

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

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.)

File No. ER-2010-0356
Tariff No. JE-2010-0693

**STAFF'S AND PUBLIC COUNSEL'S
OBJECTIONS TO PROPOSED CUSTOMER NOTICE**

COME NOW the Staff of the Missouri Public Service Commission and Public Counsel and object to the customer notice KCP&L Greater Missouri Operations Company proposed by its filing made on July 20, 2010, as follows:

1. The customer notice KCP&L Greater Missouri Operations Company proposed on July 20, 2010, does not describe how the costs passed through the fuel adjustment clause it requests be continued with modification will be applied to monthly bills as required by Commission Rule 4 CSR 240-20.090(2)(D). Commission Rule 4 CSR 240-20.090(2)(D) provides: "The electric utility shall include in its initial notice to customers regarding the general rate case, a commission approved description of how the costs passed through the proposed RAM requested shall be applied to monthly bills." Therefore, the Staff of the Missouri Public Service Commission and Public Counsel both object to the proposed customer notice due to that deficiency.

2. The Staff of the Missouri Public Service Commission and Public Counsel also both object to how KCP&L Greater Missouri Operations Company is proposing to convey to its customers the amounts and percentages of the increases in annual gross revenues it is requesting the Commission approve in this case. KCP&L Greater Missouri Operations Company has characterized its request as being an increase to its Missouri jurisdictional annual gross revenues

in its MPS service area (Kansas City, Missouri area) by approximately \$76 million (14.4%) and in its L&P service area (St. Joseph, Missouri area) by approximately \$22 million (13.9%). In its filing KCP&L Greater Missouri Operations Company proposes to continue its Fuel Adjustment Clause (FAC). However, the customer notice KCP&L Greater Missouri Operations Company proposes does not reveal that approximately \$27 million annually in fuel-related costs for its customers in its MPS service area and approximately \$19 million annually for its customers in its L&P service area will be recovered through its FAC in the future. These annual fuel-related costs should be recovered through the annual gross revenue increase KCP&L Greater Missouri Operations Company is seeking in this case, not through its FAC. Therefore, the customer notice should reveal to customers the amount of KCP&L Greater Missouri Operations Company's requested increase in Missouri jurisdictional annual gross revenues when these annual fuel-related costs are included in the annual gross revenue increase. When included, that increase is approximately \$103 million (19.5%) from its customers in its MPS service area and approximately \$41 million (26%) from its customers in its L&P service area.

3. Attached is a markup of the customer notice KCP&L Greater Missouri Operations Company proposed on July 20, 2010, with changes tracked to show how the deficiencies identified by the Staff of the Missouri Public Service Commission and Public Counsel may be remedied.

Respectfully submitted,

/s/ Nathan Williams

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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 27th day of July 2010.

/s/ Nathan Williams

Important notice

KCP&L Greater Missouri Operations Company has filed revised electric service tariff sheets with the Missouri Public Service Commission (PSC) seeking to increase the Company's Missouri jurisdictional annual gross revenues in its MPS service area by approximately \$76 million, or 14%, and in its L&P service area by approximately \$22 million, or 14%. Not included in these amounts are an increase of approximately \$27 million for MPS and \$19 million for L&P in the level of annual net fuel costs that the Company proposes to not recover in base rates in this filing, but rather to recover these costs in the future through the Company's fuel adjustment clause (FAC). Including these costs in base rates in this filing, instead of continuing to recover these costs in the FAC, would have the effect of making the Company's FAC charges lower in the future than they otherwise would be.

Deleted: which would

Including these annual fuel costs in this filing would result in the Company seeking an approximate \$103 million total increase, or 19.5%, for MPS and an approximate \$41 million total increase, or 26%, for L&P.

For the typical MPS residential customer, the Company's proposed increase would be approximately \$14.86 each month, but would be approximately \$19.17 per month if annual net fuel costs were included in this filing. For the typical L&P residential customer, the Company's proposed increase would be approximately \$12.82 each month, but would be approximately \$21.38 each month if annual net fuel costs were included in this filing.

Deleted: The proposed increase is approximately 14% in each of the Company's service territories.

The Company has asked the PSC to continue its FAC. The Company has also requested its FAC be modified to allow recovery of certain additional transmission costs through its FAC. The FAC allows the Company to adjust customers' bills two times per year based on the varying cost of fuel and purchased power in the current volatile market. Any increase or decrease in fuel and purchased power costs will be reflected in the FAC. This means FAC charges on the customers' bills are based on more current fuel and purchased power costs.

The PSC will conduct local public comment hearings to solicit input from the company's customers, as follows:

- Day of week, Date, beginning at Time, in the Building name, Address
- Day of week, Date, beginning at Time, in the Building name, Address
- Day of week, Date, beginning at Time, in the Building name, Address
- Day of week, Date, beginning at Time, in the Building name, Address

A question-and-answer session will be held beginning at time.

The Commission will also conduct an evidentiary hearing at its offices in Jefferson City Date through Date, 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 (866) 922-2959, email opcservice@ded.mo.gov or the Missouri Public Service Commission, Post Office Box 360, Jefferson City, MO 65102, telephone 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.