

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

In the Matter of the Application of Kansas City Power &)
Light Company and KCP&L Greater Missouri Operations)
Company for the Issuance of an Accounting Authority Order) **File No. EU-2014-0077**
Relating to their Electrical Operations and for a Contingent)
Waiver of the Notice Requirement of 4 CSR 240-4.020(2).)

**PUBLIC COUNSEL'S STATEMENT OF POSITIONS
AND MOTION FOR LEAVE TO LATE FILE**

COMES NOW the Office of the Public Counsel and for its Statement of Positions and Motion for Leave to Late File states as follows:

I. POSITIONS

Issue 1: What standards and/or factors should be considered in granting or denying an AAO in this proceeding?

The Commission should first determine whether the costs sought to be deferred are extraordinary, non-recurring and material. If the Commission determines that they are (despite overwhelming evidence to the contrary), then the Commission should determine whether allowing the deferral is in the public interest.

Issue 2: Should KC&PL and GMO be authorized an AAO to defer and record in Account 182 of the Federal Energy Regulatory Commission ("FERC") Uniform System of Accounts ("USOA") certain incremental transmission costs charged to them by the Southwest Power Pool ("SPP") and other providers of transmission service above the level included in current base rates or defer and record in USOA Account 254 said transmission costs below the amount included in current base rates, with the calculation of the deferrals beginning with the effective date of rates in the Companies' last general rate case proceedings, which was January 26, 2013, as proposed by KCP&L and GMO?

No. KCPL and GMO have failed to meet the standards described in Issue 1.

a. Are there mitigating factors affecting the current operations and earnings levels of KCP&L and GMO that are relevant to the KCP&L and GMO request for AAOs?

Yes. If the Commission finds that KCP&L and/or GMO are earning more than their authorized rate of return, then an AAO should not be granted.

Issue 3: Should KCP&L and GMO be authorized to include carrying costs based on the Companies' latest approved weighted average cost of capital on the balances in this regulatory asset or regulatory liability of transmission costs as proposed by KCPL and GMO?

No. Even if the Commission grants authority to defer the costs identified in Issue 2, it should not authorize deferral of carrying costs.

Issue 4: Should KCP&L and GMO be authorized to defer such amounts in a separate regulatory asset or regulatory liability with the disposition to be determined in each Company's next general rate case?

No. See responses to Issues 1 and 2.

Issue 5: Should KCP&L and GMO be authorized trackers for their transmission costs in this proceeding rather than AAOs?

No. For the same reasons that an AAO is inappropriate, a tracker would be inappropriate.

Issue 6: If the Commission grants KCP&L and/or GMO AAOs or trackers, should it also adopt all or any of the following conditions proposed by Staff and addressed by one or more of the other Parties?

1. That the deferral reflects both transmission revenues and expenses, and thereby be based upon the level of net transmission costs experienced by KCP&L and GMO.
2. That KCP&L and GMO provide to all parties in this case on a monthly basis copies of billings from SPP for all SPP rate schedules that contain charges and revenues that will be included in the deferral and report, per its general ledger, all expenses and revenues included in the deferral by month by FERC USOA account and KCP&L/GMO subaccount or minor account. KCP&L and GMO shall also provide, on no less than a quarterly basis, the internally generated reports it relies upon for management of its ongoing levels of transmission expenses and revenues. KCP&L and GMO shall also notify the Parties of any changes to its existing reporting or additional internal reporting instituted to manage its transmission revenues and expenses.
3. That KCP&L and GMO maintain an ongoing analysis and quantification of all benefits and savings associated with participation in SPP not otherwise passed on to retail customers between general rate proceedings.
4. That KCP&L and GMO maintain documentation of its efforts to minimize the level of costs deferred under any AAOs or trackers authorized for it.
5. That all ratemaking considerations regarding transmission revenue and expense amounts deferred by the Company pursuant to Commission authorization be reserved to the next KCP&L and GMO rate proceedings, including examination of the prudence of the revenues and expenses.
6. That an amortization to expense over a 60-month period of the amounts accumulated in any deferral commence on KCP&L's and GMO's books in the first full calendar month following Commission approval of the AAOs or trackers.
7. That deferrals addressed by the AAOs or trackers cease when KCP&L or GMO report it is earning at or in excess of its authorized ROE on a twelve-month rolling forward average basis in quarterly earnings "surveillance" reporting on an overall basis.

Deferrals addressed by the AAOs or trackers begin again when KCP&L or GMO report it is below its authorized ROE on a twelve-month rolling forward average basis in quarterly earnings “surveillance” reporting on an overall basis.

The Commission should not authorize an AAO, but if it does so, it should adopt all of the conditions outlined by the Staff.

II. MOTION FOR LEAVE TO LATE FILE

The undersigned counsel is out of the office and difficulties with getting this document properly formatted prevented its timely filing. Because it is filed only one day out of time and because the evidentiary hearing is almost two weeks away, neither the Commission nor any party will be inconvenienced by the slight delay in filing.

WHEREFORE, Public Counsel respectfully submits its Statement of Positions and requests that the Commission grant leave to late file it.

Respectfully submitted,

By:

/s/ Lewis R. Mills, Jr.

Lewis R. Mills, Jr. (MBN#35275)

Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-1304 (Telephone)

(573) 751-5562 (Fax)

lewis.mills@ded.mo.gov

ATTORNEY FOR OFFICE OF THE
PUBLIC COUNSEL

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been emailed to parties of record this 15th day of January 2014.

Missouri Public Service Commission

Steve Dottheim
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
Steve.Dottheim@psc.mo.gov

Missouri Public Service Commission

Office General Counsel
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Union Electric Company

James B Lowery
111 South Ninth St., Suite 200
P.O. Box 918
Columbia, MO 65205-0918
lowery@smithlewis.com

Union Electric Company

Thomas M Byrne
1901 Chouteau Avenue
P.O. Box 66149 (MC 1310)
St. Louis, MO 63166-6149
AmerenMOService@ameren.com

Empire District Electric Company, The

Dean L Cooper
312 East Capitol
P.O. Box 456
Jefferson City, MO 65102
dcooper@brydonlaw.com

Kansas City Power & Light Company

James M Fischer
101 Madison Street, Suite 400
Jefferson City, MO 35101
jfisherpc@aol.com

Kansas City Power & Light Company

Roger W Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@kcpl.com

KCP&L Greater Missouri Operations Company

James M Fischer
101 Madison Street, Suite 400
Jefferson City, MO 35101
jfisherpc@aol.com

KCP&L Greater Missouri Operations Company

Roger W Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@kcpl.com

Midwest Energy Consumers Group

David Woodsmall
807 Winston Court
Jefferson City, MO 65101
david.woodsmall@woodsmalllaw.com

**Missouri Industrial Energy Consumers
(MIEC)**

Edward F Downey
221 Bolivar Street, Suite 101
Jefferson City, MO 65101
efdowney@bryancave.com

Missouri Industrial Energy Consumers (MIEC)

Diana M Vuylsteke
211 N. Broadway, Suite 3600
St. Louis, MO 63102
dmvuylsteke@bryancave.com

/s/ Lewis R. Mills, Jr.