

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

In the Matter of the Application of)	
Kansas City Power & Light Company for the)	Docket No. EU-2014-0255
Issuance of an Order Authorizing Construction)	
Accounting Relating to its Electrical Operations)	

MECG STATEMENT OF POSITIONS

ISSUE 1: Should the Commission grant KCP&L's Application for an order allowing it to continue construction accounting—deferral of KCP&L's Missouri jurisdictional carrying costs and monthly depreciation expense calculated on the La Cygne plant additions from the time the La Cygne plant additions are placed in service until the date rates become effective in KCP&L's pending general rate case, Case No. ER-2014-0370—filed on June 12, 2014?

MECG POSITION: No. As reflected in the testimony of Staff and OPC witnesses, the completion and in-service operation does not meet the Commission's standard for granting accounting authority to continue construction accounting. Rather, the in-service of capital projects is a routine event for electric utilities. While the Commission has granted the requested authority in limited situations in the past, each instance was the result of a settlement that included the consumer parties. As such, there was value exchanged for the requested authority. For instance, in the 2005 Regulatory Plan, KCPL was provided construction accounting for the Iatan 2 construction project. In exchange, KCPL agreed to forego any right it had to seek a fuel adjustment clause for 10 years. In this case, KCPL has been unwilling to provide such value to the ratepayers.

Furthermore, while construction accounting was provided to KCPL in the past, the situation regarding KCPL's rates is strikingly different. For instance, in 2005, KCPL had gone approximately 20 years without a rate increase. Today, rates have increased dramatically. In

fact, with the requested increase, KCPL rates will have increased approximately 80% in the past eight years. Certainly, while ratepayers may have been willing to make such concessions in the face of 20 years of rate stability, those same ratepayers are unlikely to provide such concessions in the face of ever-increasing rates and the multitude of KCPL requested trackers and adjustment clauses.

ISSUE 2: If so, what conditions, changes in the calculation of construction accounting, or offsets to the amount deferred, if any, should be included in the order granting KCP&L's Application?

MECG POSITION: In the event that the Commission ignores past precedent and grants continued construction accounting for this non-extraordinary event, the Commission should also impose all of the conditions offered by Staff witnesses. While not providing the customer value that has historically come from negotiations for construction accounting, those conditions help to balance the interests between the utility shareholders and its ratepayers.

Respectfully submitted,



David L. Woodsmall, MBE #40747
308 E. High Street, Suite 204
Jefferson City, MO 65101
573-635-6006 (telephone)
573-635-6007 (facsimile)
Email: david.woodsmall@woodsmalllaw.com

ATTORNEY FOR THE MIDWEST ENERGY
CONSUMERS' GROUP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing pleading has been served by electronic means on all parties of record as reflected in the records maintained by the Secretary of the Commission through the EFIS system.

/s/ David Woodsmall

David Woodsmall

Dated: December 12, 2014