

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of a Proposed Experimental)	
Regulatory Plan of)	Case No. EO-2005-0329
Kansas City Power and Light Company)	

**CONCERNED CITIZENS OF PLATTE COUNTY AND
SIERRA CLUB’S OBJECTIONS TO STIPULATION FILED
BY KANSAS CITY POWER AND LIGHT**

Come now Concerned Citizens of Platte County (“CCPC”) and Sierra Club (“SC”) and OBJECT to Kansas City Power and Light’s (KCPL) Stipulation filed on March 29, 2005.¹

1. The stipulation violates the intent of Section 393.135, RSMo, in that it appears to allow KCPL several years of rate increases in anticipation of the building of a new coal-fired power plant. Section 393.135 was enacted after the people voted for Proposition One in 1976 and prohibits utilities from raising rates for the construction of a new plant before the new plant is fully operational. Although the stipulation contemplates that KCPL will file an application for a rate increase after the new plant is built, and therefore may not violate the exact words of this statute, all of the parties to the stipulation acknowledged that there would be no stipulation were there not a new coal-fired power plant in the plans. Therefore, the stipulation violates the intent of this statute.

¹ Although KCPL emailed the stipulation at 8:21 p.m. on the 28th day of March, according to the PSC regulations, it would be considered filed the next business day. 4 CSR 240-2.045.

2. The stipulation violates Section 393.292, RSMo, in that it allows for changes in the amortization and depreciation expenses relating to the Wolf Creek nuclear power plant without a full hearing. The changes are sought due to the change in service life span of the Wolf Creek nuclear power plant from 40-60 years. Section 393.292 states clearly that such changes in rates shall occur only after a “full hearing and after considering all facts relevant to such funding level or accrual rate.”

3. The “Workshop” series was fatally flawed in that it gave apparent legitimacy to the utility’s plans to raise rates over the next several years. The Rules of Economic Development state that utilities shall file “Applications” (4 CSR 240-2.060) and “general rate increase requests” (4 CSR 240-2.065) and then that there shall be “hearings” (4 CSR 240-2.110). Stipulations be filed as part of CONTESTED CASES. 4 CSR 240-2.115.

4. The stipulation was not filed pursuant to a “contested case”, but was filed after a “Workshop” series was conducted. Therefore, Rule 4 CSR 240-2.115 does not apply to this stipulation. Furthermore, it is unclear what rules do apply. It is clear that the PSC has set a date of April 19 in which to intervene—but what a party is intervening in is again unclear. There appear to be no sections of the rules governing practice and procedure of the Public Service Commission that deal with intervening in a stipulation signed after a series of workshops.

5. During some of the “negotiations” on the stipulation, the PSC staff seemed to state that once KCPL does seek a rate increase, the hearing process will go more quickly because a stipulation has been signed. The Commission must not forget its

obligation to listen to all evidence fully and fairly and with an open mind. This obligation is required by 4 CSR 240-4.020.

6. Concerned Citizens for Platte County (“CCPC”) does not support Iatan 2 since there are less expensive alternatives (more efficiency and renewables), less polluting coal alternatives (coal gasification, fluidized bed technology) and protections for our water supply available. CCPC does support the plant upgrades at Iatan and LaCygne. CCPC supports the energy efficiency programs and would like to see a third party examine them for effectiveness and possible implementation. CCPC supports the wind proposals and would like to see a commitment to increasing amounts of renewable energy each year.

7. Sierra Club (“SC”) is firmly opposed to any new coal burning generation, as it would saddle the Kansas City region with a very expensive, polluting option that is hazardous to human health for decades to come. SC believes that instituting energy efficiency programs on a large enough scale to eliminate load growth in KCPL’s service area would be the lowest cost and most desirable course for future electric service in the region. SC submits that such large scale efficiency programs should be operated by a third party with an established record of effectiveness. Additionally, SC submits that KCPL would be acting as a good community partner if it immediately improved the pollution controls which are largely lacking at the LaCygne and Iatan power plants. SC supports KCPL investing in wind generation resources, if done properly and in accordance with best practices, and would like to see a commitment to increasing amounts of renewable energy each year.

8. Although the PSC staff appear to have made up their minds that a new coal-fired power plant is “necessary,” SC and CCPC remind the Commission that it has the obligation to review the evidence produced at the hearing on the stipulation (although there should be no stipulation and therefore no hearing on it), and at the upcoming rate increase hearings, fully and fairly. The Commission must fulfill its duties to the citizens of Missouri and listen to evidence produced during a contested case.

WHEREFORE, for the foregoing reasons, SC and CCPC respectfully request the Commission to set aside the stipulation and hold it for naught and commence hearings on rate increases after KCPL files applications for such increases.

/s/Kathleen G. Henry

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct pdf version of the foregoing was sent by email on this 7th day of April, 2005, to the following:

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