


**BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI**FILED
November 8, 2019
Data Center
Missouri Public
Service Commission

Judge or Division:	Missouri Public Service Commission Case Number: EC-2019-0200		
Petitioner/Complainant: Office of the Public Counsel and Midwest Energy Consumers Group	Appellate Number:	<input type="checkbox"/> Filing as an Indigent	
	Date of Judgment: (ATTACH A COPY)	Court Reporter:	
Respondent: Evergy Missouri West, Inc., f/k/a KCP&L Greater Missouri Operations Company	Date Post Trial motion Filed:	<input type="checkbox"/> Sound Recording Equipment	
	Date Ruled Upon:	The Record on Appeal will consist of: —— Legal file only or —— Legal file and Transcript	

(Date
File
Stamp)**Notice of Appeal to Missouri Court of Appeals – Civil**District: ☒ Western ☐ Eastern ☐ SouthernNotice is given that **Evergy Missouri West, Inc., f/k/a KCP&L Greater Missouri Operations Company** appeals from the judgment/decreed/order entered in this action on **October 30, 2019**.

Appellant's Name: Evergy Missouri West, Inc. f/k/a KCP&L Greater Missouri Operations Company	Respondent's Name: Missouri Public Service Commission
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Brief Description of Case (May be completed on a separate page) See Attached Description.	
Issues Expected To Be Raised On Appeal (May be completed on a separate page. Appellant is not bound by this list.) See Attached <i>Statement of Issues being Appealed in Evergy Missouri West, Inc. f/k/a KCP&L Greater Missouri Operations Company v Missouri Public Service Commission</i>	
Signature of Attorney or Appellant 	Date November 8, 2019

Certificate of Service on Persons other than Registered Users of the Missouri eFiling System

I certify that on **November 8th 2019**, a copy of the foregoing was sent to the following by facsimile, hand-delivery, electronic mail or U.S. mail postage prepaid to the last know addresses.

See attached Service List for Missouri Public Service Commission Case No. EC-2019-0200.



Appellant or Attorney for Appellant

Directions to Clerk

Transmit a copy of the notice of appeal and all attached documents to the clerk of the Court of Appeals and to any person other than registered users of the eFiling system in a manner prescribed by Rule 43.01. Clerk shall then fill in the memorandum below. See Rule 81.08(i). Forward the docket fee to the Department of Revenue as required by statute.

Memorandum of the Clerk

I have this day served a copy of this notice by ☐ regular mail ☐ registered mail ☐ certified mail ☐ facsimile transmission to each of the following persons at the address stated below. If served by facsimile, include the time and date of transmission and the telephone number to which the document was transmitted.

I have transmitted a copy of the notice of appeal to the clerk of the Court of Appeals, _____ District.

☐ Docket fee in the amount of \$70.00 was received by this clerk on _____ (date) which will be disbursed as required by statute.

☐ No docket fee was received because:

☐ a docket fee is not required by law under _____ (cite specific statute or other authority).

☐ a motion to prosecute the appeal in forma pauperis was received on _____ (date) and was granted on _____ (date).

Date

Clerk

Service List for Missouri Public Service Commission Case No. EC-2019-0200
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Notice of Appeal (No. EC-2019-0200, Mo. P.S.C.)

DESCRIPTION OF CASE

On October 17, 2019, the Missouri Public Service Commission (“Commission” or “PSC”) issued a Report and Order (“Order”) granting an Accounting Authority Order (“AAO”) pursuant to General Instruction 7 of the Uniform System of Accounts, 18 CFR Pt. 101, and 20 CSR 4240-20.030(a), as requested by the Petition, treated by the PSC as a Complaint, that was filed by the Office of the Public Counsel (“OPC”) and the Midwest Energy Consumers Group (“MECG”) (collectively, “Complainants”).

The Order directed that Evergy Missouri West, Inc., f/k/a KCP&L Greater Missouri Operations Company (“GMO”¹ or “Company”), shall record to a regulatory liability in Account 254 and defer the revenue and return on the investments collected in rates for non-fuel operations, as well as maintenance costs, taxes (including accumulated deferred income taxes), and all other costs associated with GMO’s coal-fired electric generating station located near Sibley, Missouri — Sibley Units 1, 2, 3, and common plant — which was retired as of November 13, 2018. On October 25, 2019, GMO filed a timely Application for Rehearing of the Order, which the Commission denied on October 30, 2019. This appeal challenges that denial, as well as the Order, for the reasons set forth in GMO’s Application for Rehearing and the following Statement of Appellate Issues.

¹ Consistent with footnote 1 to the Commission’s Order, the references to “GMO” and “KCP&L” will be used to refer to Evergy Missouri West, Inc. and to its affiliate Kansas City Power & Light Company, now known as Evergy Metro, Inc.

Notice of Appeal (No. EC-2019-0200, Mo. P.S.C.)

STATEMENT OF APPELLATE ISSUES

1. The Order is both unlawful and unreasonable because it improperly found that the retirement of the Sibley generating station (“Sibley”) was “extraordinary” under General Instruction 7 of the Uniform System Of Accounts and imposed an AAO that requires the establishment of a regulatory liability on the financial books of the Company, when neither the Commission nor any other U.S. regulatory utility commission or reviewing court has ever before determined that the retirement of an electric generating plant is an “extraordinary” event justifying the imposition of an AAO and deferral accounting. In this regard the Order deviates from the Commission’s established policy, recognized by this Court in Kansas City Power & Light Co. v. PSC, 509 S.W.3d 757, 770 (Mo. App. W.D. 2016), that only extraordinary events or transactions qualify for such treatment.

2. Because the plan to cease burning coal at Sibley was publicly announced beginning in 2015 and the planned retirement of Sibley was publicly announced in June 2017 — all of which were well-known by the Commission and the Complainants — the Order represents the unreasonable application of the facts regarding the Sibley retirement in November 2018 to the language of General Instruction 7, which requires an event or transaction to be “of unusual nature” and “abnormal and significantly different from the ordinary and typical activities of the company.” The Order is, therefore, arbitrary, capricious, an abuse of discretion, and otherwise unlawful.

3. The Order unreasonably and unlawfully overlooked the un rebutted testimony of GMO’s expert witness who stated that it is common to have generating facilities reach the end of their useful lives with net book value remaining, especially considering the economic conditions under which coal plants operate today. The Order concluded it was “unusual to close a generating

plant with twenty years of remaining anticipated service life,” but then found that the retirement of coal-fired units “is more common in the industry as a whole” and that of the “total of 89,731 MW [megawatts] of coal-unit capacity that has been retired since 1969,” “[a]bout 85% of that total ... has been retired since 2010.” The Order is, therefore, arbitrary, capricious, an abuse of discretion, and otherwise unlawful.

4. The Order unreasonably and unlawfully found that the retirement of Sibley was an extraordinary event because the plant was retired just after GMO’s 2018 Rate Case was settled and before new rates went into effect, but ignored the fact that the PSC, as well as all parties to the rate case, were well aware of the planned imminent retirement of Sibley. In further reducing GMO’s earnings below the level reasonably expected to result from the settlement of the 2018 Rate Case, the Order disregarded the effect of the \$24 million rate reduction and other compromises reached in the comprehensive revenue requirement Stipulation & Agreement which the Commission approved. The Order is, therefore, arbitrary, capricious, an abuse of discretion, and otherwise unlawful.

5. The Order is unlawful and unreasonable in finding that ratepayers will continue to pay GMO’s costs of operating Sibley when it no longer produces power because it ignores standard ratemaking principles embodied in Missouri law and approved by the appellate courts that rate base is no more than an estimate of the costs that a utility will incur in the future, and that under the prospective language of Sections 393.140(5)² and 393.270(3), as construed by the PSC and the courts, future rates are set based on past costs and revenues, and are subject to imperfect matching of costs with revenues.

² All statutory references are to the Missouri Revised Statutes (2016), as amended.

6. The Order is unlawful and unreasonable because the record contained unrebutted evidence that the Commission's Staff was informed via the PSC's standard electronic filing and information system on September 6 and 12, 2018 that Sibley Unit 3 suffered an outage on September 5, 2018, well before the PSC approved the revenue requirement Stipulation & Agreement of GMO's 2018 rate case. However, the Commission erroneously found that GMO did not inform the signatories to the settlement "except for a routine notification to Staff that Sibley 3 had ceased operation in September until the units were formally retired in November." The Order additionally ignored unrebutted evidence in the record that GMO representatives met with the Commission's Staff and OPC regarding the Sibley outage on November 1, 2018 (10 days before the Stipulation & Agreement became effective) and on November 20, 2018 (two weeks before the tariffs implementing the settlement became effective). The Order is, therefore, arbitrary, capricious, an abuse of discretion, and otherwise unlawful.

7. There is no evidence to support the Commission's finding in Paragraph 15 of the Order that the parties to GMO's 2018 rate case lacked knowledge regarding the Sibley outage and, therefore, did not propose an isolated adjustment regarding Sibley Unit 3 being included in rate base. To the contrary, the record shows that OPC did proposed isolated adjustments for Sibley Unit 3 in testimony that was filed with the Commission as early as July 27, 2018. As a result, the Order is unreasonable, arbitrary and capricious, and an abuse of discretion.

8. The Order is unlawful and unreasonable because the imposition of the AAO as a result of the Sibley retirement reduced GMO's earnings for the three-year deferral period substantially below the levels reasonably expected to result from the revenue requirement Stipulation & Agreement and, therefore, retroactively modified and invalidated key portions of the settlement that resolved over 30 revenue requirement issues in GMO's 2018 Rate Case which the

Commission approved on October 31, 2018, as well as the tariffs implementing rates that reflect the terms of the settlement which the PSC approved on November 26, 2018. The Order, therefore, constitutes a form of unlawful retroactive ratemaking, and is a prohibited collateral attack by the Complainants, now endorsed by the Commission, on the PSC's Rate Case orders of October 31 and November 26, 2018, in violation of Section 386.550.

9. The Order is erroneous as a matter of law because it misapplied General Instruction 7 in that it failed to consider its requirement that a "plan of action" be considered, which would include the retirement of other coal plants, including GMO's Lake Road 4/6 generating plant and KCP&L's Montrose Units 2 and 3 which OPC conceded were not extraordinary.

10. The Order is erroneous, arbitrary, and capricious because it denied GMO due process of law and usurped its right to manage its own affairs in that the AAO requires the establishment of a regulatory liability that will defer the revenue from and the return on the Sibley plant, and remove such revenues from GMO's income statement and transfer them to its balance sheet, thus reducing its earnings by the amounts so recorded. As a result, the Order imposes a financial penalty upon the Company for exercising its management rights, yet provides no benefits to customers because under the Section 393.1400(5) rate freeze that GMO is currently subject to, new rates cannot become effective until December 6, 2021.

11. The Order is unlawful and unreasonable because it will drive GMO and other electric utilities to continue to operate old and inefficient coal-fired plants without regard to Missouri's public policy in favor of renewable and more efficient resources, as expressed in the Renewable Energy Standard law, Section 393.1020, *et seq.*, and the Missouri Energy Efficiency Investment Act, Section 393.1075.

12. The Order is an abuse of discretion, unreasonable, and a denial of due process because less drastic measures, such as an earnings complaint under Section 386.390.1, were available to OPC and MECG, as well as to the Commission to address any concerns regarding GMO's rates or its earnings as a result of the retirement of Sibley.

13. The Order is unlawful and unreasonable because it improperly links General Instruction 7 with other provisions of the Uniform System of Accounts that authorize the establishment a regulatory liability under Account 254 because General Instruction 7 does not provide for or permit the deferral of income statement matters to a utility's balance sheet and does not mention Accounts 254 or 182.3.

14. The Order's decision that the Sibley retirement is extraordinary under General Instruction 7 is unlawful and unreasonable because it conflicts with the actual treatment recorded by GMO in its regulatory financial statements that were reported to the Federal Energy Regulatory Commission and the PSC in GMO's 2018 FERC Form No. 1 Annual Financial Report, which its independent auditors have opined are presented fairly and in accord with the Uniform System of Accounts.

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



The Office of the Public Counsel and
The Midwest Energy Consumers Group,

Complainants,

v.

KCP&L Greater Missouri Operations
Company

Respondent.

File No. EC-2019-0200

REPORT AND ORDER

Issue Date: October 17, 2019

Effective Date: October 27, 2019

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

The Office of the Public Counsel and)	
The Midwest Energy Consumers Group,)	
)	
Complainants,)	
)	
v.)	<u>File No. EC-2019-0200</u>
)	
KCP&L Greater Missouri Operations)	
Company)	
)	
Respondent.)	

APPEARANCES

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For the Staff of the Missouri Public Service Commission.

Chief Regulatory Law Judge: **Morris L. Woodruff**

¹ After the final briefs were submitted, KCP&L Greater Missouri Operations Company changed its name to Evergy Missouri West. Similarly, Kansas City Power & Light Company changed its name to Evergy Missouri Metro. To avoid confusion, the Commission will refer to the companies by the names used throughout the case.

REPORT AND ORDER

Table of Contents

Appearances	2
Procedural History.....	3
Findings of Fact.....	5
Conclusions of Law	9
Decision	11
Ordered Paragraphs.....	14

The Missouri Public Service Commission, having considered all the competent and substantial evidence upon the whole record, makes the following findings of fact and conclusions of law. The positions and arguments of all of the parties have been considered by the Commission in making this decision. Failure to specifically address a piece of evidence, position, or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

Procedural History

On December 28, 2018, the Office of the Public Counsel and the Midwest Energy Consumers Group (MECG) filed what they denominated as a Petition for an Accounting Order. That petition asked the Commission to order KCP&L Greater Missouri Operations Company (GMO) to record as a regulatory liability in Account 254 the revenue and the return on the Sibley unit investments collected in rates for non-fuel operations and maintenance costs, taxes, including accumulated deferred income taxes, and all other costs associated with Sibley units 1, 2, 3, and common plant.

The Petition for an Accounting Order was filed as a petition, not as a complaint, and it was assigned File No. EU-2019-0197 in the Commission's Electronic Filing and Information System (EFIS). The Commission, acting on its own motion, determined that the Petition could best be considered using complaint-type procedures. The Commission closed File No. EU-2019-0197, and reassigned the Petition to File No. EC-2019-0200, which is a complaint designation within EFIS. The Commission then issued a Notice of Complaint to provide notice of the filing to GMO, and directed GMO to file an answer to the "complaint" by February 1, 2019.

GMO filed its answer on February 1, 2019, and on February 5, 2019, filed a motion to dismiss the complaint for failure to state a claim for relief. The Commission denied that motion to dismiss on March 6, 2019. Thereafter, the Commission adopted a procedural schedule.

The parties prefiled direct, rebuttal, cross-rebuttal, and surrebuttal testimony. An evidentiary hearing was held on August 7 and 8, 2019. Thereafter, the parties filed initial briefs on August 29, 2019, and reply briefs on September 10, 2019.

Pending Motion

The Commission's Staff filed a motion on September 12, 2019, asking the Commission to strike a section of MEEG's reply brief. The challenged section of MEEG's brief is entitled "Staff Lacks Objectivity in Recent KCPL and GMO Cases,"² and consists largely of accusations that the Commission's Staff has recently taken positions in various cases that are overly aligned with the positions espoused by Kansas City Power and Light Company (KCP&L) and its sister utility, GMO. The brief warns the Commission to beware of Staff's lack of objectivity so that it "may adequately consider whether Staff's position

² Reply Brief of the Midwest Energy Consumers' Group, Section H1, pages 16-19.

establishes an appropriate balancing of the interest of ratepayers and shareholders.”³ Staff contends the challenged section of the brief is intended to “improperly poison the Commission’s mind against Staff” and on the basis should be struck. MEGC did not respond to Staff’s Motion to Strike.

In support of its Motion, Staff cites Missouri’s Rule of Civil Procedure 55.27(e), which allows the court to strike from any pleading “any redundant, immaterial, impertinent, or scandalous matter.” Staff also cites Commission Rule 20 CSR 4240-2.080(6)(A), which requires that arguments before the Commission must not be “presented or maintained for any improper purpose, such as to harass”

After reviewing the challenged section of MEGC’s reply brief, the Commission finds it to be an unpersuasive attempt to cast aspersions on the integrity of the Commission’s Staff. Nevertheless, the arguments presented in the brief do echo matters addressed at the hearing and on that basis should not be struck. While the Commission will not strike the portions of the brief challenged by Staff, it will address the argument raised in that section later in this order.

Findings of Fact

1. GMO is a Missouri certificated electrical corporation as defined by Subsection 386.020(15), RSMo 2016, and is authorized to provide electric service to portions of Missouri.

2. Sibley units 1, 2, and 3 were coal-fired generation units located near the town of Sibley, in Jackson County, Missouri.⁴

3. The Sibley units were initially constructed by GMO’s predecessor, Missouri Public Service Company. Sibley 1, completed in June 1960, had a capacity of 48 MWs.

³ Reply Brief of the Midwest Energy Consumers’ Group, page 19.

⁴ Transcript, Page 398, Lines 20-25.

Sibley 2, completed in May 1962, had a capacity of 51 MWs. Sibley 3, built in June 1969, had a capacity of 364 MWs.⁵

4. In 1991, Missouri Public Service Company completed a major renovation of the Sibley units to extend the life of the units and to allow the units to burn low sulfur western coal.⁶

5. GMO added scrubbers to Sibley unit 3 in 2009 to meet environmental requirements.⁷

6. On June 2, 2017, GMO announced it would be retiring Sibley units 1, 2, and 3 by December 31, 2018.⁸

7. The Sibley 3 unit suffered a forced outage on September 5, 2018 as a result of turbine vibrations and ceased generating electricity at that time.⁹

8. Rather than repair the Sibley 3 unit, all three Sibley units were retired by GMO on November 13, 2018.¹⁰ All of Sibley unit 1, except the boiler, had previously been retired on June 1, 2017.¹¹

9. The aggregate financial impact of the retirement of the Sibley units exceeds five percent of GMO's reported net income, although the parties disagree about the exact amount of that impact.¹²

⁵ Meyer Direct, Ex. 1, Page 3, Lines 7-11.

⁶ Meyer Direct, Ex. 1, Page 3, Lines 12-13.

⁷ Transcript, Pages 176-177, Lines 22 -25, 1-13.

⁸ Ives Rebuttal, Ex. 24, Page 11, Lines 4-8.

⁹ Transcript, Page 377, Lines 7-11. *See also*, Ex. 26 and Transcript, Page 379, Lines 12-17.

¹⁰ Transcript, Page 402, Lines 7-8.

¹¹ Spanos Rebuttal, Ex. 21, Page 6, fn.1.

¹² Oligtschlaeger Cross-Rebuttal, Ex. 17, Pages 6-7, Lines 21-22. 1-3, Schallenberg Direct, Ex. 5, Pages 10-12, Lines 24-30, 1-15, 1-7. Spanos Rebuttal, Ex. 21, Schedule JJS-1. Meyer Direct, Ex. 1, Page 14, Lines 9-14.

10. At the time of the retirement of the Sibley units, GMO had a general rate case pending before the Commission in File No. ER-2018-0146. The Commission used a historic test year in that rate case, with a true-up date of June 30, 2018.¹³ The Sibley units were operating at that time and the cost of operating those units are incorporated into GMO's current rates, which went into effect on December 6, 2018. That means GMO's ratepayers are continuing to pay for GMO's ongoing expenses to operate the Sibley units even though they are no longer producing power.¹⁴

11. GMO's position in the rate case was that while it anticipated the Sibley units would be retired by December 31, 2018, that decision had not been finally made and the retirement could be delayed by unforeseen circumstances such as the loss of other generating facilities.¹⁵

12. GMO's rate case in File No. ER-2018-0146 was resolved through a series of stipulations and agreements that were presented to the Commission on October 3, 2018.¹⁶ GMO did not inform the signatories to the stipulation and agreement, including Public Counsel, or the Commission, except for a routine notification to Staff, that Sibley 3 had ceased operation in September until the units were formally retired in November,¹⁷ which was after the stipulation and agreement had been approved by the Commission on October 31, 2019.¹⁸

¹³ Transcript, Page 232, Lines 2-10.

¹⁴ *In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service*, File No. ER-2018-0146, Order Approving Stipulations and Agreements, October 31, 2018, Partial Stipulation and Agreement resolving revenue requirement issues, Page 9.

¹⁵ Transcript, Page 404, Lines 3-15.

¹⁶ Transcript Page 395, Lines 8-15.

¹⁷ Transcript, Page 397, Lines 11-18.

¹⁸ *In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service*, File No. ER-2018-0146, Order Approving

13. In a provision regarding the retirement of the Sibley and Lake Road units, the approved stipulation and agreement included a provision stating:

This Stipulation does not preclude any Signatory from proposing an accounting authority order (“AAO”) or any other ratemaking treatment, for the recovery of any other costs associated with the KCP&L and GMO retirements listed above. This Stipulation does not preclude any party from opposing an AAO, or any other ratemaking treatment, for the recovery of any other costs associated with the KCP&L and GMO retirements of the units listed above.¹⁹

14. The approved stipulation and agreement also required GMO to:

[C]reate a regulatory liability to capture the amount of depreciation expense included in GMO’s revenue requirement beginning when each of the following units is retired and depreciation expense is no longer recorded on GMO’s books: Sibley units 1, 2, and 3, including common plant, and Lake Road unit 4/6.²⁰

15. If the parties had known that Sibley 3 had ceased producing power and would be retired, they could have proposed an isolated adjustment outside the test year and true-up date to remove the operating costs of the retired units from GMO’s new rates.²¹

16. Because of GMO’s election to use Plant In Service Accounting (PISA) as it is allowed to do under Section 393.1400(5) RSMo, its rates are currently frozen by the terms of Section 393.1655.2 RSMo, and new rates cannot be effective before December 6, 2021.²²

17. GMO has not retired a major generating facility in the last thirty years. Its last retirements were the Edmond Street plant in 1987 and Ralph Green Units 1 and 2 in

Stipulations and Agreements, October 31, 2018.

