

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

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

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and for its recommendation respectfully states:

1. On July 31, 2018, Kansas City Power & Light Company (“KCPL”) filed an application with the Missouri Public Service Commission (“Commission”) containing its second Fuel Adjustment Clause (“FAC”) true-up filing to identify the amount of over- or under-recovery of the FAC for its most recently completed 12-month recovery period, Recovery Period 3,¹ as required by Commission Rules 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

2. Rule 4 CSR 240-20.090(5)(D) requires Staff to examine and analyze the information KCPL has submitted and to submit a recommendation to the Commission not later than 30 days after KCPL made its filing, which in this case is not later than August 30, 2018.

3. As explained in Staff’s *Memorandum*, attached hereto as Appendix A and incorporated herein, Staff recommends the Commission approve KCPL’s third true-up filing for Recovery Period 3 (“RP3”), during which KCPL under-recovered \$1,965,134 from customers.

¹ April 1, 2017 through March 31, 2018.

4. The true-up amount of \$1,965,134 without interest, is the result of an under-collection of \$1,955,524 for RP3 plus a credit (without additional interest) which corrects an accounting error due to an incorrect kWh Net System Input (“NSI”) amount used for the month of December 2017 that was included in the total Accumulation Period NSI during the fifth accumulation period. This correction resulted in understated Actual Net Energy Costs (“ANEC”) included in the FAC by an amount of \$9,610 for the fifth accumulation period.

5. Staff reviewed and analyzed the direct testimony, supporting schedules, and workpapers of KCPL witness Lisa A. Starkebaum, which provides a discussion of the corrections and interest adjustments. Additional worksheets identifying errors and the calculations of corrections and interest amounts are included in the supporting workpapers of Ms. Starkebaum’s direct testimony. Staff agrees with the amounts to be returned to customers to correct errors for an under-collection of the ANEC due to an incorrect NSI amount used for AP5 by KCPL. However, Staff reserves its right to pursue this matter in other cases before the Commission.

6. Staff has verified that KCPL has filed its 2017 annual report and is not delinquent on any assessment. KCPL is current on its submission 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). With the exception of KCPL’s proposed changes to its current annual Fuel Adjustment Rates in its semi-annual FAC filing in File No. ER-2019-0031, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, Staff prays the Commission accept the results of its analyses and recommends that the Commission approve KCPL's true-up amount of \$1,965,134 which was under-recovered from customers in Recovery Period 3 and is included in KCPL's proposed changes to its current period fuel adjustment rate (FAR) in its semi-annual FAC filing in File No. ER-2019-0031.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
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Missouri Bar No. 51709
Attorney for the Staff of the
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 30th day of August, 2018, to all counsel of record.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2019-0032
Kansas City Power & Light Company

FROM: Brooke Ocutqi kcpl, Utility Regulatory Auditor IV
Lisa Wildhaber, Utility Regulatory Auditor III

DATE: /s/ John Rogers 08/30/2018 /s/ Bob Berlin 08/30/2018
Energy Resources Department / Date Staff Counsel Department / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning Kansas City Power & Light Company Fuel Adjustment Clause True-up Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

DATE: August 30, 2018

RECOMMENDATION

Staff recommends the Commission approve Kansas City Power & Light Company (“KCPL”) true-up filing for Recovery Period Three (“RP3”) during which KCPL under-recovered \$1,965,134¹ from its customers.

DISCUSSION

On July 31, 2018, KCPL filed with the Commission, along with direct testimony and supporting schedules of KCPL witness Lisa A. Starkebaum, its fuel adjustment clause (“FAC”) true-up² filing for RP3 under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5). RP3 began April 1, 2017 and ended March 31, 2018 and was preceded by Accumulation Period 3 (“AP3”) which began July 1, 2016 and ended December 31, 2016.

¹ This amount includes a correction; the ANEC was understated by \$9,610 due to an incorrect Net System Input (NSI) used for the fifth accumulation period, without interest which offsets an under-recovery of \$1,955,524 for the third recovery period.

