

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day
of September, 2010.

In the Matter of the Application of KCP&L Greater)
Missouri Operations Company for Approval to Make) **File No. ER-2010-0356**
Certain Changes in its Charges for Electric Service) **Tariff No. JE-2010-0693**

**ORDER SETTING LOCAL PUBLIC HEARINGS
AND DIRECTING NOTICE TO CUSTOMERS**

Issue Date: September 28, 2010

Effective Date: September 28, 2010

On June 4, 2010, Kansas City Power & Light Company (KCPL) and KCP&L Greater Missouri Operations Company (GMO) separately submitted to the Commission proposed tariff sheets¹ intended to implement a general rate increase for electrical service provided in their Missouri service areas. On June 11, 2010, the Commission published notice of the tariff filings and set procedural dates, among them a date for KCPL and GMO to submit proposed language for the companies' notification to customers. KCPL and GMO filed their proposed customer notices as directed on July 20, 2010.

On July 27, 2010, the Staff of the Commission and the Office of the Public Counsel filed objections to the company's proposed customer notice. Attached to their pleading was a suggested customer notice. This filing prompted a response from GMO with additional

¹ File No. ER-2010-0355, *In the Matter of the Application of Kansas City Power & Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Continue the Implementation of Its Regulatory Plan*; File No. ER-2010-0356, *In the Matter of the Application of KCP&L Greater Missouri Operations Company for Approval to Make Certain Changes in its Charges for Electric Service*.

revisions,² which prompted a reply with further revisions from Staff and Public Counsel,³ which prompted a further response from GMO,⁴ which prompted Staff and Public Counsel to reply,⁵ which prompted an additional reply from GMO.⁶

Staff and Public Counsel's objections are that the proposed notice: (1) did not comply with 4 CSR 240-20.090(2)(D) because it did not include a description of how the costs passed through the proposed rate adjustment mechanism are applied to monthly bills; (2) does not correctly state the percentage increases for the proposed rate increase; and (3) does not explain that (according to Staff and Public Counsel) approximately \$27 million and \$19 million annually in fuel-related costs in the MPS and L&P service areas respectively will be recovered through its FAC in the future.

GMO basically concedes that the notice is deficient with regard to a description of the rate adjustment mechanism as required in the regulation. GMO suggested modifications to the notice to address this deficiency. GMO denies, however, that any additional changes should be made. Rather, GMO argues that the notice should only represent the increases that have been asked for and not mix a discussion of what charges may be requested in a future case.

As with all percentages and statistics, the numbers can sometimes be more misleading than helpful. As the two sides have demonstrated in this case the same dollar amounts can be demonstrated as two different percentages. Thus, the Commission

² Filed August 6, 2010.

³ Filed August 11, 2010.

⁴ Filed August 20, 2010.

⁵ Filed August 24, 2010.

⁶ Filed September 3, 2010.

determines that the percentages are misleading. Instead of using the percentages, the Commission will give notice similar to the notice provided by the Kansas Corporation Commission that simply states the amount requested and the dollar effect on a typical customer.

In addition, the customer public hearing notice is not the place to argue ratemaking doctrines or the issues of the case. It is instead a vehicle to inform the customers where they may obtain additional information and how they may make comments to the Commission. The most important aspects of a customer notice are that the reader be able to understand: that a rate increase request has been made, and when and where the local public hearings will be held so that the customers may make comments to the Commission. None of the notices proposed by the Staff and the Office of the Public Counsel meet those criteria. Therefore, the Commission has determined that the customer notice set out in the ordered paragraphs below is the appropriate notice to inform the customers about the pending matter and the time and date of public comment hearings.

The Commission's June 11 order also directed the parties to file recommendations for times, dates, and locations of local public hearings. On August 18, 2010, the Office of the Public Counsel filed a pleading on behalf of the parties, suggesting locations for the local public hearings. After considering the parties' suggestions, the Commission has determined that local public hearings will be held in Nevada, St. Joseph, Kansas City, Riverside, Lee's Summit, Carrollton, and Sedalia, Missouri. In addition, the Commission will set certain conditions concerning the parties' participation in the question-and-answer session before each public hearing, as ordered below.