¹⁹ *In the Matter of KCP&L Greater Missouri Operations Company’s Request for Authority to Implement a General Rate Increase for Electric Service*, File No. ER-2018-0146, Non-Unanimous Partial Stipulation and Agreement, Page 9. See also, Transcript, Page 182, Lines 7-14.

²⁰ *In the Matter of KCP&L Greater Missouri Operations Company’s Request for Authority to Implement a General Rate Increase for Electric Service*, File No. ER-2018-0146, Non-Unanimous Partial Stipulation and Agreement, Page 9.

²¹ Transcript, Page 310, Lines 14-17.

²² Ives Rebuttal, Ex. 24, Page 26, Lines 12-13. See also, Transcript, Page 296, Lines 17-22.

November 1982.²³

18. Retirement of coal-fired units is more common in the industry as a whole. A total of 89,731 MW of coal-unit capacity has been retired since 1969. About 85 percent of that total, 76,526 MW, has been retired since 2010.²⁴

19. GMO's current depreciation rates for Sibley unit 3 are based on a 2040 retirement date.²⁵

20. It is unusual to close a generating plant with twenty years of remaining anticipated service life and twenty years of unrecovered depreciation expense.²⁶

21. The estimated net book value of each Sibley unit and the common assets at Sibley as of June 30, 2018, as calculated by GMO's witness, is \$145.7 million.²⁷ Public Counsel's witness estimated that net book value at \$160 million,²⁸ while MCEG's witness estimated that value at \$300 million.²⁹

22. The Sibley retirement is the only coal plant retirement in the Southwest Power Pool footprint that had a projected remaining operation life of more than twenty years and more than \$100 million in remaining book value.³⁰

23. In its 2018 10K filed with the Security and Exchange Commission (SEC) Evergy (the parent of GMO) indicates its

²³ Schallenberg Direct, Ex. 5, Page 12, Lines 17-20.

²⁴ Rodgers Rebuttal, Ex. 20, Page 8, Lines 19-23.

²⁵ Schallenberg Direct, Ex. 5, Page 13, Lines 10-13.

²⁶ Transcript, Page 340, Lines 12-18.

²⁷ Spanos Rebuttal, Ex. 21, Page 6, Line 17.

²⁸ Schallenberg Direct, Ex. 5, Page 8, Lines 31-33.

²⁹ Meyer Direct, Ex. 1, Page 13, Lines 3-9.

³⁰ Marke Surrebuttal, Ex. 14, Page 10, Lines 20-23.

regulatory assets increased by \$243.4 million primarily due to the reclassification of retired generating plant of \$159.9 million related to GMO's Sibley No. 3 Unit from property, plant and equipment, net to a regulatory asset upon the retirement of the unit in 2018.³¹

The creation of such a regulatory assets means the company believes those costs will probably be recovered from future revenues.³²

24. The magnitude of the decision to retire the Sibley units is demonstrated by the fact that while GMO reported it retired \$30,998,133 of steam production plant in 2016,³³ and \$26,834,314 in 2017,³⁴ in 2018 it reported retiring \$486,451,128 of steam production plant, a number that it attributed to the retirement of the Sibley units.³⁵

Conclusions of Law

A. Subsection 386.020(15), RSMo 2016 defines "electrical corporation" as including:

every corporation, company, association, joint stock company or association, partnership and person, their lessees, trustees, or receivers appointed by any court whatsoever, ... owning, operating, controlling or managing any electric plant except where electricity is generated or distributed by the producer solely on or through private property for railroad, light rail or street railroad purposes or for its own use or the use of its tenants and not for sale to others;

By the terms of the statute, GMO is an electrical corporation and is subject to regulation by the Commission pursuant to Section 393.140, RSMo 2016.

B. Public Counsel and MECG are authorized to bring a complaint before the Commission by Section 386.390.1, RSMo 2016.

³¹ Schallenberg Direct, Ex. 5, Page 6, Lines 20-29.

³² Schallenberg Direct, Ex. 5, Pages 7-8.

³³ Ex. 7.

³⁴ Ex. 8.

³⁵ Ex. 9. These numbers are discussed at pages 158-160 of the Transcript.

C. Commission Rule 20 CSR 4240-20.030(1) requires Missouri utilities to keep all accounts in conformity with the Uniform System of Accounts (USOA) as prescribed by the Federal Energy Regulatory Commission, as published at 18 CFR Part 101.

D. Instruction number 7 of the General Instructions for the Uniform System of Accounts provides that a utility's net income should generally reflect all items of profit and loss during the period. However, that instruction allows for special treatment of certain items. In the words of the instruction:

Those items related to the effects of events and transactions which have occurred during the current period and which are of unusual nature and infrequent occurrence shall be considered extraordinary items. Accordingly, they will be events and transactions of significant effect which are abnormal and significantly different from the ordinary and typical activities of the company and which would not reasonably be expected to recur in the foreseeable future. ... To be considered as extraordinary under the above guidelines, and item should be more than approximately 5 percent of income, computed before extraordinary items. Commission approval must be obtained to treat an item of less than 5 percent, as extraordinary.³⁶

E. The Commission has authority to defer extraordinary costs of a utility for consideration in a later period. In doing so, it is not engaging in single-issue rate making.³⁷

F. The purpose of an Accounting Authority Order (AAO) is to defer a final decision on current extraordinary costs until a rate case is in order. In that subsequent rate case, the Commission is not bound by the terms of the AAO in setting new rates.³⁸

G. In a 1991 decision involving a request for an AAO, the Commission held that an AAO was appropriate where "events occur during a period which are extraordinary, unusual and unique, and not recurring." This has sometimes been described as "the Sibley Standard."³⁹

³⁶ 18 CFR Ch. 1, Pt. 101, General Instruction 7. That regulation is in the record as Ex. 4.

³⁷ *State ex rel. Office of Pub. Counsel v. Pub. Serv. Com'n of Mo.* 858 S.W. 2d 806 (Mo. App. W.D. 1993).

³⁸ *Missouri Gas Energy v. Pub. Serv. Com'n of Mo.*, 978 S.W. 2d 434 (Mo. App. W.D. 1998).

³⁹ *In the Matter of the Application of Missouri Public Service for the Issuance of an Accounting Order*

H. Retroactive ratemaking, defined as “the setting of rates which permit a utility to recover past losses or which require it to refund past excess profits collected under a rate that did not perfectly match expenses plus rate-of-return with the rate actually established” is prohibited.⁴⁰

I. Section 393.1655.2, RSMo provides that an electrical corporation’s base rates are to be held constant for a period of three years after the utility gave notice of its election under section 393.1400(5), RSMo to make the plant-in service deferrals allowed by that statute.

Decision

This is an unusual case in that most often requests for an AAO are made by a utility seeking to defer to a regulatory asset some cost it has incurred, thereby allowing for the possible recovery of those costs in a later rate case. This time the request for an AAO is coming from parties representing ratepayers and asks the Commission to defer to a regulatory liability the savings the utility will accrue from its decision to close the Sibley generating plant. Despite the identity of the parties requesting the AAO and the fact that creation of a regulatory liability rather than a regulatory asset is sought, this request can be considered under the same standards the Commission has consistently used to evaluate other requests for an AAO.

The USOA definition of extraordinary items for which an AAO may be appropriate clearly applies to both items of profit and loss, as does the Commission’s “Sibley standard” for considering whether an AAO should be issued. Therefore, the question before the

Relating to its Electrical Operations, Case No. EO-91-358, Report and Order, 1 Mo. P.S.C. 3d 200, 205, 1991.

⁴⁰ *State ex rel Utility Consumers’ Council of Mo., Inc. v. Pub. Serv. Com’n*, 585 S.W.2d 41, 59 (Mo. banc 1979).

Commission is whether GMO's decision to close the Sibley units is "extraordinary, unusual and unique, and not recurring."

In describing the factors that should be taken into account when deciding whether a given item of profit or loss should be considered "extraordinary", the USOA definition refers to significant events and transactions that are "abnormal and significantly different from the ordinary and typical activities *of the company*." (emphasis added). Thus, the focus of the standard is on the abnormality and significance of the event and transaction on the company, not on the industry as a whole. That is a reasonable focus as the Commission is expected to determine whether the event is extraordinary and a justification for an AAO for a single utility, not for the industry as a whole.

Clearly, it is unusual for GMO to retire a generating unit as it has not done so in the past thirty years. More importantly, it is unusual and unique for a utility to retire a generating unit with twenty years of remaining anticipated service life, and twenty years of unrecovered depreciation expense. It is also significant that the Sibley plant was retired just after GMO's last rate case was resolved and in fact before those new rates went into effect. Because of the PISA related rate freeze, those rates, through which GMO's ratepayers will continue to pay GMO's costs of operating a power plant that no longer produces power, will remain in effect for at least three years.

Most importantly, if GMO requests accelerated recovery of net plant depreciation costs in its next rate case, the Commission should preserve the option of the future Commission to consider the offset of those costs by consideration of the past savings amounts that would be deferred under the AAO. If this AAO is not granted, such an offset could be challenged as retroactive ratemaking.

GMO chose to close the Sibley units, and the prudence of that decision is not at issue in this case. The question of prudence will be addressed in a future general rate

case. Similarly, GMO's current level of earnings is not a factor in the Commission's decision. The question of whether a utility is currently earning an appropriate rate of return through its established rates is a question to be determined after consideration of all relevant factors in a general rate case. That determination cannot be made with only limited information while considering a request for an AAO.

GMO has suggested that an AAO should not be established because it is currently not earning its allowed return on equity and deferring the savings it would otherwise accrue from the closing of the Sibley units would cause its net earnings levels to drop even lower. As previously indicated, the Commission will not attempt to make any determination of the sufficiency of GMO's current rates in this proceeding. However, those current rates were set in GMO's last rate case using an assumption that the Sibley units were in operation and that the costs of operating those units would be recovered from ratepayers through those rates. GMO's net income was thus enhanced when the costs of operating the Sibley units went away with the closing of the plant, while rates including those costs remain in effect. This order requires GMO to defer that enhancement to its earnings, but it does not impair the company's opportunity to earn the rate of return established in its last rate case.

The Commission also emphasizes that its decision to grant this AAO does not mean the Commission is waiving in its support for renewable energy. On the contrary the State of Missouri, and this Commission in particular firmly support the expansion of renewable energy as a resource to provide clean energy to Missourians. Furthermore this decision should not be taken as an indication that the Commission will dissuade Missouri utilities from retiring economically inefficient coal-fired generation plants in the future. Rather, this decision is based solely on the Commission's consideration of the particular circumstances of this case.

The Commission will briefly address one more issue. MEGC contended at the hearing and in its briefs that the Commission's Staff has been overly supportive of KCP&L and GMO's positions in several recent cases. Aside from a meaningless comparison of the number of data requests submitted in the recent merger case involving Great Plains Energy (KCP&L and GMO's parent company) and Westar Energy, MEGC offers little support for this theory. Although it is denying Staff's motion to strike the portion of MEGC's brief addressing this theory, the Commission will state that it is not persuaded by unsupported accusations of impropriety.

Having decided that an AAO should be established, one more question remains: What amount is to be deferred? This order finds that the retirement of the Sibley units is extraordinary, and will direct GMO to establish the AAO requested by Public Counsel and MEGC. That is the only relief sought by Public Counsel and MEGC, and it is not necessary for them to establish the amount to be deferred. If GMO believes it needs the Commission's guidance on establishing the amount to be deferred, it may file a new application seeking that guidance. That course will make this order a final order from which GMO may seek rehearing and ultimately appeal.

Because of the need for a prompt resolution of this matter, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. Staff's Motion to Strike is denied.
2. KCP&L Greater Missouri Operations Company shall record as a regulatory liability in Account 254 the revenue and the return on the Sibley unit investments collected in rates for non-fuel operations and maintenance costs, taxes, including accumulated

deferred income taxes, and all other costs associated with Sibley units 1, 2, 3, and common plant. The regulatory liability should quantify separately dollars related to return and other cost of service expense savings.

3. This report and order shall be effective on October 27, 2019.

BY THE COMMISSION



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

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, and Coleman, CC., concur;
Hall, C., concurs with separate concurring opinion to follow;
Kenney, C., dissents;
and certify compliance with the
provisions of Section 536.080, RSMo 2016

Dated at Jefferson City, Missouri,
on this 17th day of October, 2019.

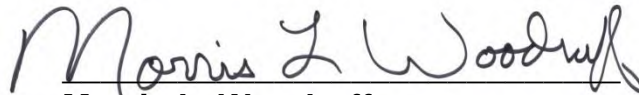
STATE OF MISSOURI

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 17th day of October 2019.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 17, 2019

File/Case No. EC-2019-0200

**Missouri Public Service
Commission**

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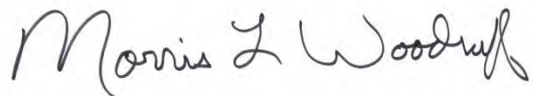
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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

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

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

The Office of the Public Counsel and)	
Midwest Energy Consumers Group,)	
)	
Complainants,	)	Case No. EC-2019-0200
)	
v.)	
)	
KCP&L Greater Missouri Operations)	
Company,)	
)	
Respondent.)	

**APPLICATION FOR REHEARING OF
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

KCP&L Greater Missouri Operations Company (“GMO” or “Company”), now known as Evergy Missouri West, Inc., pursuant to Section 386.500¹ and 20 CSR 4240-2.160, applies for rehearing of the Report and Order (“Order”) issued October 17, 2019 by the Public Service Commission (“Commission” or “PSC”) in this matter. In support of this Application, GMO states as follows:

I. LEGAL PRINCIPLES THAT GOVERN APPLICATIONS FOR REHEARING

1. All decisions of the Commission must be lawful, with statutory authority to support its actions, as well as reasonable. State ex rel. Ag Processing, Inc. v. PSC, 120 S.W.3d 732, 734-35 (Mo. en banc 2003). An order’s reasonableness depends on whether it is supported by substantial and competent evidence on the record as a whole. State ex rel. Alma Tel. Co. v. PSC, 40 S.W.3d 381, 387 (Mo. App. W.D. 2001). An order must not be arbitrary, capricious, or unreasonable, and the Commission must not abuse its discretion. Id.

¹ All references are to the Missouri Revised Statutes (2016), as amended.

2. In a contested case, the Commission is required to make findings of fact and conclusions of law pursuant to Section 536.090. Deaconess Manor v. PSC, 994 S.W.2d 602, 612 (Mo. App. W.D. 1999). For judicial review to have any meaning, it is a minimum requirement that the evidence, along with the explanation thereof by the Commission, make sense to the reviewing court. State ex rel. Capital Cities Water Co. v. PSC, 850 S.W.2d 903, 914 (Mo. App. W.D. 1993). In order for a Commission decision to be lawful, the Commission must include appropriate findings of fact and conclusions of law that are sufficient to permit a reviewing court to determine if it is based upon competent and substantial evidence. State ex rel. Monsanto Co. v. PSC, 716 S.W.2d 791, 795 (Mo. en banc 1986); State ex rel. Noranda Aluminum, Inc. v. PSC, 24 S.W.3d 243, 246 (Mo. App. W.D. 2000); State ex rel. A.P. Green Refractories v. PSC, 752 S.W.2d 835, 838 (Mo. App. W.D. 1988); State ex rel. Fischer v. PSC, 645 S.W.2d 39, 42-43 (Mo. App. W.D. 1982), cert. denied, 464 U.S. 819 (1983).

3. In State ex rel. GS Technologies Operating Co. v. PSC, 116 S.W.3d 680, 691-92 (Mo. App. W.D. 2003), the Court of Appeals described the requirements for adequate findings of fact when it stated:

While the Commission does not need to address all of the evidence presented, the reviewing court must not be “left ‘to speculate as to what part of the evidence the court found true or was rejected.’” ... In particular, the findings of fact must be sufficiently specific to perform the following functions:

[F]indings of fact must constitute a factual resolution of the matters in contest before the commission; must advise the parties and the circuit court of the factual basis upon which the commission reached its conclusion and order; must provide a basis for the circuit court to perform its limited function in reviewing administrative agency decisions; [and] must show how the controlling issues have been decided[.]

[St. Louis County v. State Tax Comm’n, 515 S.W.2d 446, 448 (Mo. 1974), citing Iron County v. State Tax Comm’n, 480 S.W.2d 65 (Mo. 1972)].

4. The Commission cannot simply recite facts on which it bases a “conclusory finding,” and must rather “fulfill its duty of crafting findings of fact which set out the basic facts from which it reached its ultimate conclusion” in a contested case. Noranda, 24 S.W.3d at 246. “Findings of fact that are completely conclusory, providing no insights into how controlling issues were resolved are inadequate.” Monsanto, 716 S.W.2d at 795.

5. A review of the evidentiary record in this case demonstrates that the Report and Order failed to comply with these principles in certain respects and that rehearing should be granted as to the issues discussed below.

II. ISSUES ON WHICH REHEARING IS SOUGHT

A. The Order is Erroneous as a Matter of Law and Unreasonable

6. The Order is both unlawful and unreasonable because it found that the retirement of the Sibley electric generating plant was “extraordinary” under General Instruction 7 of the Uniform System Of Accounts (USOA) and imposed an accounting authority order (AAO) that requires the establishment of a regulatory liability on the financial books of the Company.

7. General Instruction 7 states that an event or transaction “shall be considered extraordinary” if it is “of unusual and infrequent occurrence” and “of significant effect which are abnormal and significantly different from the ordinary and typical activities of the company and which would not reasonably be expected to recur in the foreseeable future.” These defining terms must be applied to events or transactions as a whole and construed together, not in isolation, with every clause given meaning. See R.M.A. v. Blue Springs R-IV School Dist., 568 S.W.3d 420, 429 (Mo. en banc 2019); Executive Board v. Missouri Baptist Univ., 569 S.W.3d 1, 18 (Mo. App. W.D. 2018).

8. In the past five years the Commission has consistently used the “extraordinary” standard of General Instruction 7 to deny AAOs to a number of Missouri’s public utilities,

including GMO and its sister company, Kansas City Power & Light Co. (“KCPL”).² See Report & Order at 14-18, In re Application of Spire Missouri Inc. for an Acct’g Auth. Order, No. GU-2019-0011 (Mar. 20, 2019) (annual assessments); Report & Order at 13-18, In re Application of Mo.-American Water Co. for an Acct’g Auth. Order, No. WU-2017-0351 (Dec. 20, 2017) (property taxes); Report & Order at 51, In re Kansas City Power & Light Co.’s Request to Implement a General Rate Increase, No. ER-2014-0370 (Sept. 2, 2015) (RTO transmission expenses, property taxes and cyber-security expenses); Report & Order at 9-10, In re Application of KCP&L and GMO for an Acct’g Auth. Order, No. EU-2014-0077 (July 30, 2014) (RTO transmission expenses).

9. The Court of Appeals has affirmed the Commission’s use of this standard, stating that it “will not second-guess the PSC’s reasoned decision that only extraordinary items may qualify for deferral treatment” under the USOA and General Instruction 7. Kansas City Power & Light Co. v. PSC, 509 S.W.3d 757, 770 (Mo. App. W. D. 2016).

10. Based on these decisions, it is clear that an electric generating plant, as well as other items of utility “electric plant” under Section 386.020(14) that have been destroyed or damaged by a flood, earthquake, or severe weather event, or incapacitated by an explosion or an accident would qualify as an extraordinary event under General Instruction 7. See Report & Order at 14, In re Application of Southern Union Co. for an Acct’g Auth. Order, No. GU-2011-0392 (Jan. 25, 2012) (Joplin tornado); In re Application of KCP&L for an Acct’g Auth. Order, No. EU-2012-0130, consolidated with No. ER-2012-0174 (Apr. 3, 2012) (Missouri River flood).

11. However, the retirement of a coal-fired electric plant that is part of a company’s plan to retire a group of such plants that is publicly announced well in advance of its proposed

² Consistent with footnote 1 to the Commission’s Order, the references “GMO” and “KCP&L” will be used in this pleading although GMO is now Evergy Missouri West, Inc. and KCP&L is Evergy Metro, Inc.

retirement date and is premised on economic and policy reasons is not an “extraordinary” event. Such a conclusion is consistent with the Commission’s denials of AAOs in response to GMO’s requests related to the double-digit percentage increases in transmission costs that were caused by Southwest Power Pool’s “process of a multi-year build out of construction projects” caused by “a change in focus on regional reliability, and the construction of high voltage transmission projects planned to reduce system congestion and improve integration” See Report & Order at 6-7, In re Application of KCP&L and GMO for an Acct’g Auth. Order, No. EU-2014-0077 (July 30, 2014).

12. Similar to the facts in the pending case where the planned retirement of the Sibley units was known for well over a year and fully considered by the parties to the 2018 GMO Rate Case, the Commission found that the “expansion of SPP’s regional projects and the potential funding required by SPP’s members has been known for some time” and were “not extraordinary.” Id. at 8 (emphasis added). Noting that transmission costs “are part of the ordinary and normal costs of providing electric service” and that the increase in such costs “was anticipated” (just as the Sibley retirement was anticipated), the PSC concluded that they were “not extraordinary” and denied the request for an AAO. Id. at 10-11.

13. However, in an abrupt about-face, the Commission now declares that the retirement of Sibley was extraordinary because it was included in rates in the 2018 GMO Rate Case with 20 years of estimated depreciable life remaining. The PSC now apparently views cost increases (such as SPP transmission expense) as “normal” and not extraordinary, but cost decreases from a plant retirement to be extraordinary. The Order is a gross example of results-oriented decision-making and is inherently arbitrary, capricious, and an abuse of discretion. Contrary to what the Court of Appeals found in 2016 to be a “reasoned decision” in Kansas City Power & Light Co. v. PSC, 509 S.W.3d at 770, where it affirmed the Commission’s denial of deferral accounting, the Order here

represents the unreasonable application of facts to the language of General Instruction 7 and is arbitrary, capricious, and an abuse of discretion, rendering it unlawful.

