

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 9th day of October, 2019.

In the Matter of KCP&L Greater Missouri Operations)
Company Request for Authority to Implement Rate)
Adjustments Required by 4 CSR 240-20.090(8)) **File No.: ER-2019-0413**
And the Company's Approved Fuel and Purchased) **Tariff No.: YE-2020-0033¹**
Power Cost Recovery Mechanism)

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company,) **File No.: ER-2019-0414**
Containing Its Semi-Annual Fuel Adjustment)
Clause True-Up)

ORDER APPROVING TRUE-UP AND CONTINUING TARIFF

Issue Date: October 9, 2019

Effective Date: November 8, 2019

On June 28, 2019,² KCP&L Greater Missouri Operations Company ("GMO") submitted an application containing its true-up filing for accumulation period 21 ("AP 21"). For AP 21, covering the period June 2017 through November 2017, GMO over-collected \$197,557, including interest, from its customers.³ The true-up calculation is the subject of File ER-2019-0414. The true-up amount is then a subject of File ER-2019-0413, which requires the calculation of current period fuel adjustment rates ("FAR") conforming to GMO's fuel adjustment clause ("FAC"), and a resulting FAC tariff.⁴ Thus, on June 28,

¹ Interim Tariff approved on August 26, 2019.

² All date references will be to 2019 unless otherwise indicated.

³ Direct Testimony of Lisa A. Starkebaum, Page 4; See also Staff's July 26 Recommendation, Memorandum, p. 1.

⁴ Staff's July 26 Recommendation, Memorandum, p. 1. Commission Rule 20 CSR 4240-20.090(8) states: "An electric utility that has a FAC shall file proposed tariff sheet(s) to adjust its FARS following each accumulation period."

GMO filed one tariff sheet in ER-2019-0413 to revise its current annual FARs,⁵ including the true-up amount of (\$197,557).⁶

The Commission Staff recommended approval of GMO's true-up and tariff calculations on July 26. On August 5, the Office of Public Counsel ("OPC") filed its opposition. OPC objected that GMO's substitute tariff sheet also included amounts for auxiliary power GMO used for steam operations at its Lake Road station and amounts for propane and coal removal at its retired Sibley generation facility.⁷ On August 15, the Commission issued its *Order Rejecting Fuel Adjustment Clause Tariff, Scheduling a Procedural Conference, and Directing the Filing of a Revised Tariff* because the adjustments at issue were alleged to not be in accordance with Commission Rule 4 CSR 240-20.090.⁸ The order directed GMO to file tariff sheets to implement interim adjusted fuel adjustment rates reflecting the proposed adjustments not in dispute.

GMO filed Tariff No. YE-2020-0033 on August 21. On August 26, the Commission approved YE-2020-0033 as an interim tariff, to go into effect on September 1. On September 12, GMO filed its *Response to Order Directing Filing*, advising the Commission that it would not seek recovery of the amounts associated with the Sibley fuel transfers in AP 24 or any other accumulation period in its FAC and stated that there was, accordingly, no need for a procedural schedule to address that issue. On September 13, the Commission ordered Staff to file a recommendation on the interim Tariff No. YE-2020-033 and on the disposition of the above captioned files.

On September 23 and 30, Staff filed its *Recommendation*. It stated that as a result

⁵ ER-2019-0413, Staff's July 26 Recommendation, Memorandum, p. 2.

⁶ Tariff Revision, JE-2019-0232, filed in ER-2019-0413.

⁷ Office of Public Counsel's Response to Staff Recommendation, p. 1.

⁸ Now Rule 20 CSR 4240-20.090. Further Rule references shall be to the rules as currently numbered.

of discussion among GMO, Staff and OPC, the parties reached the following agreement concerning the auxiliary power issues:

“The Parties agree that it is unnecessary to try the issues related to Auxiliary Power in this proceeding since this issue has been tried as a part of Case No. ER-2019-0067. The Company will use the allocation method established in the order in that case when it becomes final and unappealable and will make an adjustment to the next accumulation period accordingly.”

Staff’s recommendation stated:

“As for the remaining issue concerning the proposed adjustments to the Sibley fuel transfers and sales issues, the Parties have agreed that GMO will not seek to recover the \$185,857 at issue in Accumulation Period 24 or any other future accumulation period of its Fuel Adjustment Clause.”

Staff’s recommendation advises that with the agreement, the true-up recovery for overcharges in AP21 from File No. ER-2019-0414 in the amount of \$197,557 is correct.⁹ Staff states the further amounts aggregating to \$497,238 related to auxiliary power for steam operations at the Lake Road station and to removal of coal and propane at the retired Sibley generation facility have been removed from the true-up calculations.¹⁰ With these adjustments, Staff recommends the Commission approve GMO’s true-up.

With regard to GMO’s request to approve its FAC tariff, the rate schedules now in effect in interim Tariff No. YE-2020-0033 have resulted in an increase in the bill of a residential customer using 1,000 kWh per month by approximately \$0.03, from \$4.92 to \$4.95 per month. Staff has concluded the interim tariff is consistent with the removal of the disputed \$497,238 and the parties’ agreement. Staff has reviewed the direct testimony of GMO witness Lisa A. Starkebaum, the supporting schedules GMO provided with its application, and the monthly information GMO submitted to the Commission in compliance with 20 CSR 4240-20-090(9). Staff has also verified GMO has filed its 2018

⁹ September 30 Staff Recommendation.

¹⁰ September 30 Staff Recommendation.

annual report and is current on its assessments. It has verified GMO's surveillance monitoring report filings required by 20 CSR 4240-20.090(6) and monthly report filings required by 20 CSR 4240-3.161(5) are current. Staff found no other matter before the Commission affecting or affected by this filing. Based upon this review, Staff has concluded that interim Tariff No. YE-2020-0033 complies with GMO's FAC and all related regulations and statutes. Staff recommends and the parties agree the Commission should continue the interim tariff.

Because all parties now agree Tariff No. YE-2020-0033 should continue in effect, neither the governing statute¹¹ nor any other law requires a hearing.¹² Based on the Commission's review of the parties' statements and all verified filings in this case, the Commission finds Tariff No. YE-2020-0033 complies with GMO's FAC and all applicable statutes and regulations. Therefore, the Commission will allow Tariff No. YE-2020-0033 to remain in effect.

THE COMMISSION ORDERS THAT:

1. GMO shall not seek recovery of the \$185,857 cost associated with the Sibley fuel transfer through its Fuel Adjustment Rate.
2. A true-up for over-charges in Accumulation Period 21 in the amount of \$197,557 is approved.
3. Tariff No. YE-2020-0033, effective on September 1, 2019, shall remain in effect. The specific tariff sheet that will remain in effect is:

¹¹ Section 386.266, RSMo 2016. This section provides for a hearing when the FAC is approved, modified or rejected. It does not require a hearing when annual true-ups are filed by the company. Commission Rule 4 CSR 4240-20.090(5) states the Commission may hold a hearing if needed, but one is not required.

¹² Section 536.010(4), RSMo 2016, defines a contested case as "a proceeding before an agency in which legal rights, duties or privileges of specific parties are required by law to be determined after hearing." *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App.1989).

P.S.C. MO. No. 1 1st Revised Sheet No. 127.3
Canceling P.S.C. MO. No. Original Sheet No. 127.23

4. With this order, all issues presented in this file have been fully disposed, and this file may be closed.
5. This Order shall be effective on November 8, 2019.
6. This file shall be closed on November 9, 2019.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, CC., concur.

Graham, Regulatory Law Judge