## 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 2013	)	Docket No.	14-KCPE-	<u>405</u> -A	<b>ACA</b>
Actual Cost Adjustment ("ACA").	)				

## <u>APPLICATION FOR APPROVAL OF 2013 ACTUAL COST ADJUSTMENT ("ACA")</u> <u>FILING AND MOTION FOR PROTECTIVE ORDER</u>

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, 2013. 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:

Mary Britt Turner
Director, Regulatory Affairs
Kansas City Power & Light Company
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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 20, 2012, March 20, 2013, June 20, 2013 and September 20, 2013 for the 2013 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 2013 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, 2013. KCP&L believes that the fuel and energy costs that were passed through KCP&L's ECA during the 2013 ECA year were just and reasonable, in accordance with the terms of its Commission-approved ECA tariff, and consistent with industry standards.
- 7. Mr. Ryan A. Bresette, Assistant Controller, 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. He also provides a description of Schedule RAB-2, which sets forth KCP&L's annual calculation of the true-up of energy costs for the ECA year ending December 31, 2013.
- 8. Mr. Wm. Edward Blunk, Generation Planning Manager, 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 2013 and the determination of the ECA factor contained in KCP&L's rates; (2) a comparison of KCP&L's projected 2013 ECA to the

actual 2013 ECA; and (3) a discussion of KCP&L's fuel procurement practices and why its fuel costs are reasonable and prudent.

- 9. As detailed in Confidential Schedule RAB-2, the annual calculation of KCP&L's ACA resulted in an under-recovery of \$9,270,043 for the ECA year ending December 31, 2013. This under-recovery of energy costs results in an ACA factor of \$0.00146 per kWh, which will be added to the ECA factors for each month beginning April 2014 through March 2015.
- 10. As part of the current filing, KCP&L has calculated its actual 2013 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 RAB-2, RAB-3 and WEB-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, 2013; (2) approve the ACA factor as detailed in paragraph 9 above and in the Schedules filed concurrently herewith; (3) accept its 2013 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

Roger W. Steiner (KS #26159) Corporate Counsel Kansas City Power & Light Company One Kansas City Place 1200 Main Street, 16<sup>th</sup> Floor Kansas City, MO 64105 (816) 556-2314 (816) 556-2787 Fax roger.steiner@kcpl.com

ATTORNEY FOR KANSAS CITY POWER & LIGHT COMPANY

## VERIFICATION

STATE OF MISSOURI	)
	) ss
COUNTY OF JACKSON	)

The undersigned, Mary Britt Turner, upon oath first duly sworn, states that she is the Director, Regulatory Affairs of Kansas City Power & Light Company, that she has reviewed the foregoing Application, that she is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of her knowledge and belief.

Mary Britt Turner

Mary Britt Turner

Director, Regulatory Affairs

Kansas City Power & Light Company

Subscribed and sworn to before me this 28<sup>th</sup> day of February, 2014.

CARLA LOMAX
Notary Public - Notary Seal
State of Missouri
Commissioned for Clay County
My Commission Expires: April 06, 2015
Commission Number: 11169285

My commission expires:

april 6, 2015