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

SUPPLEMENTAL RESPONSE TO ORDER SUSPENDING TARIFF SHEETS

COME NOW Ag Processing, Inc. a cooperative, and for its Supplemental Response to Order Suspending Tariffs Sheets respectfully state as follows:

1. In its Initial Response, AGP noted that GMO's requested use of carrying costs based upon the overall rate of return is not supported by the Commission's Wolf Creek decision, but is more akin to the carrying costs required under the fuel adjustment clause statute. Nevertheless, GMO continues to seek carrying costs based upon this very high rate. As this supplement demonstrates, KCPL is schizophrenic regarding its approach to the application of carrying costs. Specifically, it will be shown that when KCPL is required to pay ratepayers a carrying cost, it advocates for a very low rate. That said, when KCPL is allowed to charge ratepayers a carrying cost, it advocates for a very high rate.

2. Specifically, in 2006 the Commission implemented a tracker mechanism for off-system sales built around the 25th percentile level of sales. Under that tracker, KCPL is required to refund, with carrying costs, any level of off-system sales over the 25th percentile. Unlike here, however, KCPL is claiming that a very low carrying cost should apply. Specifically, KCPL advocated for a carrying cost based upon the London

Interbank Offered Rate ("LIBOR").[1] Ultimately, the Commission agreed[2] and KCPL was required to only include carrying costs based upon the LIBOR for any amounts that it was required to return to ratepayers under the tracker mechanism. Clearly then, KCPL believes that the value of its money is worth much more than the value of the ratepayers money. Such hypocrisy should not be tolerated. Given that KCPL was only required to pay carrying costs based upon the LIBOR rate, it should only be allowed to charge ratepayers a carrying cost based upon a similar short-term debt rate in this case.

Respectfully submitted,

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ATTORNEYS FOR THE INDUSTRIAL INTERVENORS

CERTIFICATE OF SERVICE

[1] As described in the Report and Order, LIBOR "is a daily reference rate based on the interest rates at which banks offer to lend unsecured funds to other banks in the London, England interbank market." *Report and Order*, Case No. ER-2007-0291, issued December 6, 2007, at page 39.
[2] *Id.*.

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

David L. Woodsmall

Dated: June 8, 2011