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November 2, 2015

Mr. Morris Woodruff
Secretary
Missouri Public Service Commission
200 Madison Street, Suite 100
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Jefferson City, MO 65102-0360

RE: EO-2016-

Mr. Woodruff:

In April 2014, the Company filed an application requesting authorization to implement a Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”) to recover expenditures to comply with the Renewable Energy Standard (“RES”) law, Section 393.1030, RSMo. On November 5, 2014, the Commission issued its Order approving the *Partial Stipulation and Agreement, Rejecting Tariff, and Establishing Procedural Schedule* with an effective date of November 15, 2014. The RESRAM was implemented and the rate was applied to customers’ bills beginning December 1, 2014.

GMO’s RESRAM cost recovery is currently capped at an annual allowable RESRAM revenue requirement of \$7,582,117. This amount represents 1% of the electric retail customer revenues determined in GMO’s last rate case, Case No. ER-2012-0175. The resulting RESRAM rate of \$0.00094/kWh applicable to customers’ bills for the period of December 1, 2014 through November 30, 2015 and was calculated as follows:

Retail Customer Revenues (ER-2012-0175)	\$758,211,718
1% limit as stated in 4 CSR 240.20(6)	<u>1%</u>
Allowable RESRAM Revenue Requirement	\$ 7,582,117
GMO kWh per rate case	8,100,088,583
RAC Charge	\$ 0.00094

But for this cap, GMO’s annual RESRAM revenue requirement would be greater than \$7,582,117.

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As stated in GMO's tariff, "The Company shall make a RESRAM filing during each calendar year. Each filing shall become effective in December of each year and such Rider RESRAM filings shall be made at least sixty (60) days prior to their effective dates." GMO's retail customer revenues, as determined in the 2012 rate case, have not changed since December 1, 2014; and GMO's current annual RESRAM revenue requirement would exceed the current RESRAM cost recovery cap applicable to GMO, therefore the allowable annual revenue requirement and the current RESRAM rate of \$0.00094 remains unchanged. The RESRAM rate is therefore expected to remain in effect until the conclusion of GMO's next general rate proceeding, when new retail customer revenues are determined or until GMO's annual RESRAM revenue requirement falls below the cap. The tariff sheet is listed below.

KCP&L Greater Missouri Operations Company, PSC Mo. No. 1, 1st Revised No. 137.3, Effective December 2, 2015. Concurrently herewith GMO is filing a Motion for Expedited Treatment of Tariff seeking Commission approval of this tariff to be effective December 1, 2015.

Respectfully,

/s/ Tim Rush

Tim Rush

Attachments

cc: Office of the Public Counsel
Counsel of Record in Case No. EO-2014-0151