² True-ups are defined on KCPL, P.S.C.MO. No. 7, Second Revised Sheet No. 50.9 and First Revised Sheet No. 50.19 as, “After completion of each RP, the Company shall make a true-up filing by the filing date of its next FAR filing. Any true-up adjustments shall be reflected in component “T” above. Interest on the true-up adjustment will be included in component “I” above. The true-up amount shall be the difference between the revenues billed and the revenues authorized for collection during the RP as well as any corrections identified to be included in the current FAR filing. Any corrections included will be discussed in the testimony accompanying the true-up filing”.

The Missouri Public Service Commission Staff (“Staff”) reviewed the Direct Testimony of KCPL witness Lisa A. Starkebaum, the supporting schedules KCPL provided with KCPL’s application in this case, and the monthly information KCPL submitted to the Commission in accordance with 4 CSR 240-3.161(5).

The RP3 true-up amount of \$1,965,134, without interest, is the result of an under-recovery of \$1,955,524 during RP3 plus a credit (without additional interest) which corrects an accounting error due to an incorrect kWh NSI amount used for the month of December 2017 that was included in the total Accumulation Period NSI during the fifth accumulation period. This correction resulted in understated Actual Net Energy Costs (ANEC) included in the FAC by an amount of \$9,610 for the fifth accumulation period.³

KCPL witness Lisa A. Starkebaum’s Direct Testimony provides a discussion of the corrections and interest adjustments.⁴ Additional worksheets identifying errors and the calculations of corrections and interest amounts are included in the supporting workpapers for Lisa A. Starkebaum’s Direct Testimony. Staff agrees with KCPL’s calculations for corrections and interest amounts.

STAFF REVIEW

Based on its review and analysis of the information KCPL filed and submitted for RP3, Staff has determined that KCPL’s calculations for the true-up amount for RP3 is correct. For the purposes of this true-up filing, Staff agrees with the amounts to be returned to the customers to correct an error for under-collection of the ANEC due to an incorrect NSI amount used for AP5 by KCPL. However, Staff reserves its right to pursue this issue in other cases before the Commission.

Staff recommends the Commission approve KCPL’s true-up filing for RP3 during which KCPL under-recovered \$1,965,134 from its customers. The under-recovered amount is included in KCPL’s proposed changes to its current period fuel adjustment

³ Page 1 of 11 of Schedule LAS-1 of the Direct Testimony of Lisa A. Starkebaum.

⁴ KCPL witness Lisa A. Starkebaum’s Direct Testimony, page 5 lines 19 through 23 and page 6 lines 1 through 9.

rates in its semi-annual FAC filing in File No. ER-2019-0031 filed on July 31, 2018, for AP6 which began January 1, 2018 and ended June 30, 2018.

Staff has verified that KCPL has filed its 2017 Annual Report and is not delinquent on any assessment. KCPL is current on its submission of its Surveillance Monitoring reports as required by 4 CSR 240-20.090(10), and its monthly reports as required by 4 CSR 240-3.161(5). With the exception of KCPL's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2019-0031, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

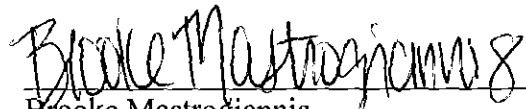
In the Matter of the Application of Kansas City)
Power & Light Company Containing Its) File No. ER-2019-0032
Semi-Annual Fuel Adjustment Clause True-Up)
)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

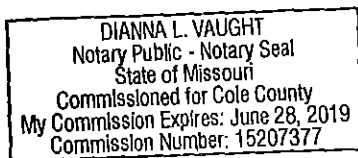
COMES NOW, Brooke Mastrogiannis, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

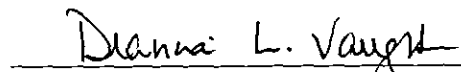
Further the Affiant sayeth not.



Brooke Mastrogiannis

Subscribed and sworn to be this 27th day of August, 2018.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

AFFIDAVIT OF LISA WILDHABER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

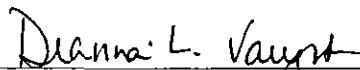
COMES NOW, Lisa Wildhaber, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Recommendation* in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Lisa Wildhaber

Subscribed and sworn to be this 27th day of August, 2018.



Notary Public

