

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Application of Aquila,)
Inc. d/b/a KCP&L Greater Missouri)
Operations Company for Approval) Case No. ER-2009-0090
to Make Certain Changes to its Charges)
for Electric Service.)

DOGWOOD ENERGY, LLC’S POSITION STATEMENT

COMES NOW Dogwood Energy, LLC (“Dogwood”) and for its Position Statement states to the Commission:

1. Dogwood does not take a position on every issue in this case. Further, at this time there are competing statements of the issues. For simplicity Dogwood has set forth below both versions of the issues on which it takes a position and then sets forth its Position Statement in a single summary statement.

2. Additionally the parties were not able to fully resolve all issues concerning witness availability. As indicated in the filing made by Staff, Dogwood witness Janssen is not available to testify on May 12th, which is the date selected regarding the issues set forth herein, and needs to appear on May 14th. Dogwood would appreciate the Commission accommodating this scheduling conflict.

3. Dogwood’s Position Statement is as follows:

Revenue Requirement

Rate Base

(Staff’s version)

5. Prudence of MPS Generating Capacity Additions (MPS only):

- a. Was the decision of MPS to wait to add the approximately 300 MW of capacity GMO is obtaining from Crossroads prudent?
- b. For purposes of setting rates for MPS, should the revenue requirement for the approximately 300 MW of capacity GMO is obtaining from Crossroads be based on the depreciated net book value of Crossroads on MPS's books and included in MPS's rate base?
- c. For purposes of setting rates for MPS, should the revenue requirement for the approximately 300 MW of capacity GMO is obtaining from Crossroads be based on the present cost of two additional 105 MW combustion turbines installed in 2005 at a GMO site that would permit the building of six such combustion turbines (rate base) plus a short-term 100 MW purchased power agreement (expense) because GMO was imprudent by not acquiring the capacity of those two additional combustion turbines in 2005?
- d. For purposes of setting rates for MPS, should the revenue requirement for the approximately 300 MW of capacity GMO is obtaining from Crossroads be based on the present cost of Crossroads based on the cost to GMO of acquiring Crossroads as a regulated site in 2005 because GMO was imprudent by not owning that capacity in 2005? If the revenue requirement for the approximately 300 MW of capacity GMO is obtaining from Crossroads is included in rate base at the 2007 depreciated net book value of Crossroads, should the accumulated deferred taxes associated with Crossroads be used as an offset to rate base?
- e. Was transfer on GMO's books of Crossroads from non-regulated operations to the regulated operations of MPS at cost permitted by the Commission's Affiliated Transaction Rule without a variance from the Commission?
- f. If a value of Crossroads is included in rate base, should the transmission expense to get the energy from Crossroads to MPS's territory be included in expenses? If so, should the Commission reflect any transmission cost savings to the Company resulting in its future participation in SPP as a network service customer related to the Crossroads plant?
- g. Would GMO be prudent to delay building additional combustion turbine capacity in order to utilize the power and asset sales offers by Dogwood in response to GMO's RFPs?

(Company's version)

4. Crossroads (MPS only):
 - a. Should Crossroads be included in rate base at depreciated net book value in this proceeding?
 - b. What is the appropriate valuation of Crossroads?
 - c. If Crossroads is included in rate base, should the accumulated deferred taxes associated with Crossroads be used as an offset to rate base?
 - d. Was a variance from the Commission's Affiliated Transaction Rule required to move Crossroads into GMO's rate base?
 - e. Should the Commission reflect any transmission cost savings to the Company resulting in its future participation in SPP as a network service customer related to the Crossroads plant?

5. South Harper/Phantom Turbines/Other Alternatives to Crossroads (MPS only):
 - a. Should the GMO cost of service include the 2007 test year costs of the existing 3 combustion turbines at South Harper, the hypothetical costs for 2 additional non-existing combustion turbines at South Harper, and the capacity costs of a generic 100 MW Purchase Power Agreement to simulate capacity planning decisions that Staff believes should have been made by Aquila in 2005?
 - b. Should the existing 3 combustion turbines at South Harper be included in GMO's cost of service, as advocated by GMO?
 - c. Should the Commission utilize the power and asset sales offers by Dogwood in response to KCPL GMO's RFPs instead of adopting Staff's phantom turbine proposal?

