

**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-2013-0002**
Clause True-Up.)
)

STAFF RECOMMENDATION

COMES NOW, the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its *Staff Recommendation* states as follows:

1. On July 2, 2012, KCP&L Greater Missouri Operations Company (“GMO”) submitted an application containing its annual true-up concerning its Fuel Adjustment Clause (“FAC”). GMO requests that the Commission approve the over-collection amounts as calculated by GMO and authorize GMO to include those amounts in its next accumulation period.

2. On July 3, 2012, the Commission ordered Staff to file its Staff Recommendation no later than August 1, 2012.

3. As indicated in the Staff Memorandum, attached as Exhibit A, Staff has reviewed the Company’s filing and has found GMO’s calculations for the true-up amounts for Recovery Period 7, including the calculation of monthly interest, are correct.

4. Therefore, Staff recommends the Commission approve GMO’s seventh true-up filing for Recovery Period 7, during which GMO over-recovered \$81,390 from its customers in the MPS rate district, and over-recovered \$16,678 from its customers in

the L&P rate district, and authorize GMO to include those amounts in its next accumulation period.

WHEREFORE, for the reasons indicated in this pleading and the attached Staff Memorandum, Staff recommends that the Commission issue an order approving GMO's seventh true-up filing for Recovery Period 7 and authorize GMO to include those amounts in its next accumulation period.

Respectfully submitted,

/s/ Meghan McClowry

Meghan E. McClowry
Legal Counsel
Missouri Bar No. 63070

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of August, 2012.

/s/ Meghan McClowry

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2013-0002
KCP&L Greater Missouri Operations Company

FROM: Matthew Barnes, Utility Regulatory Auditor IV
David Roos, Utility Regulatory Economist

DATE: /s/ John Rogers 08-01-2012 /s/ Meghan McCLOWRY 08-01-2012
Energy Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning KCP&L Greater Missouri
Operations Company's Seventh Fuel Adjustment Clause True-up Filing Under the
Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

DATE: August 1, 2012

Recommendation

Staff recommends the Commission approve KCP&L Greater Missouri Operations Company's (GMO) seventh true-up filing for Recovery Period 7 during which GMO over-recovered \$81,390 from customers in its former Aquila Networks-MPS ("MPS") rate district, and over-recovered \$16,678 from customers in its former Aquila Networks-L&P ("L&P") rate district.

Discussion

On July 02, 2012, GMO filed with the Commission, in the form of direct testimony and supporting schedules by GMO witness Linda J. Nunn, its seventh fuel adjustment clause (FAC) true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5). According to GMO's true-up filing, in the aggregate, GMO over-recovered from its customers in its MPS rate district \$81,390 and over-recovered from its customers in its L&P rate district \$16,678 during Recovery Period 7 (March 1, 2011 through February 29, 2012) that followed its Accumulation Period 7 (June 1, 2010 through November 30, 2010).

The Missouri Public Service Commission Staff (Staff) reviewed the direct testimony of GMO witness Linda J. Nunn, the supporting schedules GMO provided with its application in this case, and the monthly information GMO submitted to the Commission in accordance with 4 CSR 240-3.161(5).

Staff also verified with GMO and Staff auditors that the uncollected billed kWh revenues, which are not identified as either uncollected FAC or permanent rate revenues, are periodically written off to a bad debt expense account. Bad debt expense is recovered at an annualized level within a general rate case and does not impact the calculation of the FAC rate.

Based on its review and analysis of information GMO filed and submitted for Recovery Period 7, Staff finds GMO's calculations for the true-up amounts for Recovery Period 7, including the calculation of monthly interest, are correct. Staff recommends the Commission approve GMO's seventh true-up filing for Recovery Period 7 during which GMO over-recovered \$81,390 from its customers in the MPS rate district, and over-recovered \$16,678 from its customers in the L&P rate district. The over-recovered amounts for the MPS and L&P rate districts are included in GMO's current period Cost Adjustment Factors in its semi-annual FAC filing in File No. ER-2012-0478 made on June 29, 2012 for Accumulation Period 10 (December 1, 2011 through May 31, 2012).

Staff has verified that GMO has filed its 2011 annual report and is not delinquent on any assessment. GMO is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10), and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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Clause True-Up)

Case No. ER-2013-0002

AFFIDAVIT OF MATTHEW J. BARNES

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

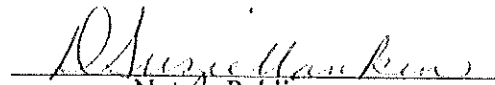
Matthew J. Barnes, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Matthew J. Barnes

Subscribed and sworn to before me this 30th day of July, 2012.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071



Notary Public

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AFFIDAVIT OF DAVID C. ROOS

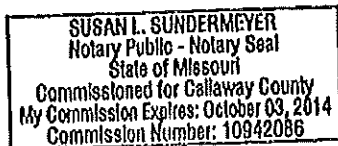
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

David C. Roos, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



David C. Roos

Subscribed and sworn to before me this 31 day of July, 2012.





Notary Public