

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

In the Matter of the Tariff Filing of Aquila, Inc.       )  
d/b/a KCP&L Greater Missouri Operations            )  
Company, to Implement a General Rate Increase       )  
for Retail Electric Service Provided to Customers    )  
in its Missouri Service Areas it formerly served as  )  
Aquila Networks—MPS and Aquila Networks—        )  
L&P.    )

**Case No. ER-2009-0090**  
Tariff No. JE-2009-0913

**NOTICE OF CORRECTION TO STAFF REPORT, COST OF SERVICE**

**COMES NOW** the Staff of the Missouri Public Service Commission and corrects Staff Report, Cost of Service, filed in this case February 13, 2009 as follows:

1. At page 151 of the Staff Report, Cost of Service, filed in this case February 11, 2009 appears the following:

monthly kilowatt-hour (kWh) usage in the particular jurisdiction for the months of June 2007 through September 2007 to GMO-MPS's total system kWh usage. Staff has calculated the following energy allocation factors for the particular jurisdictions:

Retail Operations:               .9949  
Wholesale Operations:           .0051

These jurisdictional energy allocation factors were also provided to Staff Witness Cary Featherstone.

*Staff Expert: Alan J. Bax*

2. As corrected, with changes shown by tracked changes, that language should instead read:

monthly kilowatt-hour (kWh) usage in the particular jurisdiction for the months of ~~January~~ 2007 through ~~December~~ 2007 to GMO-MPS's total system kWh usage, ~~with all usages being adjusted to reflect update period normalized values.~~ Staff has calculated the following energy allocation factors for the particular jurisdictions:

Deleted: June  
Deleted: September

Retail Operations:  
Wholesale Operations:

0.9947

0.0053

Deleted: .9949

Deleted: .0051

These jurisdictional energy allocation factors were also provided to Staff Witness Cary Featherstone.

*Staff Expert: Alan J. Bax*

3. For convenience attached, as corrected, is a substitute page for page 151 of the Staff Report, Cost of Service.

4. Also attached is the affidavit of Alan J. Bax regarding page 151 of the Staff Report, as corrected.

**WHEREFORE** the Staff, notifies the Commission and the parties in this case of the corrections to Staff Report, Cost of Service, filed in this case February 13, 2009 set forth above.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams  
Deputy Counsel  
Missouri Bar No. 35512

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**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 11<sup>th</sup> day of March 2009.

**/s/ Nathan Williams**\_\_\_\_\_

monthly kilowatt-hour (kWh) usage in the particular jurisdiction for the months of January 2007 through December 2007 to GMO-MPS's total system kWh usage, with all usages being adjusted to reflect update period normalized values. Staff has calculated the following energy allocation factors for the particular jurisdictions:

Retail Operations:	0.9947
Wholesale Operations:	0.0053

These jurisdictional energy allocation factors were also provided to Staff Witness

Cary Featherstone.

*Staff Expert: Alan J. Bax*

## **B. Application**

GMO MPS operates within two different jurisdictions, Missouri and the federal jurisdiction regulated by FERC. Therefore, it is necessary to specifically identify, allocate and/or assign utilities' investment and expenses between these jurisdictions. In order to develop a fully comprehensive cost of service analysis to identify the revenue requirements, all costs incurred by the Company for plant investment and income statement costs must be specifically placed in all of the jurisdictions served. The allocation process identifies these costs between the state and FERC jurisdictions.

Staff applied the demand factor developed based on the 4 CP methodology to the production and transmission plant and related depreciation reserve accounts. These asset accounts relate to the fixed assets of MPS for the generating facilities used to generate electricity and the transmission facilities used to transport electricity to MPS retail customers in Missouri and the FERC wholesale customers. This same infrastructure is used to generate and transport electricity to firm and non-firm customers in the bulk power markets (off-system sales).

**BEFORE THE PUBLIC SERVICE COMMISSION**

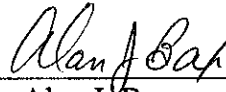
**OF THE STATE OF MISSOURI**

In the Matter of the Application of KCP&L )  
Greater Missouri Operations Company for ) Case No. ER-2009-0090  
Approval to Make Certain Changes in its )  
Charges for Electric Service. )

**AFFIDAVIT OF ALAN J. BAX**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

Alan J. Bax, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Report for the corrected pages 151; that he has knowledge of the matters set forth in such Report; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Alan J. Bax

Subscribed and sworn to before me this 11<sup>th</sup> day of March, 2009.

  
\_\_\_\_\_  
Notary Public