

**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) Case No. ER-2012-0174
a General Rate Increase for Electric Service)

OBJECTION TO TARIFF

COMES NOW, the Midwest Energy Consumers’ Group (“MECG”), Missouri Industrial Energy Consumers (“MIEC”) and Praxair, Inc. (collectively referred to as “Industrial Intervenors”) and for their Objection to Tariff, respectfully state as follows:

1. On January 16, 2013, KCPL filed tariffs claimed to be in compliance with the Commission’s Report and Order. While the Commission has set a deadline of January 22, 2013 for parties to file objections to those tariffs, the Industrial Intervenors wanted to file this objection as soon as possible to give KCPL as much opportunity as possible to fix its unlawful tariffs. That said, pending its more complete review, the Industrial Intervenors reserve the opportunity to lodge further objections to KCPL’s tariff.

2. Section 393.1075.7 provides statutory authority for certain industrial and commercial to opt out of an electric utility’s energy efficiency costs. As that statute clearly demonstrates, any opt out would be applicable to energy efficiency costs incurred pursuant to the Missouri Energy Efficiency Investment Act (“MEEIA”) as well as energy efficiency costs incurred pursuant to any authority.

Provided that the customer has notified the electric corporation that the customer elects not to participate in demand-side measures offered by an electrical corporation, none of the costs of demand-side measures of an electric corporation offered **under this section or by any other authority**, and no other charges implemented in accordance with this section, shall be assigned to any account of any customer, including its affiliates and subsidiaries (emphasis added)

3. While KCPL has not yet completed a MEEIA docket and therefore does not have any energy efficiency costs incurred “under this section,” it does have significant energy efficiency costs that were incurred “by other authority.” Specifically, KCPL has energy efficiency costs that were incurred pursuant to its approved Comprehensive Energy Plan.

4. The Industrial Intervenors consist of numerous large commercial and industrial customers. Many of these customers have opted out of KCPL’s energy efficiency costs pursuant to Section 393.1075(7).

5. Despite the clear statutory duty not to charge opt out customers for energy efficiency costs incurred “by any other authority,” KCPL has failed to segregate and quantify its energy efficiency costs into a separate avoidable charge. Instead, KCPL has simply rolled these energy efficiency costs into each classes’ energy charges. If approved, KCPL would charge this same energy charge, including its energy efficiency costs, to each customer; even those customers that have statutorily opted out of such costs. As such, KCPL’s tariffs are unlawful.

6. The proper method for the segregation and quantification of energy efficiency costs is reflected in the GMO tariffs. For instance, on GMO Revised Sheet No. 60 for Large Power Service, GMO’s MEEIA costs (those costs incurred “under this section”) have been segregated in a single rate of .202¢/kWh. In addition, GMO has segregated its pre-MEEIA energy efficiency costs (those costs incurred “by any other authority”) and will provide opt out customers with a credit for such costs.


Customers who have satisfied the opt-out provisions of 4 CSR 240-20.094(6) to opt-out of both the DSIM Charge and the Pre-MEEIA rate will not be charged the DSIM Charge and will be refunded the Pre-MEEIA rate amount based on their actual usage. The pre-MEEIA rate for the L&P rate jurisdiction is \$0.00047 per Kwh and the annual amount contained in base rates is \$986,148. The pre-MEEIA rate for the MPS rate jurisdiction is \$0.00081 per Kwh and the annual amount contained in base rates is \$4,794,996.¹

¹ See, GMO Original Sheet R-63.01.1 (Provision 10.02).

As such, customers that have opted out of energy efficiency costs are avoiding not only the MEEIA costs (energy efficiency costs incurred “under this section”), but also pre-MEEIA costs (energy efficiency costs incurred “by any other authority”). It is incumbent that KCPL similarly segregate the energy efficiency costs in a manner such that opt out customers are not charged.

WHEREFORE, the Industrial Intervenors respectfully request that the Commission reject KCPL’s compliance tariffs and order KCPL to file compliance tariffs that are consistent with its statutory duty not to charge opt out customers for energy efficiency costs incurred “under this section or by any other authority.”

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.

A handwritten signature in black ink, appearing to read "David L. Woodsmall". The signature is written in a cursive style with a large initial "D".

David L. Woodsmall

Dated: January 17, 2012