Dogwood's Position Statement

The Commission should not allow the Company to include the Crossroads generation facility in ratebase and operating expenses. In lieu of hypothetical alternatives, the Commission should use the real power and asset sales offers made by Dogwood in response to Company RFPs to determine the appropriate ratebase and expense amounts for this aspect of the Company's power generation portfolio, so that rates are based on the use of an existing generating plant located in the Company's Missouri service area that is more economical and more reliable than the distant Crossroads facility in Mississippi. (See Janssen Rebuttal, Rose Surrebuttal).

CURTIS, HEINZ,
GARRETT & O'KEEFE, P.C.

/s/ Carl J. Lumley

Carl J. Lumley, #32869
130 S. Bemiston, Suite 200
St. Louis, Missouri 63105
(314) 725-8788
(314) 725-8789 (FAX)
Email: clumley@lawfirmemail.com

Attorneys for Dogwood Energy, LLC

Certificate of Service

A true and correct copy of the foregoing was served upon the parties identified on the attached service list on this 15th day of April, 2009, by either placing same in the U.S. Mail, postage paid, by fax or email transmission.

/s/ Carl J. Lumley

General Counsel Office
Missouri Public Service Commission
200 Madison, Suite 800
P.O. Box 360
Jefferson City, MO 65102
gencounsel@psc.mo.gov

Lewis Mills
Office of Public Counsel
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

Nathan Williams
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
nathan.williams@psc.mo.gov

David Woodsmall
428 E. Capitol Ave., Suite 300
Jefferson City, MO 65101
dwoodsmall@fcplaw.com

Stuart Conrad
3100 Broadway, Suite 1209
Kansas City, MO 64111
stucon@fcplaw.com

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

Constance L. Shidler
Bothwell Regional Health Center
750 Commerce Plaza
7400 W. 110th Street
Overland Park, KS 66210
shidler@smizak-law.com

James Zakoura
Bothwell Regional Health Center
750 Commerce Plaza II
7400 West 110th Street
Overland Park, KS 66210
jim@smizak-law.com

William Geary
City of Kansas City, Missouri
2700 City Hall
414 E. 12th Street
Kansas City, MO 64016
Bill_Geary@kcmo.org

Mark Comley
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102
comley@ncrpc.com

Steven Jones
Federal Executive Agencies
1104 SE Talonia Drive
Lees Summit, MO 64018

Shayla McNeill
Federal Executive Agencies
139 Barnes Ave., Suite 1
Tyndall AFB, FL 32403
shayla.mcneill@tyndall.af.mil

Jane Williams
IBEW Local Union 1464
753 State Avenue, Suite 475
Kansas City, KS 66101
jlw@blake-uhlig.com

Richard J. Waers
IBEW Local Union 1464
753 State Avenue, Suite 475
Kansas City, KS 66101

Charles Hatfield
230 W. McCarty Street
Jefferson City, MO 65101
chatfield@stinson.com

James Fischer
101 Madison Street, Suite 400
Jefferson City, MO 65101
jfischerpc@aol.com

Larry Dority
101 Madison Street, Suite 400
Jefferson City, MO 65101
[lwdority@sprintmail.com](mailto:uwdority@sprintmail.com)

Curtis Blanc
1201 Walnut, 20th Floor
Kansas City, MO 64106
curtis.blanc@kcpl.com

William Riggins
1201 Walnut
Kansas City, MO 64141
bill.riggins@kcpl.com

Karl Zobrist
4520 Main Street, Suite 1100
Kansas City, MO 64111
kzobrist@sonnenschein.com

Roger Steiner
4520 Main Street, Suite 1100
Kansas City, MO 64111
rsteiner@sonnenschein.com

Shelley Woods
Missouri Department of Natural
Resources
P.O. Box 899
Jefferson City, MO 64105
shelley.woods@ago.mo.gov

Thomas Byrne
Union Electric Company
1901 Chouteau Avenue
P.O. Box 66149 (MC 1310)
St. Louis, MO 63166
amerenuesservice@amerenc.com