14. The Commission's decision to cite as a fact, but then ignore the legal consequence of the 76,526 MW of coal-fired capacity that has been retired in the United States since 2010 as evidence that the Sibley retirement is not extraordinary is both unreasonable and unlawful. Compare Order, ¶18 at 9 (citing GMO evidence) with Order at 13-15 (decision). The fact that GMO has not retired a generating unit "in the past thirty years" is actually *compelling* evidence that retirements are overdue and should be expected to occur and thus are not extraordinary. This view is supported by the PSC's recognition that coal plant retirements are common today and have been for the past 10 years. See Order, ¶18, n. 24, citing Rogers Rebuttal at 8 (Ex. 20).

15. Witnesses for the Complainants, Commission Staff, as well as GMO agreed that no U.S. utility regulatory commission has ever determined that the retirement of an electric generating plant is an extraordinary event justifying an AAO. See Ex. 24 at 14 & Sched. DRI-1 (DR Responses of Office of the Public Counsel (OPC) witness Schallenberg and Midwest Energy Consumers Group (MECG) witness Meyer), Ives Rebuttal; Tr. 291 (Oligschlaeger). This is especially true today when, as the PSC and the concurring opinion agree, coal plant retirements are frequent and routine. See Order ¶ 18; Concurring Opinion at 2-3. The one state regulatory commission that has considered a situation similar to the complaint in this case denied the request for deferral accounting. See Order, In re Wisconsin Elec. Power Co., No. 6630-AF-100, 2018 WL 2938141 (Wis. P.S.C., June 6, 2018) (attached as Sched. DRI-4 to Ex. 24, Ives Rebuttal).

16. The Order unreasonably and unlawfully overlooks the unrebutted testimony of GMO witness John J. Spanos, a nationally recognized expert in the field of depreciation, who stated that the depreciation rates approved for Sibley were last set in GMO's 2016 Rate Case, No. ER-2016-0156 – *not* its most recent 2018 Rate Case. See Ex. 21 at 5, Spanos Rebuttal. When

asked whether these “approved depreciation rates [were] based on accurate estimates of the retirement dates” for Sibley, he answered: “No.” Id. at 6. “At the appropriate time, detailed studies of the economics of rehabilitation and continued use or retirement of the structure will be performed and the results incorporated in the estimation of the facility’s life span.” Id. at 5-6.

17. At the evidentiary hearing, Mr. Spanos testified the last estimated depreciable life “at Sibley – the 20-year number that is being expressed is not necessarily an accurate portrayal of what’s going on in the industry.” See Tr. 364. He stated that “for Sibley 3 the estimate was 70 years, 71 years from the original estimate [based on its construction in 1969] and that is at the long and beyond the upper end of what is expected.” See Tr. at 363. The estimate of 71 years for Sibley 3 was contained in Mr. Spanos’ 2014 Depreciation Study that calculated accruals of GMO’s electric plant as of December 14, 2014, almost five years ago. The study was completed on February 16, 2016 and presented in GMO’s 2016 Rate Case, as noted by OPC’s evidence. See Sched. GM-2, Ex. 14, G. Marke Surrebuttal.

18. Mr. Spanos concluded that it “is common to have generating facilities reach the end of life prior to full recovery” with net book value remaining. See Ex. 21 at 3, Spanos Rebuttal. He also testified that the “driving forces” behind retirement decisions, including “the economics particularly of coal plants,” would cause “the estimated date of retirement to be different than it currently has been” See Tr. at 360-61. He observed that in light of “other units across the country that have been retired 20 years prior than their estimated retirement date,” “we’re looking at a very comparable scenario” with the retirement of Sibley. See Tr. 364.

19. Therefore, the Order is unreasonable and unlawful in light of these unrebutted facts when it concluded that it was “unusual to close a generating plant with twenty years of remaining anticipated service life,” while failing to discuss the basis of this estimate, particularly in light of its finding that the “[r]etirement of coal-fired units is more common in the industry as a whole,”

given the retirements that have occurred since 2010. See Order ¶¶ 18-21. See State ex rel. Missouri Power & Light Co. v. PSC, 669 S.W.2d 941, 944 (Mo. App. W.D. 1984) (reviewing court “can determine whether the commission could reasonably have reached the result on consideration of all the evidence before it,” concluding PSC’s decision “was arbitrary, capricious and without reasonable basis”).

20. The Order is also unlawful and unreasonable because the Commission abruptly departs from the policy that it established regarding what constitutes an “extraordinary” event under General Instruction 7, as set forth in the decisions cited above and recognized by the Court of Appeals in Kansas City Power & Light Co. v. PSC, 509 S.W.3d 757, 770 (Mo. App. W. D. 2016). The Commission says it did so because “the Sibley plant was retired just after GMO’s last rate case was resolved and in fact before those new rates went into effect.” See Order at 13. The PSC additionally stated that because GMO is under a 3-year rate freeze as a result of its election to make plant-in-service deferrals under Senate Bill 564,³ “ratepayers will continue to pay GMO’s costs of operating a power plant that no longer produces power.” Id.

21. However, these findings are unreasonable because they ignore the effect of the \$24 million rate reduction and other compromises that resulted in the Stipulation & Agreement that settled a multitude of revenue issues in GMO’s 2018 Rate Case. See Non-Unanimous Partial Stipulation & Agreement (“First Stipulation”),⁴ In re KCP&L Greater Mo. Operations Co. Request to Implement a General Rate Increase, No. ER-2018-0146 (filed Sept. 19, 2018) (hereafter “2018 GMO Rate Case”). See also Order Approving Stipulations and Agreements, id. (Oct. 31, 2018, eff. Nov. 10, 2018)⁵; Order Approving Tariffs (Nov. 26, 2018, eff. Dec. 6, 2018).⁶

³ See Order at 12-13, citing §§ 393.1400(5), 393.1655.2

⁴ Attached as Exhibit A.

⁵ Attached as Exhibit B.

⁶ Attached as Exhibit C.

22. Although an administrative agency like the PSC is not strictly bound by the rule of precedent, it must reach its decision by considering all the evidence before it. Because the Commission's decision that the retirement of Sibley was extraordinary under General Instruction 7 is based upon an erroneous view of ratemaking principles, and is without any reasonable basis in the evidence, the Order is both unlawful and unreasonable because it was arbitrary and capricious. State ex rel. Missouri Power & Light Co. v. PSC, 669 S.W.2d 941, 945 (Mo. App. W.D. 1984).

23. The findings are unlawful because they ignore standard ratemaking principles that "rate base is itself no more than an estimate" of costs that will be incurred in the future, and that under the prospective language of Sections 393.140(5) and 393.270(3), future rates are set based on past costs and revenues, but are inevitably subject to imperfect matching. See State ex rel. Utility Consumers Council of Missouri, Inc. v. PSC, 585 S.W.2d 41, 59 (Mo. en banc 1979); State ex rel. Missouri Power & Light Co. v. PSC, 669 S.W.2d 941, 945 (Mo. App. W.D. 1984).

24. All parties to the 2018 GMO Rate Case understood that Sibley's costs and revenues were reflected in the test year and true-up process, which concluded June 30, 2018, and that they would be used to set future rates. They also understood that it was likely that Sibley would be retired by December 31, 2018. Indeed, Public Counsel proposed an "adjustment" regarding the likely retirement of Sibley, fully understanding these facts. See Rebuttal Testimony of OPC Witness Robinett at 1-9 (July 27, 2018),⁷ 2018 GMO Rate Case.

25. The parties' recognition of the likely retirement of these plants is why Section 15 of the First Stipulation provided that a regulatory liability for depreciation expense would be established for GMO's Sibley and the Lake Road 4/6 plants, as well as the KCP&L plants that

⁷ Attached as Exhibit D.

would be retired. See Ex. A at 8-9. However, there was nothing in the First Stipulation, and there is nothing in Missouri law, that supports the idea that the retirement of Sibley or the other plants was “extraordinary” under USOA General Instruction 7.

B. The Order is Erroneous because it was Unreasonable and an Abuse of Discretion under the Facts of this Case.

26. The Order is erroneous because it was unreasonable, an abuse of discretion, and arbitrary and capricious under the facts of this case in that it found that the retirement of the Sibley plant was “extraordinary” under USOA General Instruction 7 and ordered the Company to establish a regulatory liability on the books of the company.

27. GMO’s 2017 Annual Update of its Integrated Resource Plan, filed on June 1, 2017 with the Commission, presented its Preferred Plan that showed that the retirement of Sibley “by 2019” and Lake Road 4/6 retiring “by 2020” was the lowest cost plan on a net present value of revenue requirement (NPVRR) basis with a savings of \$282 million.

28. Consistent with this analysis of savings, GMO publicly announced on June 2, 2017 its plan to retire Sibley by December 31, 2018 along with the Lake Road 4/6 plant by December 31, 2019. This announcement also stated that KCP&L would retire the coal-fired Montrose 2 and 3 plants by December 31, 2018. See Sched. DRI-3, Ex. 24 (Ives Rebuttal).

29. The factors contributing to GMO’s decision were (a) the reduction in wholesale electricity market prices, (b) the reduced need for near-term capacity to provide electric service, (c) the age of the plants and their expected environmental compliance costs, and (d) the availability of cheaper renewable wind energy resources. Id. at 1-2.

30. All parties to the GMO 2018 Rate Case were aware that at the conclusion of the update to the test year (December 31, 2017) and the true-up period (June 30, 2018), the costs related to Sibley plants then in operation were included in rate base. See Sched. RES-S-1(part 1

at p. 1), Ex. 6, Schallenberg Surrebuttal; Ex. 24 at 21, Ives Rebuttal; Tr. 232 (Marke); Tr. 308-11 (Oligschlaeger).

31. GMO continued to plan for the retirement of Sibley by the end of 2018 until a turbine vibration tripped Unit 3 on September 5, 2018. Staff was informed of this event via EFIS filings on September 6 and 12 which comports with standard protocol. See Tr. 377, 397-98 (Ives); GMO Response to Data Request 1043, Sched. RES-S-1 (part 4 at p. 12), Ex. 6, Schallenberg Surrebuttal. GMO representatives met with Staff and OPC on November 1, 2018. See Tr. 378, 397 (Ives). Given these undisputed facts, the Commission's finding that GMO "did not inform the signatories" to the stipulations and agreements that were presented to the Commission on October 3, 2018 "except for a routine notification to Staff, that Sibley 3 had ceased operation in September until the units were formally retired in November" is inaccurate and erroneous. See Order, ¶ 12 at 7.

32. Although the stipulations were approved by the Commission on October 31, 2019, they did not become effective until November 10, 2018 after GMO representatives met with Staff and OPC on November 1. See Tr. 378 - 79, 397 (Ives). A subsequent meeting with Staff and OPC occurred on November 20, 2018 before the tariffs in the 2018 Rate Case were approved on November 26 and became effective on December 6.

33. All parties to the GMO 2018 Rate Case were aware that Sibley costs were included in rate base when 32 revenue requirement issues were settled in this stipulation that resulted in a \$24 million rate reduction. MECG was a signatory to the revenue requirement First Stipulation to which OPC did not object. No parties asserted during this period that the rates that would be approved by the Commission were not just and reasonable, or that the Company would be charging for a "fictional" power plant that would "inflate profits" that it was experiencing a "windfall in

earnings,” as was alleged in this proceeding. See Ex. 14 at 3 & 19, Marke Surrebuttal; Ex. 2 at 3, G. Meyer Surrebuttal.

34. The Commission’s apparent reliance on the last paragraph of Section 15 in the First Stipulation that allows parties to propose an AAO, as well as allowing other parties to oppose such a recommendation is irrelevant to whether the retirement of Sibley was an extraordinary event. See Order, ¶ 13 at 8. This provision simply recognizes a party’s right to make a filing just as another party has a right to oppose such a filing.

35. The Order stated: “If the parties had known that Sibley 3 had ceased producing power and would be retired, they could have proposed an isolated adjustment outside the test year and true-up date to remove the operating costs of the retired units from GMO’s new rates.” See Order, ¶ 15. It cited Staff witness Oligschlaeger for this proposition, but that is not what he said.

36. In response to a question whether “the true-up date should not be violated” because “you should match revenues, costs and investment as of that consistent date,” Mr. Oligschlaeger testified: “Generally. I mean, parties do have the ability to bring forward so-called isolated adjustments to go beyond those cutoff dates and include items in rates and present those to the Commission. Given the circumstances in the last case [GMO’s 2018 Rate Case], we [Staff] did not feel this was an appropriate isolated adjustment.” See Tr. 310 (Oligschlaeger). He also clarified that “other parties, certainly OPC, perhaps MECG, did take the position that they should be excluded in rates -- from rates in that rate case.” See Tr. 309-10. In fact, OPC took the position that costs for the soon to be retired coal plants should be excluded from rates. See Ex. D, Robinett Rebuttal at 1-9.

37. Consequently, there is no evidence to support the Commission’s finding in Paragraph 15 of the Order regarding the knowledge of the parties and their ability to propose an

isolated adjustment. It is not supported by the facts and, indeed, is a blatant distortion of the record. As a result, the Order is unreasonable, arbitrary and capricious, and an abuse of discretion.

C. The Order is Unlawful and Unreasonable because it erroneously Interpreted and Applied USOA General Instruction 7.

38. The Order is erroneous as a matter of law because it misapplied General Instruction 7 in that it failed to consider its requirement that a “plan of action” be considered which would include the retirement of other coal plants. The Commission’s Order failed to apply General Instruction 7 correctly, given that Paragraph D of the Conclusions of the Law did not quote the full definition and did not apply all of its terms.

39. The announcement by GMO and KCP&L on June 2, 2017 that six coal plants would be retired requires that the Commission consider all such retirements as a whole and not as separate events unrelated to each other. This is mandated by General Instruction 7 which states: “However, the effects of a series of related transactions arising from a single specific and identifiable event or plan of action should be considered in the aggregate [emphasis added].” The Order cites no evidence that it considered the retirement of the Sibley units with the GMO Lake Road 4/6 plant or KCP&L’s Montrose 2 and 3 units which were also the subject of the June 2017 announcement.

40. The fact that OPC witness Geoff Marke explicitly stated that the Montrose retirements were not extraordinary and did not request an AAO regarding those units indicates that none of the retirements that were the subject of the June 2017 announcement were extraordinary, and that the Order is unlawful and unreasonable. See Ex. 14 at 9, Marke Surrebuttal.

D. The Order is in Error because it was Unreasonable, Arbitrary, an Abuse of Discretion, and a Denial of Due Process as it usurped GMO’s Right to Manage its Affairs.

41. The Commission’s decision to impose an AAO that requires the establishment of a regulatory liability regarding the revenue from and the return on Sibley will have a significantly

negative effect on GMO's earnings by removing revenues from the Company's income statement and transferring them to its balance sheet as a regulatory liability. As a result, the earnings of the Company will be reduced by the amounts so recorded. See Ex. 24 at 23, Ives Rebuttal; Tr. 113-14 (Meyer), 294-95 (Oligschlaeger).

42. The Commission expressed no concern that an AAO would have this adverse financial effect, stating that "GMO's current level of earnings is not a factor" in its decision. See Order at 14. However, the result of the Order is that a financial penalty has been imposed upon GMO as a result of exercising its authority to manage the affairs of the Company which it has an express right to do. See City of O'Fallon v. Union Elec. Co., 462 S.W.3d 438, 444 (Mo. App. W.D. 2015); State ex rel. PSC v. Bonacker, 906 S.W.2d 896, 900 (Mo. App. S.D. 1995).

43. Given that the Order assesses a financial penalty upon GMO because its management exercised its clear right to retire the Sibley units, the Order is unreasonable, arbitrary, an abuse of discretion, and a denial of due process of law. See State ex rel. Chicago, Rock Island & Pac. R.R. v. PSC, 312 S.W.2d 791, 796, 804-05 (Mo. en banc 1958); State ex rel. Fischer v. PSC, 645 S.W.2d 39, 43-44 (Mo. App. W.D. 1982).

E. The Order is Erroneous as a Matter of Law and Unreasonable because it constitutes a Collateral Attack forbidden by Section 386.550 upon the Commission's Order Approving Stipulations and Agreements (Oct. 31, 2018) and the Order Approving Tariffs (Nov. 26, 2018) in GMO's 2018 rate case.

44. The Order is unlawful as well as unreasonable because its imposition of an AAO as a result of GMO's retirement of the Sibley plant retroactively modifies and invalidates key portions of the First Stipulation that resolved over 30 revenue requirement issues in the GMO 2018 Rate Case and was approved by the Commission on October 31, 2018. See Ex. B. This constitutes a form of unlawful retroactive ratemaking, as well as a prohibited collateral attack on a Commission order in violation of Section 386.550.

45. In exchange for settling numerous revenue issues, the parties agreed in the First Stipulation that GMO's revenue requirement would be reduced by \$24 million. See Ex. A, § 1 at 1-2. A key provision to this deal was Section 15 where the parties agreed that "GMO will create a regulatory liability to capture the amount of depreciation expense included in GMO's revenue requirement beginning when each of the following units is retired," naming "Sibley units 1, 2, and 3, including common plant, and Lake Road unit 4/6." Id., § 15 at 9 (emphasis added).

46. OPC was well aware of the imminent retirement of GMO's Sibley units (as well as KCP&L's Montrose units) by the end of 2018, and submitted testimony arguing that they should not be included in either utility's cost of service. See Ex. D at 1-9 & Sched. JAR-R-1, Robinett Rebuttal.

47. Regardless of the positions expressed in their written testimony, when the 2018 GMO Rate Case was settled, MECG supported both the First Stipulation and another stipulation regarding class revenue shifts, and opposed none of the other stipulations. OPC did not join any of the stipulations, but opposed none of them. The Commission specifically noted in its Order Approving Stipulations and Agreements that "each stipulation represented that the non-signatories did not object to the stipulation." See Ex. B at 4, n.2. Given that this Order is now a final, all of the issues in the 2018 Rate Case were resolved as a matter of law, including the issues regarding recovery of Sibley costs raised in OPC's testimony.

48. Although the complainants did not object to the stipulations or the tariffs that implemented the \$24 million rate cut and other provisions, and made no effort to set aside the Commission's orders approving the stipulations and the tariffs before they became effective, the Order in this case essentially changes the terms of the 2018 GMO Rate Case settlement by *reducing* the Company's annual earnings by an additional amount that the complainants themselves

estimated to be \$30 million to \$39 million. See Ex. 1 at 14-15, Meyer Direct; Ex. 5 at 11, Schallenberg Direct.

49. As noted above, the final paragraph in Section 15 of First Stipulation regarding a party's inherent ability to propose or oppose deferral accounting on some future occasion simply stated the obvious. However, it did not create a right to collaterally attack the validity and finality of the Commission's approval of the First Stipulation and of the tariffs that implemented its terms.

50. The Order in this proceeding has directly attacked the validity of its orders resolving the 2018 GMO Rate Case, and threatens to reduce materially the earnings opportunity that those orders provided. Throughout the "Decision" section of the Order, the PSC attempts to convey that it was unaware that Sibley were going to be retired in the near future. However, the true facts are that the Commission was undoubtedly aware that approval of the First Stipulation, the other stipulations, and the rates submitted to it would be in effect after Sibley was retired – whether it occurred in September, November or December 2018. The Commission's intent to attack its final orders in the 2018 Rate Case is shown, for example, in its statements that: (a) "it is unusual and unique for a utility to retire a generating unit with twenty year or remaining service life, and twenty years of unrecovered expense"; (b) that it "is also significant that the Sibley plant was retired just after GMO's last rate case was resolved and in fact before those new rates went into effect"; and (c) because "GMO's ratepayers will continue to pay GMO's costs of operating a power plant that no longer produces power." See Order at 13.

51. As a result, the Order is both unlawful and unreasonable as a collateral attack on its orders resolving the 2018 GMO Rate Case. State ex rel. Public Water Supply Dist. No. 2 v. Burton, 379 S.W.2d 593, 600 (Mo. 1964); State ex rel. Harline v. PSC, 343 S.W.2d 177, 184 (Mo. App. K.C. 1960). By directing GMO to establish a regulatory liability in this case as a result of the retirement of Sibley when issues relating to that retirement were plainly litigated and resolved in

the settlement of the 2018 Rate Case, the Commission has collaterally attacked its own orders approving the stipulations in that case and the tariffs that implemented the terms of those agreements.

52. The fact that the Commission acted here with full knowledge that GMO is under a 3-year rate freeze under Senate Bill 564 and its plant-in-service accounting provisions (now set forth in Sections 393.1400.5 and 393.1655.2) shows that the Order is a collateral attack on the orders resolving the 2018 Rate Case, in violation of Section 386.550. See Order ¶ 16, ¶ H, and p. 13.

F. The Order is Unlawful and Unreasonable because it will Drive GMO and other Missouri Electric Utilities to continue to operate Aging and Inefficient Coal Plants which is Contrary to Missouri Public Policy under Sections 393.1020 and Section 393.1075, and which provides No Benefits to Customers while inflicting Financial Harm upon GMO.

53. The Order is unlawful and unreasonable because it will drive GMO and Missouri's other electric utilities to continue operating old and inefficient coal-fired plants without regard to the state's public policy in favor of renewable resources, as expressed in the Renewable Energy Standard statute, Section 393.1020, et seq., and the Missouri Energy Efficiency Investment Act, Section 393.1075.

54. This result is particularly perverse, given the record evidence that the retirement of Sibley Units 2 and 3 (including the Unit 1 boiler and common plant) and the Lake Road 4/6 Unit would result in a "\$200 million benefit to customers on a net present value revenue requirement basis." See Tr. 405-06 (Ives), citing GMO's IRP 2017 Annual Update, §7.1.5 at 68-69, attached as Ex. A to GMO's Initial Post-Hearing Brief (Aug. 29, 2019).

55. The economic and other factors that supported the retirement were contained in the June 2, 2017 announcement advising that Sibley would be retired by the end of 2018 and Lake Road by the end of 2019. See Sched. DRI-1-2, Ex. 24, Ives Rebuttal.

56. As a result, the Order has the effect of reducing GMO's earnings and inflicting financial harm on its operations for three years during the rate freeze now in place under Section 393.1665, while providing no countervailing benefits to customers.

