

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of KCP&L                    )  
Greater Missouri Operations Company for                    )  
Approval to Make Certain Changes in its Charges        )  
For Electric Service    )        Case No. ER-2010-0356

**FEDERAL EXECUTIVE AGENCIES' STATEMENT OF POSITION**

COMES NOW, Federal Executive Agencies (FEA), pursuant to the Commission's April 5, 2007 Order Setting Procedural Schedule, and for its Statement of Position states as follows:

**CASH WORKING CAPITAL ISSUES:**

- ▶ 4b. What is the cash working capital expense lag?

Position: Adopt the position of AG Processing, Inc., and the Sedalia Industrial Energy Users' Association ("the Industrials").

- ▶ 4c. What is the cash working capital revenue lag?

Position: Adopt the position of the Industrials.

**DEPRECIATION ISSUES:**

- ▶ 6b. What is the appropriate life estimate to use for calculating Iatan 2's remaining life depreciation rates?

Position: Adopt the position of the Industrials.

- ▶ 82d(i). Should the Company be allowed to amortize over 20 years the unrecovered General Plant?

Position: No. Adopt the position of the Industrials.

**RATE DESIGN / CLASS COST OF SERVICE:**

- ▶ 14. Which class cost of service study provides the best guidance for determining shifts in customer class revenue responsibilities that are revenue neutral on an overall company basis?

Position: Adopt the position of the Industrials.

- ▶ 15. Allocation of Increase Among Customer Classes: How should any rate increase be allocated among the various customer classes?

What allocation methodology should be used for determining off-system sales between classes of customers?

Position: Adopt the position of the Industrials.

- ▶ 73. What methodology should be used to develop the class cost-of-service study production-capacity allocator?

Position: Adopt the position of the Industrials.

**IATAN 1, IATAN 2, AND IATAN COMMON ISSUES (Issues 21-54)**

Position: Adopt the positions advanced by the Staff and the Industrials in this proceeding.

**COST OF CAPITAL:**

- ▶ 57. Return on Common Equity: What return on common equity should be used for determining rate of return?

Position: Adopt the position of the Industrials.

- ▶ 71. **Transmission Expense and Revenue Tracker:** Should the Commission authorize the use of a tracker for changes in certain transmission related expenses? If so, should changes in transmission related-revenues be included in that tracker?

Position: Adopt the position of the Industrials.

**PRUDENCE OF MPS GENERATING CAPACITY ADDITIONS (CROSSROADS)**

- ▶ 78d. If the Commission determines the addition of the approximately 300 MW of capacity from Crossroads was prudent, should the accumulated deferred taxes associated with Crossroads be used as an offset to rate base?

Position: Adopt the position of the Industrials.

- ▶ 78e. Was the transfer on GMO's books of Crossroads from non-regulated operations to the regulated operations of MPS at cost permitted by the Commission's Affiliated Transaction Rule without a variance from the Commission?

Position: Adopt the position of the Industrials.

Respectfully submitted,

*Sh McNeill 13 Jan 11*

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by e-mail, to all parties by their attorneys of record as provided by the Secretary of the Commission.

Dated: January 13, 2011

Respectfully submitted,

 13 Jan 11

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