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AUG 28 2018

Missouri Public  
Service Commission

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 15<sup>th</sup> day  
of August, 2018.

In the Matter of KCP&L Greater Missouri Operations )  
Company Request for Authority to Implement Rate ) **File No. ER-2018-0400**  
Adjustments Required by 4 CSR 240-20.090(4) and the ) **Tariff No. JE-2018-0170**  
Company's Approved Fuel and Purchased Power Cost )  
Recovery Mechanism )

In the Matter of the Application of KCP&L Greater )  
Missouri Operations Company Containing its Semi- ) **File No. ER-2018-0401**  
Annual Fuel Adjustment Clause True-Up )

**ORDER RESOLVING ANNUAL FUEL ADJUSTMENT CLAUSE  
TRUE-UP AND TARIFF**

Issue Date: August 15, 2018

Effective Date: September 1, 2018

On June 29, 2018, KCP&L Greater Missouri Operations Company ("GMO"), submitted an application containing its nineteenth 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). GMO requests that the Commission authorize a true-up adjustment and implement it under its FAC tariff for the recovery period ending February 28, 2018. The submitted FAC tariff, which was substituted on July 18, 2018, bears an effective date of September 1, 2018.

**FAC true-up**

The true-up amount identified in this filing is the result of an under-collection of \$136,957 from customers during Recovery Period 19 ("RP19") from March 1, 2017 through February 28, 2018. The true-up amount for RP19 is included in the calculation of the Fuel and Purchased Power Adjustment ("FPA") amount included in GMO's

Accumulation Period 22 ("AP22") adjustment filing, also filed on June 29, 2018 in File No. ER-2018-0400, in compliance with GMO's FAC.

Staff examined the direct testimony of Lisa A. Starkebaum, the supporting schedules GMO provided with its application in this case, and the monthly information GMO has submitted to the Commission. Staff also reviewed GMO's monthly interest calculations and agrees with them. Staff verified that GMO has filed its 2017 annual report and is not delinquent on any assessment. GMO 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, except as noted herein. Staff recommends the Commission approve GMO's RP19 true-up filing, which indicates GMO under-collected \$136,957 from customers, for inclusion in the calculation of the FPA amount included in GMO's AP22 adjustment filing in File No. ER-2018-0400.

Neither the governing statute<sup>1</sup> nor any other law requires a hearing before approving the unopposed application.<sup>2</sup> Because this is a non-contested case, the Commission acts on evidence that is not formally adduced and preserved.<sup>3</sup> There is no evidentiary record.<sup>4</sup> 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 GMO's application and authorize GMO to include the calculated amount in its next FAC

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<sup>1</sup> 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.

<sup>2</sup> 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).

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

accumulation period as previously described.

### **FAC tariff**

With regard to GMO's request to approve its FAC tariff in File No. ER-2018-0400, the proposed rate schedules are designed to recover from customers 95 percent of the company's net cost increases or decreases. GMO's requested adjustment would result in an increase in the bill of a typical residential customer of approximately \$1.14 per month.

The Commission's Staff filed a recommendation regarding GMO's tariff on July 30, 2018. Staff verified that GMO's actual fuel and purchased power costs match the fuel and purchased power costs included in the company's calculated rates set in the submitted tariff. Staff advises the Commission to approve the tariff submitted by GMO, as substituted, to become effective on its September 1, 2018 effective date.

On August 9, 2018, the Office of the Public Counsel ("OPC") filed a response to Staff's recommendation, raising a possible issue regarding GMO's modification to the allocation of auxiliary power between steam and electric operations at its Lake Road facility. However, OPC did not specifically object to the recommendation or request a hearing or suspension of the proposed tariff. The Commission will take no action relating to OPC's comment, but may address that issue in GMO's pending general rate case, File No. ER-2018-0146, if necessary.

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.<sup>5</sup> 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

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<sup>4</sup> *Id.*

Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.<sup>6</sup>

The Commission has reviewed GMO's tariff filings 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 GMO's proposed tariff.

**THE COMMISSION ORDERS THAT:**

1. The true-up amount for Recovery Period 19 is established for KCP&L Greater Missouri Operations Company as an under-collection of \$136,957 from its customers and shall be reflected in the rate adjustment in Commission File No. ER-2018-0400.

2. KCP&L Greater Missouri Operations Company's tariff filing, assigned Tariff Tracking No. JE-2018-0170, as substituted, is approved to be effective September 1, 2018, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

**P.S.C. MO. No. 1**  
3<sup>rd</sup> Revised Sheet No. 127.12, Canceling 2<sup>nd</sup> Revised Sheet No. 127.12

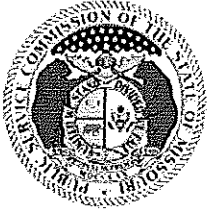
3. This order shall become effective on September 1, 2018.

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<sup>5</sup> Commission Rule CSR 240-20.090(4).

4. This file shall close on September 2, 2018.

BY THE COMMISSION



*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

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

Bushmann, Senior Regulatory Law Judge

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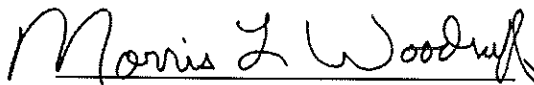
<sup>6</sup> *Id.*

**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 15<sup>th</sup> day of August 2018.

  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**August 15, 2018**

**File/Case No. ER-2018-0400 and ER-2018-0401**

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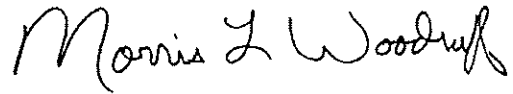
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*Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).*

*Sincerely,*

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style with a large, prominent "M" at the beginning.

**Morris L. Woodruff**  
**Secretary**

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