

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 11<sup>th</sup> day of September, 2019.

In the Matter of the Application of Kansas City Power & Light Company Containing Its Semi-Annual Fuel Adjustment Clause True-Up )  
 ) **File No. EO-2020-0026**  
 )

In the Matter of Kansas City Power & Light Company for Periodic Changes to Fuel Adjustment Rates Required by 4 CSR 240-20.090(8) and the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism )  
 ) **File No. ER-2020-0025**  
 ) **Tariff No. JE-2020-0019**  
 )

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

Issue Date: September 11, 2019

Effective Date: October 1, 2019

On July 31, 2019, Kansas City Power & Light Company ("KCPL") submitted an application containing its true-up filing for its Fuel Adjustment Clause ("FAC"). KCPL requests that the Commission authorize a true-up adjustment and implementation of that adjustment under its FAC tariff. Also on July 31, 2019, KCPL filed a proposed tariff to adjust its fuel adjustment rates, which are used to determine customer charges related to its FAC. The submitted tariff bears an effective date of October 1, 2019. The Commission received no applications to intervene in either case.

Staff filed its recommendations in both cases on August 29, 2019. Commission Rule 20 CSR 4240-2.080(13)<sup>1</sup> states that parties have ten days to respond to pleadings unless

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<sup>1</sup> Effective August 28, 2019, all of the Commission's regulations were transferred from the Department of Economic Development's (DED) Title 4 to the Department of Commerce and Insurance's (DCI) (formerly Department of Insurance, Financial Institutions and Professional Registration) Title 20.

otherwise ordered. Ten days have elapsed since the *Staff Recommendation* and *Staff Recommendation to Approve Tariff Sheet* (EO-2020-0026 and ER-2020-0025 respectively) were filed. No party has objected to either recommendation.

### **FAC true-up**

In File Number EO-2020-0026, the true-up amount identified in this filing is the result of KCPL's over-collection of \$833,840 from its customers during Recovery Period 5 ("RP5") from April 1, 2018 through March 31, 2019. The true-up amount for RP5 is included in the KCPL's proposed changes to its current period fuel adjustment rates for Accumulation Period 8 ("AP8") in File Number ER-2020-0025.

Staff examined the direct testimony of Lisa A. Starkebaum, the supporting schedules KCPL provided with its application in this case, and the monthly information KCPL has submitted to the Commission. Staff also reviewed KCPL's monthly interest calculations and agrees with them. Staff has verified that KCPL has filed its 2018 annual report and is current on its assessments. KCPL is also current on the filing of its surveillance monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(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 KCPL's RP5 true-up filing, which indicates KCPL over-collected \$833,840 from its customers, for inclusion in KCPL's AP8 adjustment filing in File Number ER-2020-0025.

Neither the governing statute<sup>2</sup> nor any other law requires a hearing before approving the unopposed application.<sup>3</sup> The Commission acts on evidence that is not formally

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<sup>2</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.

<sup>3</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.*

adduced and preserved because this is a non-contested case.<sup>4</sup> There is no evidentiary record.<sup>5</sup> Consequently, the Commission bases its decision on the parties' verified filings. Based on the Commission's review of the verified filings, the Commission finds that it is in the public interest to approve KCPL's application and authorize KCPL to include the calculated amounts in its next FAC accumulation period as previously described.

### **FAC tariff**

With regard to KCPL's request to approve its FAC tariff in File Number ER-2020-0025, the proposed rate schedules are designed to recover from customers 95 percent of the company's net cost increases or decreases. KCPL's requested adjustment would result in a decrease in the bill of a typical residential customer of approximately \$3.36 per month, based on monthly usage of 1,000 kWh.

The Commission's Staff filed a recommendation regarding KCPL's tariff on August 29, 2019. Staff verified that KCPL'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 KCPL to become effective on its October 1, 2019 effective date.

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>6</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 Commission is required to approve the rate adjustment or allow the proposed tariff implementing the

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*Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App.1989).

<sup>4</sup> *State ex rel. Public Counsel v. Public Service Commission*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

<sup>5</sup> *Id.*

<sup>6</sup> Commission Rule 20 CSR 4240-20.090(8)(H).

adjustment go into effect by operation of law.<sup>7</sup>

The Commission has reviewed KCPL'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 KCPL's proposed tariff.

Without Commission action, the tariff will become effective by operation of law on October 1, 2019. Additionally, as noted above, the Commission's rule requires an order be issued within 60 days of the tariff filing. Therefore, the Commission finds good cause that this order shall be effective in less than 30 days.

**THE COMMISSION ORDERS THAT:**

1. The true-up amount for Recovery Period 5 is established for Kansas City Power & Light Company as an over-collection of \$833,840 from its customers and shall be reflected in the rate adjustment in Commission File No. ER-2020-0025.

2. Kansas City Power & Light Company's tariff filing, assigned Tariff Tracking Number JE-2020-0019 is approved to be effective October 1, 2019, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

**P.S.C. MO. No. 7**

2<sup>nd</sup> Revised Sheet No. 50.31, Canceling 1<sup>st</sup> Revised Sheet No. 50.31

3. This order shall become effective on October 1, 2019.

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<sup>7</sup> *Id.*

4. This file shall close on October 2, 2019.

**BY THE COMMISSION**



*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

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

Hatcher, Regulatory Law Judge