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-2014-0370

KANSAS CITY POWER & LIGHT COMPANY'S
MOTION FOR CLARIFICATION OR RECONSIDERATION

COMES NOW Kansas City Power & Light Company ("KCP&L" or "Company") and respectfully requests the Commission clarify its Report and Order with respect to the definitions of off-system sales revenues ("OSSR") and the "J" component. To the extent the Commission considers such clarification to be reconsideration, KCP&L respectfully requests that the Commission grant such reconsideration. In support thereof, the Company states:

1. Concurrent with this filing KCP&L has made its compliance tariff filing as directed in the Report and Order. The tariff sheets contained in KCP&L's compliance tariff filing have been drafted to comply with KCP&L's understanding of the Report and Order as written. KCP&L believes that two provisions of that Report and Order (regarding OSSR and the "J" component) should be clarified and/or reconsidered as explained below. If the Commission grants clarification and/or reconsideration, the compliance tariff filing will need to revised through KCP&L's submission of substitute compliance tariff sheets, examples of which – with changes shown in red-line format – are appended hereto as Attachment A.

OSSR

2. The Commission decided to adopt Staff's definition of OSSR (Report and Order at 43), the second sentence of which reads as follows:

> This includes charges and credits related to the SPP Integrated Marketplace including, energy, ancillary services, **revenue sufficiency** and neutrality payments and distributions, Over collected losses payments and distributions, TCR and ARR settlements, demand reductions, virtual energy costs, revenues and

> related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, generation/export charges, ancillary services including non-performance and distribution payments and SPP uplift revenues or credits.
> (emphasis added)

The phrase "revenue sufficiency" is not used in the SPP tariff but, rather is drawn from the tariff of the Midwest Independent System Operator ("MISO"). KCP&L is concerned that because this phrase is drawn from MISO's tariff and is not found in SPP's tariff, its inclusion may result in future confusion which could be avoided by replacing the phrase "revenue sufficiency" with the phrase "make whole and out of merit" (which is drawn from SPP's tariff) so that the entire second sentence of the definition of OSSR would read as follows (with changes shown in red-line format):

> This includes charges and credits related to the SPP Integrated Marketplace including, energy, ancillary services, make whole payments and out of merit payments and distributions, revenue neutrality payments and distributions, Over collected losses payments and distributions, TCR and ARR settlements, demand reductions, virtual energy costs, revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, generation/export charges, ancillary services including non-performance and distribution payments and SPP uplift revenues or credits.

KCP&L believes that this change (a) is consistent with the intent of the Report and Order on this topic that KCP&L's tariff language reflect the SPP tariff, and (b) will assist in avoiding future confusion in administration of KCP&L's FAC tariff provisions.

<u>"J" Component</u>

3. The Commission decided to adopt Staff's definition of the "J" component (Report and Order at 43-44): "Missouri Retail Energy Ration (sic) = Missouri Retail kWh sales/Total Net System Input (NSI), where NSI is defined as [Retail Sales (KS+MO) + Sales for Resale + Border

Customers + Firm Wholesale + Losses]. KCP&L believes the definition of the "J" component needs to be changed to read as follows:

J = Missouri Retail Energy Ratio =

$$\frac{\text{(MO Retail kWh Sales + MO losses)}}{\text{(MO Retail kWh Sales + MO Losses + KS Retail kWh Sales + KS Losses + Sales for Resale, Municipals kWh Sales [includes border customer sales] + Sales for Resale, Municipals Losses)}}$$

The loss percentages established in Case No. ER-2014-0370 which shall be used for each accumulation period are as follows:

- MO Losses = 6.121%
- KS Losses = 6.298%
- Sales for Resale, Municipals Losses = 21.50%

With this change, FAC costs and revenues will be allocated in a manner consistent with the energy allocator used to set permanent rates in this proceeding. That FAC costs and revenues should be allocated consistently with the allocation methodology used to set permanent rates is a concept upon which agreement was reached by KCP&L, Staff and OPC during the course of the proceeding and was acknowledged by the Commission. (Report and Order at pp. 46-47).

4. KCP&L has shared the contents of this pleading with Staff, the Office of the Public Counsel, the Missouri Industrial Energy Consumers ("MIEC") and the Midwest Energy Consumers Group ("MECG") prior to filing, but sufficient time was not available to receive and incorporate feedback in this pleading.

WHEREFORE, KCP&L respectfully requests that the Commission clarify or reconsider its Report and Order as set forth herein.

Respectfully submitted,

/s/ Robert J. Hack

Robert J. Hack, MBN 36496
Phone: (816) 556-2791
E-mail: rob.hack@kcpl.com
Roger W. Steiner, MBN 39586
Phone: (816) 556-2314
E-mail: roger.steiner@kcpl.com
Kansas City Power & Light Company
1200 Main – 16th Floor
Kansas City, Missouri 64105
Fax: (816) 556-2787

Attorneys for Kansas City Power & Light Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served upon all counsel of record on this 8th day of September 2015, by either e-mail or U.S. Mail, postage prepaid.