G. The Order is an Abuse of Discretion, Unreasonable and a Denial of Due Process because less Drastic Measures, such as an Earnings Complaint under Section 386.390.1, are available to Complainants.

57. Although the Order initially professed to be unconcerned about the Company's earnings,"⁸ the Commission reverses course in the following paragraph. It concludes that GMO's "net income was thus enhanced when the costs of operating the Sibley units went way with the closing of the plant, while rates including those costs remain in effect." See Order at 14. While acknowledging that rates are set "after consideration of all relevant factors in a general rate case," the PSC declined to order an earnings investigation under Section 386.390.1 or related provisions such as Section 393.140(5).

58. Instead, the Commission's Order directed GMO to establish a regulatory liability that "requires GMO to defer that enhancement to its earnings." Id. The Commission then concluded, without citation to any record evidence, that such deferral "does not impair the company's opportunity to earn the rate of return established in its last rate case." Id. Given the PSC's apparent acceptance of the complainants' testimony that an AAO will cause an annual reduction in earnings of \$30-39 million, the Order is unreasonable, given that it is arbitrary, capricious, an abuse of discretion, and a denial of due process.

59. Staff witness Mark Oligschlaeger addressed the Commission's concern in un rebutted testimony, stating that "the ability of other parties to propose a ratemaking offset [related to Sibley unit cost savings] ... in the next GMO rate case is not dependent upon creation

⁸ Order at 14 ("...GMO's level of earnings is not a factor in the Commission's decision.").

of a Sibley unit regulatory liability at this time.” See Ex. 17 at 7, Oligschlaeger Cross-Rebuttal. As a result, the absence of an AAO and any deferral accounting related to the retirement of Sibley has no impact on the Commission’s ability to consider all relevant factors in setting rates in GMO’s next general rate case.

H. The Order is Unlawful and Unreasonable because it Violates the Technical Requirements of the USOA and General Instruction 7.

60. The order is erroneous as a matter of law, as well as unreasonable and an abuse of discretion because it improperly links General Instruction 7 with the appropriate USOA authority to establish a regulatory liability under Account 254. See Order at 13-16. General Instruction 7 provides that items considered to be extraordinary should be entered on a public utility’s income statement. General Instruction 7 does not provide for or permit the deferral of income statement matters to the utility’s balance sheet. It only addresses income statement classifications, not assets and liabilities on the balance sheet.

61. Deferral to the balance sheet is appropriately addressed only in the USOA’s descriptions of Account 254 (“Other regulatory liabilities”) and Account 182.3 (“Other regulatory assets”). General Instruction 7 does not relate to and does not even mention Accounts 254 or 182.3. Because of its inaccurate linkage of these sections, the Commission’s Order is both unlawful and unreasonable.

62. Moreover, GMO’s 2018 FERC Form 1, a public document, does not reflect the Sibley retirement as extraordinary, either in accounts specified under General Instruction 7 or in Account 254 (Other regulatory liabilities) or Account 182.3 (Other regulatory assets). See Tr. 374-75 (Klote). The 2018 FERC Form 1 was audited by the independent accounting firm of Deloitte & Touche LLP which stated in its Independent Auditors’ Report: “In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the

assets, liabilities, and proprietary capital of [GMO] as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulation Commission as set forth in its applicable [USOA] and published accounting releases.” See Exhibit E, pp. 2-3, FERC Form No. 1 of KCP&L Greater Mo. Operations Co. for 2018/Q4.

63. This demonstrates that General Instruction 7 did not apply to the retirement of Sibley under the USOA. No amounts related to the Sibley retirement were recorded to regulatory liabilities or assets, and no amounts were recorded to Accounts 434 or 435, the income statement accounts to which extraordinary items are required to be recorded under the USOA. Therefore, Order’s decision that the Sibley retirement is extraordinary under General Instruction 7 is unlawful and unreasonable because it conflicts with the actual treatment recorded by GMO in its regulatory financial statements and reported in its 2018 FERC Form 1, which GMO’s independent auditors have opined are presented fairly and in accord with the USOA.

WHEREFORE, KCP&L Greater Missouri Operations Company respectfully requests that the Commission grant rehearing of its Report and Order.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to all parties of record this 25th day of October 2019.

/s/ Robert J. Hack

Attorney for KCP&L Greater Missouri Operations
Company

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

In the Matter of Kansas City Power & Light)
Company's Request for Authority to Implement)
A General Rate Increase for Electric Service) **Case No. ER-2018-0145**

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authorization to)
Implement A General Rate Increase for Electric)
Service) **Case No. ER-2018-0146**

NON-UNANIMOUS PARTIAL STIPULATION AND AGREEMENT

COME NOW Kansas City Power & Light Company ("KCP&L") for its Missouri operations, KCP&L Greater Missouri Operations Company ("GMO") (collectively, the "Company"), the Staff of the Missouri Public Service Commission ("Staff"), Midwest Energy Consumers Group ("MECG"), Missouri Division of Energy ("DE"), Missouri Industrial Energy Consumers ("MIEC"), Missouri Joint Municipal Electric Utility Commission ("MJMEUC"), and Renew Missouri ("Renew MO") (collectively, "Signatories") by and through their respective counsel, and for their Non-Unanimous Partial Stipulation and Agreement ("Stipulation"), respectfully state as follows to the Missouri Public Service Commission ("Commission"):

AGREEMENTS

1. REVENUE REQUIREMENT

KCP&L's revenue requirement will be reduced by \$21 million. GMO's revenue requirement will be reduced by \$24 million. This Stipulation resolves the following issues in the September 12, 2018 Corrected List of Issues filed in this case: II. Cost of Capital; III. Crossroads Energy Center; IV. GPE/Westar Merger-Transition Costs; V. Fuel Adjustment Clause ("FAC"); VI. Transmission Fees Expense and Transmission Revenues; VII. Severance; VIII. Kansas City Earnings Tax; IX. Bad Debt; X. Dues and Donations; XI. Bank Fees; XII. Rate Case Expense; XIII. Amortization; XXIV.[sic] Planned Generating Unit Retirements; XIV. Greenwood Solar

Energy Center; XV. Revenues; XVIII. Tariffs; Issues (D) Economic Development Rider and (E) EDR Report; XX. Injuries and Damages; XXI. Regulatory Assessments; XXII. Asset Retirement Obligations; XXIII. Income Eligible Weatherization Program; XXV. Clean Charge Network-Including Remand; XXVI. Payroll Expense; XXVII Income Taxes; XXVIII. Management Expense; XXIX Wolf Creek Litigation; XXX. Spearville Arbitration; XXXI. Customer Data Security; XXXII. Economic Relief Pilot Program (ERPP); XXXIII. Bill and Website Information; XXXIV. One CIS; XXXV. CNPPID Hydro Purchase Power Agreement.

2. REVENUES AND BILLING DETERMINANTS

For the purpose of establishing rates in these cases the Signatories agree that Staff's Billing Determinants and Revenues will be used:

Revenues — KCP&L: \$879,347,464; and GMO: \$744,758,136

3. PROSPECTIVE TRACKING OF REGULATORY ASSET AND LIABILITY RECOVERY

In each future KCP&L and GMO general rate case, the Signatories agree that the balance of each amortization relating to regulatory assets or liabilities that remains, after full recovery by KCP&L/GMO (regulatory asset) or full credit to KCP&L/GMO customers (regulatory liability), shall be applied as offsets to other amortizations which do not expire before KCP&L's/GMO's new rates from that rate case take effect. In the event no other amortization expires before KCP&L's/GMO's new rates from that rate case take effect, then the remaining unamortized balance shall be a new regulatory liability or asset that is amortized over an appropriate period of time. For example, the Demand Side Management ("DSM") amortizations, once fully recovered, will be used to offset (reduce) other vintages of DSM amortizations, each reducing other vintages as those become fully recovered and, in the event no other vintages remain to be amortized, the

DSM amortizations will be applied to other amortizations that do not end before new rates take effect. (A schedule of the list of deferred assets/liabilities is attached as Exhibit A)

4. PENSIONS/OPEBS

A separate Stipulation and Agreement which establishes the level of recovery in rates will be filed.

5. ASSET RETIREMENT OBLIGATIONS (“ARO”) LIABILITY

The Signatories agree that KCP&L and GMO shall continue pre-merger treatment of AROs. Consistent with their historical accounting practice, KCP&L and GMO shall continue to defer all impacts of Accounting Standard Codification 410-20: Asset Retirement Obligations (i.e., SFAS 143) in deferred regulatory accounts, including accretion expense and depreciation expense. These deferrals shall have no impact on current customer rates or depreciation rates for KCP&L and GMO and the final ratemaking for these costs will be determined in future rate proceedings. At the completion of the associated ARO, KCP&L and GMO will close the related regulatory account to accumulated depreciation. This is consistent with practice prior to May 2018. The Company shall reverse any ARO accounting entries it made that are inconsistent with the practice prior to the merger.

6. CLEAN CHARGE NETWORK (“CCN”)

The Signatories agree that those CCN assets not already in KCP&L’s and GMO’s rate bases will be included in their rate bases. KCP&L and GMO agree not to expand the CCN without Commission approval. The Signatories agree that a new customer class for electric vehicle charging stations shall be established. The Signatories agree that no other customer class shall bear any costs related to this service either through base rates or through any rate adjustment mechanism such as a FAC, DSIM or RESRAM. KCP&L and GMO agree that joint and common costs shall be allocated to the electric vehicle charging class consistent with how joint and common costs are

allocated to other classes. The Signatories agree that the specimen CCN end user tariffs, attached as Exhibit B, should be approved by the Commission.

7. GMO CAPITAL STRUCTURE

For purposes of determining a December 31, 2017 capital structure, GMO shall reflect a \$169 million goodwill adjustment to reduce its equity balance to reflect the overall capital structure.

8. GMO AMORTIZATION

GMO will cease the recording of the additional \$7.2 million amortization from its revenue requirement calculation. GMO will apply the accumulated amortization amount to steam production plant and in GMO's next depreciation study, the accumulated amortization amount will be reflected in the Sibley depreciation accrual FERC Account 312 including non-unit train sub accounts.

9. CROSSROADS

A. GMO will make the following adjustments to all future surveillance reports it provides to Staff, the Office of the Public Counsel ("OPC"), MIEC, and MECG:

- GMO will reflect the original cost of Crossroads Energy Center with adjustments to this original cost as determined by the Commission in previous GMO rate cases.
- GMO will reflect the per book transmission expenses with adjustments to this per book amount to reflect the removal of all MISO transmission expenses related to the Crossroads Energy Center.

- B. The costs and revenues in GMO's FAC will not include transmission costs associated with Crossroads Energy Center.

The Signatories agree that the revenue requirement treatment of the Crossroads Energy Center will continue as the issue was resolved in GMO's last rate case (Case No. ER-2016-0156) which continued the treatment ordered by the Commission in Case No. ER-2010-0356.

10. GMO STEAM ALLOCATIONS

GMO will use the allocation numbers used in Staff's model filed in Case No. ER-2016-0156. These allocation numbers shall be used by GMO in its FAC, QCA and surveillance reporting. GMO agrees to work with Staff, OPC, and MCEG to develop new steam allocation procedures prior to GMO's next electric general rate case.

11. STUB PERIOD TAX BENEFITS

KCP&L and GMO shall return to customers by the methods set forth below all "stub period" benefits which reflect the full impact of the Tax Cut and Jobs Act ("TCJA") for KCP&L and GMO, respectively, with no offset for any other factors. The full annual amount for KCP&L is \$38.7 million and \$29.3 million for GMO. The amount to be returned to customers shall be prorated based on the number of days in the stub period (i.e., from January 1, 2018 to the effective date of the tariff sheets approved by the Commission in this case).

KCP&L

KCP&L stub period benefits will offset the following regulatory assets by the following amounts:

- Iatan I & Common – \$9,717,039
- Iatan 2 – \$13,432,298
- DSM Vintage 4 - \$5,989,195

- DSM Vintage 7 – \$1,217,427
- RES Vintage 4 – \$1,160,572
- Pre-MEEIA Opt-Out Vintage 2 – \$1,900,130
- DSM Vintage 6 - \$5,309,980
- Total: \$38,726,641¹

GMO

GMO shall issue one-time bill credits refunding the stub period benefits (annual amount - \$29.3 million) on customers’ bills beginning the first billing cycle that starts following 60 days after the effective date of tariff sheets approved by the Commission in this case. The \$29.3 million amount, after being prorated as necessary to reflect the number of days in the stub period, shall be allocated among the customer classes in the same manner as the upfront bill credits provided to GMO customers as a result of the Commission’s order in Case No. EM-2018-0012, as follows:

Tax Credit		\$ 29,311,612.00
Residential	46.654%	\$ 13,675,004.97
SGS	12.753%	\$ 3,738,106.86
LGS	15.915%	\$ 4,665,047.96
LPS ²	23.218%	\$ 6,805,502.86
Lighting	1.376%	\$ 403,450.13
Thermal	0.077%	\$ 22,635.46
TOD	0.006%	\$ 1,863.76
	100.000%	\$ 29,311,612.00

Amounts so allocated to each customer class shall be allocated to all retail customers within each respective class on the same basis as the upfront bill credits provided to GMO customers as a result of the Commission’s order in Case No. EM-2018-0012, namely:

¹ Changes to the annual amount resulting from proration shall change the offset amount to the Iatan 2 regulatory asset by the same value.

²Dogwood Energy, LLC is in the LPS customer class.

Residential:	Divided equally among the customer class by customer account
SGS:	Divided equally among the customer class by customer account
LGS:	Based on each customer's energy usage over the past 12 months within the customer class
LPS:	Based on each customer's energy usage over the past 12 months within the customer class
Lighting:	Divided equally among the customer class by customer account
Thermal:	Divided equally among the customer class by customer account
TOD:	Divided equally among the customer class by customer account

12. EXCESS ACCUMULATED DEFERED INCOME TAX ("EDIT")

AMORTIZATIONS: Amortization expense associated with the excess accumulated deferred income taxes will be recorded by the Company using the following periods³:

- Protected-ARAM
- Nonprotected-10 yr.
- NOL-ARAM
- Misc.- 10 yr.

13. FAC

The Signatories agree that Staff's FAC Base numbers will be used. KCP&L's Base Factor: 0.01675; GMO's Base Factor: 0.02240.

KCP&L and GMO shall provide purchased power costs and off-system sales revenues in all FAC filings and report submissions, which shall be in accordance with FERC order 668.

³ These periods are for purposes of this Stipulation only.

KCP&L and GMO shall include the FAC costs and revenues by subaccount for that month of the monthly FAC report and for the twelve months ending that month.

14. CNPPID HYDRO CONTRACT

KCP&L agrees to exclude the costs and revenues associated with the CNPPID hydro purchase power agreement (“PPA”) from KCP&L’s FAC calculations and shall file a separate tab in its FAC monthly reports showing the CNPPID hydro PPAs, including monthly operating data, costs and revenues. Similar to this commitment, KCP&L and GMO shall file a separate tab in their FAC monthly reports showing, for each of its PPA’s, monthly operating data, costs and revenues.

15. DEFERRAL OF DEPRECIATION EXPENSE ON PLANTS INCLUDED IN REVENUE REQUIREMENT UPON RETIREMENT

KCP&L

KCP&L will create a regulatory liability to capture the amount of depreciation expense included in KCP&L’s revenue requirement beginning when each of the following units is retired and depreciation expense is no longer recorded on KCP&L’s books:

Montrose units 2 and 3, including common plant.

The depreciation amounts will accumulate in the regulatory liability account until new customer rates are established in a subsequent rate case. At that time, the regulatory liability account will be closed into accumulated depreciation. Additionally, the closing of this regulatory liability into accumulated depreciation will be reflected in rates that are established in that rate case.

The Signatories agree that the rates established in this case include O&M associated with the Montrose units.

GMO

GMO will create a regulatory liability to capture the amount of depreciation expense included in GMO's revenue requirement beginning when each of the following units is retired and depreciation expense is no longer recorded on GMO's books:

Sibley units 1, 2, and 3, including common plant, and Lake Road unit 4/6.

The depreciation amounts will accumulate in the regulatory liability account until new customer rates are established in a subsequent rate case. At that time, the regulatory liability account will be closed into accumulated depreciation. Additionally, the closing of this regulatory liability into accumulated depreciation will be reflected in rates that are established in that rate case.

The Signatories agree that the rates established in this case include O&M associated with the Sibley units.

This Stipulation does not preclude any Signatory from proposing an accounting authority order ("AAO"), or any other ratemaking treatment, for the recovery of any other costs associated with the KCP&L and GMO retirements listed above. This Stipulation does not preclude any party from opposing an AAO, or any other ratemaking treatment, for the recovery of any other costs associated with the KCP&L and GMO retirements of the units listed above.

16. CONSOLIDATION STUDY

The Company will perform a study investigating the consolidation of KCP&L and GMO rates and will make a recommendation regarding consolidation of rates in these dockets within two years of the date of approval of this Stipulation. KCP&L and GMO will provide quarterly stakeholder updates concerning the study.

17. CUSTOMER BILLS

The Company will work with stakeholders regarding customer bill presentation. The Company will meet to obtain stakeholder input no later than six months after the effective date of the tariff sheets approved by the Commission in these cases. The Company expects the new bill presentation to occur within 24 months from effective date of rates in these cases.

The Company commits to include a description of FAC, RESRAM, and DSIM in bills to customers at least annually. The Company shall send draft language to Staff, OPC, and DE prior to sending to its customers.

18. CUSTOMER PRIVACY

The Company will adopt the Green Button platform no later than the second half of 2020.

The Company commits to producing a privacy policy statement and frequently asked questions (“FAQ”) website section for customers regarding use of customer data. The Company will receive input from OPC, Staff, and DE on the privacy policy statement and FAQs. The Company will hold annual meetings with Staff, OPC, and DE regarding the results of third party privacy impact assessments. The meetings and any material discussed at the meetings may be designated as confidential by the Company.

19. INCOME ELIGIBLE WEATHERIZATION (“IEW”)

The Company will not recover a throughput disincentive (“TD”) in its IEW programs. The Company will cease withholding and will release all weatherization funding previously retained as prior TD to be used for IEW programs.

The Signatories agree that KCP&L’s annual IEW budget is \$573,888 and GMO’s is \$500,000. The Company commits to secure contracts with Community Action Program agencies

to spend down unspent amounts. Any unspent funds will accrue interest at the AFUDC rate. Any unspent IEW balances, including accrued interest, will carry over for use in future program years.

The Company agrees that DE will be invited to, and may attend, all KCP&L and GMO meetings with Community Action Agencies (“CAA”) as required by the Commission’s *Report and Order* dated May 24, 2018 in EM-2018-0012, and receive all related reports from the CAA.

20. PLANT CLOSURES

KCP&L and GMO will investigate solar installation and or other renewable generation resources at any plant site that closes prior to the end of their next rate case(s).

KCP&L and GMO agree to provide notification of the availability of Missouri Division of Workforce Development resources to employees that voluntarily terminate employment due to position reassignments and/or relocations from all plants that close prior to the end of their next rate case(s).

21. LOW INCOME SOLAR

KCP&L and GMO will propose a low-income component to the solar investment required under section 393.1665 RSMo. no later than their next rate case(s).

22. NON-SIGNATORY PARTIES DO NOT OPPOSE STIPULATION

The Signatories have been authorized to represent that the following parties, who have not executed this Stipulation, do not oppose Commission approval of this Stipulation:

- Advanced Energy Management Alliance;
- Dogwood Energy, LLC; and
- OPC.

GENERAL PROVISIONS

23. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the testimony of

their witnesses, and the witnesses of the parties who do not oppose this Stipulation, on the issues that are resolved by this Stipulation.

24. This Stipulation is being entered into solely for the purpose of settling the issues/adjustments in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, method of cost determination or cost allocation or revenue-related methodology.

25. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same. No Signatory shall assert the terms of this agreement as a precedent in any future proceeding.

26. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

27. This Stipulation embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

28. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the

validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

29. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

30. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

WHEREFORE, the Signatories respectfully request the Commission to issue an order in this case approving the Stipulation subject to the specific terms and conditions contained therein.

Respectfully submitted,

/s/ Nicole Mers

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ATTORNEY FOR RENEW MISSOURI

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19th day of September, 2018.

