

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 16th day of March, 2016.

In the Matter of KCP&L Greater Missouri Operations) File No. ER-2016-0156
Company's Request for Authority to Implement a)
General Rate Increase for Electric Service) Tracking No. YE-2016-0223

**ORDER DETERMINING TEST YEAR, UPDATE, AND TRUE-UP;
ORDER REGARDING SCHEDULE**

Issue Date: March 16, 2016

Effective Date: March 16, 2016

The Missouri Public Service Commission is addressing matters influenced by the 10-month time frame set by the Commission's order,¹ including the periods of time from which to draw data ("periods") for determining the propriety of the pending tariff sheets ("tariff"), and scheduling matters.

A. Filings

KCP&L Greater Missouri Operations Company ("GMO") filed the tariffs with an application for a rate increase ("application") accompanied the tariff. The application proposed periods and a schedule, including dates for serving certain data and convening an evidentiary hearing, along an eleven-month timeline. The Commission

¹ Electronic Filing Information System ("EFIS") No. 33 (March 2, 2016), *Order Suspending Tariff, Notice of Contested Case, and Order Delegating Authority*.

ordered a ten-month timeline² and issued a preliminary schedule accordingly.³ GMO proposed further scheduling options.⁴ The Commission received responses to GMO's proposed periods from the Commission's staff ("Staff"),⁵ and the Office of the Public Counsel ("OPC"),⁶ and GMO filed a reply.⁷ Each addressed scheduling issues under the ten-month timeline. GMO also proposed a nine-month timeline.⁸

B. Test Year and other Periods

Collectively, the parties propose three periods:

- A test year, 12 months close to the decision for measuring the costs of providing service,
- An update period, a period closer to the decision for measuring known and measurable changes to the costs of providing service, and
- A true-up period, the period closest to the decision for other items that significantly affect rates but occur after the test year.

² EFIS No. 33 (March 2, 2016), *Order Suspending Tariff, Notice of Contested Case, and Order Delegating Authority*.

³ EFIS No. 35 (March 3, 2016) *Notice of Hearing; Order Setting Conference Date, Directing Notice of Action, and Directing Filings*.

⁴ EFIS No. 30 (March 1, 2016) *KCP&L Greater Missouri Operations Company Response to Commission Order*.

⁵ EFIS No. 39 (March 7, 2016) *Staff's Test Year Recommendation*.

⁶ EFIS No. 38 (March 7, 2016) *Response of the Public Counsel to the Commission's March 3, 2016 Order Directing Filing*.

⁷ EFIS No. 55 (March 15, 2016) *Reply of KCP&L Greater Missouri Operations Company to Public Counsel and Staff Test Year, Update and True-Up Recommendations*.

⁸ EFIS No. 30 (March 1, 2016) *KCP&L Greater Missouri Operations Company Response to Commission Order* page 3 through 4.

The application states that GMO drafted the tariffs contemplating an eleven-month timeline and “based on a test year ending June 30, 2015 and projections through July 31, 2016.”⁹

Under a ten-month timeline:

- GMO proposes a test year ending June 30, 2015,¹⁰ an update period ending December 31, 2015,¹¹ and a true-up period ending on July 31, 2016.¹²
- Staff proposes a test year ending June 30, 2015; an update period ending December 31, 2015; and a true-up period ending June 30, 2016.¹³
- OPC proposes a test year ending December 31, 2015, with an update period through July 31, 2016.¹⁴

The Commission determines that the analysis of GMO is the most persuasive, and so will order the following.

⁹ EFIS No. 7 (February 23, 2015) *Application*, page 2, paragraph 5.

¹⁰ EFIS No. 7 (February 23, 2015) *Application*, page 2, paragraph 5.

¹¹ EFIS No. 55 (March 15, 2016) *Reply of KCP&L Greater Missouri Operations Company to Public Counsel and Staff Test Year, Update and True-Up Recommendations*, page 2 to 3, paragraph 5. GMO qualifies this proposal with a caveat, “GMO will not be able to update on a timely basis the consolidated district load research data through December 31, 2016.”

¹² EFIS No. 30 (March 1, 2016) *KCP&L Greater Missouri Operations Company Response to Commission Order* page 2 through 3.

¹³ EFIS No. 39 (March 7, 2016) *Staff’s Test Year Recommendation*, first page through page 2, paragraphs 1 through 3.

¹⁴ And no true-up date. EFIS No. 38 (March 7, 2016) *Response of the Public Counsel to the Commission’s March 3, 2016 Order Directing Filing*, first page, paragraph 2.

Test year ending	Update through	True-up through
June 30, 2015	December 31, 2015	July 31, 2016

Data from those periods will best prove or disprove the propriety of the tariff within the ten-month timeline.

C. Scheduling

Staff asks for an order requiring an expedited discovery process,¹⁵ and the Commission will grant that request.

Staff also proposes provisions governing the true-up--including a format and deadline for supplemental testimony, and a cut-off date for serving data--and supports that request by explaining how long it takes to assemble and review true-up data. GMO opposes such provisions.¹⁶ The Commission will reserve ruling on those proposals, pending Staff's filing of the proposed schedule on all parties' behalf.

Staff further seeks clarification as to whether the preliminary hearing dates set forth in the Commission's order¹⁷ ("order") are firm or changeable. The order is interlocutory and, so, its provisions are subject to re-determination until a scheduled event has occurred. The parties may propose hearing dates as part of their proposed schedule. The Commission will allow time for the parties' written arguments and reconciliations, and for the Commission's deliberations.

¹⁵ EFIS No. 29 (March 1, 2016) *Staff's Response to Order Directing Filing*, page 2, paragraph 6.

¹⁶ EFIS No. 55 (March 15, 2016) *Reply of KCP&L Greater Missouri Operations Company to Public Counsel and Staff Test Year, Update and True-Up Recommendations*, page 4 to 5, paragraph 10 to 11.

¹⁷ EFIS No. 35 (March 3, 2016) *Notice of Hearing; Order Setting Conference Date, Directing Notice of Action, and Directing Filings* page 1, ordered paragraph 1.

THE COMMISSION ORDERS THAT:

1. The test year, update, and true-up periods shall be those set forth in the body of this order.
2. Any proposed procedural schedule shall provide an expedited discovery process.
3. This order shall become effective immediately on issuance.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style.

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp, and
Coleman, CC., concur.

Jordan, Senior Regulatory Law Judge