

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 22nd
day of March, 2017.

In the Matter of Kansas City Power & Light Company)
For Authority to Implement Rate Adjustments Required) **File No. ER-2017-0204**
By 4 CSR 240-20.090(4) and the Company's Approved) **Tariff No. JE-2017-0153**
Fuel and Purchased Power Cost Recovery Mechanism)

**ORDER APPROVING TARIFF TO CHANGE
FUEL ADJUSTMENT CLAUSE RATES**

Issue Date: March 22, 2017

Effective Date: April 1, 2017

On January 30, 2017, Kansas City Power & Light Company (KCP&L) filed a tariff sheet adjusting the charges under its Fuel Adjustment Clause (FAC). On February 27, 2017, KCP&L filed a substitute tariff sheet. The tariff sheets have an effective date of April 1, 2017. Along with the tariff sheets, KCP&L also submitted supporting documentation and the direct testimony of witness Lisa A. Starkebaum.

According to the filings, as verified by the Staff of the Missouri Public Service Commission (Staff), the testimony and workpapers of KCP&L support the Fuel and Purchased Power Adjustment of \$37,003,070 for its Missouri jurisdictional electric operations for Accumulation Period 3 from July 1, 2016, through December 31, 2016. The total recovery amount consists of 95 percent of certain net costs in the amount of \$36,915,735, less the true-up amount of \$235,964, plus interest of \$323,299. The true-up amount is the result of two corrections that pertain to months in the first two accumulation periods. KCP&L has elected to make these corrections now instead of

waiting until its true-up filing on August 1, 2017. KCP&L has also taken steps to prevent similar errors from occurring in the future.

The proposed Fuel Adjustment Rates (FAR) along with the currently effective FAR are set out in the following table:

Current Annual Fuel Adjustment Rate per kWh			
Service	Proposed Current Annual FAR	Now-Effective Current Annual FAR	Difference
Primary	\$0.00639	\$0.00292	\$0.00347 Increase
Secondary	\$0.00655	\$0.00299	\$0.00356 Increase

Based on an average use of 1,000 kWh per month, a typical KCP&L residential customer's monthly bill will increase approximately \$3.56.

The Commission issued notice of KCP&L's FAC filing, directed Staff to file a recommendation, and set an intervention deadline. Consistent with Commission Rule 4 CSR 240-3.161(10), the parties to KCP&L's rate case in which the FAC was originally approved, Case No. ER-2014-0370, were made parties to this case without filing an application to intervene. Additionally, the parties to KCP&L's current general rate proceeding, Case No. ER-2016-0285, were also added as parties to this case. No intervention requests were received and no party objected to the tariff sheets.

KCP&L filed a substitute tariff sheet on February 27, 2017. The tariff sheet continued to have an April 1, 2017 effective date.

On March 1, 2017, Staff filed a recommendation to approve KCP&L's FAC tariff sheet adjustments. Staff verified that the actual fuel, net emission, purchased power, and transmission costs, less off-system sales revenues and renewable energy credit revenues, were included in KCP&L's proposed tariff revision. Staff also reviewed KCP&L's monthly interest rates for the accumulation period and verified that the monthly interest rates and calculations of interest amounts are correct.

Based on the direct testimony of Lisa A. Starkebaum and the recommendation of Staff, the Commission will approve KCP&L's proposed rate schedule. Since there are no objections to the proposed rate schedules and Commission Rule 4 CSR 240-20.090(4) requires the Commission to approve or reject KCP&L's tariff within sixty days of the filing, the Commission will allow this order to go into effect in less than thirty days.

THE COMMISSION ORDERS THAT:

1. Kansas City Power & Light Company's tariff sheet, assigned Tracking No. JE-2017-0153, is approved to go into effect on April 1, 2017. The specific tariff sheet approved is the following:

PSC MO. No. 7

3rd Revised Sheet No. 50.10, Canceling 2nd Revised Sheet No. 50.10

2. This order shall become effective on April 1, 2017.

3. This file shall be closed on April 2, 2017.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Dippell, Senior Regulatory Law Judge