Roger W. Steiner

Roger W. Steiner

KCPL-MO Regulatory Assets & Liabilities Amortization Schedule (Case No. ER-2018-0145)

Account	Description	Adjustment #	Vintage	Original Balance	Amortization Period	Amortization Begin	Amortization End	Annual Amortization Amount	Per Rate Case Unamortized Balance at 06/30/2018
182440	DSM Programs	RB-100, CS-100	1	2,396,665	10	Jan-07	Dec-16	0	0
			2	4,486,251	10	Jan-08	Oct-17	0	0
			3	6,705,008	10	Sep-09	Nov-18	670,501	453,417
			5	15,096,165	6	Feb-13	Jan-19	2,516,027	1,467,683
			6	20,115,013	6	Oct-15	Sep-21	1,718,662	5,585,652
			Carrying Costs	31,135	6	Dec-18	Nov-24	5,189	31,135
									7,537,888
182496	DSM Advertising Costs	CS-91	n/a	279,521	10	Sep-09	Aug-19	27,952	32,611
182498	DSM Advertising Costs	CS-91	n/a	230,341	10	May-11	Apr-21	23,034	65,263
182502	Iatan 2	RB-26, CS-112	1	17,042,591	47.7	May-11	Jan-59	25,898	1,049,736
			2	11,619,121	45.95	Feb-13	Jan-59	252,864	10,249,438
									11,299,175
182513	Renewable Energy Standards	CS-116	1	3,514,048	3	Feb-13	Jan-16	0	0
			2	31,273,056	5	Oct-15	Sep-20	6,254,611	14,072,875
			3	5,792,831	2.6	Jun-17	Dec-19	2,215,976	3,435,279
									17,508,154
182540	Pre-MEEIA Opt-out	CS-100	1	1,117,464	6	Oct-15	Sep-21	186,244	605,293
			3	2,496,616	6	Dec-18	Nov-24	416,103	2,496,616
									3,101,909
182550	La Cygne Obsolete Inventory	CS-114	n/a	475,574	5	Oct-15	Sep-20	95,115	214,008
182555	MO WC Mid - cycle Outage	CS-35	n/a	2,464,322	5	Oct-15	Sep-20	492,864	1,108,945
182999	Prospective Tracking Amortization								
	Lease Expense	CS-113	1	216,562	4	Dec-18	Nov-22	54,141	139,763
			2	141,668	4	Dec-18	Nov-22	35,417	141,668
									281,430
TBD	Amortization of Merger Transition Costs	CS-95	n/a	9,725,592	10	Dec-18	Nov-28	972,559	9,725,592
254000	Emission Allowance	RB-55, CS-22	1	(48,345,488)	21	May-11	Apr-32	(2,302,166)	(31,817,785)
254001	Excess Off-System Sales Margin 2006-0314	R-78	n/a	(1,082,974)	10	Sep-09	Aug-19	(124,009)	(144,677)
	Excess Off-System Sales Margin 2007-0089	R-78	n/a	(2,947,332)	10	Sep-09	Aug-19	(284,274)	(331,653)
	Excess Off-System Sales Margin 2010-0355	R-78	n/a	(3,684,939)	10	May-11	Apr-21	(393,770)	(1,115,682)
254005	Surface Transportation Board Reparation	n/a	n/a	(1,017,593)	10	Sep-09	Aug-19	(101,759)	(118,719)
254545	Income Eligible Weatherization	RB-101, CS-101	n/a	(947,817)	4	Dec-18	Nov-22	(236,954)	(947,817)
254551	Transource Account Review Amortization	CS-107	n/a	(136,880)	3	Oct-15	Sep-18	0	(11,407)
254553	Flood Reimbursement	CS-99	n/a	(542,520)	3	Oct-15	Sep-18	0	(45,210)
254999	Prospective Tracking Amortization								
	Wolf Creek Non-Rec Outage 18	CS-113	n/a	(336,361)	4	Dec-18	Nov-22	(84,090)	(336,361)
	Iatan 2 O&M Tracker	n/a	n/a	(150,400)	4	Dec-18	Nov-22	(37,600)	(150,400)
	MO Flood AAO Amortization	n/a	n/a	(117,691)	4	Dec-18	Nov-22	(29,423)	(117,691)
									(604,452)
TBD	EV Charging Station Over Recovery	CS-102	n/a	(630,458)	4	Dec-18	Nov-22	(157,614)	(630,458)

Exhibit A - Page 18 of 23

GMO Regulatory Assets & Liabilities Amortization Schedule (Case No. ER-2018-0146)

Account	Description	Adjustment #	Vintage	Original Balance	Amortization Period	Amortization Begin	Amortization End	Annual Amortization Amount	Per Rate Case Unamortized Balance at 06/30/2018
182426	latan 1 and Common	RB-25E, CS-111E	1	4,318,188	27	Jun-11	Jun-38	159,933	3,195,992
			2	1,837,166	25.4	Jan-13	Jun-38	72,282	1,444,473
									4,640,466
182440	DSM Programs	RB-100E, CS-100E	1	1,193,830	10	Sep-09	Aug-19	119,383	139,280
			2	14,526,140	10	Jun-11	Jun-21	1,452,614	4,333,632
			3	9,488,006	6	Feb-13	Jan-19	1,581,334	922,445
			4	1,693,557	6	Feb-17	Jan-23	282,260	1,311,331
			5	5,819	6	Dec-18	Nov-24	970	5,819
									6,712,507
182498	DSM Advertising	CS-91E		190,572	10	Jun-11	Jun-21	19,057	56,854
182502	latan 2	RB-26E, CS-112E	1	6,413,182	47.7	Jun-11	Mar-59	134,448	5,469,804
			2	9,093,234	46.12	Jan-13	Mar-59	197,179	8,022,002
									13,491,805
182512	latan 2 O&M Tracker	CS-48E	1	878,896	3	Feb-13	Jan-16	-	-
			2	498,673	4	Feb-17	Jan-21	124,668	329,851
			3	(84,480)	4	Feb-17	Jan-21	(21,120)	(55,880)
			4	696,880	4	Feb-17	Jan-21	174,220	460,957
			5	890,517	4	Feb-17	Jan-21	222,629	589,040
			6	146,763	4	Feb-17	Jan-21	36,691	97,077
									1,421,046
182999	Prospective Tracking Amortization Lease Expense	CS-113E		173,548	4	Dec-18	Nov-22	43,387	173,548
TBD	Amortization of Merger Transition Costs	CS-95	n/a	7,209,208	10	Dec-18	Nov-28	720,921	7,209,208
254528	L&P Ice Storm Damage	CS-107E		(4,503,403)	4	Feb-17	Feb-21	(1,125,851)	(2,978,814)
				(894,058)	4	Dec-18	Nov-22	(223,515)	(894,058)
									(3,872,872)
254545	Income Eligible Weatherization	RB-101, CS-101E		(121,657)	4	Dec-18	Nov-22	(30,414)	(121,657)
254550	Transource MO	CS-105E		(5,661,434)	3	Feb-17	Jan-20	(1,887,145)	(3,109,049)
				(29,726)	4	Dec-18	Nov-22	(7,431)	(29,726)
									(3,138,775)
254551	Transource Account Review	CS-110E		(122,840)	3	Feb-17	Feb-20	(40,947)	(67,391)
254560	L&P Phase In	R-106E		(935,123)	4	Feb-17	Jan-21	(233,781)	(618,545)
				(1,052,013)	4	Dec-18	Nov-22	(263,003)	(1,052,013)
									(1,670,557)

KANSAS CITY POWER AND LIGHT COMPANY

P.S.C. MO. No. 7 First Revised Sheet No. 16
Canceling P.S.C. MO. No. 7 Original Sheet No. 16
For Missouri Retail Service Area

CLEAN CHARGE NETWORK
Schedule CCN

PURPOSE

The Company owns electric vehicle (EV) charging stations throughout its Missouri service territory that are available to the public for purpose of charging an EV and may be used by any EV owner who resides either within or outside the Company's Missouri service territory.

AVAILABILITY

This rate schedule applies to all energy provided to charge EVs at the Company's public EV charging stations. EV charging service will be available at the Company-owned EV charging stations installed at Company and Host locations. The EV charging stations are accessed by using a card provided to users with an established account from the Company's third party vendor.

HOST PARTICIPATION

EV charging stations are located at Company and Host sites. A Host is an entity within the Company's Missouri service territory that applies for and agrees to locate one or more Company EV charging stations upon their premise(s). Host applications will be evaluated for acceptance based on each individual site and application. If a Host's application is approved, the Host must execute an agreement with the Company covering the terms and provisions applicable to the EV charging station(s) upon their premise(s). No Host shall receive any compensation for locating an EV charging station upon their premise(s).

The maximum number of EV charging stations identified by the Company for its Missouri service territory under this Schedule CCN is 400. The Company may not exceed 400 EV charging stations under this tariff without approval of the State Regulatory Commission.

PROGRAM ADMINISTRATION

Charges under this Schedule CCN will be administered and billed through either the Company's third party vendor on behalf of the Company, or directly by the Company depending on the Billing Option chosen by the Host.

BILLING OPTIONS

The charges applicable to an EV charging station session shall include an Energy Charge for each kilowatt-hour (kWh) provided to charge an EV dependent on the Billing Option chosen by the Host.

KANSAS CITY POWER AND LIGHT COMPANY

P.S.C. MO. No. 7 Original Sheet No. 16A
Canceling P.S.C. MO. No. _____ Sheet No. _____
For Missouri Retail Service Area

CLEAN CHARGE NETWORK
Schedule CCN

BILLING OPTIONS (continued)

A Host may choose between one of two Billing Options for all EV charging stations located upon their premise(s). The Host's agreement with the Company will identify the chosen Billing Option applicable to the EV charging stations located on its premise(s). The EV charging station screen, and third party vendor's customer web portal, identify the applicable Energy Charges that will be the responsibility of the user at each EV charging station location.

Option 1: The Host pays the kilowatt-hour (kWh) Energy Charge plus applicable taxes and fees.

Option 2: The EV charging station user pays the kilowatt-hour (kWh) Energy Charge plus applicable taxes and fees.

RATES FOR SERVICE

The EV charging station screen and third party vendor's customer web portal will identify the per kWh rate as equal to the Energy Charge plus applicable taxes and fees to that charging station.

A. Energy Charge (per kWh)

Level 2:	\$0.20000
Level 3:	\$0.25000

The Energy Charge shall be defined as a flat rate per kWh, and reflect the inclusion of all energy rate adjustment mechanisms, such as the: (1) Demand Side Investment Mechanism Rider (DSIM); and (2) Fuel Adjustment Clause (FAC).

Issued:
Issued by: Darrin R. Ives, Vice President

Effective:
1200 Main, Kansas City, MO 64105

KANSAS CITY POWER AND LIGHT COMPANY

P.S.C. MO. No. 7 Original Sheet No. 16B
Canceling P.S.C. MO. No. _____ Sheet No. _____
For Missouri Retail Service Area

CLEAN CHARGE NETWORK
Schedule CCN

BILLING

All users of the Company's public EV charging stations must have an account with the Company's third party vendor. Information on opening an account can be found on the Company's website at <http://kcpl.chargepoint.com>.

All charges applicable to the Host under Billing Option 1 will be billed directly through the Company. All charges applicable to any user of an EV charging station under Billing Option 2 will be billed directly through the Company's third party vendor.

TAX ADJUSTMENT

Tax Adjustment, Schedule TA, shall be applicable to all customer billings under this schedule.

REGULATIONS

Subject to Rules and Regulations filed with the State Regulatory Commission.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 Original Sheet No. 154
Canceling P.S.C. MO. No. Sheet No.
For Missouri Retail Service Area

CLEAN CHARGE NETWORK SCHEDULE CCN

PURPOSE

The Company owns electric vehicle (EV) charging stations throughout its territory that are available to the public for purpose of charging an EV and may be used by any EV owner who resides either within or outside the Company's service territory.

AVAILABILITY

This rate schedule applies to all energy provided to charge EVs at the Company's public EV charging stations. EV charging service will be available at the Company-owned EV charging stations installed at Company and Host locations. The EV charging stations are accessed by using a card provided to users with an established account from the Company's third party vendor.

HOST PARTICIPATION

EV charging stations are located at Company and Host sites. A Host is an entity within the Company's service territory that applies for and agrees to locate one or more Company EV charging stations upon their premise(s). Host applications will be evaluated for acceptance based on each individual site and application. If a Host's application is approved, the Host must execute an agreement with the Company covering the terms and provisions applicable to the EV charging station(s) upon their premise(s). No Host shall receive any compensation for locating an EV charging station upon their premise(s).

The maximum number of EV charging stations identified by the Company under this Schedule CCN is 250. The Company may not exceed 250 EV charging stations under this tariff without approval of the State Regulatory Commission.

PROGRAM ADMINISTRATION

Charges under this Schedule CCN will be administered and billed through either the Company's third party vendor on behalf of the Company, or directly by the Company depending on the Billing Option chosen by the Host.

BILLING OPTIONS

The charges applicable to an EV charging station session shall include an Energy Charge for each kilowatt-hour (kWh) provided to charge an EV dependent on the Billing Option chosen by the Host.

A Host may choose between one of two Billing Options for all EV charging stations located upon their premise(s). The Host's agreement with the Company will identify the chosen Billing Option applicable to the EV charging stations located on its premise(s). The EV charging station screen, and third party vendor's customer web portal, identify the applicable Energy Charges that will be the responsibility of the user at each EV charging station location.

Option 1: The Host pays the kilowatt-hour (kWh) Energy Charge plus applicable taxes and fees.

Option 2: The EV charging station user pays the kilowatt-hour (kWh) Energy Charge plus applicable taxes and fees.

KCP&L GREATER MISSOURI OPERATIONS COMPANY

P.S.C. MO. No. 1 Original Sheet No. 154.1
Canceling P.S.C. MO. No. Sheet No.
For Missouri Retail Service Area

CLEAN CHARGE NETWORK SCHEDULE CCN

RATES FOR SERVICE

The EV charging station screen and third party vendor's customer web portal will identify the per kWh rate as equal to the Energy Charge plus applicable taxes and fees to that charging station.

A. Energy Charge (per kWh)

Level 2:	\$0.20000
Level 3:	\$0.25000

The Energy Charge shall be defined as a flat rate per kWh, and reflect the inclusion of all energy rate adjustment mechanisms, such as the: (1) Demand-Side Investment Mechanism Rider (DSIM); (2) Renewable Energy Standard Rate Adjustment Mechanism Rider (RESRAM); and (3) Fuel Adjustment Clause (FAC).

BILLING

All users of the Company's public EV charging stations must have an account with the Company's third party vendor. Information on opening an account can be found on the Company's website at <http://kcpl.chargepoint.com>.

All charges applicable to the Host under Billing Option 1 will be billed directly through the Company. All charges applicable to any user of an EV charging station under Billing Option 2, will be billed directly through the Company's third party vendor.

ADJUSTMENTS AND SURCHARGES

The rates hereunder are subject to adjustment as provided in the Tax and License Rider.

REGULATIONS

Subject to Rules and Regulations filed with the State Regulatory Commission.

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 31st day of October, 2018.

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	)	<u>File No. ER-2018-0145</u>
	)	Tariff No. YE-2018-0095
	)	Tariff No. YE-2018-0096

In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority To Implement a General Rate Increase for Electric Service	)	<u>File No. ER-2018-0146</u>
	)	Tariff No. YE-2018-0097
)	

ORDER APPROVING STIPULATIONS AND AGREEMENTS

Issue Date: October 31, 2018

Effective Date: November 10, 2018

On September 19, Kansas City Power & Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO"), the Staff of the Commission ("Staff"), Missouri Energy Consumers Group ("MECG"), The Missouri Department of Economic Development – Division of Energy ("DE"), Missouri Industrial Energy Consumers ("MIEC"), Missouri Joint Municipal Electric Utility Cooperatives ("MJMEUC"), and Renew Missouri Advocates d/b/a Renew Missouri ("Renew Missouri") filed a Non-Unanimous Partial Stipulation and Agreement resolving revenue requirement issues ("First Stipulation").¹ The First Stipulation states that KCP&L's rates will be reduced by \$21 million, and that GMO's rates will be reduced by \$24 million.

¹ Unless otherwise noted, calendar references are to 2018.

On September 21, as contemplated by the First Stipulation, KCP&L, GMO and Staff filed a Non-Unanimous Stipulation and Agreement resolving pensions and other post-employment benefits (“OPEB”) costs (“Second Stipulation”). The Second Stipulation resolves accounting and ratemaking treatment of KCP&L’s and GMO’s pension and OPEB costs.

On September 25, KCP&L, GMO, Staff, the Office of the Public Counsel (“OPC”), Advanced Energy Management Alliance (“AEMA”), DE, MJMEUC, and Renew Missouri filed a Non-Unanimous Stipulation and Agreement Concerning Rate Design Issues (“Third Stipulation”). The Third Stipulation resolves issues such as load research, tariffs and tariff riders, distributed energy resources, time of use rate design, and third-party charging stations.

On September 27, KCP&L, GMO, Staff, OPC, MEEG, DE, MIEC, MJMEUC, and Renew Missouri filed a Non-Unanimous Stipulation and Agreement Regarding Class Revenue Shifts (“Fourth Stipulation”). The Fourth Stipulation states that all of GMO’s customer classes will receive a 3.22% rate decrease. It further states that KCP&L customers will receive a rate decrease as follows: Large Power Service and Large General Service – 2.99%; Medium General Service – 2.39%; Small General Service – 4.73%, and Residential and Lighting - 1.43%. Finally, the Fourth Stipulation increases the KCP&L rate decrease from \$21 million to \$21.1 million.

On October 3, the Commission held an on-the-record presentation. The parties answered questions regarding each of the four Stipulations, as well as questions regarding Commission concerns about KCP&L’s and GMO’s line extension tariffs and solar rebate applications (“Commission issues”). KCP&L, GMO and Staff also filed briefs on the

Commission issues. The Commission is satisfied with the answers it received during the on-the-record presentation and in the briefs, and will not order any further action on the Commission issues.

Although the four Stipulations were not signed by all parties, the Commission may treat them as unanimous because no party filed a timely objection.² After reviewing the four Stipulations, the Commission independently finds and concludes that they are a reasonable resolution of the issues, and that approval of them will result in just and reasonable rates. Thus, the Commission approves the four Stipulations.

THE COMMISSION ORDERS THAT:

1. The four above-referenced Stipulations and Agreements are approved as a resolution of all issues. The signatory parties are ordered to comply with the terms of the Stipulations and Agreements that they have signed. Copies of the four Stipulations and Agreements are attached to this order and incorporated by reference.

2. The tariff sheets filed by Kansas City Power & Light Company and KCPL Greater Missouri Operations Company on January 30, 2018, and assigned tariff numbers YE-2018-0095, YE-2019-0096, and YE-2018-0097 are rejected.

3. Kansas City Power & Light Company and KCPL Greater Missouri Operations Company shall file tariffs that comport with this order no later than November 6, 2018.

4. The Staff of the Commission shall file a Recommendation on the above-referenced tariffs no later than November 9, 2018.

5. Any other party who wishes to comment on the tariffs shall do so no later than November 9, 2018.

6. This order shall be effective on November 10, 2018.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Pridgin, Deputy Chief Regulatory Law Judge

² Commission Rule 4 CSR 240-2.115(2). Also, each stipulation represented that the non-signatories did not object to the stipulation.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light)	
Company's Request for Authority to	)	File No. ER-2018-0145
Implement a General Rate Increase for	)	Tariff No. YE-2019-0083
Electric Service	)	Tariff No. YE-2019-0084

In the Matter of KCP&L Greater Missouri)	
Operations Company's Request for Authority	)	File No. ER-2018-0146
To Implement a General Rate Increase for	)	Tariff No. YE-2019-0085
Electric Service)	

ORDER APPROVING TARIFFS

Issue Date: November 26, 2018

Effective Date: December 6, 2018

On November 6, 2018, Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO") filed the above-referenced tariffs. KCP&L and GMO also filed substitute tariffs on November 9 and 16. KCP&L and GMO filed those tariffs in response to the Commission's October 31, 2018 Order Approving Stipulations and Agreements ("Order").

Staff filed a Recommendation on November 16, 2018. The Recommendation stated that the tariffs, as substituted on November 9 and 16, 2018, comply with the Commission's Order, and recommended that the Commission approve them. The Commission received no other responses to the tariff filing or Staff's Recommendation.

The Commission reviewed the tariff filings and Staff's Recommendation, and determines that the filings comply with the Commission's order.

THE COMMISSION ORDERS THAT:

1. The following tariff sheets in Tariff Nos. YE-2019-0083, issued November 6, 2018, as substituted on November 9, 2018 and November 16, 2018, are hereby approved to become effective on December 6, 2018:

PSC Mo. No. 2, Rules and Regulations

First Revised Sheet No. 1.04C, canceling Original Sheet No. 1.04C
Second Revised Sheet No. 1.24B, canceling First Revised Sheet No. 1.24B
First Revised Sheet No. 1.24C, canceling Original Sheet No. 1.24C
Seventh Revised Sheet No. 1.28, canceling Sixth Revised Sheet No. 1.28
Sixth Revised Sheet No. 1.42, canceling Fifth Revised Sheet No. 1.42
Second Revised Sheet No. 2, canceling First Revised Sheet No. 2
Second Revised Sheet No. 2.24, canceling First Revised Sheet No. 2.24

2. The following tariff sheets in Tariff Nos. YE-2019-0084, issued November 6, 2018, as substituted on November 9, 2018 and November 16, 2018, are hereby approved to become effective on December 6, 2018:

PSC Mo. No. 7, Electric Rates

Tenth Revised Sheet No. 5A, canceling Ninth Revised Sheet No. 5A
Tenth Revised Sheet No. 5B, canceling Ninth Revised Sheet No. 5B
Sixth Revised Sheet No. 6, canceling Fifth Revised Sheet No. 6
First Revised Sheet No. 7, canceling Original Sheet No. 7
Original Sheet No. 7A
Tenth Revised Sheet No. 8, canceling Ninth Revised Sheet No. 8
Ninth Revised Sheet No. 8A, canceling Eighth Revised Sheet No. 8A
Tenth Revised Sheet No. 9A, canceling Ninth Revised Sheet No. 9A
Tenth Revised Sheet No. 9B, canceling Ninth Revised Sheet No. 9B
Tenth Revised Sheet No. 10A, canceling Ninth Revised Sheet No. 10A
Tenth Revised Sheet No. 10B, canceling Ninth Revised Sheet No. 10B
Tenth Revised Sheet No. 10C, canceling Ninth Revised Sheet No. 10C
Tenth Revised Sheet No. 11A, canceling Ninth Revised Sheet No. 11A
Tenth Revised Sheet No. 11B, canceling Ninth Revised Sheet No. 11B
Tenth Revised Sheet No. 14A, canceling Ninth Revised Sheet No. 14A
Tenth Revised Sheet No. 14B, canceling Ninth Revised Sheet No. 14B
First Revised Sheet No. 16, canceling Original Sheet No. 16
Original Sheet No. 16A
Original Sheet No. 16B

