

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

In the Matter of the Application of Kansas City)	
Power & Light Company Containing Its Semi-)	<u>File No. EO-2020-0026</u>
Annual Fuel Adjustment Clause True-Up)	Tariff No. JE-2020-0019

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation states:

1. On July 31, 2019 Kansas City Power & Light Company ("KCP&L") filed its fifth fuel adjustment clause true-up filing under the provisions of 4 CSR 240-20.090(9).
2. On July 31, 2019 the Commission ordered Staff to file a recommendation by August 30, 2019.
3. Based on its examination and analysis of the information KCP&L filed, Staff recommends the Commission approve KCP&L's true-up filing for its Recovery Period 5 ("RP5") (billing months of April 2018 through March 2019), during which KCP&L over-collected \$833,840 from its customers. Staff's analysis is contained in the attached Staff Memorandum, marked as Appendix A.
4. The over-collected amount of \$833,840, which is the true-up amount for RP5, and interest for RP5 of \$419,717, are included in the calculation of the Fuel and Purchased Power Adjustment ("FPA") amount in KCP&L's Accumulation Period 8 ("AP8") adjustment filing, also filed on July 31, 2019, in File No. ER-2020-0025.
5. Staff verified that KCP&L filed its 2018 annual report and is not delinquent on any assessment. KCP&L is current on submission of its monthly reports, required by 4 CSR 240-20.090(5), and its surveillance monitoring reports, required by 4 CSR 240-

20.090(6). Other than as noted in the attached Staff Memorandum, Staff is not aware of any other matter before the Commission that affects or is affected by this true-up filing.

WHEREFORE, Staff recommends the Commission approve KCP&L's RP5 true-up filing, during which KCP&L over-collected \$833,840 from its customers, for inclusion in the calculation of the FPA amount included in KCP&L's AP8 rate adjustment filing in File No. ER-2020-0025.

Respectfully submitted,

/s/ Karen E. Bretz

Karen E. Bretz
Senior Counsel
Missouri Bar No. 70632
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-5472 (Voice)
573-751-9285 (Fax)
Karen.Bretz@psc.mo.gov

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record to this case on this 29th day of August, 2019.

/s/ Karen Bretz

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File
File No. EO-2020-0026
Kansas City Power & Light Company

FROM: Lisa Wildhaber, Utility Regulatory Auditor III
Brooke Mastrogiannis, Utility Regulatory Auditor IV
Cyndi Tandy, Utility Regulatory Auditor I

DATE: /s/ Brad J. Fortson 8/29/2019 /s/ Karen Bretz 08/29/2019
Commission Staff/ Date Staff Counsel Department/ Date

SUBJECT: Staff's Analysis of and Recommendation Concerning Kansas City Power
& Light Company Fuel Adjustment Clause True-up Filing Under the
Provisions in 4 CSR 240-20.090(9).

DATE: August 29, 2019

Staff Recommendation

Staff recommends that the Missouri Public Service Commission ("Commission") approve the true-up filing for Kansas City Power & Light Company ("KCPL") for Recovery Period 5 ("RP5") during which KCPL over-recovered \$833,840¹ from its customers.

Discussion

On July 31, 2019, KCPL filed with the Commission its fuel adjustment clause ("FAC") true-up² for RP5 under the provisions of its FAC tariff sheets and 4 CSR 240-20.090(9). RP5 began April 1, 2018 and ended March 31, 2019. It was preceded by Accumulation Period 5 ("AP5"), which began July 1, 2017 and ended December 31, 2017.

KCPL's filing is supported by the direct testimony and supporting schedules of Lisa A. Starkebaum, Manager – Regulatory Affairs at KCPL. The Missouri Public Service Commission Staff ("Staff") reviewed Ms. Starkebaum's direct testimony and supporting schedules, as well as the monthly information KCPL submitted to the Commission in accordance with 4 CSR 240-20.090(9).

¹ Lisa Starkebaum's testimony page 5 line 8 mentions a total over-recovery of \$839,014. This is comprised of the true-up adjustment of \$833,840, listed on line 8 of the proposed tariff sheet, plus two interest adjustments of (\$6,685) and \$1,510, which are reflected within the interest amount listed on line 9 of the proposed tariff sheet.

² True-ups are defined on KCPL, P.S.C.MO. No. 7, Original Sheet No. 50.30 as, "After completion of each RP, the Company shall make a true-up filing by the filing date of its next FAR filing. Any true-up adjustments shall be reflected in component "T" above. Interest on the true-up adjustment will be included in component "I" above. The true-up amount shall be the difference between the revenues billed and the revenues authorized for collection during the RP as well as any corrections identified to be included in the current FAR filing. Any corrections included will be discussed in the testimony accompanying the true-up filing."

