

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

In the Matter of KCP&L Greater Missouri Operations	)	
Company for Authority to Implement Rate Adjustments	)	<b><u>File No. ER-2011-0419</u></b>
Required By 4 CSR 240-2090(4) and the Company's	)	Tariff No. YE-2012-0039
Approved Fuel and Purchased Power Cost Recovery	)	
Mechanism.	)	

**STAFF RECOMMENDATION**

Comes now the Staff of the Missouri Public Service Commission (Staff), by and through Staff Counsel's Office, and files its analysis of and recommendation concerning KCP&L Greater Missouri Operations Company's (GMO) tariff sheet, 5th Revised Sheet No. 127.5, bearing a proposed effective date of September 1, 2011 to revise its Cost Adjustment Factors (CAFs) of its Fuel Adjustment Clause (FAC). In support thereof, the Staff states as follows:

1. On June 29, 2011, pursuant to 4 CSR 240-20.090(4), GMO filed with the Commission a proposed tariff sheet, a filing letter, supporting direct testimony and information required by 4 CSR 240-3.161(7) to adjust charges related to GMO's FAC.

2. On July 1, 2011, the Missouri Public Service Commission (Commission) issued *Order Directing Notice And Directing Filing Of Staff Recommendation* in which it ordered the Staff to file its recommendation regarding its examination and analysis of GMO's tariff filing no later than July 29, 2011.

3. On July 27, 2011, GMO filed a correct revised tariff Sheet No. 127.5 still bearing a proposed effective date of September 1, 2011, and reflecting the appropriate tariff sheet revision number and the applicable service period in the service period in the title box of the tariff sheet. EFIS shows the incorrectly identified proposed tariff sheet that had been filed on

June 29, 2011 as being withdrawn on July 29, 2011. The correctly identified proposed tariff sheet is filed with 35 days' public notice from its July 27, 2011 filing date to its September 1, 2011 proposed effective date.

4. The Staff calculates that the proposed change to the CAFs will result in a decrease to a typical MPS residential customer's bill of approximately \$0.69 per month and an increase to a typical L&P residential customer's bill of approximately \$0.35 per month, based on an average use of 867 kWh per month. GMO calculates that its proposed change to the CAFs will result in a decrease to a typical MPS residential customer's bill of approximately \$0.73 per month and an increase to a typical L&P residential customer's bill of approximately \$0.36 per month. The Staff's estimates differ from GMO's estimates in GMO's filing letter and Ms. Linda J. Nunn's direct testimony because the Staff and GMO do not agree on the necessary calculation. GMO's proposed changes are a decrease to the typical MPS residential customer's bill and an increase to the typical L&P residential customer's bill due to outages at Iatan 1 and Lake Road Unit 4 generating units during the applicable Accumulation Period 8 (December 1, 2010 through May 31, 2011).

5. The Staff also notes that the fuel costs associated with Iatan 2 are not included in GMO's tariff filing as a result of a prior agreement whereby the fuel costs are treated under "Construction Accounting" until June 25, 2011. The details of said procedure are described in some detail at page 3 of the Staff Memorandum attached as Appendix A.

3. The Staff Memorandum attached as Appendix A recommends that the Commission approve GMO's filing. The Staff Memorandum notes that over-recovered amounts, \$683,699 for the MPS area and \$251,837 for the L&P area, addressed in File No. ER-2011-0417

for the true-up of Recovery Period 5, are included in GMO's proposed revised tariff sheet as filed on July 27, 2011 to become effective on September 1, 2011:

P.S.C. Mo. No. 1

5th Revised Sheet No. 127.5 Canceling 4th Revised Sheet No. 127.5

Wherefore the Staff files its analysis of and recommendation that the Commission approve GMO's tariff sheet, 5th Revised Sheet No. 127.5, bearing a proposed effective date of September 1, 2011 to revise its CAFs of its FAC, pursuant to 4 CSR 240-20.090(4).

Respectfully submitted,

**/s/ Steven Dottheim**

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### **Certificate of Service**

I hereby certify that copies of the foregoing Staff Recommendation have been electronically mailed to all counsel of record this 29th day of July 2011.

**/s/ Steven Dottheim**