Tenth Revised Sheet No. 17A, canceling Ninth Revised Sheet No. 17A
Tenth Revised Sheet No. 18A, canceling Ninth Revised Sheet No. 18A
Tenth Revised Sheet No. 18B, canceling Ninth Revised Sheet No. 18B
Tenth Revised Sheet No. 18C, canceling Ninth Revised Sheet No. 18C
Tenth Revised Sheet No. 19A, canceling Ninth Revised Sheet No. 19A
Tenth Revised Sheet No. 19B, canceling Ninth Revised Sheet No. 19B
Tenth Revised Sheet No. 20C, canceling Ninth Revised Sheet No. 20C
Fifth Revised Sheet No. 20D, cancelling Fourth Revised Sheet No. 20D
Ninth Revised Sheet No. 21, canceling Eighth Revised Sheet No. 21
Eighth Revised Sheet No. 21A, canceling Seventh Revised Sheet No. 21A
Eighth Revised Sheet No. 21B, canceling Seventh Revised Sheet No. 21B
Seventh Revised Sheet No. 21C, canceling Sixth Revised Sheet No. 21C
Seventh Revised Sheet No. 21D, canceling Sixth Revised Sheet No. 21D
Second Revised Sheet No. 22, canceling First Revised Sheet No. 22
Second Revised Sheet No. 24, canceling First Revised Sheet No. 24
Twelfth Revised Sheet No. 24A, canceling Eleventh Revised Sheet No. 24A
Fifth Revised Sheet No. 26A, canceling Fourth Revised Sheet No. 26A
Fourth Revised Sheet No. 26B, canceling Third Revised Sheet No. 26B
Sixth Revised Sheet No. 26C, canceling Fifth Revised Sheet No. 26C
Fourth Revised Sheet No. 26D, canceling Third Revised Sheet No. 26D
Second Revised Sheet No. 28, canceling First Revised Sheet No. 28
First Revised Sheet No. 28A, canceling Original Sheet No. 28A
Ninth Revised Sheet No. 28B, canceling Eighth Revised Sheet No. 28B
First Revised Sheet No. 28C, canceling Original Sheet No. 28C
Third Revised Sheet No. 28D, canceling Second Revised Sheet No. 28D
Original Sheet No. 28E
Original Sheet No. 28F
Original Sheet No. 28G
Third Revised Sheet No. 29, canceling Second Revised Sheet No. 29
Second Revised Sheet No. 29A, canceling First Revised Sheet No. 29A
Second Revised Sheet No. 29B, canceling First Revised Sheet No. 29B
Second Revised Sheet No. 29C, canceling First Revised Sheet No. 29C
Second Revised Sheet No. 29D, canceling First Revised Sheet No. 29D
Tenth Revised Sheet No. 30, canceling Ninth Revised Sheet No. 30
Second Revised Sheet No. 30A, canceling First Revised Sheet No. 30A
Tenth Revised Sheet No. 33, canceling Ninth Revised Sheet No. 33
Third Revised Sheet No. 33A, canceling Second Revised Sheet No. 33A
Fourth Revised Sheet No. 33B, canceling Third Revised Sheet No. 33B
Eleventh Revised Sheet No. 35, canceling Tenth Revised Sheet No. 35
Eleventh Revised Sheet No. 35A, canceling Tenth Revised Sheet No. 35A
Eleventh Revised Sheet No. 35B, canceling Tenth Revised Sheet No. 35B
Eleventh Revised Sheet No. 36, canceling Tenth Revised Sheet No. 36
Eleventh Revised Sheet No. 36A, canceling Tenth Revised Sheet No. 36A
Eleventh Revised Sheet No. 36B, canceling Tenth Revised Sheet No. 36B
Tenth Revised Sheet No. 37, canceling Ninth Revised Sheet No. 37
Tenth Revised Sheet No. 37A, canceling Ninth Revised Sheet No. 37A

Tenth Revised Sheet No. 37B, canceling Ninth Revised Sheet No. 37B
Tenth Revised Sheet No. 37C, canceling Ninth Revised Sheet No. 37C
Fourth Revised Sheet No. 39, canceling Third Revised Sheet No. 39
Second Revised Sheet No. 39A, canceling First Revised Sheet No. 39A
Second Revised Sheet No. 39B, canceling First Revised Sheet No. 39B
Second Revised Sheet No. 39C, canceling First Revised Sheet No. 39C
Third Revised Sheet No. 39D, canceling Second Revised Sheet No. 39D
Second Revised Sheet No. 39E, canceling First Revised Sheet No. 39E
Fourth Revised Sheet No. 40, canceling Third Revised Sheet No. 40
Sixth Revised Sheet No. 40A, canceling Fifth Revised Sheet No. 40A
Fourth Revised Sheet No. 40B, canceling Third Revised Sheet No. 40B
Second Revised Sheet No. 40C, canceling First Revised Sheet No. 40C
Second Revised Sheet No. 40D, canceling First Revised Sheet No. 40D
Second Revised Sheet No. 40E, canceling First Revised Sheet No. 40E
Second Revised Sheet No. 40F, canceling First Revised Sheet No. 40F
Second Revised Sheet No. 40G, canceling First Revised Sheet No. 40G
Second Revised Sheet No. 40H, canceling First Revised Sheet No. 40H
Second Revised Sheet No. 44, canceling First Revised Sheet No. 44

Original Sheet No. 44A

Original Sheet No. 44B

Tenth Revised Sheet No. 45, canceling Ninth Revised Sheet No. 45
Tenth Revised Sheet No. 45A, canceling Ninth Revised Sheet No. 45A
Third Revised Sheet No. 48A, canceling Second Revised Sheet No. 48A
Second Revised Sheet No. 49P, canceling First Revised Sheet No. 49P
Second Revised Sheet No. 50.11, canceling First Revised Sheet No. 50.11
Second Revised Sheet No. 50.12, canceling First Revised Sheet No. 50.12
Second Revised Sheet No. 50.13, canceling First Revised Sheet No. 50.13
Second Revised Sheet No. 50.14, canceling First Revised Sheet No. 50.14
Second Revised Sheet No. 50.15, canceling First Revised Sheet No. 50.15
Second Revised Sheet No. 50.16, canceling First Revised Sheet No. 50.16
Second Revised Sheet No. 50.17, canceling First Revised Sheet No. 50.17
Second Revised Sheet No. 50.18, canceling First Revised Sheet No. 50.18
Second Revised Sheet No. 50.19, canceling First Revised Sheet No. 50.19

Original Sheet No. 50.21

Original Sheet No. 50.22

Original Sheet No. 50.23

Original Sheet No. 50.24

Original Sheet No. 50.25

Original Sheet No. 50.26

Original Sheet No. 50.27

Original Sheet No. 50.28

Original Sheet No. 50.29

Original Sheet No. 50.30

Original Sheet No. 50.31

Sixteenth Revised Sheet No. TOC-1, canceling Fifteenth Revised Sheet No. TOC-1

Original Sheet No. TOC-1A

First Revised Sheet No. TOC-2, canceling Original Sheet No. TOC-2
Second Revised Sheet No. TOC-2A, canceling First Revised Sheet No. TOC-2A

3. The following tariff sheets in Tariff Nos. YE-2019-0085, issued November 6, 2018, as substituted on November 9, 2018 and November 16, 2018, are hereby approved to become effective on December 6, 2018:

PSC Mo. No. 1, Rates Electric

9th Revised Sheet No. 1, canceling 8th Revised Sheet No. 1
Original Sheet No. 1.1

13th Revised Sheet No. 2, canceling 12th Revised Sheet No. 2
Original Sheet 2.1

8th Revised Sheet No. 41, canceling 7th Revised Sheet No. 41

9th Revised Sheet No. 42, canceling 8th Revised Sheet No. 42

8th Revised Sheet No. 43, canceling 7th Revised Sheet No. 43

8th Revised Sheet No. 44, canceling 7th Revised Sheet No. 44

7th Revised Sheet No. 47, canceling 6th Revised Sheet No. 47

7th Revised Sheet No. 48, canceling 6th Revised Sheet No. 48

3rd Revised Sheet No. 49, canceling 2nd Revised Sheet No. 49

9th Revised Sheet No. 50, canceling 8th Revised Sheet No. 50

1st Revised Sheet No. 50.1, canceling Original Sheet No. 50.1

7th Revised Sheet No. 67, canceling 6th Revised Sheet No. 67

7th Revised Sheet No. 68, canceling 6th Revised Sheet No. 68

7th Revised Sheet No. 70, canceling 6th Revised Sheet No. 70

8th Revised Sheet No. 71, canceling 7th Revised Sheet No. 71

8th Revised Sheet No. 88, canceling 7th Revised Sheet No. 88

8th Revised Sheet No. 89, canceling 7th Revised Sheet No. 89

7th Revised Sheet No. 90, canceling 6th Revised Sheet No. 90

7th Revised Sheet No. 91, canceling 6th Revised Sheet No. 91

7th Revised Sheet No. 92, canceling 6th Revised Sheet No. 92

5th Revised Sheet No. 93, canceling 4th Revised Sheet No. 93

4th Revised Sheet No. 94, canceling 3rd Revised Sheet No. 94

9th Revised Sheet No. 95, canceling 8th Revised Sheet No. 95

1st Revised Sheet No. 95.1, canceling Original Sheet No. 95.1

9th Revised Sheet No. 102, canceling 8th Revised Sheet No. 102

Original Sheet 102.1

Original Sheet 102.2

8th Revised Sheet No. 103, canceling 7th Revised Sheet No. 103

8th Revised Sheet No. 104, canceling 7th Revised Sheet No. 104

2nd Revised Sheet No. 109, canceling 1st Revised Sheet No. 109

Original Sheet No. 109.1

Original Sheet No. 109.2

Original Sheet No. 109.3

Original Sheet No. 109.4
Original Sheet No. 109.5
3rd Revised Sheet No. 127.1, canceling 2nd Revised Sheet No. 127.1
3rd Revised Sheet No. 127.2, canceling 2nd Revised Sheet No. 127.2
3rd Revised Sheet No. 127.3, canceling 2nd Revised Sheet No. 127.3
3rd Revised Sheet No. 127.4, canceling 2nd Revised Sheet No. 127.4
7th Revised Sheet No. 127.5, canceling 6th Revised Sheet No. 127.5
3rd Revised Sheet No. 127.6, canceling 2nd Revised Sheet No. 127.6
3rd Revised Sheet No. 127.7, canceling 2nd Revised Sheet No. 127.7
3rd Revised Sheet No. 127.8, canceling 2nd Revised Sheet No. 127.8
3rd Revised Sheet No. 127.9, canceling 2nd Revised Sheet No. 127.9
5th Revised Sheet No. 127.10, canceling 4th Revised Sheet No. 127.10
1st Revised Sheet No. 127.11, canceling Original Sheet No. 127.11
Original Sheet No. 127.13
Original Sheet No. 127.14
Original Sheet No. 127.15
Original Sheet No. 127.16
Original Sheet No. 127.17
Original Sheet No. 127.18
Original Sheet No. 127.19
Original Sheet No. 127.20
Original Sheet No. 127.21
Original Sheet No. 127.22
Original Sheet No. 127.23
2nd Revised Sheet No. 128, canceling 1st Revised Sheet No. 128
Original Sheet No. 128.1
Original Sheet No. 128.2
Original Sheet No. 128.3
Original Sheet No. 128.4
Original Sheet No. 128.5
Original Sheet No. 128.6
2nd Revised Sheet No. 135, canceling 1st Revised Sheet No. 135
3rd Revised Sheet No. 138.8, canceling 2nd Revised Sheet No. 138.8
Original Sheet No. 139
Original Sheet No. 139.1
Original Sheet No. 139.2
Original Sheet No. 139.3
Original Sheet No. 139.4
Original Sheet No. 139.5
Original Sheet No. 139.6
Original Sheet No. 139.7
1st Revised Sheet No. 140, canceling Original Sheet No. 140
1st Revised Sheet No. 141, canceling Original Sheet No. 141
1st Revised Sheet No. 142, canceling Original Sheet No. 142
1st Revised Sheet No. 143, canceling Original Sheet No. 143
1st Revised Sheet No. 144, canceling Original Sheet No. 144

1st Revised Sheet No. 145, canceling Original Sheet No. 145
1st Revised Sheet No. 146.1, canceling Original Sheet No. 146.1
1st Revised Sheet No. 146.3, canceling Original Sheet No. 146.3
Original Sheet No. 146.5
Original Sheet No. 146.6
1st Revised Sheet No. 147.1, canceling Original Sheet No. 147.1
1st Revised Sheet No. 147.2, canceling Original Sheet No. 147.2
1st Revised Sheet No. 147.3, canceling Original Sheet No. 147.3
1st Revised Sheet No. 148.1, canceling Original Sheet No. 148.1
1st Revised Sheet No. 148.2, canceling Original Sheet No. 148.2
1st Revised Sheet No. 149, canceling Original Sheet No. 149
1st Revised Sheet No. 149.1, canceling Original Sheet No. 149.1
1st Revised Sheet No. 149.2, canceling Original Sheet No. 149.2
1st Revised Sheet No. 149.3, canceling Original Sheet No. 149.3
1st Revised Sheet No. 149.4, canceling Original Sheet No. 149.4
1st Revised Sheet No. 150, canceling Original Sheet No. 150
1st Revised Sheet No. 150.1, canceling Original Sheet No. 150.1
1st Revised Sheet No. 150.2, canceling Original Sheet No. 150.2
1st Revised Sheet No. 151, canceling Original Sheet No. 151
Original Sheet No. 152
Original Sheet No. 152.1
Original Sheet No. 152.2
Original Sheet No. 153
Original Sheet No. 153.1
Original Sheet No. 154
Original Sheet No. 154.1
Original Sheet No. 156
Original Sheet No. 156.1
Original Sheet No. 156.2
Original Sheet No. 156.3

PSC Mo. No. 1, Rules and Regulations Electric

3rd Revised Sheet No. R-1, canceling 2nd Revised Sheet No. R-1
Original Sheet No. R-33.2
1st Revised Sheet No. R-33.3, canceling Original Sheet No. R-33.3
5th Revised Sheet No. R-63, canceling 4th Revised Sheet No. R-63
2nd Revised Sheet No. R-63.01.1, canceling 1st Revised Sheet No. R-63.01.1
2nd Revised Sheet No. R-63.22, canceling 1st Revised Sheet No. R-63.22
2nd Revised Sheet No. R-63.23, canceling 1st Revised Sheet No. R-63.23
2nd Revised Sheet No. R-63.24, canceling 1st Revised Sheet No. R-63.24
2nd Revised Sheet No. R-63.25, canceling 1st Revised Sheet No. R-63.25
3rd Revised Sheet No. R-63.26, canceling 2nd Revised Sheet No. R-63.26

4. This order shall be effective on December 6, 2018.
5. These files shall be closed on December 7, 2018.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Ronald D. Pridgin, Deputy Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 26th day of November, 2018.

Exhibit No.:

Issue(s):

Witness/Type of Exhibit:

Sponsoring Party:

Case No.:

Depreciation/

Retirements/

One CIS/

O&M Expense

Robinett/Rebuttal

Public Counsel

ER-2018-0145

and ER-2018-0146

REBUTTAL TESTIMONY

OF

JOHN A. ROBINETT

Submitted on Behalf of
the Office of the Public Counsel

KANSAS CITY POWER & LIGHT COMPANY
and
KCP&L GREATER MISSOURI OPERATIONS COMPANY

Case No. ER-2018-0145 and ER-2018-0146

Denotes Information that has been redacted

July 27, 2018

NP

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power &)
Light Company's Request for Authority) File No. ER-2018-0145
to Implement a General Rate Increase)
for Electric Service)


In the Matter of KCP&L Greater Missouri)
Operations Company's Request for) File No. ER-2018-0146
Authority to Implement a General)
Rate Increase for Electric Service)

AFFIDAVIT OF JOHN A. ROBINETT

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

John A. Robinett, of lawful age and being first duly sworn, deposes and states:

1. My name is John A. Robinett. I am a Utility Engineering Specialist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.


John A. Robinett
Utility Engineering Specialist

Subscribed and sworn to me this 27th day of July 2018.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2021
Cole County
Commission #13754037


Jerene A. Buckman
Notary Public

My Commission expires August 23, 2021.

TABLE OF CONTENTS

<u>Testimony</u>	<u>Page</u>
Coal Unit Retirements	3
KCPL and GMO Depreciation Recommendation	5
KCPL Operations and Maintenance Expense	6
GMO Operations and Maintenance Expense	6
GMO Sibley Unit 3	7
GMO Additional Amortization	9
ONE CIS Allocation	13

REBUTTAL TESTIMONY

OF

JOHN A. ROBINETT

KANSAS CITY POWER AND LIGHT COMPANY

KCP&L - GREATER MISSOURI OPERATIONS COMPANY

CASE Nos. ER-2018-0145 and ER-2018-0146

Q. What is your name and what is your business address?

A. John A. Robinett, PO Box 2230, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Office of the Public Counsel ("OPC") as a Utility Engineering Specialist.

Q. Are you the same John A. Robinett that filed direct testimony on behalf of the OPC in this proceeding?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. I rebut the positions of KCPL, GMO and Staff to include depreciation, operation and maintenance, and property tax expenses related to the known retirements of Kansas City Power & Light Company ("KCPL") Montrose units 2 and 3 to be retired in December of 2018, and KCP&L Greater Missouri Operations Company ("GMO") Sibley unit 1 retired June 2017, Sibley unit 2 to be retired in December of 2018. Additionally I rebut the positions of Staff witness Mr. Cary G. Featherstone, and KCPL and GMO witnesses Mr. Charles A. Caisley, Mr. Forrest Archibald and Mr. Ronald A. Klote regarding the allocation of ONE CIS costs between GMO, KCPL-MO and KCPL-KS.

Q. Would you briefly summarize OPC's recommendations provided in your testimony?

A. OPC offers the following recommendations in this testimony:

1) All costs associated with the retirements of KCPL's Montrose units 2, 3, and common plant, and GMO's Sibley units 1 and 2 not be included in the respective costs of service of KPCL and GMO used for setting rates in these cases as these units will be retired by the end of 2018.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 2) The \$7.2 million additional amortization related to depreciation expense for GMO be
2 stopped. The amount collected for the additional amortization related to depreciation expense
3 be booked to the reserves of the Sibley facilities.

4 3) A decrease in depreciation expense for KCPL related to the Montrose units 2, 3, and
5 common plant retirements of \$3,126,768 based on depreciation expense of true-up accounting
6 schedules from Case No. ER-2018-0145.

7 4) A decrease in depreciation expense for GMO related to the Sibley units 1 and 2
8 retirements of \$1,114,733 based on depreciation expense of direct accounting schedules from
9 Case No. ER-2018-0146.

10 5) All operations and maintenance expenses for KCPL Montrose units 2, 3, and common
11 plant, and GMO Sibley units 1 and 2 should not be included in the costs of service of KPCL
12 and GMO used for setting rates in these cases.

13 6) As GMO and Staff have done, all operations and maintenance expenses, depreciation
14 expenses, and property taxes for Sibley unit 3, Sibley common plant, and Sibley unit 1 boiler
15 be included in GMO's cost of service used for setting rates, provided that the Commission
16 finds it imprudent for GMO to retire this unit by the end of 2018.

17 However, if the Commission finds it prudent for GMO to retire Sibley unit 3 by the end of
18 2018, then all operations and maintenance expenses, depreciation expenses, and property
19 taxes for Sibley unit 3, Sibley common plant, and Sibley unit 1 boiler be excluded from, and
20 all costs associated with the retirement of GMO's Sibley unit 3, Sibley common plant, and
21 Sibley unit 1 boiler be included in GMO's cost of service used for setting rates.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

Coal Unit Retirements

Q. Did GMO retire Sibley unit 1?

A. Yes. As discussed in KCP&L Witness Mr. Crawford's direct testimony in Case No. ER-2018-0146, GMO Retired Sibley unit 1 as of June 1, 2017.¹

Q. Did GMO and Staff retire Sibley unit 1 for purposes of the fuel run?

A. Yes. Sibley unit 1 was excluded from the fuel runs of both Staff and GMO.

Q. Did GMO and Staff retire Sibley unit 1 from plant in service?

A. No. GMO has included in plant-in-service for Sibley unit 1 \$471,432,875. Staff has included in plant-in-service for Sibley unit 1 \$477,454,785. GMO witness Mr. Crawford does state in his direct testimony that the boiler from unit 1 has remained in service to provide start-up steam for Sibley unit 3. Even if the boiler is still operating, if Sibley unit 1 is no longer producing electricity, then the plant-in-service in account 344 generator equipment should have been retired.

Q. Have KCPL and GMO publically announced retirements of generation plants?

A. Yes. Attached as Schedule JAR-R-1 to this rebuttal testimony are selected excerpts from Great Plains Energy's form 10K for calendar year 2017.

Q. Are these retirements known and measurable?

A. Yes. Great Plains Energy announced them publically in its 2017 10K. GMO and KCPL know and can calculate at the time of true-up (June 30, 2018) in this case the effect of the retirements of the units on each utility.

Q. KCP&L witness Mr. Crawford testifies at page 8 of his direct testimony that it is appropriate to normalize KPCL's and GMO's generating capacities in these cases. Does OPC agree?

A. Yes. However, KCP&L does not normalize KCPL's or GMO's generating capacity to account for its announced coal unit retirements of KCPL Montrose units 2 and 3, and GMO Sibley units 1 and 2, by the end of 2018. These retirement dates are outside of the true-up period, but potentially are only 2 days after the projected effective dates of new rates in these cases. KCP&L is asking that its ratepayers to potentially pay four years' worth of depreciation

¹ Case No. ER-2018-0146 GMO witness Mr. Burton L. Crawford direct testimony Page 8 lines 16-22.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 expense, return on the investment, property taxes, and operations and maintenance expense
2 for potentially only 2 days of actual value provided until next rates would need to be set to
3 continue KCPL's and GMO's fuel adjustment clauses.

4 **Q. Do KCP&L's capacity and maintenance normalizations reflect the impending**
5 **retirements of KCPL Montrose units 2 and 3, and GMO Sibley units 1, 2, and 3?**

6 A. No. Attached as Schedule JAR-R-2C is the confidential schedules BLC-3 and BLC-5 attached
7 to Mr. Crawford's direct testimony for KCPL that provide the maintenance schedule
8 normalization of the expected generation for 2019 through 2022. Also attached as Schedule
9 JAR-R-3C are the confidential schedules BLC-3 and BLC-5 attached to Mr. Crawford's direct
10 testimony for GMO that provide the maintenance schedule normalization of the expected
11 generation for 2019-2022. Confidential schedule BLC-5 for both KCPL and GMO provide
12 the maintenance schedule normalization of the expected generation for 2019 through 2022.

