

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

In the Matter of Kansas City Power)
& Light Company's Request for Ap-)
proval to Make Certain Changes in) **File No. ER-2012-0174**
its Charges for Electric Service to)
Implement its Regulatory Plan)

In the Matter of the Application of)
KCP&L Greater Missouri Operations)
Company for Approval of Make Cer-) **File No. ER-2012-0175**
tain changes in its Charges for)
Electric Service)

STATEMENT OF POSITION

COME NOW Praxair (in File No. ER-2012-0174) and Midwest Energy Users' Association ("MEUA") (in File No. ER-2012-0175) and submit their Statement of Position in these matters.

These parties interest is narrower than the list of issues that was filed on October 11, 2012. Accordingly, these parties would respectfully note their positions as noted below.

Praxair, an intervenor in ER-2012-0174 has not sponsored any witnesses. However, we generally support the positions espoused by the witnesses put forward by MIEC and MECG in that proceeding. This includes the issues identified as: I.1, I.2, I.6, I.7, and I.8. It is noted that some of the issues addressed by those witnesses are issues that are common with GMO.

In ER-2012-0175, Ag Processing Inc a Cooperative and the Midwest Energy Users' Association have sponsored the testimony of certain witnesses and we support the positions and conten-

tions of those witnesses. Based on the listed issues, they appear on several issues but we would respectfully indicate support on the issues that follow:

III.1 Crossroads.

The Commission's prior treatment of the Crossroads issue is currently on appeal by GMO at the Western District Court of Appeals. The Commission properly used proxy values to establish a valuation for the Crossroads asset and properly reduced that value by the cost of transmission, thereby protecting the ratepayers from yet another decision by Aquila. GPE witnesses misunderstand the issue and treat the tax benefit inconsistently with the Commission's prior rulings. There has been no change in the circumstances surrounding the Commission's prior handling of this issues. GPE's approach should be rejected.

III.3 Off System Sales Margins

The Commission should rely on the RealTime model results as described in the testimony of Mr. Phillips. These calibrated models provide much more accurate and verifiable results than do those that have been used by GMO. Additionally, the reductions to GMO's revenue requirement as proposed by Mr. Meyer should be adopted. Both witnesses recommend that OSS margins be set at the 50th percentile and Mr. Meyer urges that the use of the OSS tracker be discontinued.

III.4 St. Joseph Infrastructure Program

GMO proposes construction accounting for an infrastructure improvement program in the St. Joseph district. The amount

of the project however is not material and, additionally, is proposed to be implemented over a 5-year period. There is no identification of any additional revenue that is associated with the proposed project nor is there any potential maintenance savings that are associated. Accordingly, there is no basis for construction accounting as proposed by GMO. The request should be rejected.

III.7 Rate Design/Class Cost of Service Study

The methodology put forward by GMO assigns far too much capacity cost to energy components of the rates, i.e., nearly 92%. This methodology, termed "BIP," has not been accepted by the industry and has uniformly been rejected. Instead a coincident peak demand methodology or an average and excess methodology should be used as recommended by Mr. Brubaker.

III.8 L&P Phase In

AGP continues to contend that the Commission lacks authority to grant a utility more than it has publicly requested in rate relief, whether through a so-called "phase-in" or any other means. This question is currently under appeal in the Western District Court of Appeals. Given that we believe that the Commission acted unlawfully in initiating the phase-in in the first instance, it has gained no additional power by the passage of time and the filing of appeals.

III.11 FAC

GMO, by virtue of its prior existence under the name of Aquila, has a FAC. This FAC should continue to be dealt with by the Commission under its established applicable rule.

Other Issues

On other issues not herein specifically identified, Intervenor Praxair (ER-2012-0174) and Intervenors AGP and MEUA (ER-2012-0175) respectfully reserve their positions pending analysis of the evidence on particular issues that is adduced at the hearing.

Respectfully submitted,

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ATTORNEYS FOR PRAXAIR, INC., AG
PROCESSING INC A COOPERATIVE and
the MIDWEST ENERGY USERS' ASSOCIA-
TION

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.

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Stuart W. Conrad

Dated: October 12, 2012