

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

In the Matter of the Application of KCP&L )  
 Greater Missouri Operations Company )  
 Containing its Annual Fuel Adjustment ) **File No. ER-2011-0180**  
 Clause True-Up )

## ORDER APPROVING ANNUAL FUEL ADJUSTMENT CLAUSE TRUE-UP

Issue Date: February 14, 2011

Effective Date: March 1, 2011

The Missouri Public Service Commission is approving the application of KCP&L Greater Missouri Operations Company (“GMO”) for an annual true-up of GMO’s fuel adjustment clause (“FAC”).

### A. Procedure

GMO filed the application with a supporting affidavit on December 23, 2010. On January 21, 2011, Staff filed *Staff Recommendation to Approve True-Up Filing* (“recommendation”), also with a supporting affidavit. Parties to GMO’s most recent rate action, Case No. ER-2007-0004 (“the rate action”), are automatically parties to this case.<sup>1</sup> On January 31, 2011, the Commission issued notice of the application and set a deadline of February 10, 2011 for applications to intervene. The Commission received no application for intervention and no response to the recommendation. The Commission may decide the unopposed application without hearing, so this action is not a contested case, and the Commission need not separately set forth its findings of fact.<sup>2</sup>

<sup>1</sup> 4 CSR 240-3.161(10)(A).

<sup>2</sup> *State ex rel. Rex Defenderfer Ent., Inc. v. Public Serv. Comm'n*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

## B. Merits

In the rate action, the Commission authorized GMO to use an FAC.<sup>3</sup> The FAC process starts with GMO's fuel costs when the Commission set GMO's rates ("base energy costs"). During an accumulation period, the FAC process tracks fluctuations in GMO's fuel costs compared to base energy costs. The difference is a cost adjustment factor that estimates how to pass on the fluctuations in GMO's fuel costs to GMO's customers based on projected sales during a recovery period. After the recovery period, a true-up compares the projected sales with actual sales during the recovery period. Any difference applies to the next accumulation period.

The accumulation period at issue is December 1, 2008, through May 31, 2009. The recovery period at issue is September 1, 2009 through August 1, 2010 ("recovery period 4"). GMO and Staff agree on the differences—both over-collection and under-collection—for recovery period 4 and the associated interest calculations.

Based on the affidavits, the Commission independently finds and concludes that the interest calculations set forth in the pleadings are correct, and that the amounts for GMO's annual FAC true-up from GMO's recovery period 4 shall be:

Service territory formerly served by	Collected: (under) or over
Aquila Networks-MPS	\$ 185,256
Aquila Networks-L&P	(\$ 35,352)

Those amounts shall apply to accumulation period 7 of GMO's FAC.<sup>4</sup>

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<sup>3</sup> 4 CSR 240-3.161 and 4 CSR 240-20.090.

<sup>4</sup> That period is June 2010 to November 2010, which is the subject of File No. ER-2011-0179, pending before the Commission.

**THE COMMISSION ORDERS THAT:**

1. KCP&L Greater Missouri Operations Company is authorized to include in its accumulation period 7 the amounts set forth in the body of this order.
2. This order shall become effective on March 1, 2011.

**BY THE COMMISSION**

( S E A L )



Steven C. Reed  
Secretary

Daniel Jordan, Regulatory Law Judge,  
by delegation of authority pursuant  
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 14<sup>th</sup> day of February, 2011.