

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

In the Matter of the Application of KCP&L            )  
Greater Missouri Operations Company            )        **File No. ER-2019-0199**  
Containing Its Semi-Annual Fuel Adjustment    )  
Clause True-Up                                        )

**STAFF RESPONSE TO PUBLIC COUNSEL’S REPLY  
TO THE STAFF’S RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Response to Public Counsel’s Reply to the Staff’s Recommendation* respectfully states:

1. On December 31, 2018, KCP&L Greater Missouri Operations Company (“GMO”) filed an application containing its 20<sup>th</sup> Fuel Adjustment Clause (“FAC”) true-up filing to identify the amounts of over or under-recovery of the FAC for its most recently completed 12-month recovery period.

2. On January 2, 2019, the Commission ordered Staff to file a recommendation no later than January 30, 2019; Staff timely filed its recommendation, recommending the Commission approve GMO’s twentieth true-up filing for Recovery Period 20, during which GMO under-recovered \$162,681 from its customers.

3. On February 8, 2019, the Office of Public Counsel (OPC) filed a response to Staff’s Recommendation in which OPC requests the Commission find GMO has over-collected an amount of \$55,005. OPC attached a memorandum which cites to an allocation methodology established in January 1995, stating that this methodology was

ordered in Case No. EO-94-36<sup>1</sup> and that OPC has not uncovered a subsequent Commission order authorizing a different methodology.

4. Also on February 8, 2019, the Commission ordered Staff to respond to OPC's concerns and to make a recommendation regarding how the Commission should proceed in this matter.

5. With respect to OPC's concerns, and despite its cited methodology from 1995, GMO's most recent rate case included a provision for Steam Allocations.

6. A Stipulation and Agreement was filed in Case No. ER-2018-0146 on September 19, 2018 (the September 19 Stipulation), and was approved by the Commission effective November 10, 2018.

7. The September 19 Stipulation provides at paragraph 10:

10. **GMO STEAM ALLOCATIONS**

GMO will use the allocation numbers used in Staff's model filed in Case No. ER-2016-0156. These allocation numbers shall be used by GMO in its FAC, QCA and surveillance reporting. GMO agrees to work with Staff, OPC, and MCEG to develop new steam allocation procedures prior to GMO's next electric general rate case.

8. As a result of rate case settlement negotiations in Case No. ER-2018-0146, GMO utilized agreed-upon allocation numbers. This agreement was approved by the Commission effective November 10, 2018.

9. Based on the foregoing, a more recent rate case settlement agreement governs the allocation numbers for GMO's steam allocations.

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<sup>1</sup> Staff notes that this 1995 allocation methodology was put in place years before statutory authority for FACs existed.

10. With further respect to the Order regarding how to proceed in this matter, Staff notes that OPC's witness states "[t]his true-up case is not the place to deal with the history of GMO not correctly adjusting fuel and purchased power costs over the span of its FAC."<sup>2</sup>

11. To the extent the Commission determines more immediate action is required, Staff offers a potential approach that all amounts except the OPC amount in controversy may be suitable for recovery; the amount in controversy may be separately examined. However, Staff hastens to add that if this approach is followed, the amount in controversy will accrue interest.

**WHEREFORE**, Staff submits its *Response* for the Commission's information and consideration.

Respectfully Submitted,

**/s/ Alexandra L. Klaus**

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<sup>2</sup> OPC Memorandum, page 4.

**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 13<sup>th</sup> day of February, 2019, to all counsel of record.

**/s/ Alexandra L. Klaus**