

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

In the Matter of KCP&L Greater Missouri	)	
Operations Company's Tariffs Changing	)	<b><u>File No. HT-2019-0319</u></b>
The Steam QCA for Service Provided to	)	Tariff No. JH-2019-0186
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 April 15, 2019, KCPL&L Greater Missouri Operations Company (“GMO”) filed a tariff sheet, 40th 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 first quarter of 2019.

3. On April 17, 2019, the Commission directed Staff to file a recommendation regarding the proposed tariff sheet no later than May 7, 2019.

4. The proposed tariff sheet reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.4036)<sup>1</sup> as compared to a negative charge per million BTU of (\$1.4702) that was reflected on the previous 39th Revised Sheet

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<sup>1</sup> 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 \$1.4036 per million BTU.

No. 6.10. The change resulting from this filing causes a reduction of the customer credit in the QCA Rider rate and reflects the net effect of:

- a. A \$100,962 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 \$138,351 when compared the same quarter last year.

5. For a steam service customer, this would mean an increase of approximately \$66.60 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 April 15, 2019 to go into effect on and after June 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  
40th Revised Sheet No. 6.10 Canceling 39th Revised Sheet No. 6.10

Respectfully submitted,

**/s/ Travis J. Pringle**

Travis J. Pringle

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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 7<sup>th</sup> day of May 2019, to all counsel of record.

**/s/Travis J. Pringle**

## M E M O R A N D U M

**TO:** Missouri Public Service Commission Official Case File  
Case No. HT-2019-0319, Tariff Tracking No. JH-2019-0186  
KCP&L Greater Missouri Operations Company

**FROM:** Michelle A. Bocklage, Rate and Tariff Examiner III  
Michael L. Stahlman, Regulatory Economist III

/s/Robin Kliethermes 5/7/2019                      /s/Travis Pringle 5/7/2019  
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 First Quarter of 2019 to the Quarterly Cost Adjustment Rider – Steam of KCP&L Greater Missouri Operations Company to go into effect on June 1, 2019, or to go into effect by operation of law that same date.

**DATE:** May 7, 2019

On April 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 first 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 first quarter of 2019.

On April 17, 2019, the Commission directed Staff to file a recommendation on the pending tariff no later than May 7, 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 40<sup>th</sup> revision of Tariff Sheet No. 6.10 reflects a negative charge per million British Thermal Units (“BTU”) of (\$1.4036) as compared to a negative charge per million BTU of (\$1.4702) that was reflected on the previous revision of Tariff Sheet No. 6.10.

For a steam service customer, this would mean an increase of approximately \$66.60 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 \$100,962 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 \$138,351 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 June 1, 2019, the requested effective date:

**P.S.C. MO. No. 1**

40th Revised Sheet No. 6.10 Canceling 39th Revised Sheet No. 6.10

Staff has verified that GMO 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.