13 **Q. Why does OPC take issue with Schedules BLC-3 and BLC-5 attached to Mr. Crawford's**
14 **direct testimony for KCPL and GMO?**

15 A. One, schedule BLC-3 is the maintenance normalization schedule OPC takes issue with
16 building in 6 year major maintenance on Montrose unit 2 and 3, and Sibley unit 2 when
17 KCP&L has publically announced the retirement of those units by December 31, 2018.
18 Inclusion of maintenance expense does not tie to the decision to retire the units. Additionally,
19 maintenance of those units conflicts with confidential schedule BLC-5 which provides the
20 projected generation from facilities during 2019 through 2022. Those schedules indicate, as
21 KCP&L has announced, that Montrose units 2 and 3, and Sibley unit 2 will be retired at the
22 end of 2018 and produce no electricity afterward. It is improper for KCP&L to include
23 maintenance expense in its case when it has indicated from a production standpoint that no
24 generation will occur at those facilities.

25 **Q. Is it then OPC's position that KCP&L's capacity normalizations should have reflected**
26 **the impending retirements of KCPL Montrose units 2 and 3, and GMO Sibley units 1,**
27 **2, and 3?**

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 A. Yes. It is OPC position that the normalizations should have included the impending
2 retirements of Montrose units 2, 3, and common plant, and Sibley units 1 and 2, but not the
3 impending retirement of Sibley unit 3, because OPC believes that prematurely retiring Sibley
4 unit 3 by the end of this year is imprudent.

5 **KCPL and GMO Depreciation Recommendation**

6 **Q. What did KCPL, GMO, and Staff recommend for depreciation expense?**

7 A. All three parties recommend continued use of depreciation expense, which includes
8 depreciation expense for KCPL Montrose units 2 and 3 as well as GMO Sibley units 1, and
9 2, which have been announced to retire by the end of 2018.

10 **Q. Is it appropriate to continue to collect depreciation expense for units that are**
11 **projected to retire by the end of this year?**

12 A. No. Unless the Commission applies a tracker to ensure that ratepayers receive full credit
13 for all expenses they are being asked to pay that are built in to these two cases that relate
14 to these imminent announced retirements to occur by end of 2018.

15 **Q. What is the value of OPC recommendation to remove depreciation expense for the**
16 **Montrose and Sibley facilities?**

17 A. OPC recommended decrease in depreciation expense is based on Staff's accounting
18 schedules filed with its Cost of Service Report in cases ER-2018-0145 and ER-2018-0146.
19 In OPC's direct case OPC relied on depreciation expense from the 2016 rate cases of KCPL
20 and GMO. OPC recommends a decrease of \$3,126,768 for KCPL to recognize that
21 Montrose units 2, 3, and common plant will be retired by end of 2018. OPC recommends
22 a decrease of \$1,114,733 for GMO to recognize that Sibley unit 1(retired June 2017, unit
23 1 boiler still in service), 2 will be retired by end of 2018.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

KCPL Operations and Maintenance Expense

Q. What is Staff's and KCPL's position on operations and maintenance expense for the Montrose units?

A. Both Staff and KCPL are including ongoing operations and maintenance expense in their direct case filings.

Q. What is OPC's position on operations and maintenance expense for the Montrose units?

A. Consistent with OPC's position on depreciation expense, for the Montrose units and Montrose common plant that will be retired by the end of 2018, no operations or maintenance expense should be included in the costs of service used for setting rates in these cases.

Q. Why should the costs of service for KCPL not include operations and maintenance expense for Montrose?

A. Based on the applications, new rates are projected to become effective December 29, 2018. When paired with the announcement of the retirements of the Montrose units and Montrose common plant by the end of 2018, the longest the units could be operating under new rates is two days. It is very likely that by the time new rates from these cases are effective the units will be retired. Ratepayers should not be asked to pay for operations and maintenance expense on units if KCPL intends to no longer use and will not provide a benefit to the rate payers.

GMO Operations and Maintenance Expense

Q. What is Staff's and GMO's position on operations and maintenance expense for the Sibley units 1 and 2?

A. Both Staff and GMO are including ongoing operations and maintenance expense in their direct case filings.

Q. What is OPC's position on operations and maintenance expense for the Sibley units 1 and 2?

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 A. Consistent with OPC's position on depreciation expense, for the Sibley units 1 and 2 that
2 will be retired by the end of 2018, it is OPC's recommendation that no operations or
3 maintenance expense should be included in the costs of service used for setting rates in
4 these cases.

5 **Q. Why should the costs of service for GMO not include operations and maintenance**
6 **expense for Sibley units 1 and 2?**

7 A Based on the applications, new rates are projected to become effective December 29, 2018.
8 When paired with the announcement of the retirements of the Sibley units 1 and 2 by the
9 end of 2018, the longest the units could be operating under new rates is two days. It is very
10 likely that by the time new rates from these cases are effective the units will have been
11 retired. Ratepayers should not be asked to pay for operations and maintenance expense on
12 units that are no longer used and are not providing a benefit.

13 **GMO Sibley Unit 3**

14 **Q. Why does OPC believe that prematurely retiring Sibley unit 3 by the end of this year is**
15 **imprudent and, therefore, Sibley 3 should be included as an available unit for purposes**
16 **of normalizing GMO's generating capacity?**

17 A. KCP&L witness Mr. Crawford provided the results of the most recent heat rate tests for
18 GMO's generating units in Confidential Schedule BLC-6 to his direct testimony. Attached
19 as Schedule JAR-R-4C to this testimony is that same confidential schedule. Review of this
20 schedule shows that Iatan units 1 and 2 are the only GMO units that are more efficient than
21 Sibley unit 3.² Additionally, when the heat rate test results are analyzed with the fuel runs
22 performed by Staff, a clear image of how important Sibley unit 3 is to GMO ratepayers is
23 produced. Attached as Schedule JAR-R-5C is the GMO fuel run summary sheet provided
24 as a work paper by Staff supporting its fuel expense in its direct case. The fuel run summary
25 sheet indicates how much generation, given assumptions used by Staff, each generating

² Confidential Schedule BLC-6 also indicates Lake Road unit 1 is more efficient than Sibley unit 3 however, Lake Road unit 1 does not produce electricity used for steam service.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 unit would run with these normalized inputs. Review of the summary indicates that Staff's
2 models more generation from Sibley unit 3 than Iatan 1 or Iatan 2 or any other generating
3 unit that GMO has control or ownership stake in.

4 Additionally, GMO's fuel run provided in its direct work papers shows GMO purchasing
5 energy from the Southwest Power Pool (SPP) markets to meet almost 38% of its native load's
6 energy requirements. Similarly, Staff's fuel run shows 39% of GMO's total owned generation
7 came from Sibley unit 3. With the retirements of Sibley units 1, 2, and 3, GMO will need to
8 purchase even more energy from the SPP markets increasing its and its customers exposure
9 to the fluctuations and risks of those markets.

10 However, if the Commission views that GMO retiring Sibley 3 by the end of 2018 is prudent,
11 then Sibley 3 should not be included as GMO-owned capacity when normalizing GMO's
12 generating capacity.

13 **Q. Based on the fuel runs provided in work papers to Staff's and GMO's direct testimony**
14 **how many hours was Sibley unit 3 price less than the market value?**

15 A. OPC analyzed the number of hours that the price of Sibley Unit 3 produced by Staff's
16 calculations was lower than the cleared market price for every hour of the test year. OPC using
17 Staff's price of Sibley unit 3 also compared it to the market prices provided by KCP&L. The
18 number of hours in a year is 8,760. The results of OPC's analysis on Staff's fuel run and
19 market prices showed that Sibley unit 3 price to run was cheaper than the market clearing cost
20 6,342 hours or 72.4% of the year. Using that same information for Sibley unit 3 price, but
21 comparing with KCP&L market prices for the hourly clearing for the year, Sibley unit 3 was
22 cheaper than the market clearing price 7,619 hours or 86.97% of the year.

23 **Q. What should the Commission find related to Sibley unit 3?**

24 A. OPC requests the Commission find that the retirement of Sibley unit 3 is imprudent as it does
25 not protect rate payers from market volatility and is a crucial unit for ratepayers and GMO.
26 As shown above the cost of Sibley unit 3 operating using either Staff or KCP&L market prices
27 is cheaper than the market. Sibley unit 3 produced the more energy than any other GMO

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 generating unit last year. Sibley unit 3 generated 39% of GMO's native power generated last
2 year. Additionally as stated earlier Sibley unit 3 is more efficient than any other units that
3 GMO has an ownership stake in with the exception of Iatan units 1 and 2.

4 **Q. If the Commission determines that the retirement of Sibley unit 3 is in the best interest**
5 **of ratepayers, does OPC have recommendations?**

6 A. Yes. The Commission should, as OPC recommends for other retiring units, remove all
7 depreciation expense for Sibley unit 3, Sibley common plant, and Sibley unit 1 boiler from
8 this current case, and remove all operations and maintenance expense from this case. The
9 Commission should rebase the fuel run with the retiring units excluded from the modeling. If
10 the Commission determines that removal of those expenses is not proper in this case the
11 Commission needs to order a tracker for the expenses approved. The tracker will begin
12 tracking expenses built into rates related to depreciation expense (\$6,643,863 for Sibley unit
13 3, \$1,962,603 for Sibley common plant, \$626,337 for Sibley unit 1 boiler), operations and
14 maintenance expenses, and property taxes, but GMO and KCPL are no longer required to
15 expend or book once units are retired.

16 **Q. Will future prudence audits occur?**

17 A. OPC is making a clear statement for future prudence reviews. OPC states that retiring Sibley
18 unit 3 by the end of 2018 is an imprudent decision of GMO. OPC intends to raise this issue
19 now so that it is clear in future fuel adjustment clause (FAC) prudence cases OPC will be
20 reviewing the market prices and imputing the difference as if Sibley unit 3 remained in-
21 service. OPC as part of this case is reserving the right and opportunity to challenge in future
22 FAC if the fuel costs increase due to the retirement of Sibley unit 3 when compared to the fuel
23 base established in this case.

24 **GMO Additional Amortization**

25 **Q. What language was included in the Stipulation and Agreement in Case No. ER-2016-**
26 **0156 for the additional amortization related to depreciation expense?**

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 A. The language from the Stipulation and Agreement in Case No. ER-2016-0156 for the
2 additional amortization related to depreciation expense is as follows:

3 In addition to the attached schedule, GMO shall be allowed to collect an annual
4 amortization amount equal to \$7.2 million. This additional amortization shall be
5 booked and accounted for on an annual basis until GMO's next general electric rate
6 case. In GMO's next filed rate case the Commission will determine the distribution
7 of the additional amortization. The balance will be used to cover any deficiencies
8 in reserves across production, transmission and distribution accounts. Any
9 undisturbed balance will be used as an offset to future rate base. This amortization
10 is for purpose of settlement of this case only and does not constitute an agreement
11 as to the methodology or a precedent for any future rate case.

12 **Q. What was Staff's recommendation for the GMO additional amortization related to**
13 **depreciation expense the Commission granted as part of its approval of the**
14 **Stipulation and Agreement in Case No. ER-2016-0156?**

15 A. Staff witness Mr. Stephen Moilanen at page 156 of the Staff Report Cost of Service in Case
16 No. ER-2018-0146 recommends ceasing the collection of the additional amortization
17 related to depreciation expense in this case.

18 **Q. Is OPC supportive of Staff's recommendation related to the GMO additional**
19 **amortization granted as part of the Stipulation and Agreement in Case No. ER-2016-**
20 **0156?**

21 A. In part. OPC does agree and provided the direct position that the additional amortization
22 related to depreciation expense should be removed. However, Staff failed to provide a
23 position in direct to address the distribution of the additional amortization. Mr. Moilanen
24 discusses the stipulation and provides the following recommendation on page 156:

25 Staff in this case recommends ceasing collection of the additional amortized
26 expense of \$7.2 million. The language provided in the Stipulation indicates the
27 amount is to be collected until GMO's next rate case. In addition, Staff recommends
28 the Commission wait until the next filed general rate case (at which time the
29 Company has committed to submitting a new depreciation study of plant assets)⁸⁴
30 to consider the collected amortized amount for distribution to plant accounts.

31 Staff's recommendation cites GMO witness Mr. Klote's recommendation that the
32 distribution of the additional amortization be handled at the time of the next rate proceeding

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 where a new depreciation study is performed. Staff however is not recommending the same
2 treatment as GMO. Staff recommended the removal of the additional amortization. Staff's
3 recommendation is inconsistent with the stipulation's plain language related to the
4 distribution of the funds collected under the additional amortization. OPC is the only party
5 to properly address the stipulation for the additional amortization related to depreciation
6 expense.

7 **Q. What is KCPL's rationale for continuing the additional amortization and dealing**
8 **with distribution of collection in the next general rate proceeding following this**
9 **current case?**

10 **A** Mr. Klote provides the following position and evidence for continuation of the additional
11 amortization:

12 The rates from the 2016 case including the additional amortization have only been
13 in effect a short period of time since February 22, 2017. The Company believes the
14 methodology provided in that case is still applicable for the test period and true-up
15 periods in this rate case and should be continued until the filing of the Company's
16 next general rate case which will include a new depreciation study.

17 However, OPC received in a response to data requests a response that may better fit GMO's
18 request to handle the funds collected at the time a new depreciation study is performed. In
19 response to OPC data request 8521(GMO) and 8522(KCPL) provided the following
20 response related to depreciation reserve:

21 Generating unit reserve amounts as listed in the data request are not the same as
22 would be determined via a depreciation study. A depreciation study is required to
23 derive a more accurate reserve balance. The depreciation study would analyze asset
24 remaining life, cost of removal and salvage parameters, etc. to develop the
25 appropriate reserve balance. The Company did not perform a depreciation study for
26 this rate case.

27 KCPL provided an Excel spread sheet that provided depreciation reserve estimated by
28 Federal Energy Regulatory Commission (FERC) account and sub-account, by generating
29 unit. The following two notes are provided in the Excel file titled, "Q8522_KCPL MO
30 Plant and Cost of Removal."

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

Note:

Production plant depreciation reserve is not maintained by individual generating unit, except for Iatan Unit 2 and Hawthorn Unit 5. Depreciation reserve reported in the schedule above has been allocated to each generating unit, except for Iatan Unit 2 and Hawthorn Unit 5.

Additionally GMO provided an Excel spread sheet that provided depreciation reserve estimated by FERC account and sub-account, by generating unit. The following two notes are provided in the Excel file titled, "Q8521_GMO_OPC-8521 Generation Plant and Reserves and COR December 2017."

Note:

Production plant depreciation reserve is not maintained by individual generating unit, except for Iatan Unit 2 and Solar. Depreciation reserve reported in the schedule above has been allocated to each generating unit, except for Iatan Unit 2 and Solar.

OPC believes that KCPL and GMO's internal personnel should have the expertise necessary for these calculations, and the issue should not be postponed to a subsequent case.

Q. What is OPC's position on this additional amortization?

A. OPC requests that the Commission discontinue its authorization of the additional amortization for depreciation expense of \$7.2 million, and by removing the \$7.2 million additional amortization from revenue requirement going forward. As part of the stipulation and agreement the additional amortization was to be in place until rates were set in the next rate case—this case; also as part of that next rate case parties were to recommend where the dollars collected as additional depreciation expense should be booked. OPC requests that the Commission order GMO to record all additional depreciation expense received through the additional amortization of \$7.2 million since its last rate case as reserve additions to the FERC subaccounts for the Sibley generation facilities.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

ONE CIS Allocation

Q. What was Staff's Position related to the ONE CIS allocation?

A. Staff Witness Mr. Featherstone in the Staff Revenue Requirement Cost of Service Report states:

The costs of the new customer service system will be included in the true-up ending June 30, 2018 and will be assigned to KCPL, split between its Kansas and Missouri customers, and GMO. The costs will be allocated approximately one third each between KCPL Kansas, KCPL Missouri, and GMO.³

Q. Did KCPL and GMO discuss the allocation of the ONE CIS solution costs?

A. No. Neither of KCPL and GMO witnesses Mr. Caisley or Mr. Archibald, who both discussed the ONE CIS system, addressed the allocation of the system costs between KCPL-KS, KCPL-MO and GMO. GMO and KCPL witness Mr. Klote discussed adjustments for plant in service and reserves at page 10 of his direct testimony. Mr. Klote states that the projected costs for ONE CIS have been included in the plant-in-service estimates in this case.

Q. Which adjustment reflects ONE CIS solution?

A. RB-20, one for KCPL and one for GMO

Q. Does adjustment RB-20 reflect ONE CIS costs allocated to both KCPL and GMO?

A. No. There is insufficient plant adjustment in RB-20 on the GMO schedule to account for allocation of plant balance related to ONE CIS being placed in service. KCPL adjustment RB-20 is an addition of approximately \$113 million which is slightly less than the projected values of \$118 million in the original control budget.

Q. What is OPC's position related to ONE CIS solution?

A. OPC seeks to allocate the costs that are fair and just for Missouri ratepayers. OPC's position is supportive of the Staff position but with conditions. OPC recommends a tracker related to the expenses and future allocations of the ONE CIS system in order to assure that

³ Case No. ER-2018-0145 and ER-2018-0146, Staff Revenue Requirement Cost of Service Report, Page 152 Lines 20-23.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 Missouri ratepayer dollars paid to KCPL and GMO for return of the asset cost are not
2 transferred to other affiliated entities.

3 **Q. Would you briefly summarize OPC's recommendations provided in your testimony?**

4 A. OPC offers the following recommendations in this testimony:

5 1) All costs associated with the retirements of KCPL's Montrose units 2, 3, and common
6 plant, and GMO's Sibley units 1, 2, and common plant not be included in the costs of service
7 of KPCL and GMO used for setting rates in these cases as these units will be retired by end
8 of 2018.

9 2) The \$7.2 million additional amortization related to depreciation expense for GMO be
10 stopped. The amount collected for the additional amortization related to depreciation expense
11 be booked to the reserves of the Sibley facilities.

12 3) A decrease in depreciation expense for KCPL related to the Montrose units 2, 3, and
13 common plant retirements of \$3,126,768 based on depreciation expense of true-up accounting
14 schedules from Case No. ER-2018-0145.

15 4) A decrease in depreciation expense for GMO related to the Sibley units 1 and 2
16 retirements of \$1,114,733 based on depreciation expense of direct accounting schedules from
17 Case No. ER-2018-0146.

18 5) All operations and maintenance expenses for KCPL Montrose units 2, 3, and common
19 plant and GMO Sibley unit 1, 2, and common plant should not be included in the costs of
20 service of KPCL and GMO used for setting rates in these cases.

21 6) As GMO and Staff have done, all operations and maintenance expenses, depreciation
22 expenses, and property taxes for Sibley unit 3, Sibley common plant, and Sibley unit 1 boiler
23 be included in GMO's cost of service used for setting rates, provided that the Commission
24 finds it imprudent for GMO to retire this unit by the end of 2018.

Rebuttal Testimony of
John A. Robinett
Case No. ER-2018-0145
ER-2018-0146

1 However, if the Commission finds it prudent for GMO to retire Sibley unit 3 by the end of
2 2018, then all operations and maintenance expenses, depreciation expenses, and property
3 taxes for Sibley unit 3, Sibley common plant, and Sibley unit 1 boiler be excluded from, and
4 all costs associated with the retirement of GMO's Sibley unit 3, Sibley common plant, and
5 Sibley unit 1 boiler be included in GMO's cost of service used for setting rates.

6 **Q. Does this conclude your rebuttal testimony?**

7 A. Yes, it does.

Table of Contents

merger, and Merger Sub will merge with and into Westar, with Westar surviving such merger. Upon closing, pursuant to the Amended Merger Agreement, each outstanding share of Great Plains Energy's and Westar's common stock will be converted into the right to receive 0.5981 and 1.0, respectively, of validly issued, fully paid and nonassessable shares of common stock, no par value, of Holdco. Following the mergers, Holdco, with a new name that has yet to be established, will be the parent of Great Plains Energy's direct subsidiaries, including KCP&L, and Westar.

The anticipated merger has been structured as a merger of equals in a tax-free exchange of shares that involves no premium paid or received with respect to either Great Plains Energy or Westar. Following the completion of the anticipated merger, Westar shareholders will own approximately 52.5 percent and Great Plains Energy shareholders will own approximately 47.5 percent of the combined company.

Great Plains Energy's anticipated merger with Westar was unanimously approved by the Great Plains Energy Board and Westar Board of Directors, has received the approvals of each of Great Plains Energy's and Westar's shareholders and has received early termination of the waiting period under the HSR Act with respect to antitrust review. The anticipated merger remains subject to regulatory approvals from KCC, the MPSC, NRC, FERC and FCC; as well as other contractual conditions.

See Note 2 to the consolidated financial statements for more information regarding the anticipated merger and redemption of acquisition financing associated with the Original Merger Agreement.

Expected Plant Retirements

In June 2017, Great Plains Energy and KCP&L announced plans to retire KCP&L's Montrose Station and GMO's Sibley Station by December 31, 2018 and GMO's Lake Road No. 4/6 Unit by December 31, 2019. The decision to retire these generating units, which represent approximately 900 MWs of generating capacity, was primarily driven by the age of the plants, expected environmental compliance costs and expected future generation capacity needs. See Note 1 to the consolidated financial statements for more information regarding the retirement of Sibley No. 3 Unit.

Tax Reform

In December 2017, the U.S. Congress passed and President Donald Trump signed Public Law No. 115-97, commonly referred to as the Tax Cuts and Jobs Act (Tax Act). The Tax Act represents the first major reform in U.S. income tax law since 1986. Most notably, the Tax Act reduces the current top corporate income tax rate from 35% to 21% beginning in 2018, repeals the corporate Alternative Minimum Tax (AMT), makes existing AMT tax credit carryforwards refundable, and changes the deductibility and taxability of certain items, among other things. See Note 21 to the consolidated financial statements for more information regarding the impact of tax reform on Great Plains Energy and KCP&L.