The RP5 true-up amount of \$(833,840), without interest, is the result of an over-recovery of \$585,142 during RP5, plus a credit of \$248,698 (without interest). The \$248,698 credit adjustment relates to an error in the true-up of Accumulation Period 3, Case No. ER-2019-0032, in which the true-up calculation incorrectly excluded a credit of \$248,698.

The interest of \$414,543 on line 9 of 2nd Revised Sheet 50.31,³ includes all interest⁴ for RP5 and Accumulation Period 8 (“AP8”), as well as an interest credit of \$6,685 from the true-up correction explained above, and an additional \$1,510 interest correction from Accumulation Period 7, in which the September 2018 interest was calculated incorrectly.

Ms. Starkebaum provides supporting work papers for the true-up amount of \$(833,840), as well as work papers explaining the calculations of corrections and interest adjustments. Staff agrees with KCPL’s calculations for this over-recovery of \$833,840 during RP5, the true-up correction adjustments, and KCPL’s calculations of the interest adjustments.

Staff Review

Based on its review and analysis of the information KCPL filed and submitted for RP5, Staff determined that KCPL’s calculations for the true-up amount for RP5 is correct. However, Staff reserves its right to pursue this issue in other cases before the Commission.

Staff recommends the Commission approve KCPL’s true-up filing for RP5 during which KCPL over-recovered \$833,840 from its customers. The over-recovered amount is included in KCPL’s proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2020-0025, filed on July 31, 2019, for AP8 which began January 1, 2019 and ended June 30, 2019.

Staff verified that KCPL filed its 2018 Annual Report and is not delinquent on any assessment. KCPL is current on its submission of its Surveillance Monitoring reports, as required by 4 CSR 240-20.090(6), and its periodic reports, as required by 4 CSR 240-20.090(5). With the exception of KCPL’s proposed changes to its current period fuel adjustment rates in its semi-annual FAC filing in File No. ER-2020-0025, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

³ File No. ER-2020-0025 and Tariff Tracking No. JE-2020-0019.

⁴ Interest is defined on KCPL, P.S.C.MO. No. 7, Original Sheet No. 50.28 as: Interest applicable to (i) the difference between Missouri Retail ANEC and B for all kWh of energy supplied during an AP until those costs have been recovered; (ii) refunds due to prudence reviews (“P”), if any; and (iii) all under- or over-recovery balances created through operation of this FAC, as determined in the true-up filings (“T”) provided for herein. Interest shall be calculated monthly at a rate equal to the weighted average interest paid on the Company’s short-term debt, applied to the month-end balance of items (i) through (iii) in the preceding sentence.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas)
City Power & Light Company Containing) File No. EO-2020-0026
Its Semi-Annual Fuel Adjustment Clause)
True-up)

AFFIDAVIT OF LISA WILHABER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

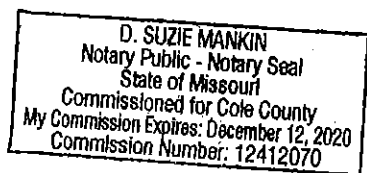
COMES NOW LISA WILHABER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


LISA WILHABER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 28th day of August 2019.




Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas)
City Power & Light Company Containing) File No. EO-2020-0026
Its Semi-Annual Fuel Adjustment Clause)
True-up)

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

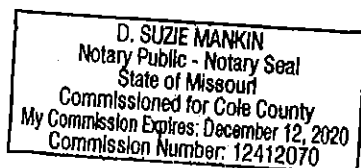
COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Brooke Mastrogiannis
BROOKE MASTROGIANNIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 28th day of August 2019.



D. Suzie Mankin
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas)
City Power & Light Company Containing)
Its Semi-Annual Fuel Adjustment Clause)
True-up) File No. EO-2020-0026

AFFIDAVIT OF CYNTHIA M. TANDY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

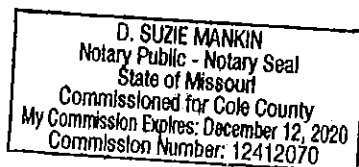
COMES NOW CYNTHIA M. TANDY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

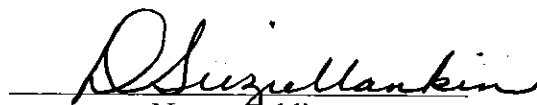
Further the Affiant sayeth not.


CYNTHIA M. TANDY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 28th day of August 2019.




Notary Public