

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day
of June, 2011.

In the Matter of the Application of KCP&L Greater) **File No. ER-2010-0356**
Missouri Operations Company for Approval to Make) Tariff File Nos. YE-2011-0606
Certain Changes in its Charges for Electric Service) and YE-2011-0607

**ORDER APPROVING TARIFF SHEETS
AND SETTING PROCEDURAL CONFERENCE**

Issue Date: June 15, 2011

Effective Date: June 25, 2011

On May 4, 2011, the Commission issued its Report and Order approving certain rates for KCP&L Greater Missouri Operations Company (GMO). On May 27, 2011, the Commission issued an Order of Clarification and Modification which rejected tariffs filed in compliance with the Report and Order and required the filing of additional tariff sheets. Additional compliance tariffs were filed on May 31, 2011, and substitute sheets were filed on June 1, 2011.¹

The Staff of the Commission filed suggestions regarding the Commission's decision to make the fuel adjustment clause (FAC) portion of the tariffs effective on July 1, 2011, with the base rates tariffs becoming effective on June 4, 2011. Ag Processing, Inc. a cooperative and the Sedalia Industrial Energy Users' Association (SIEUA) filed a response, and an additional reply was received from Staff and from GMO.

¹ For record-keeping purposes and because of the different effective dates for different portions of the tariffs, the Commission divided the filing into a different tracking number for each tariff effective date.

The Office of the Public Counsel objected to the tariffs on June 2, 2011. Public Counsel's first objection was to the shortened time for responses and stated that it did not have sufficient time to review and respond to the tariffs or review the pleadings filed by Staff regarding the FAC tariffs. Public Counsel's second objection was to the interest rate of 8.414% contained as "carrying costs" for the phase-in portion of the rates. GMO indicated in its cover letter filed with the tariffs that it included its authorized rate of return (ROR) of 8.414% as a carrying cost ordered by the Commission. Ag Processing concurred in the objections of Public Counsel and further objected to the "phase-in of rates in excess of filed-for levels."

The Staff of the Commission filed a recommendation regarding the tariffs on June 2, 2011. In that recommendation, Staff recommended that the tariffs bearing a June 4, 2011 effective date and a July 1, 2011 effective date be approved as in compliance with the Commission Report and Order. In its recommendation, however, Staff had not yet had an opportunity to complete its review of the additional tariff sheets for the "phase-in" portion of the rates.

Upon review of the responses, the Commission ordered a suspension of the tariff sheets and directed any additional responses and any arguments concerning why the "carrying costs" should not be set at the short-term interest rate be filed no later than June 8, 2010. Responses regarding the interest rates were filed but no further objections to the tariffs were made.

Section 393.155.1 requires the Commission to make "a just and reasonable adjustment" for the deferral of revenue to future years. The Commission determined

that a “just and reasonable adjustment” would be the carrying costs for the company. Now at issue are what the carrying costs should be.

The base rate tariffs originally proposed to become effective on June 4, 2011, and suspended until June 18, 2011, are in compliance with the Commission’s Report and Order as modified. In addition, the parties have had adequate time to review those tariffs and raise any objections. The Commission finds that these tariffs are in compliance with the Commission’s Report and Order as modified and should be approved. Further, because the Commission has determined just and reasonable rates for GMO and the Commission has determined that the main tariffs setting those rates are in compliance with the Commission’s Report and Order, the Commission finds good cause for those tariffs to become effective on less than thirty days’ notice.

With regard to the FAC tariff sheets, the Commission has reviewed the filings and arguments and determines that the July 1, 2011 tariff effective date produces the just and reasonable result. Therefore, the Commission will approve those tariffs to become effective on July 1, 2011.

With regard to the phase-in compliance tariffs, however, the Commission determines that it is appropriate to take additional evidence on what a “reasonable adjustment” or “carrying cost” should be. Because the phase-in tariffs will not become effective until 2012, 2013, and 2014, the Commission need not take action on those tariffs in this order. Therefore, the Commission will set a procedural conference in order to establish a schedule for hearing additional evidence on the phase-in portion of the tariffs.

THE COMMISSION ORDERS THAT:

1. Tariff File No. YE-2011-0606, filed by KCP&L Greater Missouri Operations Company on May 31, 2011, is approved to become effective on June 25, 2011. The tariff sheets approved are:

