

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the Matter of the Application of Kansas City     )  
Power & Light Company for Approval of its     ) Docket No. 17-KCPE-\_\_\_\_-ACA  
2016 Actual Cost Adjustment (“ACA”)     )

**APPLICATION FOR APPROVAL OF 2016 ACTUAL COST ADJUSTMENT (“ACA”)**  
**FILING AND MOTION FOR PROTECTIVE ORDER**

COMES NOW, Kansas City Power & Light Company (“KCP&L” or “Company”), and files this Application with the State Corporation Commission of the State of Kansas (“Commission” or “KCC”) for approval of its Actual Cost Adjustment (“ACA”) filing, which sets forth the annual true-up reconciliation for the preceding Energy Cost Adjustment (“ECA”) year ending December 31, 2016. In support of its Application, KCP&L states as follows:

1. KCP&L is a vertically integrated electric public utility company under the jurisdiction of the Commission that is engaged in the production, transmission, delivery and furnishing of power within the meaning of K.S.A. 66-104, in legally designated areas of Kansas. KCP&L holds a certificate of convenience and authority issued by the Commission, authorizing KCP&L to engage in such utility business. KCP&L has previously filed with the Commission certified copies of its Articles of Incorporation under which it was organized, its Certificate of Registration as a Foreign Corporation authorized to do business in Kansas, and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

2. In addition to the undersigned, all correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

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3. For each ECA year, all components of KCP&L's ECA mechanism, including fuel and purchased power costs, off-system sales margins, and other components of the ECA tariff are forecasted pursuant to KCP&L's ECA Tariff, Schedule 2, Sheet 3, ¶¶1-2. On or before December 20 each year, KCP&L is required to provide Staff with its forecasted ECA factors and supporting documentation for each of the twelve months of the following ECA year. The factors for January-March of the ECA year are required to be based upon this forecast. On a quarterly basis, KCP&L is required to then re-forecast monthly factors for each remaining month of the

ECA year and provide such factors and supporting documentation to Staff on or before March 20, June 20, and September 20.

4. KCP&L has complied with the above requirements by filing the reports required by the ECA tariff and providing the same to Staff. In Docket No. 08-KCPE-677-CPL, a compliance docket set up specifically for KCP&L's ECA tariff filings, KCP&L made compliance filings on December 18, 2015, March 18, 2016, June 20, 2016 and September 20, 2016 for the 2016 ECA year.

5. Pursuant to KCP&L's ECA Tariff, Schedule 2, Sheet 3, ¶3, KCP&L must file an annual report each year by March 1. KCP&L has filed this Application to comply with the annual reporting requirement and to provide a true-up reconciliation for the 2016 ECA year, otherwise known as the ACA. This Application and all supporting testimony and schedules comprise the required annual report.

6. Along with this Application, two witnesses are filing supporting testimony on behalf of KCP&L. This testimony discusses in detail the components of the calculation of the under-recovery of energy costs for the ECA year ending December 31, 2016. KCP&L believes that the fuel and energy costs that were passed through KCP&L's ECA during the 2016 ECA year were just and reasonable, in accordance with the terms of its Commission-approved ECA tariff, and consistent with industry standards.

7. Mrs. Elizabeth A. Herrington, Director, Energy and Revenue Accounting, is submitting testimony regarding the data and calculations used to develop KCP&L's ACA factor, including the components of the ECA cost, allocation of costs to off-system sales, and the retail allocation to Kansas of both the costs and off-system sales margins. She also provides a

description of Schedule EAH-2, which sets forth KCP&L's annual calculation of the true-up of energy costs for the ECA year ending December 31, 2016.

8. Mr. James W. Okenfuss, Manager, Quantitative Analysis and Research, is submitting testimony regarding multiple issues, including: (1) a summary of the information that was provided by KCP&L in the quarterly ECA submittals for ECA year 2016 and the determination of the ECA factor contained in KCP&L's rates; (2) a comparison of KCP&L's projected 2016 ECA to the actual 2016 ECA; (3) a discussion of KCP&L's fuel procurement practices and why its fuel costs are reasonable and prudent; and (4) as recommended in Staff's Report and Recommendation filed January 31, 2017 in KCP&L's last ACA docket, Docket No. 16-KCPE-388-ACA, but not yet ruled upon by the Commission, a summary of the cost effects on one part of the Southwest Power Pool ("SPP") Integrated Market ("IM"), namely the impact on consumer power prices due to the combined balancing authority of the IM.

9. As detailed in Confidential Schedules EAH-2 and EAH-3, the annual calculation of KCP&L's ACA resulted in an under-recovery of \$15,801,548 for the ECA year ending December 31, 2016. This under-recovery of energy costs results in an ACA factor of \$0.00245 per kWh, which will increase the ECA factors for each month beginning April 2017 through March 2018.

10. As part of the current filing, Schedule EAH-1, KCP&L has calculated its actual 2016 Unused Energy ("UE1") Allocator to allocate off-system sales margins to KCP&L's Kansas retail ratepayers within the context of the ECA tariff.

11. The majority of the information included in Schedules EAH-2, EAH-3 and JWO-1 is confidential and KCP&L requests that it be treated as such by the Commission and Staff pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a. K.S.A. 66-1220a limits the disclosure

of trade secrets or confidential commercial information of regulated entities. K.A.R. 82-1-221a also provides standards for the safekeeping of a regulated entity's confidential commercial information. The information contained in the Schedules and submitted to Staff is confidential because it contains information that has not been disclosed to the public and, if disclosed, could place KCP&L at a competitive disadvantage in negotiating future fuel contracts. As such, KCP&L hereby requests that the Commission issue a Protective Order in this docket to govern the disclosure and dissemination of confidential information.

WHEREFORE, KCP&L requests that the Commission: (1) approve its ACA, as detailed in the Schedules filed concurrently herewith, which set forth the annual true-up reconciliation for the preceding ECA year ended December 31, 2016; (2) approve the ACA factor as detailed in paragraph 9 above and in the Schedules filed concurrently herewith; (3) accept its 2016 UE1 Allocator as set forth in the Schedules filed concurrently herewith; and (4) issue a Protective Order in this docket to govern the disclosure and dissemination of confidential information.

Respectfully submitted,

/s/ Roger W. Steiner

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**COUNSEL FOR  
KANSAS CITY POWER & LIGHT COMPANY**

**VERIFICATION**

STATE OF MISSOURI       )  
                                      ) ss.  
COUNTY OF JACKSON     )

I, Mary Britt Turner, being duly sworn, on oath state that I am Director of Regulatory Affairs of Kansas City Power & Light Company, that I have read the foregoing Application and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

KANSAS CITY POWER & LIGHT COMPANY

By: Mary Britt Turner  
Mary Britt Turner

The foregoing Application was subscribed and sworn to before me this March 1, 2017.

Nicole A. Wehry  
Notary Public

My Commission Expires:

Feb. 4 2019