The Commission will also establish a listening post at the Cohen Conference Center, Kansas City Public Library–Plaza Branch on Tuesday, December 7, 2010. The listening post will begin when the 12:00 p.m. local public hearing ends and continue until 5:30 p.m. Staff members will be present at that location to answer questions from the public. Any other party who wishes to send persons to that location to answer questions may do so. Members of the public may also record a video statement during the listening post.

To increase access to the public hearings, the Commission shall open all of its scheduled hearings to take testimony on both the KCPL and GMO cases.⁷

THE COMMISSION ORDERS THAT:

1. All scheduled local public hearings in File Nos. ER-2010-0355 and ER-2010-0356 concerning Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company shall be open to any interested person to appear and offer comments in either case.

2. The Staff of the Commission shall make an informational presentation and conduct a question-and-answer session for the public beginning 30 minutes before each scheduled hearing.

3. KCP&L Greater Missouri Operations Company, the Commission's Staff, and the Office of the Public Counsel shall each prepare a one-page statement outlining their current assessment of the case, and shall bring sufficient copies for distribution at the question-and-answer session that precedes the formal public hearing.

4. KCP&L Greater Missouri Operations Company, the Commission's Staff, and the Office of the Public Counsel shall make a representative available to address

⁷ File No. ER-2010-0355 and File No. ER-2010-0356.

substantive issues during the question-and-answer session. Such representative may take five minutes during the question-and-answer session to set forth any perspective it has on the pending rate increase request and must address questions from the audience.

5. At its discretion, Staff may be represented by any singular member of its Consumer Services Department, the Information Office, the Utility Operations Division, the Utility Services Division, or Staff Counsel. If Staff determines that no auditor, accountant or engineer needs to be present, Staff Counsel shall be Staff's designated representative at the question and answer session.

6. Any other party, at its discretion, may prepare a statement and make a representative available, as set forth in the body of this order.

7. The Commission shall hold a local public hearing on Tuesday, November 30, 2010, beginning at 6:00 p.m. and continuing until all persons who wish to testify have done so, in the Lunchroom of the Nevada TeleCenter, 2015 N. West Street, Nevada, Missouri. This hearing will also be videoconferenced.

8. The Commission shall hold a local public hearing on Monday, December 6, 2010, beginning at 6:00 p.m. and continuing until all persons who wish to testify have done so, in Leah Spratt Hall, Room 201, Missouri Western State University, 4525 Downs Drive, St. Joseph, Missouri. This hearing will also be videoconferenced.

9. The Commission shall hold two local public hearings on Tuesday, December 7, 2010, in the Cohen Conference Center of the Kansas City Public Library—Plaza Branch, 4801 Main Street, Kansas City, Missouri. The first hearing shall begin at 12:00 p.m., and continue until all persons who wish to testify have done so. The second

hearing shall begin at 6:00 p.m. and continue until all persons who wish to testify have done so or until 8:50 p.m., whichever is sooner.

10. Beginning at the end of the 12:00 p.m. local public hearing held on December 7, 2010, in the Cohen Conference Center of the Kansas City Public Library–Plaza Branch, 4801 Main Street, Kansas City, Missouri (see Ordered Paragraph 9), and continuing until 5:30 p.m., the Commission will establish a listening post for the public. Commission Staff members will be present at that location to answer questions from the public. Any other party who wishes to send persons to that location to answer questions may do so. Members of the public may also record a video statement during the listening post.

11. The Commission shall hold a local public hearing on Wednesday, December 8, 2010, beginning at 12:00 p.m. and continuing until all persons who wish to testify have done so, in the City Council Chambers, 2950 NW Vivion Road, Riverside, Missouri.

