

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

In the Matter of KCP&L Greater Missouri) File No. ER-2016-0156
Operations Company’s Request for Authority)
to Implement a General Rate Increase for) Tracking No. YE-2016-0223
Electric Service)

RESPONSE

COMES NOW the Midwest Energy Consumers Group (“Applicants” or “MECG”), and for its Response to the Commission’s Order Directing Filing respectfully states as follows:

1. As an initial matter, MECG wishes to express its disappointment that the Commission wouldn’t seek to accommodate the conflicts of MECG counsel. Rather than push back comments by one week, the Commission / RLJ continued to seek to rush this matter to a rapid resolution. As a result, MECG is not able to provide a thorough discussion of the problems with the Commission’s proposal. Not surprisingly, the Commission didn’t receive any comments from any other intervenor as well. When making such a dramatic change in policy one would expect that the Commission would seek a procedure which would allow for a thorough vetting of the proposal.

2. As the Commission has historically recognized, the statutes allow the Commission to suspend tariffs for a maximum period of approximately 11 months. The statute does not mandate that specific time period. That said, this case demands the full suspension. This is not an ordinary case. Rather, in this case, GMO seeks to consolidate districts. This proposal will require much work by all parties involved. Shortening the suspension time will threaten a reasoned resolution to GMO’s consolidation proposal.

3. This case also demands the full suspension period because it will effectively require the parties to complete six (6) separate revenue requirement, revenue allocation and rate design studies. Specifically, Staff and the other parties will be required to complete these studies for MPS stand-alone, L&P stand-alone and on a consolidated basis. Moreover, because of GMO's request for a true-up, these 3 studies will have to be completed on a true-up basis as well. This extraordinary amount of work is unique to GMO and is not confronted with any other utility. Certainly, this is not the case to begin experimenting with shorter schedules.

4. Obviously the Commission's suspension proposal is in response to the utility's constant whining about regulatory lag in Missouri. The utilities have wrongly claimed that regulatory lag in Missouri is 11 months. While the suspension period in Missouri is 11 months, the regulatory lag is much less. Specifically, because of the use of true-up periods, regulatory lag is reduced to approximately 5 months. As such, Missouri's regulatory lag is much less than most other states.

5. In 2004, the Commission initiated a workshop to consider the possibility of shorter rate cases. In the comments in that docket, Staff and customers expressed a willingness to complete cases in a shorter time period. Staff and customers noted, however, that a shorter rate case would mandate certain other concessions. First, the utility should have to file responses to standard data requests with their minimum filing requirements when they file the case. Second, because the case is shorter, the parties will find it difficult to accommodate a true-up request. Such a concern was expressly stated in the case efficiency filing. Third, the utility should be willing to respond to data requests in a shorter period of time than the 20 days provided by Commission rule.

To date, none of the utilities have sought to engage Staff and customers in a shorter rate case. Rather, recognizing the shorter regulatory lag provided by a true-up, the utilities have all opted for the use of a true-up within the standard 11 month suspension period. Similarly, GMO has not expressed a willingness to work with these concerns in this case. GMO has sought a true-up in this case. Furthermore, GMO has not provided any data request responses with its minimum filing requirements. To the extent that the Commission wants to use such a schedule in the future, it should mandate that the utility work with these simple steps to minimize the detriment on customers.

6. Additionally, if the Commission really wants to shorten the schedule for this rate case, then it must be willing to make timely decisions to motions that will lessen the amount of work to be done in this case. Specifically, the Commission has twice rejected GMO's request to recover Crossroads transmission costs. This decision has been upheld by the Missouri Court of Appeals, the Missouri Supreme Court and the U.S. Supreme Court. Certainly, at this point, *res judicata* is appropriate.

Still again, the Commission has recently rules on KCPL's request for the use of forecasted expenses for transmission costs and cyber-security costs as well as trackers for these costs. Nevertheless, less 9 months later, GMO asks the Commission to reconsider this decision. If the Commission wants to shorten this case, it should consider and promptly rule on motions to eliminate such extraordinary utility requests from the case. The prompt decision by the Commission will reduce the amount of work to be done by the parties and allow this case to become a more standard proceeding.

7. Finally, MECG notes that the burden associated with a shorter rate case must be felt by all stakeholders in the proceeding. Specifically, the utility must be

willing to prepare and file its testimony in a shorter time period as well as respond to data requests in a more expedited fashion. Routinely, rate case schedules shorter data request response periods to 10 days following direct testimony. Such an expedited response should be appropriate throughout the entirety of a case if the case is to proceed in a shorter fashion.

In addition, the Commission as a stakeholder will also feel some of the burden associated with a shorter case. At the time that the Commission consider an expedited rate case procedure in 2004, the Commission was holding agendas 2-3 times per week. Moreover, the Commission would hold special agendas for deliberations in major cases. In recent years, however, the Commission has only held agenda sessions once per week. The infrequency of such agendas has meant that the Commission has required more time to deliberate, prepare and order and approve compliance tariffs. If an expedited rate case is used, the Commission should expect to shoulder some of the burden by meeting more frequently than once a week to deliberate.

8. Because of previously scheduled conflicts, MECG will not be able to attend the Commission's March 2 agenda to discuss these comments. MECG hopes that the Commission will see the need for a thorough consideration to this matter and allow for an additional week so that a more reasoned approach can be considered. If the Commission delays consideration until the March 9 agenda, MECG commits to attend such an agenda session.

WHEREFORE, MECG respectfully requests that the Commission consider these INCOMPLETE comments regarding its consideration of an expedited rate case.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.



David L. Woodsmall

Dated: March 2, 2016