

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri Operations)
Company's Request for Authority to Implement a)
General Rate Increase for Electric Service)

File No. ER-2016-0156
Tracking No. YE-2016-0223
and JE-2017-0007

ORDER DIRECTING FILING

Issue Date: August 16, 2016

Effective Date: August 16, 2016

The Commission is directing KCP&L Greater Missouri Operations Company ("GMO") to file the information described in Section 393.275, RSMo 2000, if the Commission decides to approve a tariff increasing rates more than seven percent.

That statute provides that, when the Commission approves tariffs increasing rates by more than seven percent, the Commission must give notice to:

. . . **the governing body of each city or county imposing a business license tax** pursuant to section 66.300, 92.045, 94.110, 94.270 or 94.360, **or a similar tax** adopted pursuant to charter provisions in any constitutional charter city with a population of at least three hundred fifty thousand inhabitants which is located in more than one county, on gross receipts of any gas corporation, electric corporation, water corporation or sewer corporation [¹]

The notice required consists of:

. . . any tariff increases authorized for such [utility corporation] doing business in that city or county **if the approved increase exceeds seven percent**. The commission shall include with such notice to any city or county **the percentage increase approved** for the utility, together with an **estimate of the annual increase in gross receipts resulting** from the tariff increase on customers residing in that city or county. [²]

¹ Section 393.275.1, RSMo 2000 (emphasis added).

² Section 393.275.1, RSMo 2000 (emphasis added).

That statute also requires the described entities to take action as follows:

The governing body of each city or county notified of a tariff increase as provided in subsection 1 of this section shall reduce the tax rate of its business license tax on the gross receipts of utility corporations. **Within sixty days of the effective date of the tariff increase**, the tax rate shall be reduced to the extent necessary so that revenue for the ensuing twelve months will be approximately equal to the revenue received during the preceding twelve months plus a growth factor. The growth factor shall be equal to the average of the additional revenue received in each of the preceding three years. However, a city or county may maintain the tax rate of its business license tax on the gross receipts of utility corporations without reduction if an ordinance to maintain the tax rate is enacted by the governing body of the city or an order to maintain the tax rate is issued by the governing body of the county after September 28, 1985. [³]

If notice is required, the Commission intends to notify the described entities in a timely fashion.

Therefore, the Commission will order GMO to provide the information as follows.

THE COMMISSION ORDERS:

1. If the Commission issues an order approving tariff sheets filed by KCP&L Greater Missouri Operations Company (“GMO”), and those tariff sheets increase rates more than seven percent, GMO shall file a response to this order.

2. The response described in paragraph 1 shall identify the governing body of each city or county:

a. In which customers of GMO reside, and

b. That imposes on the gross receipts of the utility a:

i. Business license tax pursuant to Section 66.300, 92.045, 94.110, 94.270, or 94.360, RSMo; or

³ Section 393.275.2, RSMo 2000 (emphasis added).

- ii. Tax, similar to the tax described in paragraph 2.b.i, adopted pursuant to charter provisions in any constitutional charter city with a population of at least three hundred fifty thousand inhabitants which is located in more than one county.

3. The response shall also include a draft notice to the cities and counties described in paragraph 2. The draft notice shall:

- a. State the percentage increase approved; and
- b. Estimate the annual increase in gross receipts resulting from the tariff increase on customers residing in each city or county.

4. Any response required by this order is due no later than ten days after the effective date of any order approving tariff sheets described in paragraph 1.

5. This order shall become effective when issued.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style.

Morris L. Woodruff
Secretary

Daniel Jordan, Senior Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 16th day of August, 2016.