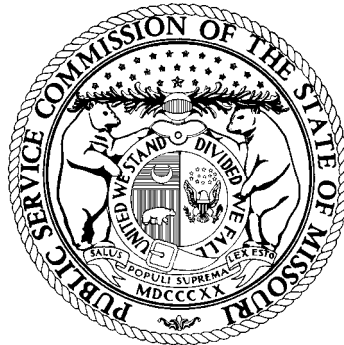


MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT

CLASS COST OF SERVICE and RATE DESIGN



KCP&L Greater Missouri Operations Company

CASE NO. HR-2009-0092

*Jefferson City, Missouri
February 27, 2009*

**STAFF REPORT
CLASS COST-OF-SERVICE
and RATE DESIGN**

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I. Background

The company currently has five (5) customers. Four (4) of the customers currently take service under the terms of the Company's 'Steam Service' rate. The fifth customer, Ag Processing, Inc. (AGP), is served under the terms of a contract negotiated between KCP&L Greater Missouri Operations Company ("Company" or "GMO") and AGP. The Company also has a 'Supplemental Steam Service' rate, but there are no customers taking service on this tariff.

GMO's current rate structure for steam service is shown in the table below.

<u>Tariff Class</u>	<u>Number of customers</u>	<u>Rate Components</u>
Steam Service	4	Reserved Capacity Charge Declining Block Energy Charge
Supplemental Steam Service	0	Demand Charge Fixed Energy Charge per mmBtu Energy Fuel Charge Equipment Rental Charge
Contract Service	1	Per contract terms – Staff and OPC receive copy of contract

When determining the revenue requirement, AGP's revenues were calculated using the tariffed rates of the Steam Service class. As discussed on pp. 55-56 of the Staff Report on Cost-of-Service filed on February 13, 2009, this is the Commission-approved approach resulting from earlier Stipulation and Agreements, and is not an issue in this case.

II. Class Cost of Service

The Staff did not perform a class cost-of-service study in this case. There is only one tariffed rate for the Company's current steam customers, and all of GMO's steam customers are either taking service under the steam service tariff or are treated as if they are for purposes of ratemaking; therefore, the Staff did not perform a class cost-of-service study.

III. Quarterly Cost Adjustment (“QCA”)

GMO has proposed a modification to its current fuel adjustment rider, known as the QCA. Staff has no proposals to change the Company’s current fuel adjustment rider, known as the QCA, but is interested in participating in discussions among the parties regarding the QCA. The Staff addresses the QCA in the Cost of Service Report’s Fuel Adjustment Rider Section.

III. Standby or Supplemental Service Rate

No customer currently takes service under the “Standby or Supplemental Service” rate schedule. Therefore, Staff would not oppose eliminating this rate schedule.

IV. Recommendation

Staff recommends that all components of the Steam Service rates be increased by a uniform percentage, equal to the percentage increase in revenues resulting from the order in this case. Using this method will result in rates that collect the Company’s revenue requirement, but keep each customer’s relative revenue contribution the same as under the current rates.

Staff Expert: Anne Ross

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

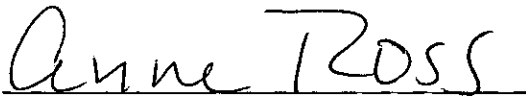
In the Matter of the Application of)
KCP&L Greater Missouri Operations)
Company for Approval to Make Certain)
Changes in its Charges for Steam Heating)
Service)

Case No. HR-2009-0092

AFFIDAVIT OF ANNE ROSS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)


Anne Ross, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that she has participated in preparing the accompanying Staff Report in pages 1 - 2, and that the facts therein are true and correct to the best of her knowledge and belief


Anne Ross

Subscribed and sworn to before me this 26th day of February, 2009.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public