

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of KCP&L Greater	)	
Missouri Operations Company's Re-	)	
quest for Authority to Implement a	)	ER-2012-0175
General Rate Increase for Electric	)	
Service	)	

**INITIAL BRIEF ON LIMITED ISSUES BY  
MIDWEST ENERGY USERS' GROUP  
AND AG PROCESSING INC A COOPERATIVE**

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Midwest Energy Users' Association and Ag Processing Inc a Cooperative submit their initial brief on limited issues in this matter.

**Issue III.1.a-d - Crossroads Valuation and Transmission Expense.**

GMO does not own the Crossroads facility. It is owned by the City of Clarksdale, Mississippi. GMO only purchases its generation output. Accordingly it is inappropriate to include any portion of its asserted value in rate base.

In the prior case, the Commission chose to include the value of this plant, based on GMO's own verified statements, but refused to allow the cost of transmitting the power generated by the plant into the GMO service territory. This earlier decision is on appeal by GMO and Dogwood, an intervenor in the earlier

case.<sup>1/</sup> In our view GMO, having the burden of proof in this matter, has not provided the Commission with any evidence whatever that would cause the Commission to depart from its earlier decision.

Apparently the only manner in which the Commission logically moved through GMO's non-ownership of the facility was by assuming a surrogate for that facility that was located in Missouri. Hence the Commission determined that including any transmission costs associated with moving the electrical energy from this facility (which is rarely used in any case) into GMO's service territory was not reasonable and would not be included as a part of GMO's cost of service. In fact, the Commission was generous to GMO by including the facility in rate base at any value.

In effect, GMO seeks reconsideration of the Commission's decision in ER-2012-0356 respecting this issue and does so well out of time. Additionally, GMO seeks to have the Commission reconsider that aspect of the earlier decision as though it had already prevailed at the Court of Appeals. It did not so prevail at the Circuit Court.

There is no evidence that GMO has offered that should entice the Commission to depart from its earlier decision as to

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<sup>1/</sup> AGP also has an appeal pending although on different issues not here pertinent.

valuation or the inclusion of transmission costs. The earlier decision should be continued.

**Issue II.3.a-b - Return on Equity and Capital Structure.**

These parties respectfully believe that it would be repetitive to brief this issue and, instead, endorse and commend to the Commission, the position of the Office of the Public Counsel on this matter and the supporting testimony of Michael Gorman.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.



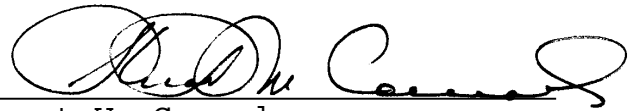
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ATTORNEYS FOR MIDWEST ENERGY USERS'  
ASSOCIATION AND AG PROCESSING INC A  
COOPERATIVE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by electronic means, by United States Mail, First Class postage prepaid, or by hand delivery to all known parties in interest upon their respective representatives or attorneys of record as reflected in the records maintained by the Secretary of the Commission through the EFIS system.

A handwritten signature in black ink, appearing to read "Stuart W. Conrad", written over a horizontal line.

Stuart W. Conrad

Dated: November 28, 2012