

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Tariff Schedules Filed to)	
Adjust the Fuel Adjustment Clause Rate of)	<u>Case No. EO-2010-0002</u>
KCP&L Greater Missouri Operations Company)	Tariff No. JE-2010-0003

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and for its *Recommendation to Approve Tariff Sheet* states the following to the Missouri Public Service Commission (“Commission”):

1. On July 1, 2009, KCP&L Greater Missouri Operations Company (KCP&L – GMO) filed a tariff sheet to establish rate schedules to make a semi-annual adjustment to customer rates based on KCP&L - GMO’s approved Fuel Adjustment Clause (“FAC”). The filing was pursuant to the Commission’s *Report and Order* in Case No. ER-2007-0004, in which the Commission authorized KCP&L – GMO’s FAC.

2. Commission Rule 4 CSR 240-20.090(4) provides that the Staff “shall submit a recommendation regarding its examination and analysis to the Commission not later than thirty (30) days after the electric utility files its tariff schedules to adjust its FAC rates.” Staff must determine if KCP&L - GMO’s proposed adjustment to the FAC is in accordance with 4 CSR 240-20.090, §386.266 RSMo, and the “FAC mechanism established in the most recent general rate proceeding.” *Id.*¹

3. In the attached Memorandum (Appendix A), the Staff recommends that the Commission issue an interim rate adjustment order approving KCP&L – GMO’s Tariff Sheet,

¹ KCP&L – GMO has completed an additional rate increase since Case No. ER-2007-0004, which was docketed as ER-2009-0090. However, the Accumulation Periods for which recovery is sought in this instant filing occurred prior to the effective date of the tariffs approved in Case No. ER-2009-0090. Thus – for purposes of 4 CSR 240-20.090(4), Case No. ER-2007-0004 is KCP&L – GMO’s “most recent general rate proceeding.”

P.S.C. MO. No. 1, 4th Revised Sheet 127 Canceling 3rd Revised Sheet No. 127, as filed on July 1, 2009 to become effective on September 1, 2009, subject to true-up and prudence reviews.

4. KCP&L – GMO’s requested adjustment is based on an accumulation period (of eligible costs subject to subsequent recovery from or refund to customers) December 1, 2008 through May 31, 2009.

5. Commission Rule 4 CSR 240-3.161(6) requires each electric utility with a fuel adjustment clause to submit a Surveillance Monitoring Report. Commission Rule 4 CSR 240-20.090(10) states that a utility shall submit the Surveillance Monitoring Reports within 15 days of the utility’s submission of its 10-Q and 10-K reports to the U.S. Securities and Exchange Commission. The Company submitted this report in its June 30, 2008 filing. The Staff Memorandum notes that these filings are to be made in accordance with the applicable rules.

6. The Staff’s review shows KCP&L – GMO’s filing is in compliance with §386.266 RSMo, 4 CSR 240-20.090 and 4 CSR 240-3.161. The Staff recommends that the Commission issue an interim rate adjustment order approving KCP&L – GMO’s proposed tariff sheet, subject to true-up and prudence reviews.

WHEREFORE, the Staff recommends that the Commission issue an interim rate adjustment Order approving KCP&L – GMO’s Tariff Sheet, P.S.C. MO. No. 1, 4th Revised Sheet 127 Canceling 3rd Revised Sheet No. 127, as filed on July 1, 2009 to become effective on September 1, 2009, subject to true-up and prudence reviews; and deny the Company’s request to forgo monthly surveillance reporting.

Respectfully submitted,

/s/ Sarah Kliethermes

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of July 2009.

/s/ Sarah Kliethermes