P.S.C. MO. No. 1, Electric Rates

7th Revised Sheet No. 2, canceling 6th Revised Sheet No. 2
4th Revised Sheet No. 18, canceling 3rd Revised Sheet No. 18
4th Revised Sheet No. 19, canceling 3rd Revised Sheet No. 19
4th Revised Sheet No. 21, canceling 3rd Revised Sheet No. 21
4th Revised Sheet No. 22, canceling 3rd Revised Sheet No. 22
4th Revised Sheet No. 23, canceling 3rd Revised Sheet No. 23
4th Revised Sheet No. 24, canceling 3rd Revised Sheet No. 24
4th Revised Sheet No. 25, canceling 3rd Revised Sheet No. 25
4th Revised Sheet No. 28, canceling 3rd Revised Sheet No. 28
4th Revised Sheet No. 29, canceling 3rd Revised Sheet No. 29
4th Revised Sheet No. 31, canceling 3rd Revised Sheet No. 31
4th Revised Sheet No. 34, canceling 3rd Revised Sheet No. 34
4th Revised Sheet No. 35, canceling 3rd Revised Sheet No. 35
4th Revised Sheet No. 41, canceling 3rd Revised Sheet No. 41
4th Revised Sheet No. 42, canceling 3rd Revised Sheet No. 42
4th Revised Sheet No. 43, canceling 3rd Revised Sheet No. 43
4th Revised Sheet No. 44, canceling 3rd Revised Sheet No. 44
4th Revised Sheet No. 47, canceling 3rd Revised Sheet No. 47
4th Revised Sheet No. 48, canceling 3rd Revised Sheet No. 48
4th Revised Sheet No. 50, canceling 3rd Revised Sheet No. 50
4th Revised Sheet No. 51, canceling 3rd Revised Sheet No. 51
4th Revised Sheet No. 52, canceling 3rd Revised Sheet No. 52
4th Revised Sheet No. 53, canceling 3rd Revised Sheet No. 53
4th Revised Sheet No. 54, canceling 3rd Revised Sheet No. 54
4th Revised Sheet No. 56, canceling 3rd Revised Sheet No. 56
4th Revised Sheet No. 57, canceling 3rd Revised Sheet No. 57
4th Revised Sheet No. 59, canceling 3rd Revised Sheet No. 59
4th Revised Sheet No. 60, canceling 3rd Revised Sheet No. 60
4th Revised Sheet No. 61, canceling 3rd Revised Sheet No. 61
4th Revised Sheet No. 66, canceling 3rd Revised Sheet No. 66
4th Revised Sheet No. 67, canceling 3rd Revised Sheet No. 67
4th Revised Sheet No. 68, canceling 3rd Revised Sheet No. 68
4th Revised Sheet No. 70, canceling 3rd Revised Sheet No. 70
4th Revised Sheet No. 71, canceling 3rd Revised Sheet No. 71
4th Revised Sheet No. 74, canceling 3rd Revised Sheet No. 74
4th Revised Sheet No. 76, canceling 3rd Revised Sheet No. 76
4th Revised Sheet No. 79, canceling 3rd Revised Sheet No. 79

P.S.C. MO. No. 1, Electric Rates

4th Revised Sheet No. 80, canceling 3rd Revised Sheet No. 80
5th Revised Sheet No. 88, canceling 4th Revised Sheet No. 88
5th Revised Sheet No. 89, canceling 4th Revised Sheet No. 89
4th Revised Sheet No. 90, canceling 3rd Revised Sheet No. 90
5th Revised Sheet No. 91, canceling 4th Revised Sheet No. 91
5th Revised Sheet No. 92, canceling 4th Revised Sheet No. 92
3rd Revised Sheet No. 93, canceling 2nd Revised Sheet No. 93
5th Revised Sheet No. 95, canceling 4th Revised Sheet No. 95
4th Revised Sheet No. 103, canceling 3rd Revised Sheet No. 103
4th Revised Sheet No. 104, canceling 3rd Revised Sheet No. 104
Original Sheet No. 133

P.S.C. MO. No. 1, Electric Rules and Regulations

1st Revised Sheet No. R-1, canceling Original Sheet No. R-1
Original Sheet No. R-5.01
1st Revised Sheet No. R-20, canceling Original Sheet No. R-20
1st Revised Sheet No. R-27, canceling Original Sheet No. R-27
1st Revised Sheet No. R-34, canceling Original Sheet No. R-34
2nd Revised Sheet No. R-66, canceling 1st Revised Sheet No. R-66

2. Tariff File No. YE-2011-0607, filed by KCP&L Greater Missouri Operations Company on May 31, 2011, is approved to become effective on July 1, 2011. The tariff sheets approved are:

P.S.C. MO. No. 1, Fuel Adjustment Clause Electric

1st Revised Sheet No. 127.1, canceling Original Sheet No. 127.1
1st Revised Sheet No. 127.2, canceling Original Sheet No. 127.2
1st Revised Sheet No. 127.3, canceling Original Sheet No. 127.3
1st Revised Sheet No. 127.4, canceling Original Sheet No. 127.4
4th Revised Sheet No. 127.5, canceling 3rd Revised Sheet No. 127.5
Original Sheet No. 127.6
Original Sheet No. 127.7
Original Sheet No. 127.8
Original Sheet No. 127.9
Original Sheet No. 127.10

3. The parties shall meet for a procedural conference beginning at 10:00 a.m. on June 28, 2011, in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The procedural conference shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City,

Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

4. This order shall become effective on June 25, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Clayton, Davis,
Jarrett, and Kenney, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge