

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

In the Matter of the Determination of)	<u>File No. ER-2012-0024</u>
Carrying Costs for the Phase-In Tariffs of)	Tariff No. YE-2012-0429
KCP&L Greater Missouri Operations)	
Company.		

STAFF RECOMMENDATION TO APPROVE TARIFF SHEETS

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its recommendation to approve tariff sheets states:

1. In its March 12, 2012, *Order Directing Filing* the Commission ordered Staff to file by March 19, 2012, its recommendation on the nineteen (19) tariff sheets KCP&L Greater Missouri Operations Company (“GMO”) filed on March 9, 2012, to comply with the Commission’s *Report and Order*.

2. Those proposed tariff sheets bear proposed effective dates of June 25, 2012, and are designed to implement what the Commission described in its *Report and Order* as the second year of the phase-in plan.

3. As Staff explains in the attached Memorandum (Appendix A), where Staff recommends the Commission approve compliance tariff sheets, because two of the proposed tariff sheets differed in minor ways from the corresponding exemplar tariff sheets attached to the objected to *Non-Unanimous Stipulation and Agreement* (Exhibit 1), at Staff’s suggestion GMO substituted those tariff sheets on March 14, 2012, to eliminate those differences.

4. As Staff also explains in its Memorandum, the nineteen (19) proposed tariff sheets are not designed to implement the third (June 25, 2013) and fourth (June 25, 2014) years of the phase-in plan. In its *Report and Order* the Commission

did not specify when GMO is to file the tariff sheets needed to implement the phase-in plan. GMO filed tariff sheets in Case No. ER-2012-0175 to initiate a general electric rate increase proceeding on February 27, 2012, **before** the Commission issued its *Report and Order* in this case on March 7, 2012. It is Staff's view that, unless the Commission's *Report and Order* is superseded, so long as GMO files tariff sheets to implement the third and fourth years of the phase-in plan at least thirty days before June 25, 2013 and June 25, 2014, respectively, unless GMO shows good cause for them to go into effect on less than thirty days' notice, GMO will be in compliance with the Commission's *Report and Order*.

5. In its Memorandum (Appendix A), Staff recommends that the Commission issue an Order that approves the following proposed tariff sheets, as filed on March 9, 2012, and substituted on March 14, 2012, to become effective on June 25, 2012, as requested by GMO, or permit them to go into effect by operation-of-law:

P.S.C. MO. No. 1

5th Revised Sheet No. 18 Canceling 4th Revised Sheet No. 18
5th Revised Sheet No. 19 Canceling 4th Revised Sheet No. 19
5th Revised Sheet No. 21 Canceling 4th Revised Sheet No. 21
5th Revised Sheet No. 22 Canceling 4th Revised Sheet No. 22
5th Revised Sheet No. 23 Canceling 4th Revised Sheet No. 23
5th Revised Sheet No. 24 Canceling 4th Revised Sheet No. 24
5th Revised Sheet No. 25 Canceling 4th Revised Sheet No. 25
5th Revised Sheet No. 28 Canceling 4th Revised Sheet No. 28
5th Revised Sheet No. 29 Canceling 4th Revised Sheet No. 29
5th Revised Sheet No. 31 Canceling 4th Revised Sheet No. 31
5th Revised Sheet No. 34 Canceling 4th Revised Sheet No. 34
5th Revised Sheet No. 35 Canceling 4th Revised Sheet No. 35
5th Revised Sheet No. 41 Canceling 4th Revised Sheet No. 41
5th Revised Sheet No. 42 Canceling 4th Revised Sheet No. 42
5th Revised Sheet No. 43 Canceling 4th Revised Sheet No. 43
5th Revised Sheet No. 44 Canceling 4th Revised Sheet No. 44
5th Revised Sheet No. 47 Canceling 4th Revised Sheet No. 47

5th Revised Sheet No. 48 Canceling 4th Revised Sheet No. 48
5th Revised Sheet No. 50 Canceling 4th Revised Sheet No. 50

6. As stated in its Memorandum, Staff has verified that GMO has filed its 2010 annual report¹ and is not delinquent on its assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, the Staff recommends that the Commission issue an order that approves the proposed tariff sheets specifically identified above and makes them effective on June 25, 2012, as requested by GMO, or permit them to go into effect by operation-of-law.

