

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

In the Matter of KCP&L Greater Missouri)	
Operations Company's Tariffs Changing)	<u>File No. HT-2018-0293</u>
The Steam QCA for Service Provided to)	Tariff No. YH-2019-0064
Customers in its Service Territory)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Public Service Commission of Missouri and, for its Staff Recommendation to Approve Tariff Sheet, states:

1. On October 15, 2018, KCP&L Greater Missouri Operations Company (“GMO”) filed with the Commission one tariff sheet, 38th Revised Sheet No. 6.10 bearing an effective date of December 1, 2018, to add the quarterly cost adjustment (“QCA”) for steam service customers for the third quarter of calendar year 2018.

2. GMO's filing includes the proposed tariff sheet and supporting workpapers consisting of electronic worksheets showing its calculation of the QCA. The proposed tariff sheet reflects a customer credit per million British Thermal Units (“BTU”) of \$(1.7460)¹ as compared to a customer credit of \$(1.7550) per million BTU reflected on the previous 37th Revised Sheet No. 6.10. The change resulting from this filing causes a reduction of the customer credit in the QCA Rider rate and is the result of the net effect of:

1) a \$60,558 increase in the quarterly adjusted fuel costs when compared to the same quarter last year, and

2) an increase of the Reconciliation Rate (R Factor) component of \$82,080.

¹ A “(bracketed amount)” represents a credit to the customer. The credit is also sometimes referred to as a “negative charge” as reflected by the brackets. In this instance, the customer will receive a credit in the amount of \$1.7460 per million BTU.

3. For a steam service customer, this would mean an increase of approximately \$9.00 for every thousand MMBTUs used. As more fully explained in its Memorandum, attached hereto as Appendix A, Staff has reviewed the data and calculations provided by GMO related to its proposed tariff sheet and has determined that it is correct and satisfies the standards set forth in GMO's Tariff Sheet Nos. 6.6 through 6.10.

4. Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing. Staff's recommendation for approval of the QCA change in this case is solely based on the accuracy of GMO's calculations and is not indicative of the prudence of the fuel costs included in the QCA.

WHEREFORE, for the reasons discussed above and in Staff's Memorandum, Staff recommends the Commission either issue an order approving the proposed tariff sheet as filed by GMO on October 15, 2018, to go into effect December 1, 2018, or to allow it to go into effect by operation of law that same date:

P.S.C. MO. No. 1

38th Revised Sheet No. 6.10 Canceling 37th Revised Sheet No. 6.10

Respectfully Submitted,

/s/ Robert S. Berlin

Robert S. Berlin

Deputy Staff Counsel

Missouri Bar No. 51709

Attorney for the Staff of the

Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 5th day of November, 2018.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. HT-2018-0293, Tariff Tracking No. YH-2019-0064
KCP&L Greater Missouri Operations Company

FROM: Michelle Bocklage, Rate and Tariff Examiner III
Michael Stahlman, Regulatory Economist III

/s/ Robin Kliethermes 11/5/2018 /s/ Bob Berlin 11/5/2018
Rate & Tariff Examination Manager/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation to Approve the Tariff Sheet Filed to Add the Quarterly Cost Adjustment (“QCA”) for the Third Quarter of 2018 to the Quarterly Cost Adjustment Rider (“QCA Rider”) – Steam of KCP&L Greater Missouri Operations Company (“GMO”) to go into effect on December 1, 2018, or to go into effect by operation of law that same date.

DATE: November 5, 2018

On October 15, 2018, GMO filed with the Commission one (1) tariff sheet for steam service to add the QCA for the third quarter of 2018. The adjustment is required by GMO’s QCA Rider, which the Commission approved in Case No. HR-2005-0450, and modified in Case Nos. HR-2009-0092 and HR-2010-0028.

GMO’s filing included the proposed tariff sheet and supporting workpapers consisting of electronic worksheets showing GMO’s calculation of the QCA for the third quarter of 2018.

