

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 12th day of September, 2018.

In the Matter of Kansas City Power & Light Company For Authority to Implement Rate Adjustment Required by CSR 4 CSR 240-20.090(4) And the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism)
)
) **File No. ER-2019-0031**
) Tariff No. JE-2019-0016
)
)

In the Matter of the Application of Kansas City Power & Light Company Containing Its Semi-Annual Fuel Adjustment Clause True-Up)
) **File No. ER-2019-0032**
)
)

**ORDER APPROVING FUEL ADJUSTMENT TRUE-UP
AND APPROVING TARIFF TO CHANGE FUEL
ADJUSTMENT CLAUSE RATES**

Issue Date: September 12, 2018

Effective Date: October 1, 2018

On July 31, 2018, Kansas City Power & Light Company (KCPL), submitted an application containing its second true-up filing for its Fuel Adjustment Clause (FAC), as required by Section 386.266.4(2), RSMo 2016, and Commission Rules 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5). KCPL also submitted its FAC tariff for the recovery period ending March 31, 2018 (Tariff No. JE-2019-0016). KCPL requests that the Commission authorize a true-up adjustment and implement it under its FAC tariff bearing an effective date of October 1, 2018.

FAC true-up

The true-up amount identified is the result of an under-collection of \$1,965,134 from customers during Recovery Period 3 from April 1, 2017 through March 31, 2018. This under-collection includes a correction of \$9,610 due to an incorrect Net System Input (NSI) used for the month of December 2017 previously included in the fifth accumulation

period and an under-recovery of \$1,955,524 for Recovery Period 3. The true-up amount for Recovery Period 3 is included in the proposed changes to KCPL's semi-annual FAC filing for the sixth accumulation period (AP6) filed on July 31, 2018, in compliance with KCPL's FAC.

Staff examined the direct testimony of Lisa A. Starkebaum, supporting schedules, and workpapers KCPL provided with its application in this case. Staff reviewed the calculations of the corrections and interest amounts in those supporting workpapers. Staff verified that KCPL has filed its 2017 annual report and is not delinquent on any assessment. KCPL is current on the filing of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff recommends the Commission approve KCPL's Recovery Period 3 true-up filing for inclusion in the changes in KCPL's AP6 adjustment filing in File No. ER-2019-0032.

Neither the governing statute¹ nor any other law requires a hearing before approving the unopposed application.² Because this is a non-contested case, the Commission acts on evidence that is not formally adduced and preserved.³ There is no evidentiary record.⁴ Consequently, the Commission bases its decision on the parties' verified filings. Based on the Commission's independent and impartial review of the verified filings, the Commission finds that it is in the public interest to approve KCPL's

¹ Section 386.266, RSMo 2016. This section provides for a hearing when the FAC is approved, modified or rejected. It does not require a hearing when annual true-ups are filed by the company. Commission Rule 4 CSR 240-20.090(5) states the Commission may hold a hearing if needed, but one is not required.

² Section 536.010(4), RSMo 2016, defines a contested case as "a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing." *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App.1989).

³ *State ex rel. Public Counsel v. Public Service Commission*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

⁴ *Id.*

application and authorize KCPL to include the calculated amount in its next FAC accumulation period as previously described.

FAC tariff

With regard to KCPL’s request to approve its FAC tariff in File No. ER-2019-0032, the proposed rate schedules are designed to recover from customers 95 percent of the company’s net cost increases or decreases in the amount of \$23,057,512, the true-up amount for Recovery Period 3 of \$1,965,134, and interest of \$704,419. Based on an average usage of 1,000 kWh per month, KCPL’s requested adjustment would result in an increase in the bill of a typical residential customer of approximately \$0.60 per month.

Because of the differences in line loss for KCPL of transmission/substation, primary, and secondary voltage service levels, the proposed tariff sheet reflects different current period fuel adjustment rates (FARs) for fuel taken at each of these service levels. The transmission/substation voltage level was added to the FAC as a result of KCPL’s last general rate case, File No. ER-2016-0285. KCPL’s FARs are set out in the table below:

Current Annual Fuel Adjustment Rate per kWh			
Service	Proposed Current Annual FAR	Now-Effective Current Annual FAR	Difference
Transmission/Substation	\$0.00530	\$0.00472	\$0.00058 Increase
Primary	\$0.00543	\$0.00484	\$0.00059 Increase
Secondary (Residential Service)	\$0.00555	\$0.00495	\$0.00060 Increase

The Commission’s Staff filed a recommendation regarding KCPL’s tariff on

August 30, 2018. Staff verified that KCPL's actual fuel and purchased power costs match the fuel and purchased power costs included in the company's calculated rates set out in the submitted tariff. Staff also reviewed KCPL's monthly interest rates that are applied to 95% of the jurisdictional monthly cumulative under/over-recovery of base fuel and purchased power costs and 100% of the true-up amount from Recovery Period 3 for AP6. Staff opined that KCPL's tariff sheet, Tariff No. JE-2019-0016, complied with the Commission's *Report and Order* and its *Order Regarding Compliance Tariff Sheets* in File No. ER-2016-0285, Commission Rule 4 CSR 240-3.161, and KCPL's FAC in its tariff. Staff recommends the Commission approve the tariff submitted by KCPL to become effective on the October 1, 2018 effective date.

The Commission's rule regarding FACs requires the Commission to issue an order approving or rejecting the company's tariff within 60 days of its filing.⁵ If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo 2016, and the FAC mechanism established in the most recent general rate proceeding, the Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.⁶

The Commission has reviewed KCPL's verified application, KCPL's tariff filing, and Staff's verified recommendation and memorandum and finds that the tariff sheet implementing the FAC rate adjustment is in compliance with the Commission's order establishing the FAC and with all applicable statutes and regulations. Therefore, the Commission will approve KCPL's proposed tariff.

Without Commission action, the tariff will become effective by operation of law on October 1, 2018. Additionally, as noted above, the Commission's rule requires an order

⁵ Commission Rule CSR 240-20.090(4).

⁶ *Id.*

be issued within 60 days of the tariff filing. Therefore, the Commission finds this order shall be effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The true-up amount for Recovery Period 3 is established for Kansas City Power & Light Company as an under-collection of \$1,965,134 from its customers and shall be reflected in the rate adjustment in Commission File No. ER-2019-0032.

2. Kansas City Power & Light Company's tariff filing, assigned Tariff Tracking No. JE-2019-0016, is approved to be effective October 1, 2018, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

P.S.C. MO. No. 7

4th Revised Sheet No. 50.20, Canceling 3rd Revised Sheet No. 50.20

3. This order shall become effective on October 1, 2018.
4. These files shall close on October 2, 2018.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Dippell, Senior Regulatory Law Judge

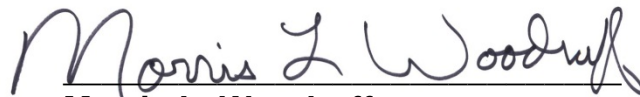
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission,
at Jefferson City, Missouri, this 12th day of September 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

September 12, 2018

File/Case No. ER-2019-0031 and ER-2019-0032

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,


Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.