

**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 RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its 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, Recovery Period 20,<sup>1</sup> as allowed by Commission Rules 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).<sup>2</sup>

2. Rule 4 CSR 240-20.090(5)(D) requires the Commission’s Staff to examine and analyze the information GMO has submitted and to submit a recommendation to the Commission not later than 30 days after GMO made its filing—in this case, no later than January 30, 2019.

3. As explained in Staff’s *Memorandum*, attached hereto as Appendix A and incorporated herein by reference, Staff recommends the Commission approve GMO’s twentieth true-up filing for Recovery Period 20, during which GMO under-recovered \$162,681 from its customers.

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<sup>1</sup> September 1, 2017 through August 31 2018.

<sup>2</sup> Effective January 30, 2019, the new reference to “True-Ups of RAMs” is 4 CSR 240-20.090(9).

4. Staff reviewed and analyzed the direct testimony, supporting schedules and workpapers of GMO witness Lisa Starkebaum. Staff has determined that GMO's calculations for the true-up amount for Recovery Period 20 are correct. The under-recovered amount will be collected from customers as it will be included in GMO's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2019-0198, filed on December 31, 2018, for Accumulation Period 23.

5. Staff has verified that GMO has filed its 2017 annual report and is not delinquent on any assessment. GMO is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10),<sup>3</sup> and its periodic reports as required by 4 CSR 240-3.161(5).<sup>4</sup> With the exception of GMO's proposed changes to its current annual Fuel Adjustment Rates in its semi-annual FAC filing in File No. ER-2019-0198, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

**WHEREFORE**, Staff submits its analysis and recommends that the Commission approve GMO's twentieth true-up amount filing for Recovery Period 20 during which GMO under-recovered \$162,681 from its customers.

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<sup>3</sup> Effective January 30, 2019, Surveillance Monitoring is contained at 4 CSR 240-20.090(6).

<sup>4</sup> Effective January 30, 2019, periodic reporting is contained in 4 CSR 240-20.090(5).

Respectfully Submitted,

**/s/ Alexandra L. Klaus**

Alexandra L. Klaus

Senior Counsel

Missouri Bar No. 67196

Attorney for the Staff of the

Missouri Public Service Commission

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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 30<sup>th</sup> day of January, 2019, to all counsel of record.

**/s/ Alexandra L. Klaus**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. ER-2019-0199  
KCP&L Greater Missouri Operations Company

FROM: Lisa Wildhaber, Utility Regulatory Auditor III  
Cynthia M. Tandy, Utility Regulatory Auditor I

DATE: /s/ John A. Rogers 01/30/2019      /s/ Alexandra L. Klaus 1/30/2019  
Energy Resources Department / Date      Staff Counsel Department / Date

SUBJECT: Staff's Analysis Of and Recommendation Concerning KCP&L Greater Missouri Operations Company's Twentieth Fuel Adjustment Clause True-up Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

DATE: January 30, 2019

### **Recommendation**

Staff recommends the Commission approve KCP&L Greater Missouri Operations Company's ("GMO") twentieth true-up filing for Recovery Period 20 ("RP20") during which GMO under-recovered \$162,681 from its customers.

### **Discussion**

On December 31, 2018, GMO filed with the Commission, along with direct testimony and supporting schedules of GMO witness Lisa A. Starkebaum, its twentieth fuel adjustment clause ("FAC") true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5). According to GMO's true-up filing, in the aggregate for RP20 (September 1, 2017 through August 31, 2018), GMO under-recovered from its customers \$162,281 which followed its Accumulation Period 20 (December 1, 2016 through May 31, 2017).

The Missouri Public Service Commission Staff ("Staff") reviewed the direct testimony of GMO witness Lisa A. Starkebaum, the supporting schedules GMO provided with GMO's application in this case, and the monthly information GMO submitted to the Commission in accordance with 4 CSR 240-3.161(5).

### **Staff Review**

Based on its review and analysis of the information GMO filed and submitted for RP20, Staff has determined that GMO's calculations for the true-up amounts for RP20, including the calculation of monthly interest, are correct. Lisa A. Starkebaum's testimony states:

In GMO's last semi-annual FAC filing, Case No. ER-2018-0400, an entry was recorded in the general ledger for steam auxiliary power and was reflected in the 22<sup>nd</sup> accumulation period Actual Net Energy Costs as a reduction to electric fuel expense. This adjustment was intended to coincide with the allocation methodology proposed by the Company in GMO's most recent electric rate case, Case No. ER-2018-0146. However, following discussions with Staff and resulting settlement negotiations in that case, the Company believes that no additional entry is necessary for the allocation of auxiliary power. The Company agreed to continue to utilize the 2016 electric/steam jurisdictional allocation factors from GMO's previous rate case as proposed by Staff and believes that the allocation of steam auxiliary power is appropriately handled through the use of these general allocators used in setting base rates. Therefore, no adjustment for auxiliary power should be reflected in the FAR filings and as such the Company reversed the steam auxiliary power entry in August 2018. This correction results in an increase to electric fuel expense of \$217,687 plus additional interest of \$1,809.<sup>1</sup>

Therefore, Staff recommends the Commission approve GMO's twentieth true-up filing for RP20 during which GMO under-recovered \$162,681 from its customers. The under-recovered amount will be collected from customers as it will be included in GMO's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2019-0198, filed on December 31, 2018, for Accumulation Period 23 (June 1, 2018 through November 30, 2018).

Staff has verified that GMO has filed its 2017 Annual Report and is not delinquent on any assessment. GMO 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 GMO's proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2019-0198, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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<sup>1</sup> Direct Testimony of Lisa A. Starkebaum at page 6, line 1 through 15.

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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 foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

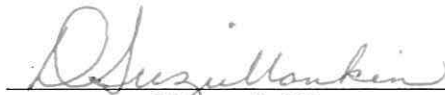
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**LISA WILDHABER**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 30<sup>th</sup> day of January 2019.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2020  
Commission Number: 12412070

  
\_\_\_\_\_  
Notary Public

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**AFFIDAVIT OF CYNTHIA M. TANDY**

STATE OF MISSOURI     )  
   )     ss.  
COUNTY OF COLE     )

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

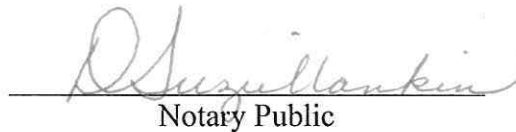
Further the Affiant sayeth not.

  
CYNTHIA M. TANDY

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 30th day of January 2019.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2020  
Commission Number: 12412070

  
Notary Public