On October 15, 2018, the Commission directed Staff to file a recommendation on the pending tariff no later than November 5, 2018.

The procedure for the calculation of the QCA for steam service sales is set out in GMO’s Tariff Sheet Nos. 6.6 through 6.10, which are titled “Quarterly Cost Adjustment Rider – Steam.” The QCA calculation components as described in Tariff Sheet Nos. 6.6 and 6.7 include the Current Quarterly Cost Adjustment (“CQCA”), the Reconciliation Rate (“R factor”) plus any applicable reconciling adjustments. Additionally, Tariff Sheet 6.8 includes Coal Performance Standards.

The QCA Rider for this 38th revision of Tariff Sheet No. 6.10 reflects a negative charge per million British thermal units (“MMBtu”) of (\$1.7460) as compared to a negative charge per MMBtu of (\$1.7550) that was reflected on the previous revision of Tariff Sheet No. 6.10. For a steam service customer, this would mean a reduction in the credit, i.e. an increase in the customer’s bill, of approximately \$9.00 for every thousand MMBtu’s used. The QCA Rider negative charge is a reduction to customer bills’ to reflect the customer share of the variation in fuel cost for the most recent quarter. The QCA Rider rate reflects an increase of \$60,558 in the quarterly adjusted fuel costs when compared to the same quarter last year. The R factor component reflects an increase of \$82,080 when compared to the same quarter last year.

APPENDIX A

Staff reviewed the data and mathematical calculations GMO provided in its worksheets and found GMO's calculations related to the filed tariff sheet to be correct, and that the calculations satisfy the standards set forth in GMO's Tariff Sheet Nos. 6.6 through 6.10. The calculations are also consistent with previous GMO QCA filings. This quarter also includes an adjustment to the Coal Performance Standards to account for a scheduled outage of Boiler Number 5 in September 2018.

STAFF RECOMMENDATION

Staff has reviewed the filed tariff sheet and recommends approval of the following tariff sheet to go into effect for service on and after December 1, 2018, the requested effective date:

P.S.C. MO. No. 1

38th Revised Sheet No. 6.10 Canceling 37th Revised Sheet No. 6.10

Staff has verified that GMO is not delinquent on any assessment and has filed its Annual Report. GMO is current on its submission 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 pending before the Commission that affects or is affected by this tariff filing. Staff's recommendation for approval of the QCA change in this case is solely based on the accuracy of GMO's calculations, R factor adjustments, and an adjustment for Coal Performance Standards outlined and is not indicative of the prudence of the fuel costs included in the QCA.

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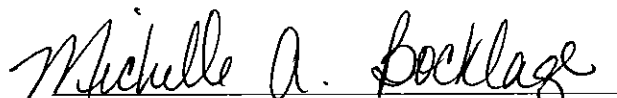
In the Matter of KCP&L Greater Missouri Operations)	<u>Case No. HT-2018-0293</u>
Company's Tariffs Changing the Steam QCA for)	Tracking No. YH-2019-0064
Service Provided to Customers in its Service Territory)	

AFFIDAVIT OF MICHELLE A. BOCKLAGE

STATE OF MISSOURI)
) ss
 COUNTY OF COLE)


COMES NOW, Michelle A. Bocklage, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



 Michelle A. Bocklage

Subscribed and sworn to be this 5th day of November, 2018.



 Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 28, 2019
Commission Number: 15207377

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OF THE STATE OF MISSOURI**

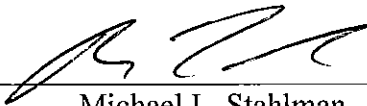
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Service Provided to Customers in its Service Territory)

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

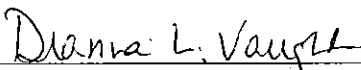
COMES NOW, Michael L. Stahlman, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Michael L. Stahlman

Subscribed and sworn to be this 5th day of November, 2018.



Notary Public

