

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

In the Matter of the Application of Kansas City)
Power & Light Company and KCP&L Greater)
Missouri Operations Company for the Issuance of)
an Accounting Authority Order Relating to Their)
Electrical Operations and for a Contingent Waiver of)
the Notice Requirement of 4 CSR 240-4.020(2).)

Case No. EU-2014-0077

**STAFF’S RESPONSE TO KANSAS CITY POWER & LIGHT COMPANY’S
APPLICATION FOR CLARIFICATION**

COMES NOW the Staff of the Public Service Commission of the State of Missouri (“Staff”) and responds to Kansas City Power & Light Company’s (“KCP&L”¹) application for clarification of the Commission’s July 30, 2014, *Report and Order* denying the application of KCP&L and KCP&L Greater Missouri Operations Company (“GMO”) for authority to book certain transmission expenses in a regulatory asset account as follows:

1. KCP&L has misquoted the sentence in the Commission’s *Report and Order* it is requesting the Commission clarify. The correct sentence is “As part of a general rate case, KCP&L may seek an FAC to include transmission costs in June of 2015,” not “As part of a general rate case, KCP&L may seek an FAC to include transmission costs *incurred* (Emphasis added.) in June of 2015.”

2. In the paragraph of the order where this sentence appears the Commission refers to KCP&L’s and GMO’s witness Mr. Ives’s hearing testimony.

¹ Although both Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company present themselves to the public under their service mark “KCP&L,” because the Commission and Kansas City Power & Light Company have used “KCP&L” to refer only to Kansas City Power & Light Company in this case, Staff is as well.

While he was on the stand, in response to questions from Chairman Kenney, Mr. Ives testified as follows:

Q. So at that point, I guess my question is this: If June of 2015 KCP&L filed a rate case and requested a Fuel Adjustment Clause could they take these transmission costs and run it through that?

A. Yeah, I think we could have –

Q. If they got approved.

A. I don't want to split hairs. I think we could have, under that agreement we could have rates effective in a fuel clause of 2015 but regardless we could ask for that fuel clause, we could include transmission costs, we could have an effective post that date that we said we'd utilize it and subject to the Commission's authorization we'd be able to start recovering transmission similarly to Ameren.

Q. So would that take care of the issue if that were the case?

A. For a longer term, to go back to Chairman Kenney's question that would be one of the longer term solutions that might take us beyond what the bill over there currently, Senate bill 702.

Tr. 216-217.

3. The kernel of KCP&L's request is found in paragraph three of its pleading:

KCP&L does not believe that this sentence was intended by the Commission to indicate when the Company may file a rate case requesting an FAC that includes transmission costs. Instead, the Company interprets this sentence to put a time limit on when the Company can "seek to utilize" meaning actually implement a FAC mechanism. The FAC tariffs that the Company intends to file in its upcoming rate case will not become effective until after June 1, 2015 in accordance with the Regulatory Plan stipulation. Other parties may have a different interpretation of the Regulatory Plan stipulation and the Commission may need to determine this issue in ER-2014-0370.

4. Although KCP&L says it is asking for clarification, what KCP&L is actually seeking from the Commission is the predetermination of an issue not yet ripe, an issue that almost certainly will arise if KCP&L files a general rate case before June 1, 2015,

and seeks Commission authorization to use the fuel adjustment clause allowed by Commission Rules 4 CSR 240-20.090 and 4 CSR 240-3.161, and § 386.266, RSMo Supp. 2013. That issue is whether the language KCP&L quotes from the Stipulation and Agreement in Case No. EO-2005-0319—KCPL agrees that, prior to June 1, 2015, it will not seek to utilize any mechanism authorized in current legislation known as “SB 179” or other change in state law that would allow riders or surcharges or changes in rates outside of a general rate case based upon a consideration of less than all relevant factors—allows KCP&L to request a fuel adjustment clause before June 1, 2015.²

5. The Commission should decline KCP&L’s invitation to issue an advisory ruling in this case.

WHEREFORE, Staff recommends that the Commission deny Kansas City Power & Light Company’s Request for Clarification of its Report and Order.

Respectfully submitted,

/s/ Nathan Williams

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² In its July 28, 2005, *Report and Order* in Case No. EO-2005-0329, the Commission ordered, “That the signatory parties shall abide by all of the terms and requirements in the March 28, 2005 Stipulation and Agreement.”

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 2nd day of September, 2014.

/s/ Nathan Williams