

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

In the matter of KCP&L Greater Missouri Operations)
Company's tariffs changing the steam quarterly cost)
Adjustment for service provided to customers in the)
KCP&L Greater Missouri Operations Company)
Service territory.)

Case No. HR-2008-0340

RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and, for its *Recommendation* states as follows:

1. In its December 14, 2011, *Order Directing Staff to File a Recommendation or a Further Status Report*, the Commission directed Staff to file a recommendation or a further status report no later than January 20, 2012.

2. As discussed in the attached memorandum, Appendix A, Staff does not intend to conduct an audit for this case because Staff has no material concerns for the calendar year 2008 QCA period.

3. Therefore, Staff recommends this case be closed.

4. Staff does not consider the closing of a case to be an indication of an affirmative finding of prudence.

WHEREFORE, Staff submits this *Recommendation* and recommends the Commission close Case No. HR-2008-0340, concerning the year 2008.

Respectfully submitted,

/s/ Sarah Kliethermes

Sarah L. Kliethermes
Senior Counsel
Missouri Bar No. 60024

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Missouri Public Service Commission
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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 20th day of January, 2012.

/s/ Sarah Kliethermes

STAFF RECOMMENDATION

TO: Missouri Public Service Commission Official Case File
KCP&L Greater Missouri Operations' L&P's Steam Operations
Case HR-2008-0340

FROM: Cary G. Featherstone, Regulatory Auditor - Auditing Unit

/s/ Cary G. Featherstone 1/20/2012
Auditing Unit / Date

/s/ Sarah Kliethermes 1/20/2012
Office of Staff Counsel / Date

SUBJECT: Staff's Recommendation for KCP&L Greater Missouri Operations L&P's
2008 Steam Quarterly Cost Adjustment Clause Filing in Case No. HR-2008-0340

DATE: January 20, 2012

On December 16, 2011, the Missouri Public Service Commission (Commission) issued an *Order Directing Staff to File a Recommendation or a Further Status Report* in KCP&L Greater Missouri Operations' (GMO) Case No. HR-2008-0340, no later than January 20, 2012 concerning its Steam Operations Quarterly Cost Adjustment Clause (QCA).

Staff reviewed the filings made by GMO for the 2008 QCA and the supporting detail of the results for the calendar year 2008 steam fuel costs. Staff does not believe there are material differences in the QCA and actual fuel costs for the steam operations that need any further review, or any concerns regarding Case No. HR-2008-0340 that need to be brought to the Commission's attention.

The Commission originally approved the QCA process for GMO's steam operations as part of a Stipulation and Agreement in Case No. HR-2005-0450 (the 2005 Stipulation). In the 2005 Stipulation the parties agreed to not pursue any rate adjustment under the QCA procedures for any prudence review, either conducted by Staff or the Company's steam customers, "unless the resulting prudence adjustment amount exceeds 10 percent of the total of the fuel costs incurred in an annual review period" (see Stipulation and Agreement in Case No. HR-2005-0450, page 8, paragraph 8.9).

There are no material concerns for the calendar year 2008 QCA period that would exceed the 10 percent threshold of the 2005 Stipulation.

Staff does not believe any further action is necessary regarding calendar year 2008 QCA for GMO's steam operations, as such, no further audit activity is required for this case.

Staff recommends that Case No. HR-2008-0340 be closed.


BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company, for Authority to File) File No. HR-2008-0340
Tariffs Changing the Steam QCA for)
Service Provided to Customers in its)
Service Territory)

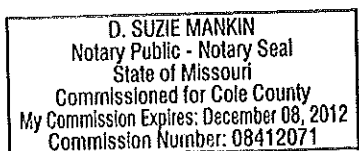
AFFIDAVIT OF CARY G. FEATHERSTONE

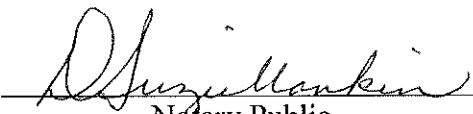
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Cary G. Featherstone, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.


Cary G. Featherstone

Subscribed and sworn to before me this 20th day of January, 2012.




Notary Public