

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

In the Matter of Kansas City Power & Light)
Company's Request for Authority to)
Implement a General Rate Increase for) **Case No. ER-2012-0174**
Electric Service.

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority)
to Implement General Rate Increase for) **Case No. ER-2012-0175**
Electric Service.

RESPONSE TO COMMISSION ORDER REGARDING RECONCILIATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and states as follows:

1. On October 10, 2012, the Commission entered its *Order Granting Motion for Additional Time to File List of Issues, Order of Cross-Examination, Order of Openings, List of Witnesses, and Reconciliation*, ("Order"). In the Order, the Commission directed, *inter alia*, as follows,

Reconciliation. The reconciliation shall follow the format employed in *In the Matter of Missouri-American Water Company's Request for Authority to Implement a General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas*, File No. WR-2011-0337, *Staff's Request for Permission to Late File an Updated Reconciliation*, filed on February 16, 2012.

2. While Staff will make every effort to file as detailed a Reconciliation as is possible, there are several significant differences between the pending Kansas City Power & Light Company (KCPL) and KCP&L Greater Missouri Operations Company (GMO) rate cases, and the referenced Missouri-American Water Company (Missouri-

American) rate case that present obstacles to the filing of a Reconciliation that literally follows the referenced format. Those obstacles are:

- a. There are multiple parties to the KCPL and GMO cases that are presenting multiple issues concerning revenue requirement, while there were fewer parties presenting such positions in Missouri-American.
- b. For each party on each issue, a separate reconciled amount must be developed. To the extent that issues are interrelated, as many are in these cases, it is not practical to develop multiple permutations of reconciled amounts to demonstrate the alternative resolutions presented by the multiple parties.
- c. The reconciliation program used by Staff utilizes programming that must be modified uniquely for each utility and for each case. Staff developed multiple iterations of the Missouri-American Reconciliation over time. Staff cannot simply convert the final version of the Missouri-American Reconciliation for population with KCPL and GMO data, but must instead rebuild the KCPL and GMO Reconciliations into a new format to comply with the *Order*. Staff, KCPL, and GMO have been refining the reconciliation model used in KCPL and GMO cases since KCPL's 2006 rate case, and on even earlier GMO cases. Specifically, Staff, KCPL, and GMO have been working on the reconciliation for this case for several months.

- d. If the reconciliation program for a specific utility is modified, the data inputs must be repopulated into the updated version, which requires considerable time and effort, and may require manual input of data.
 - e. Preparation of a multi-party reconciliation requires considerable time on the part of both the Staff **and** each party presenting a revenue requirement position in order to provide a meaningful level of accuracy in the Reconciliation.
3. Staff will make every effort to file a Reconciliation that is as detailed as possible, but respectfully advises the Commission of the above-noted considerations and the limited time available with the fast-approaching hearing date for this case.

WHEREFORE, Staff respectfully submits the foregoing in response to the Commission's order regarding the reconciliation format for Staff's filing of a Reconciliation.

Respectfully submitted,

THE STAFF OF THE
MISSOURI PUBLIC SERVICE COMMISSION

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 10th day of October, 2012.

/s/ Sarah Kliethermes