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July 25, 2019

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

**Re: 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 a revised substitute tariff sheet based on discussions with Commission Staff held on July 18, 2019. Specifically, the revised substitute tariff sheet addresses three topics: 1) the Compound Annual Growth Rate (CAGR) to be applied to this FAR filing; 2) modification to tariff Sheet No. 127.23, Line 11 Fuel and Purchased Power Adjustment (FPA); and 3) revisions to the GMO PISA calculation spreadsheet.

First, GMO agrees to use the CAGR calculation proposed by Staff of 2.21% for the average overall rate cap and 1.47% for the class average overall rate cap in this FAR filing. These percentage caps have been calculated based on the number of days since the effective date of rates in GMO’s last rate case, Case No. ER-2018-0146, of December 6, 2018 and the proposed effective date of rates in this FAR filing of September 1, 2019. This is reflected in the GMO PISA Calculation workpaper accompanying this filing. Second, the revised substitute tariff Sheet No. 127.23, Line No. 11 - Fuel and Purchased Power Adjustment (FPA), has been expanded to distinguish between the FPA amount that is subject to prudence review (Line 11) and the FPA amount that is subject to recovery in the FAC True-Up (Line 11.2). This is necessary due to the deferral treatment and recovery of costs per Section 393.1400 that exists when the overall rate cap is exceeded (Line 11.1). This modification does not change the

mechanics of the existing tariff sheet; but simply provides additional clarification for future filings. Third, Company has adjusted the PISA calculation spreadsheet, specifically cell N21 for the 23rd Accumulation Period, to exclude \$2,500,908 in FPA costs that remain deferred for recovery in a subsequent proceeding, per Case No. ER-2019-0198. This reduction reflects what is currently being billed through rates and also reduces the calculated Average Overall Rate. In addition, minor modifications to the PISA calculation spreadsheet were made related to formula and rounding issues.

The above-mentioned revisions to the tariff sheet are not found in the Direct Testimony of Lisa A. Starkebaum submitted on June 28, 2019. This cover letter, the revised substitute tariff sheet, revised GMO calculation workpaper and Section 8 workpapers outline the revisions, which have been discussed with Staff. The proposed residential FAC charge is now \$0.00495 compared to the \$0.00546 per kWh as filed on June 28, 2019. Based on usage of 1,000 kWh per month, the customer will see a monthly FAC charge of \$4.95. This represents an increase of \$0.03 to a GMO residential customer's monthly bill above the prior FAC.

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:

Lisa A. Starkebaum
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Respectfully submitted,

/s/ Roger W. Steiner

Roger W. Steiner
Corporate Counsel for
KCP&L Greater Missouri Operations Company

cc: Office of the General Counsel
Office of Staff Counsel
Office of the Public Counsel



Roger W. Steiner
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June 28, 2019

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

**Re: Tariff Schedule to Adjust FAC Rate of
KCP&L Greater Missouri Operations Company**

Dear Mr. Woodruff:

Pursuant to 4 C.S.R. 240-20.090(8) of the regulations of the Missouri Public Service Commission (“Commission”), KCP&L Greater Missouri Operations Company (“KCP&L-GMO” or the “Company”) hereby submits proposed rate schedules to adjust charges related to the Company’s approved Fuel Adjustment Clause (“FAC”). The proposed rate schedule bears an issue date of June 28, 2019, and an effective date of September 1, 2019.

FAC net includable costs for the 24th accumulation period, or six-month period covering December 2018 through May 2019, exceeded the base energy costs included in base rates by approximately \$15.3 million for KCP&L-GMO. In addition, the true-up filing for the 21st accumulation period, or six-month accumulation period from June 2017 through November 2017, is being made in conjunction with this tariff filing and reflects an over-collection of approximately \$198K.

In accordance with the FAC for KCP&L-GMO approved by the Commission, the proposed rate schedules are designed to recover 95 percent of those net cost increases. The proposed residential FAC charge will be \$0.00546 per kWh. Based on usage of 1,000 kWh per month, the customer will see a monthly FAC charge of \$5.46. This represents an increase of \$0.54 to a GMO residential customer’s monthly bill above the prior FAC.

In Case No. EO-2019-0045, GMO elected to make the plant in service accounting (“PISA”) deferrals permitted under section 393.1400 RSMo, effective January 1, 2019. As a result, the rate cap provisions of section 393.1655 RSMo. will apply to this FAC charge filing. The change in the FAC charge proposed in this filing does not increase the average overall rate

for GMO by more than 3% and, as such, the provisions of section 393.1655.5 do not affect this FAC charge filing. However, in accordance with section 393.1655.6 RSMo., GMO has limited the increase in the FAC charge applicable to Large Power customers to 2% of the class average overall rate for that rate class, with the reduced revenues arising from limiting the large power service class average overall rate increase allocated to all other GMO classes through a uniform percentage adjustment to the revenue requirement responsibility of all the other customer classes.

Direct Testimony and supporting schedules of Lisa Starkebaum are submitted concurrently herewith along with schedules containing the information required by 4 C.S.R. 240-20.090(8), including all workpapers that support the proposed rate schedules.

Copies of the proposed FAC-related rate schedules and all supporting materials described in this letter will be served electronically, this date, on the Commission's General Counsel, the Office of 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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/s/ Roger W. Steiner

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Corporate Counsel for
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cc: Office of the General Counsel
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