

Roger W. Steiner

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August 21, 2019

Mr. Morris Woodruff Secretary/Chief Regulatory Law Judge Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, MO 65102

Re: Second Substitute Tariff Schedule to Adjust FAC Rate of KCP&L Greater Missouri Operations Company – Case No. ER-2019-0413

Dear Mr. Woodruff:

KCP&L Greater Missouri Operations Company ("GMO" or the "Company") hereby submits a substitute proposed rate schedule to adjust charges related to the Company's approved Fuel Adjustment Clause ("FAC") pursuant to 4 C.S.R. 240-20.090(4) of the regulations of the Missouri Public Service Commission ("Commission"). The proposed rate schedules bear an issue date of June 28, 2019, and an effective date of September 1, 2019.

Company is submitting this second revised substitute tariff sheet based on the Commission Order Rejecting Fuel Adjustment Clause Tariff, Scheduling a Procedural Conference and Directing the Filing of a Revised Tariff issued on August 15, 2019. Specifically, GMO understands that the Commission would like the amounts disputed by the Office of Public Counsel ("OPC") to be removed from the current filing so that (1) recovery of the amounts in the filing that are not in dispute can commence as soon as reasonably practicable, and (2) the amounts in dispute can be presented to the Commission for decision, if necessary, in an orderly fashion. Based on that understanding, the Company has revised the GMO Fuel Adjustment Rate ("FAR") calculations to remove the disputed amounts raised by OPC. The amounts originally disputed by OPC in its Recommendation filed on August 5, 2019 total \$829,629 which is comprised of two components: 1) \$311,381 related to auxiliary power GMO used for its steam operations at its Lake Road station and 2) \$518,248 related to the cost of the removal of coal and propane at the retired Sibley generation facility. GMO noted in its Reply to OPC's Response to Staff's Recommendation filed on August 12, 2019 that the \$518,248 was overstated and the correct amount that flowed through the FAC in GMO's Section 8 FAR filing is \$185,857. Based on subsequent discussions held between the Company and OPC, OPC has indicated their agreement with Company's calculated adjustment amount of \$185,857. These adjustments result in a reduction to Actual Net Energy Costs ("ANEC") totaling \$497,238, which has been reflected in the revised calculations accompanying this substitute filing. It should be noted that there is no change in the FAR rates calculated as a result of these adjustments, due to the PISA cap limitations per Section 393.1400.

The revised calculations were provided to both Staff and the OPC for review in advance of this substitute filing. Both Staff and OPC have indicated to GMO their agreement that GMO has calculated the amounts in dispute accurately. GMO has also been authorized to indicate that OPC and Staff support the Commission taking such action as is appropriate to permit this second revised substitute tariff sheet to take effect on September 1, 2019 by operation of law.

In addition, GMO, Staff and OPC understand that the Commission has scheduled a prehearing conference on September 5, 2019 so that the parties may develop an appropriate procedural schedule to propose to the Commission for orderly resolution of the amounts in dispute.

While the amounts disputed by OPC have been removed from the rates proposed in this semi-annual FAR filing based on GMO's understanding of the Commissions August 15, 2019 agenda discussion set forth above, the amounts in dispute will be deferred on the Company's books, with interest in accordance with GMO's FAC tariff, pending resolution of the dispute.

GMO has provided this cover letter and substitute tariff sheet to OPC and Staff in advance of submission to the Commission and neither OPC nor Staff has expressed objection to its contents.

Copies of the revised FAC-related rate schedules and all supporting materials described in this letter will be served electronically, this date, on the Commission's General Counsel, Staff Counsel, the Office of Public Counsel, and each party to Case No. ER-2018-0146.

Please provide a copy of all correspondence, notices, orders, and other communications that relate to this filing to the following as well as undersigned counsel:

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Respectfully submitted,

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KCP&L Greater Missouri Operations Company

cc: Office of the General Counsel

Office of Staff Counsel
Office of the Public Counsel