

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

In the Matter of the Application of Aquila, Inc.,)
d/b/a GMO Greater Missouri Operations)
Company, for Approval to Make Certain) Case No. HR-2009-0092
Changes in its Charges for Steam Heating)
Service.)

LIST OF ISSUES, ORDER OF WITNESSES AND ORDER OF CROSS-EXAMINATION

COMES NOW the KCP&L Greater Missouri Operations Company (“GMO”) and states:

1. On September 5, 2008, Aquila d/b/a KCP&L Greater Missouri Operations Company (“GMO”) filed with the Missouri Public Service Commission (“Commission”) tariff sheets designed to implement a general steam heating rate increase for service it provides to its Missouri customers. The Commission opened Case No. HR-2009-0092 to address that filing.

2. On November 20, 2008, the Commission issued an *Order Setting Procedural Schedules* in which it stated the parties shall file a joint list of issues and that “[a]ny issue, or sub-issue, not included in the issues list will be presumed to not require determination by the Commission.” In its order the Commission also stated that each party is to file a list of witnesses to appear on each day of the hearing, the order in which they are called, and that the parties are to file a joint pleading proposing the order in which witnesses are to be cross-examined. In the ordered schedule, as proposed by the parties, the Commission set April 10, 2009, as the filing date for the list of issues, order of witnesses [and] order of cross-examination.

3. The Parties to this proceeding are: GMO, the Missouri Public Service Commission Staff (“Staff”), the Office of the Public Counsel (“OPC”), and Ag Processing, Inc. (“Industrials”).

4. In its November 20, 2008, *Order Setting Procedural Schedules* the Commission, at the parties’ request, waived the requirements of Commission Rule 4 CSR 240-

2.080(21) regarding the format of the list of issues.

5. GMO had understood that the Staff was going to request an extension for the filing of Joint List of Issues, Order of Witnesses And Order of Cross-Examination until Tuesday, April 14. However, apparently no extension has been granted in this case. In addition, on April 13, 2009, the Commission issued its Notice And Order Regarding Issues And Witness List in Case No. ER-2009-0089 which ordered Kansas City Power & Light Company and Staff to file separate proposed lists of issues and witness lists for the evidentiary hearings set to begin on April 20, 2009, no later than 5:00 p.m. on April 13, 2009. Although the April 13, 2009 Order did not address the filing of the List of Issues, Order of Witnesses and Order of Cross-Examination in the companion cases (Case No. ER-2009-0090 and HR-2009-0092) which were due on Friday, April 10, 2009, GMO believes it would be prudent to file its proposed list of issues, order of witnesses and order of cross-examination in the companion cases at this time.

LIST OF ISSUES

REVENUE REQUIREMENT

RATE BASE

1. Cash Working Capital—Imputed AR Program in Lead Lag Study: Should the Commission impute a hypothetical accounts receivable program in the Cash Working Capital calculation?
2. Accumulated Depreciation:
 - a. Should the imputation of a depreciation accrual of approximately \$4.2 million be added back to accumulated depreciation for ECORP common asset accounts that had become fully depreciated?
 - b. Was the accounting for common plant retirements on the ECORP business appropriate?

COST OF CAPITAL

1. Return on Common Equity: What return on common equity should be used for determining GMO's rate of return?

2. Capital Structure: What capital structure should be used for determining GMO's rate of return?
3. Cost of Debt (MPS and L&P): What cost of debt should be used for determining GMO's rate of return?

REVENUES

1. Conjunctive Billing: Should revenue be imputed as a result of the pooling of meters for billing purposes?

EXPENSES

1. Short-term Incentive Compensation: Should the costs of short-term incentive compensation plans be included in cost of service for setting GMO's rates?
2. Supplemental Executive Retirement Pension (SERP) Costs: Should the costs of the SERP be included in cost of service for purposes of setting rates?
3. Payroll Overtime: What level of payroll overtime should be included in cost of service for purposes of setting rates?
4. Fuel Expense: What level of fuel expense should be included in cost of service for purpose of setting rates?
5. Merger Transition Costs: What is the appropriate amount of merger transition costs to include in rates in this case?

DEPRECIATION:

1. Depreciation Rates: Should the Staff's proposed reduction in depreciation rates be adopted?

RATE DESIGN

1. Allocations Among Customers: What is the proper rate design?

QUARTERLY COST ADJUSTMENT CLAUSE

1. QCA Revisions:
 - a. Should the QCA be continued?
 - b. If so, what modifications should be made?

ORDER OF WITNESSES AND ORDER OF CROSS-EXAMINATION

1. In its *Order Setting Procedural Schedule*, as requested by the parties, the Commission scheduled the evidentiary hearings in this case for May 4-8, 2009. Following is

the hearing schedule that GMO proposes:

ORDER OF ISSUES AND WITNESSES

Following are known witness conflict dates:

Monday, May 4, 2009 8:30 a.m.

Make Entries of Appearance Take Up Outstanding Matters Opening Statements

GMO
Staff
Public Counsel
Ag Processing (Industrials)

Overview and Policy Rush (GMO) Featherstone (Staff)

Cost of Capital Return on Common Equity Capital Structure

Hadaway (GMO)
Cline (GMO)
Murray (Staff)

Cash Working Capital—Imputed AR Program in Lead Lag Study Cline (GMO) Klote (GMO) Herrington (Staff)

Tuesday, May 5, 2009 8:30 a.m.

Short-Term Incentive Compensation Curry (GMO) Klote (GMO) Majors (Staff)

Supplemental Executive Retirement Pension (SERP) Costs Curry (GMO) Hyneman (Staff)

Overtime Costs Klote (GMO)

Majors (Staff)

Fuel

Nelson (GMO)

Harris (Staff)

Wednesday, May 6, 2009 8:30 a.m.

Depreciation

White (GMO)

Klote (GMO)

Schad (Staff)

Merger Synergy Tracking and Transition Cost Recovery

Ives (GMO)

Hyneman (Staff)

Thursday, May 7, 2009 8:30 a.m.

Rate Design

Rush (GMO)

Ross (Staff)

Johnstone (Industrials)

Quarterly Cost Adjustment Clause

Rush (GMO)

Mantle (Staff)

Johnstone (Industrials)

ORDER OF CROSS-EXAMINATION

While for specific issues a different order of cross-examination may be more appropriate, generally, the order of cross-examination, based on adversity, is the following:

GMO witnesses

Industrials, Public Counsel, Staff

Staff witnesses

Industrials, Public Counsel, GMO

Industrial witness

Public Counsel, Staff, GMO

WHEREFORE, KCP&L Greater Missouri Operations Company submits the foregoing list of issues, order of witnesses and order of cross-examination in response to the Commission's November 20, 2008 *Order Setting Procedural Schedule*.

Respectfully submitted,

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Operations Company

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 13th day of April, 2009, to all counsel of record.

/s/ James M. Fischer
James M. Fischer