

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

In the Matter of the Propriety of the Rate)
Schedules for Steam Service of KCP&L) File No. HR-2018-0231
Greater Missouri Operations Company)

**RESPONSE OF
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

COME NOW KCP&L Greater Missouri Operations Company (“GMO” or the “Company”) and submits the following responses to the Missouri Public Service Commission’s (“Commission”) *Order Opening Rate Case, Directing Notice, Establishing Time to Intervene, and Requiring Company to Show Cause Why Its Rates Should Not Be Adjusted* (“Order”), filed to open this docket on February 22, 2018, as follows:

1. No later than March 19, 2018, GMO shall show cause, if any, why the Commission should not order it to promptly file tariffs reducing its rates for every class and category of steam service to reflect the percentage reduction in its federal-state effective income tax rate.

RESPONSE: GMO has not had a general rate case for its steam service since 2009. The Company is currently in an under-earnings position as demonstrated by the surveillance report submitted to the Commission on March 5, 2018 in this docket¹. Should a rate case be filed to reflect the impact of the Tax Cuts and Jobs Act of 2017, a rate increase would likely be the result.

2. GMO shall quantify and track all impacts of the Tax Cuts and Jobs Act of 2017 potentially affecting steam service rates from January 1, 2018, going forward.

RESPONSE: GMO will quantify and track all impacts of the Tax Cuts and Jobs Act of 2017 potentially affecting steam service rates from January 1, 2018, going forward.

¹ The surveillance report was attached as Exhibit A to the Company’s March 5, 2018 response.

3. GMO shall quantify and track its excess protected and unprotected ADIT for possible future flow back to ratepayers, and shall advise the Commission how best such flow-back may be accomplished.

RESPONSE: GMO will quantify and track its excess protected and unprotected ADIT. Any flow-back ordered by the Commission will be accomplished in a manner consistent with the current GMO electric rate case. Any flow-back ordered by the Commission would need to occur as a result of a rate case or a complaint case where all relevant factors are considered.

4. GMO shall, as part of its response to this order to show cause, advise the Commission as to its position on whether the impact of the Tax Cuts and Jobs Act of 2017 is like the gross receipts tax analyzed in *Hotel Continental* and the natural gas commodity costs considered in *Midwest Gas Users' Association*, such that the Commission may order a reduction in utility rates without considering all relevant factors in an extended general rate case.

RESPONSE: The Company does not believe that the cases cited above permit the Commission to order a reduction in utility rates without considering all relevant factors in a general rate case.

5. GMO shall, as part of its response to this order to show cause, identify and quantify all other impacts of the Tax Cuts and Jobs Act of 2017 on its steam rates not otherwise addressed in this order.

RESPONSE: See response to question 1. As noted in question 1, the Company is currently in an under-earnings position and the impact of the Tax Cuts and Jobs Act of 2017 does not relieve the under-earnings position as presented in the attachment to the filing on March 11, 2018 to questions posed by the Commission. Should a rate case be filed to reflect the impact of the Tax Cuts and Jobs Act of 2017, a rate increase would likely be the result.

Respectfully submitted,

/s/ Roger W. Steiner

Robert J. Hack, MBN 36496
Roger W. Steiner, MBN 39586
Kansas City Power & Light Company
1200 Main Street, 19th Floor
Kansas City, MO 64105

Telephone: (816) 556-2314

Facsimile: (816) 556-2110

E-Mail: Rob.Hack@kcpl.com

Roger.Steiner@kcpl.com

**Attorneys for KCP&L Greater Missouri
Operations Company**

CERTIFICATE OF SERVICE

I do hereby certify that on the 19th day of March 2018, I electronically filed via the Electronic Filing Information System (EFIS), a true and correct copy of the above and foregoing with a copy emailed to counsel for all parties of record.

/s/ Roger W. Steiner

**COUNSEL FOR KCP&L GREATER
MISSOURI OPERATIONS COMPANY**