

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Fourth Prudence)	
Review of Costs Subject to the)	File No. EO-2013-0325
Commission-Approved Fuel Adjustment)	
Clause of KCP&L Greater Missouri)	
Operations Company.)	

**DOGWOOD ENERGY, LLC'S COMMENTS ON STAFF'S FOURTH PRUDENCE
REVIEW REPORT**

COMES NOW Dogwood Energy, LLC ("Dogwood") and pursuant to 4 CSR 240-2.080 and 20.090, respectfully submits its Comments on Staff's Fourth Prudence Review Report, as follows:

1. Pursuant to rule 20.090, Staff submitted its Fourth Prudence Review Report on May 30, 2013.

2. On page 10, the Report states: "In GMO's general rate case, Case No. ER-2010-0356, the Commission ordered the Crossroads station be added to GMO's rate base effective May 14, 2011, up to that point GMO had a tolling agreement." The footnote appended to that statement states: "A tolling agreement is a contract to purchase power wherein the utility pays the seller of the energy, usually a generator, a periodic payment for capacity for the length of the contract. The utility is generally responsible for the delivery of the fuel (e.g. natural gas) to the seller's power plant generating unit and scheduling of the generating units under the contract."

3. Litigation continues regarding the Commission's prior decisions regarding the Crossroads generation facility in Clarksdale, Mississippi. GMO has filed for rehearing of the Court of Appeals opinion (WD75038) affirming the Commission's 2011 decision in Case No. ER-2010-0356 to exclude the excessive costs of transmission related to this distant plant,

arguing now (contrary to GMO's prior position in the appeal) that the decision was rendered moot by the Commission's subsequent 2013 decision to the same effect in Case No. ER-2012-0175. Further, GMO has appealed the Commission's 2013 decision as well (WD76166), regarding both plant valuation and exclusion of transmission costs. And in other recent proceedings, GMO has submitted testimony indicating that notwithstanding the Commission's decisions, "it is GMO's intention to continue to file for inclusion of this [Crossroads] transmission in its rates." (Carlson Rebuttal, EO-2013-0396 and EO-2013-0431, p. 6 line 10).

4. Given that the Commission will apparently have to continue to confront the issues presented by GMO's use of the distant Crossroads plant, the unusual facts regarding that plant should be presented accurately. While Staff presumably only meant to indicate in its report herein that it was no longer auditing the Crossroads tolling agreement as a purchase power arrangement because the Commission had approved inclusion of the plant in rate base, the report creates the impression that the tolling agreement is no longer in effect. On information and belief, that is not the case, but rather there has been no change in the arrangements between GMO and the City of Clarksdale concerning GMO obtaining capacity and energy from the City's Crossroads plant.

5. In its 2013 Report and Order, p. 54, the Commission found that, "Crossroads is the property of the City of Clarksdale, Mississippi. GMO neither owns nor leases any part of Crossroads. GMO has a capital lease on the power generated at Crossroads that includes the duty to pay for, and the right to inspect, Crossroads operations." While it still appears to Dogwood that GMO has a purchase power arrangement rather than a "capital lease on power" at Crossroads, nonetheless as indicated above to Dogwood's knowledge there has

been no change in the arrangements between GMO and the City of Clarksdale since the Commission issued its 2013 Report and Order.

WHEREFORE, Dogwood respectfully requests submits these Comments.

Respectfully submitted,

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CERTIFICATE OF SERVICE

A true and correct copy of the foregoing was emailed, faxed or mailed by U.S. Mail, postage paid, this 10th day of June, 2013, to the persons shown on the attached list.

/s/ Carl J. Lumley

File/Case No. EO-2013-0325 and ER-2012-0175

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