

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2013-0340  
KCP&L Greater Missouri Operations Company

FROM: Matthew Barnes, Utility Regulatory Auditor IV  
David Roos, Utility Regulatory Economist III

DATE: /s/ John Rogers 01-18-2013      /s/ John Borgmeyer 01-18-13  
Tariff Rate Design Section / Date      Staff Counsel's Office / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning KCP&L Greater Missouri Operations Company's Eighth Fuel Adjustment Clause True-up Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

DATE: January 18, 2013

### Recommendation

Staff recommends the Commission approve KCP&L Greater Missouri Operations Company's ("GMO") eighth true-up filing for Recovery Period 8 during which GMO under-recovered \$102,750 from customers in its MPS rate district, and under-recovered \$2,070 from customers in its L&P rate district.

### Discussion

On December 19, 2012, GMO filed with the Commission, in the form of direct testimony and supporting schedules by GMO witness Linda J. Nunn, its eighth fuel adjustment clause ("FAC") true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5). According to GMO's true-up filing, in the aggregate, GMO under-recovered from its customers in its MPS rate district \$102,750,<sup>1</sup> and under-recovered from its customers in its L&P rate district \$2,070, during Recovery Period 8 (September 1, 2011 through August 31, 2012) which followed its Accumulation Period 8 (December 1, 2010 through May 31, 2011).

The Missouri Public Service Commission Staff ("Staff") reviewed the direct testimony of GMO witness Linda J. Nunn, the supporting schedules GMO provided with GMO's application in this case, and the monthly information GMO submitted to the Commission in accordance with 4 CSR 240-3.161(5).

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<sup>1</sup> As defined on KCP&L Greater Missouri Operations Company, P.S.C.MO. No. 1, Original Sheet No. 127.8 the term C = Under/over recovery determined in the true-up of prior recovery period cost, including accumulated interest, and modifications due to prudence reviews.

Staff also verified with GMO and Staff auditors that the uncollected billed kWh revenues, which are not identified as either uncollected FAC or permanent rate revenues, are periodically written off to a bad debt expense account. Bad debt expense is recovered at an annualized level within a general rate case and does not impact the calculation of the FAC rate.

Based on its review and analysis of the information GMO filed and submitted for Recovery Period 8, Staff finds GMO's calculations for the true-up amounts for Recovery Period 8, including the calculation of monthly interest, are correct. Staff recommends the Commission approve GMO's eighth true-up filing for Recovery Period 8 during which GMO under-recovered \$102,750 from its customers in the MPS rate district, and under-recovered \$2,070 from its customers in the L&P rate district. The under-recovered amounts for the MPS and L&P rate districts, including accumulated interest, are included in GMO's proposed current period Cost Adjustment Factors in its semi-annual FAC filing in File No. ER-2013-0341 made on December 19, 2012 for Accumulation Period 11 (June 1, 2012 through November 30, 2012).

Staff has verified that GMO has filed its 2011 annual report and is not delinquent on any assessment. GMO is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10), and its monthly reports as required by 4 CSR 240-3.161(5). With the exception of GMO's proposed current period Cost Adjustment Factors in its semi-annual FAC filing in File No. ER-2013-0341, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.