Respectfully submitted,

/s/ Nathan Williams
Nathan Williams
Deputy Counsel
Missouri Bar No. 35512

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 19th day of March, 2012.

/s/ Nathan Williams

¹ GMO's 2011 annual report for its L&P district is not due until April 15, 2012, and GMO has requested the Commission grant it until May 15, 2012 to file that report.

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2012-0024, Tracking No. YE-2012-0429
KCP&L Greater Missouri Operations Company

FROM: Curt Wells, Regulatory Economist III

/s/ Mike Scheperle 03/19/12
Energy Department / Date

/s/ Nathan Williams 03/19/12
Staff Counsel Division / Date

SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed To Comply With The Commission's ORDER DIRECTING FILING issued March 12, 2012.

DATE: March 19, 2012

On March 9, 2012, KCP&L Greater Missouri Operations Company (GMO or Company) filed with the Commission nineteen (19) tariff sheets bearing issue dates of March 9, 2012, and proposed effective dates of June 25, 2012, to comply with the Commission's REPORT AND ORDER issued March 7, 2012. In ordered paragraph 3 of that REPORT AND ORDER the Commission directs, "GMO shall file tariffs that comport with this Report and Order." The tariff sheets GMO filed are similar to exemplar tariff sheets marked as Exhibit A of the *Non-Unanimous Stipulation and Agreement*, but two sheets included minor differences. On March 14, 2012, GMO filed, as suggested by the Commission's Energy Unit Staff (Staff), two substitute tariff sheets to eliminate those minor differences. These nineteen (19) tariff sheets, as substituted, will begin implementing what the Commission described in its REPORT AND ORDER to be the second year of the phase-in plan the Commission ordered in Case No. ER-2010-0356 by increasing the rates of those customers GMO serves in its L&P rate district effective for service provided on and after June 25, 2012. This increase is also referred to in GMO's tariff as "Phase-in 2012" or "Phase One of Three."

The nineteen (19) tariff sheets do not include rate changes for the third and fourth years of the phase-in plan. However, in its REPORT AND ORDER the Commission did not direct when GMO is to file tariff sheets to implement the third (June 25, 2013) and fourth (June 25, 2014) years of the phase-in plan. GMO filed tariff sheets in Case No. ER-2012-0175 on February 27, 2012, initiating a new general rate case. The Commission suspended the effective date of those tariff sheets until January 26, 2013. The third and fourth years of the phase-in plan may be subsumed by GMO's pending general rate case and the Commission's REPORT AND ORDER may be superseded by changed circumstances, *i.e.*, new general rates. Staff believes the Commission did not intend with its REPORT AND ORDER to require GMO to now file tariff sheets designed to implement the third and fourth years of the phase-in plan. However, unless superseded, the REPORT AND ORDER requires GMO to file tariff sheets to implement the third and fourth years of the phase-in plan at least thirty days before June 25, 2013 and June 25, 2014, respectively, unless GMO shows good cause for them to go into effect on less than thirty days' notice.

In its ORDER DIRECTING FILING issued March 12, 2012, the Commission directed, “The Staff of the Commission shall file a Recommendation no later than March 19, 2012.”

Staff Recommendation

The Staff has reviewed the filed tariff sheets, as substituted, and is of the opinion that they comply with the Commission’s REPORT AND ORDER.

The Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheets, as filed on March 9, 2012, and substituted on March 14, 2012, to become effective on June 25, 2012, as requested by GMO, or permit the tariff sheets to go into effect by operation-of-law:

P.S.C. MO. No. 1

5th Revised Sheet No. 18 Canceling 4th Revised Sheet No. 18
5th Revised Sheet No. 19 Canceling 4th Revised Sheet No. 19
5th Revised Sheet No. 21 Canceling 4th Revised Sheet No. 21
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5th Revised Sheet No. 48 Canceling 4th Revised Sheet No. 48
5th Revised Sheet No. 50 Canceling 4th Revised Sheet No. 50

The Staff has verified that GMO is not delinquent on any assessment or the filing of its 2010 annual report. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