Earnings Overview

Great Plains Energy had a loss available for common shareholders of \$143.5 million or \$0.67 per share in 2017 compared to earnings of \$273.5 million or \$1.61 per share in 2016. This decrease in earnings was largely driven by a number of non-recurring impacts due to the anticipated merger with Westar and the impacts of U.S. federal income tax reform. The specific drivers of the decrease in earnings were lower gross margin; higher depreciation expense; a loss on the settlement of the 7.00% Series B Mandatory Convertible Preferred Stock (Series B Preferred Stock) dividend make-whole provisions; a loss on extinguishment of debt related to the redemption of Great Plains Energy's \$4.3 billion senior notes; an increase in interest charges; higher income tax expense and increased preferred stock dividend requirements and redemption premium; partially offset by a decrease in injuries and damages expense due to settled litigation and an increase in interest income.

In addition, a higher number of average shares outstanding due to Great Plains Energy's registered public offering of 60.5 million shares of common stock in October 2016 diluted the 2017 loss per share by \$0.26.

For additional information regarding the change in earnings (loss), refer to the Great Plains Energy Results of Operations and the Electric Utility Results of Operations sections within this Management's Discussion and

Table of Contents**GREAT PLAINS ENERGY INCORPORATED
KANSAS CITY POWER & LIGHT COMPANY****Notes to Consolidated Financial Statements**

The notes to consolidated financial statements that follow are a combined presentation for Great Plains Energy Incorporated and Kansas City Power & Light Company, both registrants under this filing. The terms "Great Plains Energy," "Company," "KCP&L" and "Companies" are used throughout this report. "Great Plains Energy" and the "Company" refer to Great Plains Energy Incorporated and its consolidated subsidiaries, unless otherwise indicated. "KCP&L" refers to Kansas City Power & Light Company and its consolidated subsidiaries. "Companies" refers to Great Plains Energy Incorporated and its consolidated subsidiaries and KCP&L and its consolidated subsidiaries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Organization**

Great Plains Energy, a Missouri corporation incorporated in 2001, is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries and cash and cash equivalents. Great Plains Energy's wholly owned direct subsidiaries with significant operations are as follows:

- KCP&L is an integrated, regulated electric utility that provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L has one active wholly owned subsidiary, Kansas City Power & Light Receivables Company (KCP&L Receivables Company).
- KCP&L Greater Missouri Operations Company (GMO) is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri. GMO also provides regulated steam service to certain customers in the St. Joseph, Missouri area. GMO has two active wholly owned subsidiaries, GMO Receivables Company and MPS Merchant Services, Inc. (MPS Merchant). MPS Merchant has certain long-term natural gas contracts remaining from its former non-regulated trading operations.

Great Plains Energy also wholly owns GPE Transmission Holding Company, LLC (GPETHC). GPETHC owns 13.5% of Transource Energy, LLC (Transource) with the remaining 86.5% owned by AEP Transmission Holding Company, LLC (AEPTHC), a subsidiary of American Electric Power Company, Inc. GPETHC accounts for its investment in Transource under the equity method. Transource is focused on the development of competitive electric transmission projects.

Each of Great Plains Energy's and KCP&L's consolidated financial statements includes the accounts of their subsidiaries. Intercompany transactions have been eliminated.

Great Plains Energy's sole reportable business segment is the electric utility segment (Electric Utility). See Note 22 for additional information.

Use of Estimates

The process of preparing financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the use of estimates and assumptions that affect the reported amounts of certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less at acquisition.

Time Deposit

Consists of a non-negotiable fixed rate investment in a time deposit with an original maturity of greater than three months and is recorded on the balance sheet at cost. The Company estimates the fair value of the time deposit, which approximates its carrying value, using Level 2 inputs based on current interest rates for similar investments with comparable credit risk and time to maturity.

Table of Contents**Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Nuclear decommissioning trust fund - KCP&L's nuclear decommissioning trust fund assets are recorded at fair value based on quoted market prices of the investments held by the fund and/or valuation models.

Pension plans - For financial reporting purposes, the market value of plan assets is the fair value. For regulatory reporting purposes, a five-year smoothing of assets is used to determine fair value.

Derivative Instruments

The Company records derivative instruments on the balance sheet at fair value in accordance with GAAP. Great Plains Energy and KCP&L enter into derivative contracts to manage exposure to commodity price and interest rate fluctuations. Derivative instruments are entered into solely for hedging purposes and are not issued or held for speculative reasons.

The Company considers various qualitative factors, such as contract and market place attributes, in designating derivative instruments at inception. Great Plains Energy and KCP&L may elect the normal purchases and normal sales (NPNS) exception, which requires the effects of the derivative to be recorded when the underlying contract settles. Great Plains Energy and KCP&L account for derivative instruments that are not designated as NPNS as non-hedging derivatives, which are recorded as assets or liabilities on the consolidated balance sheets at fair value.

Great Plains Energy and KCP&L offset fair value amounts recognized for derivative instruments under master netting arrangements, which include rights to reclaim cash collateral (a receivable), or the obligation to return cash collateral (a payable).

Utility Plant

Great Plains Energy's and KCP&L's utility plant is stated at historical cost. These costs include taxes, an allowance for the cost of borrowed and equity funds used to finance construction and payroll-related costs, including pensions and other fringe benefits. Replacements, improvements and additions to units of property are capitalized. Repairs of property and replacements of items not considered to be units of property are expensed as incurred (except as discussed under Deferred Refueling Outage Costs). When property units are retired or otherwise disposed, the original cost, net of salvage, is charged to accumulated depreciation. Substantially all of KCP&L's utility plant is pledged as collateral for KCP&L's mortgage bonds under the General Mortgage Indenture and Deed of Trust dated December 1, 1986, as supplemented (Indenture). A portion of GMO's utility plant is pledged as collateral for GMO's mortgage bonds under the General Mortgage Indenture and Deed of Trust dated April 1, 1946, as supplemented.

As prescribed by The Federal Energy Regulatory Commission (FERC), Allowance for Funds Used During Construction (AFUDC) is charged to the cost of the plant during construction. AFUDC equity funds are included as a non-cash item in non-operating income and AFUDC borrowed funds are a reduction of interest charges. The rates used to compute gross AFUDC are compounded semi-annually. The rates used to compute gross AFUDC for KCP&L averaged 4.9% in 2017, 5.7% in 2016 and 3.0% in 2015. The rates used to compute gross AFUDC for GMO averaged 1.9% in 2017, 1.6% in 2016 and 4.2% in 2015.

Table of Contents

Great Plains Energy's and KCP&L's balances of utility plant, at original cost, with a range of estimated useful lives are listed in the following tables.

Great Plains Energy

December 31	2017	2016
Utility plant, at original cost	(millions)	
Generation (20 - 60 years)	\$ 7,930.8	\$ 8,106.4
Transmission (15 - 70 years)	912.3	886.3
Distribution (8 - 66 years)	3,789.0	3,629.1
General (5 - 50 years)	1,042.0	975.9
Total ^(a)	\$ 13,674.1	\$ 13,597.7

^(a) Includes \$265.0 million and \$261.2 million at December 31, 2017 and 2016, respectively, of land and other assets that are not depreciated.

KCP&L

December 31	2017	2016
Utility plant, at original cost	(millions)	
Generation (20 - 60 years)	\$ 6,471.5	\$ 6,350.7
Transmission (15 - 70 years)	500.4	484.1
Distribution (8 - 55 years)	2,389.4	2,298.4
General (5 - 50 years)	851.9	791.9
Total ^(a)	\$ 10,213.2	\$ 9,925.1

^(a) Includes \$176.0 million and \$178.0 million at December 31, 2017 and 2016, respectively, of land and other assets that are not depreciated.

Plant to be Retired, Net

When Great Plains Energy and KCP&L retire utility plant, the original cost, net of salvage, is charged to accumulated depreciation. However, when it becomes probable an asset will be retired significantly in advance of its original expected useful life and in the near term, the cost of the asset and related accumulated depreciation is recognized as a separate asset as a probable abandonment. If the asset is still in service, the net amount is classified as plant to be retired, net on the consolidated balance sheets. If the asset is no longer in service, the net amount is classified in regulatory assets on the consolidated balance sheets.

Great Plains Energy and KCP&L must also assess the probability of full recovery of the remaining net book value of the abandonment. The net book value that may be retained as an asset on the balance sheet for the abandonment is dependent upon amounts that may be recovered through regulated rates, including any return. An impairment charge, if any, would equal the difference between the remaining net book value of the asset and the present value of the future revenues expected from the asset.

In June 2017, Great Plains Energy and KCP&L announced the expected retirement of certain older generating units, including GMO's Sibley No. 3 Unit, over the next several years. As of December 31, 2017, Great Plains Energy has determined that Sibley No. 3 Unit meets the criteria to be considered probable of abandonment and has classified its remaining net book value of \$143.6 million within plant to be retired, net on its consolidated balance sheet. The Company is currently allowed a full recovery of and a full return on Sibley No. 3 Unit in rates and has concluded that no impairment is required as of December 31, 2017.

Depreciation and Amortization

Depreciation and amortization of utility plant other than nuclear fuel is computed using the straight-line method over the estimated lives of depreciable property based on rates approved by state regulatory authorities. Annual depreciation rates average approximately 3%. Nuclear fuel is amortized to fuel expense based on the quantity of heat produced during the generation of electricity.

ER-2018-0145
and
ER-2018-146

KANSAS CITY POWER & LIGHT COMPANY
and
KANSAS CITY POWER LIGHT
GREATER OPERATIONS COMPANY

SCHEDULES
JAR-R-2C through JAR-R-5C

HAVE BEEN DEEMED

“CONFIDENTIAL”

IN THEIR ENTIRETY

THIS FILING IS

Exhibit E - Page 1 of 9

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

KCP&L Greater Missouri Operations Company

Year/Period of Report

End of 2018/Q4



Deloitte & Touche LLP

1100 Walnut Street
Suite 3300
Kansas City, MO 64106
USA

Tel: +1 816 474 6180
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
KCP&L Greater Missouri Operations Company

We have audited the accompanying financial statements of KCP&L Greater Missouri Operations Company (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2018, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of KCP&L Great Missouri Operations Company as of December 31, 2018, and the results of its operations and its cash

flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Basis of Accounting

As discussed in Note 1 to the financial statements, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restricted Use

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte Touche LLP

April 18, 2019

Name of Respondent KCP&L Greater Missouri Operations Company		This Report Is: (1) <input checked="" type="checkbox"/> Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2019		Year/Period of Report End of 2018/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		135,951,049	143,290,441			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)						
33	Revenues From Nonutility Operations (417)		2,175,012	2,012,871			
34	(Less) Expenses of Nonutility Operations (417.1)		1,047,883	652,463			
35	Nonoperating Rental Income (418)		15,575	15,592			
36	Equity in Earnings of Subsidiary Companies (418.1)	119	4,327,555	3,365,652			
37	Interest and Dividend Income (419)		1,179,145	107,241			
38	Allowance for Other Funds Used During Construction (419.1)		-134	-4,075			
39	Miscellaneous Nonoperating Income (421)		538,389	411,524			
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		7,187,659	5,256,342			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)			268,314			
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		1,855,288	4,325,982			
46	Life Insurance (426.2)		-37,135	-37,339			
47	Penalties (426.3)		44	6,496			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		423,714	332,700			
49	Other Deductions (426.5)		4,922,103	17,454,238			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		7,164,014	22,350,391			
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	91,316	35,358			
53	Income Taxes-Federal (409.2)	262-263	-134,940,869	-13,882,675			
54	Income Taxes-Other (409.2)	262-263	-12,354,691	-1,589,796			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	201,930,829	135,661,457			
56	(Less) Provision for Deferred Income Taxes-Cr (411.2)	234, 272-277	1,762,603	10,776,779			
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		52,963,982	109,447,565			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-52,940,337	-126,541,614			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		20,529,802	22,359,245			
63	Amort. of Debt Disc. and Expense (428)		315,790	289,030			
64	Amortization of Loss on Reaquired Debt (428.1)		432,544	534,353			
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)		32,991,846	32,496,303			
68	Other Interest Expense (431)		3,520,427	2,827,825			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		2,234,010	1,216,759			
70	Net Interest Charges (Total of lines 62 thru 69)		55,556,399	57,289,997			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		27,454,313	-40,541,170			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		27,454,313	-40,541,170			

Name of Respondent KCP&L Greater Missouri Operations Company		This Report Is: (1) <input checked="" type="checkbox"/> Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2019		Year/Period of Report End of 2018/Q4	
OTHER REGULATORY ASSETS (Account 182.3)							
<p>1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.</p> <p>2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.</p> <p>3. For Regulatory Assets being amortized, show period of amortization.</p>							
Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Current Quarter/Year	Debits	CREDITS		Balance at end of Current Quarter/Year	
	(a)	(b)	(c)	Written off During the Quarter/Year Account Charged	Written off During the Period Amount	(d)	(f)
1	Acctg. for Income Taxes - ASC 740 Impact on						
2	Rate Regulated Enterprises	75,107,014	1,028,823	Various			76,135,837
3							
4	Asset Retirement Obligations - ASC 410	24,166,328	6,599,351	Various			30,765,679
5							
6	Pension & OPEB costs deferred in accordance						
7	with Missouri Case No. ER-2018-0146	108,152,598	3,987,888	926	9,120,976		103,019,510
8							
9	Missouri Case No. ER-2009-0090, ER-2010-0356						
10	ER-2012-0175, ER-2016-0156, and ER-2018-0146:						
11	Represents the deferred costs for the energy						
12	efficiency and affordability programs. Vintage 1						
13	and 2 to be amortized over 10 years, Vintages						
14	3, 4, and 5 to be amortized over 6 years.	8,430,302		908	3,438,072		4,992,230
15							
16	Missouri Case No. ER-2010-0356 and ER-2012-0175:						
17	Missouri jurisdictional difference between allowed						
18	rate base and financial costs booked for latan 1						
19	and latan Common, with Vintage 1 to be amortized						
20	over 27 years beginning June 2011 and Vintage 2						
21	amortized over 25.4 years beginning February						
22	2013.	4,756,573		405	232,215		4,524,358
23							
24	Missouri Case No. ER-2010-0356 and ER-2012-0175:						
25	Deferred costs associated with the latan 2						
26	project, with Vintage 1 to be amortized over						
27	47.7 years beginning June 2011 and Vintage 2						
28	amortized over 46.12 years beginning February 2013	13,657,619		405	331,627		13,325,992
29							
30	Missouri Case No. ER-2010-0356:						
31	Deferred costs associated with DSM advertising,						
32	to be amortized over 10 years beginning June 2011	66,384		909	19,057		47,327
33							
34	Missouri Case No. EO-2014-0151:						
35	Deferral of Solar Rebates and REC's						
36	Expenses continue to be deferred and						
37	recovery of expenses through the Renewable Energy						
38	Rate Adjustment Mechanism (RESRAM)	37,025,637	1,389,817	910	7,149,554		31,265,900
39							
40	Missouri Case No. ER-2016-0156:						
41	Deferred costs related to latan 2 and Common						
42	O&M Tracker to be amortized over 4 years						
43	beginning February 2017.	1,689,590		506, 513	537,088		1,152,502
44	TOTAL	295,941,085	50,811,246		31,939,129		314,813,202

Name of Respondent KCP&L Greater Missouri Operations Company	This Report Is: (1) <input checked="" type="checkbox"/> Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2019	Year/Period of Report End of 2018/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1						
2	Missouri Case No. EO-2012-2009 and					
3	EO-2015-0241;					
4	To track the over/under recovery of GMO MEEIA					
5	Customer Program costs Cycle 1 and the over/under					
6	recovery and deferred costs of GMO MEEIA Customer					
7	Programs Cycle 2. Per Stipulation and Agreement in					
8	Cases EO-2012-2009 and EO-2015-0241, respectively.	10,869,169		908	11,046,847	177,678
9						
10	Missouri Case No. ER-2009-0090 and HR-2009-0092:					
11	GMO Fuel Adjustment Clause &					
12	Steam Quarterly Cost Adjustment.	12,019,871	30,405,140	Various		42,425,011
13						
14	Missouri Case No. ER-2018-0146:					
15	Transition Costs related to the Westar Merger					
16	to be amortized over 10 years beginning					
17	December 1, 2018		7,209,208	426	60,077	7,149,131
18						
19	Missouri Case No. ER-2018-0146:					
20	Prospective tracking of the One KC Place Lease					
21	for over-refunded ratepayers from July 2016 -					
22	February 2017. Balance as of December 1, 2018					
23	to be amortization over 4 years.		173,548	931	3,616	169,932
24						
25	Missouri Case No. ER-2018-0146:					
26	Deferred costs associated with the Opt-In Time of					
27	Use, an alternative to standard residential rates,					
28	authorized to be recovered in subsequent rate					
29	filing based on the level of customers enrolled at					
30	at that time.		17,471			17,471
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	295,941,085	50,811,246		31,939,129	314,813,202

Name of Respondent KCP&L Greater Missouri Operations Company		This Report Is: (1) <input checked="" type="checkbox"/> Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2019		Year/Period of Report End of 2018/Q4	
OTHER REGULATORY LIABILITIES (Account 254)							
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)	
			Account Credited (c)	Amount (d)			
1	Deferred Maintenance	26,209,826	Various	1,955,812	3,219,276	27,473,290	
2							
3	Pension and OPEB Liabilities in accordance						
4	with Missouri Case No. ER-2018-0146, to be						
5	amortized over 5 years beginning December 2018.	8,249,458	926	1,223,095	1,495,276	8,521,639	
6							
7	Deferred Regulatory Liability - ASC 740	295,729,122			21,577,276	317,306,400	
8							
9	Missouri Case No. ER-2016-0156: ER-2018-0146:						
10	Storm Damage Tracker - Amortization						
11	of the over recovery of the Ice Storm						
12	over 4 years beginning February 2017.						
13	Remaining Over Recovery to be amortized over 4						
14	years beginning December 1, 2018.	4,435,796	407	1,144,477		3,291,319	
15							
16	Missouri Case No. ER-2016-0156: ER-2018-0146:						
17	To record the amortization of assets transferred						
18	to Transource Missouri, LLC. over three years						
19	beginning February 2017. Amortization of						
20	True-up liability over 4 years effective						
21	December 1, 2018.	4,082,348	Various	1,887,764		2,194,584	
22							
23	Missouri Case No. ER-2009-0090 and HR-2009-0092:						
24	GMO Fuel Adjustment Clause						
25	and Steam Quarterly Cost Adjustment.	3,894,867	Various	733,120		3,161,747	
26							
27	Missouri Case No. ER-2016-0156: ER-2018-0146:						
28	Phase-In Revenue - Amortization of the						
29	Phase-In-Revenue over 4 years beginning February						
30	2017. Additional amounts amortized over 4 years						
31	effective December 1, 2018.	1,787,447	449	255,698		1,531,749	
32							
33	Mark to Market Short Term Gain	304,360	Various		547,172	851,532	
34							
35	Missouri Case No. ER-2018-0146:						
36	Income Eligible Weatherization balance through						
37	June 30, 2018 to be amortized over 4 years						
38	effective December 1, 2018.	68,169	Various	2,535	134,236	199,870	
39							
40							
41	TOTAL	344,849,258		7,243,448	27,836,744	365,442,554	

Name of Respondent KCP&L Greater Missouri Operations Company		This Report Is: (1) <input checked="" type="checkbox"/> Original (2) <input type="checkbox"/> Resubmission		Date of Report (Mo, Da, Yr) 04/18/2019		Year/Period of Report End of 2018/Q4	
OTHER REGULATORY LIABILITIES (Account 254)							
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)	
			Account Credited (c)	Amount (d)			
1	Missouri Case No. ER-2016-0156:						
2	Transource Account Review to be amortized						
3	over three years beginning February 2017	87,865	920, 923	40,947		46,918	
4							
5	Missouri Case No. ER-2018-0146:						
6	To capture the depreciation expense deferred for						
7	the Sibley Plant retirement.		403		863,506	863,506	
8							
9							
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16							
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40							
41	TOTAL	344,849,258		7,243,448	27,836,744	365,442,554	

Exhibit E - Page 9 of 9

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2019	Year/Period of Report 2018/Q4
KCP&L Greater Missouri Operations Company			
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 7 Column: a

Excess taxes due to change in tax rates	\$316.4M
Investment tax credits	\$ 0.9M
Total	\$317.3M

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 30th day of
October, 2019.

The Office of the Public Counsel and)	
The Midwest Energy Consumers Group,)	
)	
Complainants,)	
)	
v.)	
)	
KCP&L Greater Missouri Operations)	
Company)	
)	
Respondent.)	

File No. EC-2019-0200

ORDER DENYING APPLICATION FOR REHEARING

Issue Date: October 30, 2019

Effective Date: October 30, 2019

On October 17, 2019, the Commission issued a report and order regarding the request for an accounting order brought by the Office of the Public Counsel and the Midwest Energy Consumers Group regarding KCP&L Greater Missouri Operations Company. That report and order became effective on October 27, 2019. KCP&L Greater Missouri Operations Company, now known as Evergy Missouri West, Inc. filed a timely application for rehearing on October 25, 2019.

Section 386.500.1, RSMo (2016), indicates the Commission shall grant an application for rehearing if “in its judgment sufficient reason therefor be made to appear.” In the judgment of the Commission, Evergy Missouri West has not shown sufficient reason to rehear the report and order. The Commission will deny the application for rehearing.

THE COMMISSION ORDERS THAT:

1. KCP&L Greater Missouri Operations Company, now known as Evergy Missouri West's Application for Rehearing is denied.
2. This order shall be effective when issued.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

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

Woodruff, Chief Regulatory Law Judge

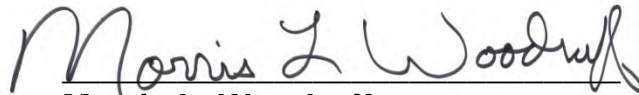
STATE OF MISSOURI

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 30th day of October 2019.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 30, 2019

File/Case No. EC-2019-0200

Missouri Public Service Commission

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Evergy Missouri West

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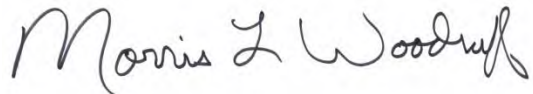
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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

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