> *Id.*

The Commission has reviewed KCPL's tariff filings and Staff's verified recommendation and memorandum and finds that the tariff sheet implementing the FAC rate adjustment is in compliance with the Commission's order establishing the FAC and with all applicable statutes and regulations. Therefore, the Commission will approve KCPL's proposed tariff.

**THE COMMISSION ORDERS THAT:**

1. The true-up amount for Recovery Period 1 is established for Kansas City Power & Light Company as an under-collection of \$195,397 from its customers and shall be reflected in the rate adjustment in Commission File No. ER-2018-0036.
2. Kansas City Power & Light Company's tariff filing, assigned Tariff Tracking No. JE-2018-0016, is approved to be effective October 1, 2017, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

**P.S.C. MO. No. 7**

2<sup>nd</sup> Revised Sheet No. 50.20, Canceling 1<sup>st</sup> Revised Sheet No. 50.20

3. This order shall become effective on October 1, 2017.
4. This file shall close on October 2, 2017.



**BY THE COMMISSION**

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney,  
Rupp, and Coleman, CC., concur.

Bushmann, Senior Regulatory Law Judge

**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

**WITNESS** my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 19<sup>th</sup> day of September 2017.



  
Morris L. Woodruff  
Secretary

**MISSOURI PUBLIC SERVICE COMMISSION**

**September 19, 2017**

**File/Case No. ER-2018-0036 and ER-2018-0037**

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***Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).***

***Sincerely,***

  
**Morris L. Woodruff**  
**Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.