

**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 Clause True-Up. )

**File No. ER-2014-0001**

**STAFF RECOMMENDATION**

**COMES NOW** the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), by and through counsel, and for its recommendation respectfully states:

1. On July 1, 2013, KCP&L Greater Missouri Operations Company (“GMO”) filed an application containing its ninth Fuel Adjustment Clause (“FAC”) true-up filing to identify the amount of over- or under-recovery of the FAC for a previous 12-month recovery period, as required by Commission Rules 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

2. Rule 4 CSR 240-20.090(5)(D) requires the Commission’s Staff to examine and analyze the information GMO has submitted and to submit a recommendation to the Commission not later than 30 days after GMO made its filing—in this case, no later than July 30, 2013.

3. As explained in Staff’s *Memorandum*, attached hereto as Appendix A and incorporated herein by reference, Staff recommends the Commission approve GMO’s ninth true-up filing for Recovery Period 9, during which GMO under-recovered \$314,403 from customers in its MPS rate district, and under-recovered \$357,643 from customers in its L&P rate district.

4. Staff reviewed and analyzed the direct testimony and supporting schedules of GMO witness Linda J. Nunn. Staff found that GMO's calculations for the true-up amounts, including interest, for Recovery Period 9 (March 1, 2012 through February 28, 2013) are correct. The under-recovered amounts, including accumulated interest, for the MPS and L&P rate districts are included in GMO's calculation of its proposed current period Cost Adjustment Factors in its semi-annual FAC adjustment filing in File No. ER-2014-0002.<sup>1</sup>

5. Staff has verified that GMO has filed its 2012 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). With the exception of GMO's proposed current period Cost Adjustment Factors in its semi-annual FAC filing in File No. ER-2014-0002, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

**WHEREFORE**, Staff submits its analysis and recommends that the Commission approve GMO's ninth true-up filing for Recovery Period 9 under the provisions of 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

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<sup>1</sup> *In the Matter of the Application of KCP&L Greater Missouri Operations Company for Authority to Implement Rate Adjustments Required by 4 CSR 240-20.090(4) and the Company's Approved Fuel Adjustment Clause*, filed on July 1, 2013. In this case, GMO requested Commission approval a tariff sheet to adjust rates for the FAC includable costs experienced during the six-month accumulation period December 1, 2012 through May 31, 2013.

Respectfully Submitted,

**STAFF OF THE MISSOURI  
PUBLIC SERVICE COMMISSION**

**/s/ Robert S. Berlin**

Robert S. Berlin

Senior Counsel

Missouri Bar No. 51709

Attorney for the Staff of the

Missouri Public Service Commission

P.O. Box 360

Jefferson City, Missouri 65102

Telephone: (573) 526-7779

Fax: (573) 751-9285

Email: [bob.berlin@psc.mo.gov](mailto:bob.berlin@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered or transmitted by facsimile or electronic mail to all counsel of record this 30<sup>th</sup> day of July, 2013.

**/s/ Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2014-0001  
KCP&L Greater Missouri Operations Company

FROM: Matthew Barnes, Utility Regulatory Auditor IV

DATE: /s/ John Rogers 07-30-2013                      /s/ Bob Berlin 07-30-13  
Energy Resource Analysis Unit / Date              Staff Counsel's Office / Date

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

DATE: July 30, 2013

### Recommendation

Staff recommends the Commission approve KCP&L Greater Missouri Operations Company's ("GMO") ninth true-up filing for Recovery Period 9 during which GMO under-recovered \$314,403 from customers in its MPS rate district, and under-recovered \$357,643 from customers in its L&P rate district.

### Discussion

On July 1, 2013, GMO filed with the Commission, in the form of direct testimony and supporting schedules by GMO witness Linda J. Nunn, its ninth 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 under-recovered from its customers in its MPS rate district \$314,403,<sup>1</sup> and under-recovered from its customers in its L&P rate district \$357,643, during Recovery Period 9 (March 1, 2012 through February 28, 2013) which followed its Accumulation Period 9 (June 1, 2011 through November 30, 2011).

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

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<sup>1</sup> As defined on KCP&L Greater Missouri Operations Company, P.S.C.MO. No. 1, Original Sheet No. 126.2 the term T = The true-up amount shall be the difference between the revenues billed and the revenues authorized for collection during the RP as well as any corrections identified to be included in the current Fuel Adjustment Rate filing. Any corrections included will be discussed in the testimony accompanying the true-up filing.

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 fuel adjustment rate.

Based on its review and analysis of the information GMO filed and submitted for Recovery Period 9, Staff finds GMO's calculations for the true-up amounts for Recovery Period 9, including the calculation of monthly interest, are correct. Staff recommends the Commission approve GMO's ninth true-up filing for Recovery Period 9 during which GMO under-recovered \$314,403 from its customers in its MPS rate district, and under-recovered \$357,643 from its customers in its L&P rate district. The under-recovered amounts for the MPS and L&P rate districts, including accumulated interest, are included in GMO's proposed change to its current period fuel adjustment rate in its semi-annual FAC filing in File No. ER-2014-0002 made on July 1, 2013, for Accumulation Period 12 (December 1, 2012 through May 31, 2013).

Staff has verified that GMO has filed its 2012 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). With the exception of GMO's proposed change to its current period fuel adjustment rate in its semi-annual FAC filing in File No. ER-2014-0002, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

