

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

In the Matter of KCP&L Greater Missouri)	<u>File No. HT-2019-0319</u>
Operations Company's Tariffs Changing)	Tariff No. YH-2020-0005
the Steam QCA for Service Provided to)	
Customers in its Service Territory)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), through the undersigned counsel, and hereby respectfully submits this *Staff Recommendation* as follows:

1. On July 15, 2019, KCPL&L Greater Missouri Operations Company (“GMO”) filed a tariff sheet, 41st Revised Sheet No. 6.10, providing its current Quarterly Cost Adjustment (“QCA”) pursuant to the approved *Stipulation and Agreement* in File No. HR-2009-0092.

2. GMO’s filing included the proposed tariff sheet and supporting workpapers consisting of electronic worksheets showing GMO’s calculation of the QCA for the second quarter of 2019.

3. On July 17, 2019, the Commission directed Staff to file a recommendation regarding the proposed tariff sheet no later than August 6, 2019.

4. The proposed tariff sheet reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.4327)¹ as compared to a negative charge per million BTU of (\$1.4036) that was reflected on the previous 40th Revised Sheet No. 6.10.

¹ A “(bracketed amount)” represents a credit to the customer. The credit is also referred to as a “negative charge” as reflected by the brackets. In this instance, the customer will receive a credit in the amount of \$1.4327 per million BTU.

The change resulting from this filing causes an increase of the customer credit in the QCA Rider rate and reflects the net effect of:

- a. A \$48,752 decrease in the quarterly adjusted fuel costs when compared to the same quarter last year; and
- b. An increase of the Reconciliation Rate ("R Factor") component of \$62,329 when compared to the same quarter last year.

5. For a steam service customer, this would mean a decrease of approximately \$29.10 for every thousand MMBTUs used. As more fully detailed in Staff's 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 such calculations are correct and satisfy the standards set forth in GMO's Tariff Sheet Nos. 6.6 through 6.10.

6. Staff has verified that GMO is current on its submissions and filings pursuant to 4 CSR 240-20.090(5) and (6). 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, Staff recommends that the Commission either issue an order approving the following tariff sheet as filed by GMO on July 15, 2019 to go into effect on and after September 1, 2019, or to allow the proposed tariff sheet go into effect by operation of law that same date:

P.S.C. MO. No. 1
41st Revised Sheet No. 6.10 Canceling 40th Revised Sheet No. 6.10

Respectfully submitted,

/s/ Travis J. Pringle

Travis J. Pringle

Legal Counsel

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 6th day of August 2019, to all counsel of record.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. HT-2019-0319, Tariff Tracking No. YH-2020-0005
KCP&L Greater Missouri Operations Company

FROM: Nancy L. Harris, Utility Regulatory Auditor I
Michael L. Stahlman, Regulatory Economist III

/s/ Robin Kliethermes / 08-06-2019 /s/ Travis Pringle / 08-06-2019
Manager Tariff and Rate Design Dept. /Date Staff Counsel Division / Date

SUBJECT: Staff Recommendation to Approve the Tariff Sheet Filed to Add the Quarterly Cost Adjustment for the Second Quarter of 2019 to the Quarterly Cost Adjustment Rider – Steam of KCP&L Greater Missouri Operations Company to go into effect on September 1, 2019, or to go into effect by operation of law that same date.

DATE: August 6, 2019

On July 15, 2019, KCP&L Greater Missouri Operations Company (“GMO”) filed with the Commission one (1) tariff sheet for steam service to add the quarterly cost adjustment (“QCA”) for the second quarter of 2019. The adjustment is required by GMO’s Quarterly Cost Adjustment 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 work papers consisting of electronic worksheets showing GMO’s calculation of the QCA for the second quarter of 2019.

On July 17, 2019, the Commission directed Staff to file a recommendation on the pending tariff no later than August 6, 2019.

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 or “R factor” plus any applicable reconciling adjustments. Additionally, Tariff Sheet 6.8 includes Coal Performance Standards.

The QCA Rider for this 41st revision of Tariff Sheet No. 6.10 reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.4327) as compared to a negative charge per million BTU of (\$1.4036) that was reflected on the previous revision of Tariff Sheet No. 6.10.

For a steam service customer, this would mean a decrease of approximately \$29.10 for every thousand MMBTUs 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 a decrease of \$48,752 in the quarterly adjusted fuel costs when compared to the same quarter last year. The Reconciliation Rate or R factor component reflects an increase of \$62,329 when compared to the same quarter last year.

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.

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 September 1, 2019, the requested effective date:

P.S.C. MO. No. 1

41st Revised Sheet No. 6.10 Canceling 40th Revised Sheet No. 6.10

Staff has verified that GMO has filed its Annual Report and is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(6) and its monthly reports as required by 4 CSR 240-20.090(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 above 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 Company's Tariffs Changing)
the Steam QCA for Service Provided to)
Customers in its Service Territory) Case No. HT-2019-0319

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW NANCY L. HARRIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *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.

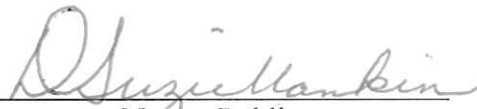


NANCY L. HARRIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 6th day of August 2019.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company's Tariffs Changing) Case No. HT-2019-0319
the Steam QCA for Service Provided to)
Customers in its Service Territory)

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

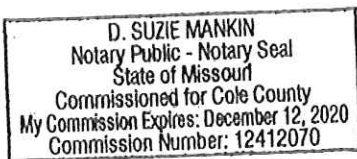
COMES NOW MICHAEL L. STAHLMAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.


MICHAEL L. STAHLMAN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 5th day of August 2019.




Notary Public