Missouri Public Service Commission MID-MESSOURI MO Data Center 24 AUG 20 P.O. Box 360 FIRST Jefferson City, Missouri 65102-0360 95624 AUG A CARGON AND A CARGON MO 419-2651 (9-10) (χ_{0}) FILED DDRESSED, ABLE TO SED Midwest Company Users' Association SEP 0 6 2016 Legal Department 428 E Capitat, Suite 300 Missouri Public Service Commission Jefferson City, MO 65101 UTE

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STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 17th day of August, 2016.

In the Matter of KCP&L Greater Missouri Operations Company for Authority to Implement Rate Adjustments Required by 4 CSR 240-20.090(4) and the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism

File No. ER-2017-0001 Tariff No. JE-2017-0002

ORDER APPROVING TARIFF TO CHANGE FUEL ADJUSTMENT CLAUSE RATES

Issue Date: August 17, 2016 Effective Date: September 1, 2016 On July 1, 2016, KCP&L Greater Missouri Operations Company ("GMO") filed a tariff sheet adjusting the Fuel Adjustment Rates ("FARs") that the company uses to calculate charges under its Fuel Adjustment Clause ("FAC"). The submitted tariff sheet bears an effective date of September 1, 2016. Along with the tariff sheet, GMO also submitted supporting documentation and the direct testimony of witness Linda Nunn.

For the 18th Accumulation Period (December 1, 2015 through May 31, 2016), the net costs for GMO to provide energy to its customers decreased. GMO's actual FAC includable costs did not reach the fuel and purchased power base costs included in GMO's base rates.¹ GMO consists of two jurisdictions, "MPS" and "L&P." For MPS, GMO's FAC includable costs were \$9.9 million lower than the approved base energy costs. For L&P, the

¹ Fuel and purchased power costs net off-system sales were rebased in GMO's 2012 general rate case in order to account for higher fuel and purchased power costs.

FAC includable costs were \$3.6 million lower than the base energy costs. In accordance with GMO's FAC, the proposed rate schedules are designed to return to customers 95% of the cost changes. The requested adjustment would decrease a typical "MPS" residential customer's bill by approximately \$1.66 per month and decrease a typical "L&P" residential customer's bill by approximately \$1.65 per month.²

The Commission issued notice of GMO's FAC filing, directed the Commission's Staff to file a recommendation, and set an intervention deadline. No applications to intervene were received.³ On August 1, Staff filed a recommendation to approve GMO's FAC tariff sheet adjustments. Staff verified that the actual fuel and purchased power costs less off-system sales revenues match the fuel and purchased power costs less off-system sales revenue in GMO's proposed 12th Revised Tariff Sheet No. 127.⁴ Staff also reviewed GMO's monthly interest rates that are applied to the under/over recovery of base fuel and purchased power costs for Accumulation Period 18, and verified that the monthly interest rates and calculations of interest amounts are correct.

Based on the direct testimony of Linda Nunn and the recommendation of Staff, the Commission will approve GMO's proposed rate schedule. Since there are no objections to the proposed rate schedules and Commission Rule 4 CSR 240-20.090(4) requires the Commission to approve or reject GMO's tariff within sixty days of the filing, the Commission will allow this order to go into effect in less than thirty days.

² These estimates are based on an average use of 868 kWh per month.

³ Consistent with the requirement of Commission Rule 4 CSR 240-3.161(10), the parties to the rate case in which the Commission approved GMO's FAC – File No. ER-2012-0175 – were made parties to this matter, without requiring an application to intervene.

⁴ On January 3, 2013, the Commission granted GMO a waiver from 4 CSR 240-20.100(6)(A)16, which prevents GMO from recovering renewable energy standard costs through its FAC, with GMO working with

THE COMMISSION ORDERS THAT:

1. KCP&L Greater Missouri Operations Company's tariff sheet, assigned Tracking No. JE-2017-0002, is approved to go into effect on September 1, 2016. The specific tariff sheet approved is the following:

| PSC MO. No. 1 | | | | | |
|------------------------------------|------|--------------|-----------------------|-----------|-----|
| 12 th Revised Sheet No. | 127, | Canceling 11 | th Revised | Sheet No. | 127 |

- 2. This order shall be effective on September 1, 2016
- 3. This file shall be closed on September 2, 2016.

BY THE COMMISSION



Morris I Woodrugh

Morris L. Woodruff Secretary

Hall, Chm., Stoll, Kenney, and Rupp, CC., concur; Coleman, C., absent.

Burton, Senior Regulatory Law Judge.

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Staff to resolve treatment of those costs. The waiver remains in effect and Staff and the company are still working to resolve the treatment of fuel costs related to the St. Joseph Landfill Gas Facility.

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 17th day of August 2016.

Morris L. Woodruff

Morris L. Woodruft Secretary

MISSOURI PUBLIC SERVICE COMMISSION

August 17, 2016

File/Case No. ER-2017-0001

MIssouri Public Service Commission Staff Counsel Department 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 staffcounselservice@psc.mo.gov

Office of the Public Counsel James Owen 200 Madison Street, Suite 650 P.O. Box 2230 Jefferson City, MO 65102 opcservice@ded.mo.gov

City of Kansas City, Missouri

tregai Department 414 E. 12th Street

Kansas City, MO 64106

AARP Legal Department 601 E Street, NW Washington, DC 20049

Legal Department

St. Louis, MO 63143-2116

2510 Sutton Blvd.

AG Processing, inc. Legal Department 3100 Broadway 1209 Penntower Kansas City, MO 64111

Dogwood Energy, LLC Legal Department 301 N. Jackson St P.O. Box 875 Tullahoma, TN 37388 info@dogwoodenergy.com

Jefferson City, MO 65101

Midwest Energy Consumers Group Legal Department 807 Winston Court Federal Executive Agencies Legal Department 139 Barnes Drive Tyndall Air Force Base, FL 32403 KCP&L Greater Missouri Operations Company Roger W Steiner 1200 Main Street, 19th Floor P.O. Box 418679 Kansas City, MO 64105-9679 roger.steiner@kcpl.com

Consumers Council of Missouri

Midwest Energy Users' AssociationMiLegal DepartmentRe428 E Capital, Suite 300LeJefferson City, MO 6510111Point Control Con

Missouri Department of Natural Resources Legal Department 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176

Missouri Gas Energy (Laclede) Legai Department 700 Market Street St. Louis, MO 63101 Missouri Industrial Energy Consumers (MIEC) Legal Department 211 N. Broadway, Suite 3600 St. Louis, MO 63102

Missouri Public Service Commission

Bob Berlin 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 Bob.Berlin@psc.mo.gov

| Natural Resources Defense Council | Renew Missouri | Sierra Club |
|-----------------------------------|---------------------|-------------|
| Legal Department | Legal Department | Legal Depar |
| 20 North Wacker Drive, Suite 1600 | 920 A East Broadway | 85 Second S |
| Chicago, IL 60606 | Columbia, MO 65201 | San Francis |

Sierra Club Legal Department 85 Second St., 2nd Fl. San Francisco, CA63105 Union Electric Company Legal Department 1901 Chouteau Avenue P.O. Box 66149, Mail Code 1310 St. Louis, MO 63166-6149 Ameren MOService@ameren.com United States Air Force Legal Department 509 BW/JA 509 Spirit Blvd., Suite 203 Whiteman AFB, MO 65305-5058 United States Department of Energy Legal Department 1000 Independence Ave., SW Washington, DC 20585

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

Sincerely,

Jorris I Woodruff

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.