/s/ Robert J. Hack

Robert J. Hack

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASE POWER ADJUSTMENT ELECTRIC
(Applicable to Service Provided Effective Date of Rate Tariffs for ER-2014-0370 and Thereafter)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

TC = Transmission Costs:
The following costs reflected in FERC Account Numbers 565: 7.3% of the transmission service costs recorded in 565:
Subaccount 565000: Transmission Of Electricity By Others
Subaccount 565020: The allocation of costs in the 565 account that is attributed to native load;
Subaccount 565027: The allocation of costs in the 565 account that is attributed to transmission demand charges;
Subaccount 565030: The allocation of costs in account 565 that is attributed to off system sales.

OSSR = Revenues from Off-System Sales:
The following revenues or costs reflected in FERC Account Number 447:
Subaccount 447002: all revenues from off-system sales. This includes charges and credits related to the SPP Integrated Marketplace including, energy, ancillary services, ~~revenue sufficiency and~~make whole payments and out of merit payments and distributions, revenue neutrality payments and distributions, ~~O~~over collected losses payments and distributions, TCR and ARR settlements, demand reductions, virtual energy costs, revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, generation/export charges, ancillary services including non-performance and distribution payments and SPP uplift revenues or credits. Off-system sales revenues from full and partial requirements sales to municipalities that are served through bilateral contracts in excess of one year shall be excluded from OSSR component;
Subaccount 447012: capacity charges for capacity sales one year or less in duration;
Subaccount 447030: The allocation of sales in account 447 that is attributed to off system sales.

R = Renewable Energy Credit Revenue:
Revenues reflected in FERC account 509000 from the sale of Renewable Energy Credits that are not needed to meet the Renewable Energy Standard.

Any cost identified above which is a Missouri-only cost shall be grossed up by the current kWh energy factor, included in the ANEC calculation and allocated as indicated in component J below. Any cost identified above which is a Kansas-only cost shall be excluded from the ANEC calculation.

Hedging costs are defined as realized losses and costs (including broker commissions, fees, and margins) minus realized gains associated with mitigating volatility in the Company's cost of fuel, fuel additives, fuel transportation, emission allowances, transmission and power purchases or sales, including but not limited to, the Company's use of derivatives whether over-the counter or exchange traded including, without limitation, futures or forward contracts, puts, calls, caps, floors, collars, swaps, TCRs, virtual energy transactions, or similar instruments.

FUEL ADJUSTMENT CLAUSE – Rider FAC
FUEL AND PURCHASE POWER ADJUSTMENT ELECTRIC
(Applicable to Service Provided Effective Date of Rate Tariffs for ER-2014-0370 and Thereafter)

FORMULAS AND DEFINITIONS OF COMPONENTS (continued)

F. A party other than the Company may seek the inclusion of a new charge type in a FAR filing by making a filing with the Commission no less than 60 days before the Company's next FAR filing. Such a filing shall give the Commission notice that such party believes the new charge type should be included because it possesses the characteristics of, and is of the nature of, the costs or revenues listed in factors PP or OSSR, as the case may be. The party's filing shall identify the proposed accounts affected by such change, provide a description of the new charge type demonstrating that it possesses the characteristics of, and is of the nature of, the costs or revenues listed in factors PP or OSSR as the case may be, and identify the preexisting market settlement charge type(s) which the new charge type replaces or supplements. If a party makes the filing provided for by this paragraph F and a party (including the Company) challenges the inclusion, such challenge will not delay inclusion of the new charge type in the FAR filing or delay approval of the FAR filing. To challenge the inclusion of a new charge type, the challenging party shall make a filing with the Commission based upon that party's contention that the new charge type costs or revenues at issue should not have been included, because they do not possess the characteristics of the costs or revenues listed in Factors PP or OSSR, as the case may be. The challenging party shall make its filing challenging the inclusion and stating the reasons why it believes the new charge type does not possess the characteristic of the costs or revenues listed in Factors PP or OSSR, as the case may be, within 30 days of the filing that seeks inclusion of the new charge type. In the event of a timely challenge, the party seeking the inclusion of the new charge type shall bear the burden of proof to support its contention that the new charge type should be included in the Company's FAR filings. Should such challenge be upheld by the Commission, any such costs will be refunded (or revenues retained) through a future FAR filing in a manner consistent with that utilized for Factor P.

Should FERC require any item covered by components FC, E, PP, TC, OSSR or R to be recorded in an account different than the FERC accounts listed in such components, such items shall nevertheless be included in component FC, E, PP, TC, OSSR or R. In the month that the Company begins to record items in a different account, the Company will file with the Commission the previous account number, the new account number and what costs or revenues that flow through the Rider FAC to be recorded in the account.

B = Net base energy costs ordered by the Commission in the last general rate case consistent with the costs and revenues included in the calculation of the FPA. Net Base Energy costs will be calculated as shown below:

S_{AP} x Base Factor ("BF")

S_{AP} = Net system input ("NSI") in kWh for the accumulation period

BF = Company base factor costs per kWh: $0.01185

J = Missouri Retail Energy Ratio = (M~~issouri~~O Retail kWh sales + MO Losses) / (MO Retail kWh Sales + MO Losses + KS Retail kWh Sales + KS Losses + Sales for Resale, Municipals kWh Sales [includes border customers] + Sales for Resale, Municipals Losses)~~Total Net System Input (NSI), where NSI is defined as [Retail Sales (KS + MO) + Sales for Resale + Border Customers + Firm Wholesale + Losses].~~

MO Losses = 6.121%; KS Losses = 6.298%; Sales for Resale, Municipals Losses = 21.50%