

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 16th day of September, 2015.

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service)	<u>File No. ER-2014-0370</u>
)	YE-2016-0077
)	YE-2016-0078

ORDER REGARDING COMPLIANCE TARIFF SHEETS

Issue Date: September 16, 2015

Effective Date: September 29, 2015

On September 2, 2015, the Commission issued a report and order that rejected Kansas City Power & Light Company's ("KCPL") tariffs to increase the company's annual revenues for its provision of electric service. However, the Commission authorized KCPL to file new tariff sheets sufficient to recover revenues as determined in that report and order. KCPL filed its compliance tariff sheets on September 8, 2015, to become effective on October 8, 2015. KCPL filed substitute tariff sheets on September 11, 2015.

The report and order directed the Commission's Staff to file a recommendation regarding KCPL's compliance tariff sheets by September 14, 2015 and directed any other party wishing to file a recommendation regarding the compliance tariff sheets to do so no later than September 14, 2015. The Commission's Staff filed its timely recommendation, which concluded the compliance tariff sheets do not comply with the Commission's report and order concerning two provisions of the fuel adjustment clause (FAC) and advised the Commission to reject or suspend those tariff sheets. The Office of the Public Counsel ("OPC") concurred with Staff's recommendation. No other party filed a response or objection to the compliance tariff sheets.

On September 8, 2015, KCPL filed a motion for clarification or reconsideration regarding those two provisions in its FAC tariff. KCPL argued that in the definition of off-system sales revenues, the phrase “revenue sufficiency” should be replaced with other language to be consistent with the Southwest Power Pool tariff. KCPL also urged the Commission to adopt its definition of the “J” component instead of Staff’s definition in order to allocate FAC costs and revenues consistently with the allocation methodology used to set permanent rates in this proceeding. In its response to that motion, Staff agreed with KCPL that some modifications to the two FAC provisions should be made.

Those parties have agreed that in the definition of off-system sales revenues, the parenthetical phrase “(such as make whole payments, and out-of-merit payments and distributions),” should be added after the phrase “revenue sufficiency”. Those parties also agreed that the “J” component in the FAC tariff should be modified so that it matches the energy allocator used to allocate KCPL’s costs between Kansas and Missouri, which is better expressed by the following formula: “J = Missouri Retail Energy Ratio = (MO Retail kWh sales + MO Losses) / (MO Retail kWh Sales + MO Losses + KS Retail kWh Sales + KS Losses + Sales for Resale, Municipals kWh Sales [includes border customers] + Sales for Resale, Municipals Losses). MO Losses = 6.121%; KS Losses = 6.298%; Sales for Resale, Municipals Losses = 21.50%.” After reaching that agreement on September 15, 2015, KCPL withdrew its FAC tariff sheets and filed revised FAC compliance tariff sheets with both the modifications described above and other agreed-upon changes. Staff and KCPL filed a verified joint motion stating that the revised tariff sheets comply with the Commission’s report and order and requesting that the Commission approve the compliance tariffs, as revised. Because the Commission agrees that these modifications are appropriate, the Commission will grant KCPL’s motion for clarification or

reconsideration consistent with the modifications agreed to by KCPL and Staff and the joint motion to approve the revised FAC tariff sheets.

On September 8, 2015, KCPL filed a motion for expedited treatment requesting that the compliance tariff sheets become effective on or before September 29, 2015. Staff did not state any objections to granting expedited treatment. OPC filed a response stating that it opposes an order approving compliance tariff sheets with a September 15 effective date. MEGG filed an Objection to Tariffs, Objection to Affidavits and Request for Hearing on September 15, 2015. The Commission will address that filing in a subsequent order.

The Commission has reviewed the proposed tariff sheets and the filings by KCPL, Staff and OPC. The Commission independently finds and concludes that the substituted compliance tariff sheets, as revised on September 15, 2015, are consistent with the Commission's report and order as modified in this order, so the Commission will approve KCPL's substituted and revised tariff sheets. The original tariff sheets filed by KCPL were suspended until September 29, 2015. Since no party objected to making the compliance tariff sheets effective on that date, KCPL's motion for expedited treatment will be granted, and the tariffs sheets will become effective for service rendered on and after September 29, 2015.

THE COMMISSION ORDERS THAT:

1. Kansas City Power & Light Company's Motion for Expedited Treatment and Approval of Tariff Sheets Filed in Compliance with Commission's Report and Order on Less Than Thirty Days' Notice, is granted.

2. Kansas City Power & Light Company's Motion for Clarification or Reconsideration, filed on September 8, 2015, and the Joint Motion for Approval of Compliance Tariff Sheets, filed on September 15, 2015, are granted. The Report and Order

issued by the Commission on September 2, 2015 is amended consistent with the modifications agreed to by Kansas City Power & Light Company and Staff as described in the body of this order and attached to the Joint Motion for Approval of Compliance Tariff Sheets.

3. The proposed electric service tariff sheets submitted by Kansas City Power & Light Company under Tariff Tracking Nos. YE-2016-0077 and YE-2016-0078, as substituted on September 11, 2015 and revised on September 15, 2015, are approved effective on and after September 29, 2015.

4. This order shall become effective on September 29, 2015.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

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

Bushmann, Senior Regulatory Law Judge