

**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)

AND

Staff of the Public Service Commission of the)
State of Missouri)
v.) Docket No. EU-2015-0094
Kansas City Power & Light Company,)

MECG RESPONSE TO STAFF MOTION TO CONSOLIDATE

COMES NOW, the Midwest Energy Consumers' Group ("MECG") and, pursuant to the Commission's November 17, 2014 *Order Setting Deadline for Responses to Staff's Motion to Consolidate Cases*, respectfully states as follows:

1. On November 17, 2014, the Staff of the Missouri Public Service Commission filed its Motion to Consolidate Case Nos. EU-2014-0255 and EU-2015-0094. As this pleading indicates, both cases involve common questions of law. Therefore, pursuant to Rule 66.01 of the Missouri Rules of Civil Procedure, consolidation is appropriate. Furthermore, consolidation is desirable in that it should reduce the cost for KCPL, the Commission and the intervening parties to prepare and present these cases. As such, MECG fully supports the Staff motion to consolidate.

2. In Case No. EU-2014-0255, KCPL seeks to defer depreciation costs and carrying costs associated with the completion of the construction of the LaCygne environmental improvements. In its application, KCPL directs the Commission to Section 393.140 Revised

Missouri Statutes as legal support for its deferral request. Furthermore, KCPL refers the Commission to Account 182.3 (regulatory assets) of the FERC Uniform System of Accounts as accounting authority for the deferral.

3. In Case No. EU-2015-0094, the Staff seeks an order requiring KCPL to defer the savings associated with the discontinuance of certain DOE costs related to disposal of spent nuclear fuel. As with the KCPL application, Staff relies on Section 393.140 Revised Missouri Statutes as the legal basis for its deferral request. Furthermore, Staff refers the Commission to Account 254 (regulatory liabilities), the closely related contra-asset to Account 182.3, as the accounting authority for the deferral. Clearly then, the KCPL and Staff applications involve common questions of law as envisioned by the Consolidation Rule 66.01.

4. Consolidation is not only appropriate under the Missouri Rules of Civil Procedure it will also reduce the cost for KCPL, the Commission, the Staff, the Office of the Public Counsel and intervenors to process this case. In a recent KCPL case, the Commission expressed concerns with the high Administrative & General (“A&G”) costs for KCPL relative to other Missouri and Kansas utilities.

Staff did an analysis of the Companies’ Administrative & General (“A&G”) expenses and other electric utilities in the region. Staff’s analysis indicates that on a combined basis, KCP&L and GMO have the highest A&G expenses per customer, per megawatt hour sold and per dollar of operating revenue.¹

Despite the Commission’s expressed concern, evidence in the last case indicates that KCPL’s A&G costs increased by almost 22% and remain significantly higher than all other regional electric utilities.²

¹ *Report and Order*, Case No. ER-2010-0355, issued on April 12, 2011, at page 154, paragraph 458 (footnote omitted).

² Staff Class Cost of Service Report, Case No. ER-2012-0174, at pages 250-251.

Given its inflated A&G costs, KCPL should be looking for ways to reduce its costs. Certainly, consolidation of these two cases involving common questions of law allows for some economies and reduction of KCPL costs. Moreover, consolidation reduces costs for all other parties (Staff, Public Counsel and intervenors) to participate in this case.

5. In the recent past the Commission has readily consolidated KCPL matters. In 2012, rate cases were filed for both KCPL and GMO. Given the commonality of issues, the Commission consolidated these cases.³ Clearly, the same efficiencies that were to be gained by consolidating those cases also justify consolidation of these two cases.

WHEREFORE, MECG respectfully requests that the Commission grant Staff's Motion to Consolidate Case No. EU-2014-0255 and Case No. EU-2015-0094.

Respectfully submitted,



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³ See, *Order Consolidating Cases for Hearing and Setting Procedural Schedule, and Amended Notice of Hearing*, issued April 26, 2012, Case Nos. ER-2012-0174 and ER-2012-0175.

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: November 19, 2014