12. The Commission shall hold a local public hearing on Wednesday, December 8, 2010, beginning at 6:00 p.m. and continuing until all persons who wish to testify have done so, in the Lecture Hall of the Lee’s Summit North High School, 901 NE Douglas Street, Lee’s Summit, Missouri.

13. The Commission shall hold a local public hearing on Thursday, December 9, 2010, beginning at 6:00 p.m. and continuing until all persons who wish to testify have done so, in the Thompson Conference Center–Side B, Heckart Science and Allied Health Center Building, State Fair Community College, 3201 West 16th Street, Sedalia, Missouri.

14. The Commission shall hold a local public hearing on Monday, December 13, 2010, beginning at 6:00 p.m. and continuing until all persons who wish to testify have done so, in the Videoconference Center of the Carrollton Public Library, One North Folger, Carrollton, Missouri. This hearing will also be videoconferenced.

15. No later than ten days prior to the local public hearing, KCP&L Greater Missouri Operations Company shall provide an individual notice to each of its customers in its Missouri service areas.

IMPORTANT NOTICE

NOTICE OF PUBLIC HEARINGS ON RATE INCREASE REQUEST

On June 4, 2010, KCP&L Greater Missouri Operations Company filed an electric rate case with the Missouri Public Service Commission seeking to increase annual electric operating revenues by approximately \$75.8 million in its MPS service territory and approximately \$22.1 million in its L&P territory.

If approved in full, a typical Missouri residential customer -- one who uses a monthly average of 1130 kWh in the summer and 780 kWh in the winter -- would see a less than \$15 per month increase in charges.

The Company has also asked the PSC to modify its fuel adjustment clause (FAC) to allow the Company to recover certain additional transmission costs through its FAC charge. The Company's modified FAC allows it to adjust customers' bills two times per year based on variations in certain costs and revenues related to fuel and purchased power. Any increase or decrease in fuel and purchased power costs will be reflected in the FAC-portion of a customer's bill.

Public hearings are scheduled on the request. The public hearing will consist of two parts. During the first part representatives of KCP&L Greater Missouri Operations will explain their request to the public. The PSC staff and the Office of Public Counsel will also answer questions and may present their positions regarding the request. The second part is a formal hearing to assure that members of public have the opportunity to make their views on the request, service or billing issues known to the Commission.

The following is the schedule of public hearings:

- Day of week, Date, beginning at Time, in the Building name, Address
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A question-and-answer session will be held one-half hour before the beginning of each hearing.

A “listening post” for the public will be established on December 7, 2010, at the Cohen Conference Center of the Kansas City Public Library–Plaza Branch, 4801 Main Street, Kansas City, Missouri. The listening post will begin at the end of the first local public hearing held at this location and last until 5:30 p.m.. PSC Staff members will be present at that location to answer questions from the public. Members of the public may also record a video statement.

The Public Service Commission will also conduct evidentiary hearings at the PSC offices, 200 Madison Street, Jefferson City, MO, Dated, beginning at Time. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 2230, Jefferson City, MO 65102, telephone 1-866-922-2959, email opcservice@ded.mo.gov or the Missouri Public Service Commission, Post Office Box 360, Jefferson City, MO 65102, telephone 1-800-392-4211, email pscinfo@psc.mo.gov.

The buildings where the hearings will be held meet accessibility standards required by the Americans with Disabilities Act. If a customer needs additional accommodations to participate in these hearings, please call the Public Service Commission’s Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

16. The local public hearings shall be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional accommodation to participate in the hearings should call the Public Service Commission’s Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the hearings.

17. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county in the service areas of KCP&L Greater Missouri Operations Company.

18. The Public Information Office of the Missouri Public Service Commission shall send a copy of this order to members of the General Assembly and to the media that serve KCP&L Greater Missouri Operations Company’s service areas.

19. KCP&L Greater Missouri Operations Company shall place advertisements in the newspapers serving its Missouri service territory. The advertisements shall contain the

information from the customer notice relevant to the customers in the newspaper's circulation area.

20. This order shall become effective upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name of the Secretary.

Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
Gunn, and Kenney, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge