

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

In the Matter of KCP&L Greater Missouri Operations Company for Authority to File Tariffs Changing The Steam QCA for Service Provided To Customers in its Service Territory	) ) ) ) )	<b><u>File No. HT-2013-0456</u></b> Tariff Tracking No. YH-2014-0175
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**STAFF RECOMMENDATION**

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

1. On October 15, 2013, KCP&L Greater Missouri Operations Company (“GMO”) filed with the Commission one tariff sheet, 18<sup>th</sup> Revised Sheet No. 6.10 bearing an effective date of December 1, 2013, to add the quarterly cost adjustment (“QCA”) for steam service customers for the third quarter of calendar year 2013.

2. GMO’s filing included the proposed tariff sheet, supporting workpapers, and a one page explanation titled *Steam/Electric Hedging Misclassification Explanation*. The proposed tariff sheet reflects an additional charge per million British Thermal Units (“BTU”) of \$0.4243 versus the credit per million BTU of (\$0.1468) reflected on the 17<sup>th</sup> Revised Sheet No. 6.10. This change in the QCA Rider rate is mostly the result of GMO correcting and reconciling a \$1,208,550 error in assigning prior costs of its fuel hedge positions to GMO’s steam customers and also reflects a \$148,928 decrease in the quarterly adjusted fuel costs from the previous quarter.

3. GMO explained that it had erroneously treated fuel hedge positions as electric positions and not as steam positions, thereby creating a cost allocation error. This proposed tariff sheet corrects that error by including an additional amount of \$1,208,550 in the reconciliation factor calculation in the QCA filing. With this correction, GMO has indicated to Staff that it intends to include a refund amount of \$1,454,190 in its January 2014 fuel adjustment clause (“FAC”) semi-annual rate adjustment filing for its MPS rate district.

4. As explained in its Memorandum, attached hereto as Appendix A, the Staff has reviewed the data and calculations provided by GMO related to its proposed tariff sheet and has determined that it is correct and satisfies the standards set forth in GMO’s Tariff Sheet Nos. 6.6 through 6.10.

**WHEREFORE**, for the reasons discussed above and in Staff’s Memorandum, the Staff recommends the Commission either issue an order approving the proposed tariff sheet as filed by GMO on October 15, 2013, to go into effect on December 1, 2013, or to allow it to go into effect by operation of law that same date:

P.S.C. MO. No. 1  
18<sup>th</sup> Revised Sheet No. 6.10 Canceling 17<sup>th</sup> Revised Sheet No. 6.10

Respectfully submitted,

**/s/ Robert S. Berlin**

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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 13th day of November 2013.

**/s/ Robert S. Berlin**