

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

In the Matter of the Application of Kansas City)
Power & Light Company for Approval to Make)
Certain Changes in its Charges for Electric) Case No. ER-2009-0089
Service to Implement its Regulatory Plan.)

STATEMENT OF POSITION OF MISSOURI GAS ENERGY

COMES NOW Missouri Gas Energy (“MGE”), an operating division of Southern Union Company (“Southern Union”), by counsel, and for its statement of position in this matter, respectfully states as follows to the Missouri Public Service Commission (the “Commission”):

1. On September 5, 2008, Kansas City Power & Light Company (“KCPL”) submitted to the Commission proposed tariff sheets intended to implement a general rate increase for electrical service provided by KCPL in its Missouri service area.

2. With the Order Setting Procedural Schedules dated November 20, 2008, effective November 30, 2008, the Commission directed, in part, as follows:

Each party shall file a statement of its position on each disputed issue in the appropriate case. The position statements shall include a summary of the factual and legal points relied on by the party. Such statement shall be simple and concise, shall follow the issues set out in the issues list, and shall not contain argument about why the party believes its position to be the correct one. Each statement of position shall include, for each issue upon which a party intends to adduce evidence, the names of each witness offering testimony on that issue and a specific reference to the pages of the prefiled testimony containing that evidence.

3. MGE has not filed testimony in this case. As a provider of natural gas service in a territory which substantially overlaps the territory in which KCPL provides electric service, MGE competes with KCPL for business opportunities. Consequently, MGE moved to intervene in this proceeding, and MGE’s interest in this proceeding relates primarily to issues in the areas of class cost-of-service and rate design.

4. In the List of Issues filed herein by KCPL, there is a section entitled “Rate Design/Timing of Next Class Cost of Service Study” which reads as follows:

1. All Electric/Space Heating for General Service:

a. Should the proposed increase to the general service all-electric winter energy rates be increased by an additional 10% above the equal percentage increase allocated to the class as a whole?

b. Should the general service separately-metered space heating classes winter energy rate and the service charge be increased by an additional 5% above the equal percentage increase allocated to the class as a whole?

2. Large Power Rate Design: Should the Industrial Intevenor's proposal to selectively apply any approved increase to the billing components of the Large Power Customer Class be adopted?

3. Timing of Future Class Cost of Service Study: Should the Commission order KCP&L to perform a Class Cost of Service Study as a part of the next rate case or after the next rate case?

5. MGE believes that KCPL's general service all-electric tariff rates and separately-metered space heating rates should be increased more (i.e., by a greater percentage) than KCPL's corresponding standard general application rates, with KCPL's general service all-electric tariffs and separately-metered space heating rates being phased-out. MGE also believes that the Commission should require KCPL to produce complete cost of service and/or cost-effectiveness studies and analyses of KCPL's general service all-electric tariffs and separately-metered space heating rates as a part of KCPL's next rate case.

6. Due to MGE's limited involvement with this case, at this time, MGE takes no position on the other issues set forth in any list of issues filed herein. MGE reserves its right, as a party to this proceeding, to fully participate in the evidentiary hearings to be held herein.

