



briefs, KCP&L witness Tim Rush testified that the company would not be opposed to opening a separate docket to “further explore the status or the progress of the La Cygne or Montrose [retrofit] projects.” (Tr. at 590.)

In its post-hearing filings, KCP&L does not dispute the substance of Sierra Club witness Bruce Biewald’s testimony regarding the questionable prudence of the La Cygne and Montrose investments. Instead, the Company urges the Commission to ignore such issues in this proceeding because they are purportedly being dealt with in the Integrated Resource Planning (“IRP”) process or can be addressed in any future rate proceeding after these major capital projects are completed. Neither argument holds water.

KCP&L’s IRP argument fails for two reasons. First, as Sierra Club explained in its comments and filings in the docket of that proceeding, the IRP fails to address the fundamental shifts in natural gas and market energy prices, load projections, and other factors that call the prudence of the La Cygne and Montrose investments into question. Instead, despite relying on those fundamental shifts as an excuse to withdraw its MEEIA filing in February 2012, KCP&L’s April 2012 IRP filing uses outdated data that ignores how those factors have shifted in the past two years and how such shifts impact the prudence of continued investment in aging generating units. (Biewald Surrebuttal at p. 3, lines 11-19, & Schedule BEB-5.) For these and other reasons, the IRP fails to address the concerns raised by Sierra Club herein, or to obviate the need to set forth the elements upon which the prudence of KCP&L’s more than one billion dollar spending plan would be evaluated. (Biewald Surrebuttal at p. 3, lines 19-30, & Schedule BEB-5.)

Second, while KCP&L portrays its IRP process as “transparent” and involving a “rigorous review” (KCP&L Br. at 12), the Company opposes any sort of Commission hearing on

either the 2012 IRP or the new analyses KCP&L is expected to submit in its 2013 update. (*See* Sierra Club Comments in Response to Kansas City Power & Light and Request for Hearing, Dkt. No. 33, File No. EO-2012-0323 (Nov. 19, 2012).) Yet Sierra Club has identified at least ten significant deficiencies with the IRP, most of which render the IRP's consideration of the La Cygne and Montrose retrofits unreasonable and outdated. (*See id.*; *see also* Biewald Surrebuttal at Schedule BEB-5.) Through a hearing in the IRP proceeding, the Commission could determine how the prudence of the retrofits should be evaluated both now and moving forward. In the absence of a thorough and timely assessment of those deficiencies at hearing, however, the relief requested by Sierra Club here is neither duplicative nor unnecessary.

KCP&L's contention that the prudence issues raised herein should wait until a future rate recovery proceeding is similarly unavailing. (KCP&L Br. at 13.) That approach would delay any consideration of how prudence is to be evaluated until after more than one billion dollars has been spent, at which point the only remaining question would be whether ratepayers or shareholders are required to pay those costs. As OPC rightly explained in its post-hearing brief, "surely all concerned – ratepayers, the Company, the commission itself – will be better served by making an effort now to ensure that proper planning is being done, that proper evidence of the planning is being collected, and that proper documentation of construction prudence will be maintained" (OPC Br. at 9), rather than waiting until after these massive investments have already been made.

For the foregoing reasons, and those set forth in Sierra Club's initial post-hearing brief and the testimony of Bruce Biewald, Sierra Club respectfully requests that the Commission adopt the proposed findings of fact and conclusions of law set forth in Sierra Club's post-hearing brief.

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Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email on this 11th day of December, 2012, to all counsel of record.

/s/ Shannon Fisk

Shannon Fisk