

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 7th day of
January, 2015.

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

In the Matter of the Application of)	
Kansas City Power & Light Company for the)	<u>File No. EU-2014-0255</u>
Issuance of an Order Authorizing Construction)	
Accounting Relating to its Electrical Operations)	

**ORDER APPROVING SECOND NON-UNANIMOUS STIPULATION AND
AGREEMENT**

Issue Date: January 7, 2015

Effective Date: January 17, 2015

On June 12, 2014, Kansas City Power & Light Company ("KCP&L") filed an application seeking authority to treat the La Cygne environmental project under construction accounting. Midwest Energy Consumers Group ("MECG") and the Midwest Industrial Energy Consumers ("MIEC") intervened.

An evidentiary hearing in this matter was set for December 17 and 18, 2014. On December 12th, KCP&L and the Commission's Staff filed a *Non-Unanimous Stipulation and Agreement*. KCP&L timely filed a *Motion to Suspend Procedural Schedule* on behalf of all the parties. On December 15th, the Commission issued an order suspending the procedural schedule. That same day, KCP&L and Staff filed a *Second Non-Unanimous Stipulation and Agreement*. KCP&L states the non-signatories are aware of the agreement and do not oppose it. Under the terms of the *Second Non-*

Unanimous Stipulation and Agreement, Staff agrees to withdraw its opposition to KCP&L's request for construction accounting authority. In return, KCP&L agrees to file a joint motion to consolidate File No. EU-2015-0094 (Staff's request for an accounting authority order for U.S. Department of Energy fees no longer paid by KCP&L) with File No. ER-2014-0370 (KCP&L's pending general rate case).

Commission Rule 4 CSR 240-2.115(2)(B) gives parties seven days to file an objection to a non-unanimous stipulation and agreement. No objections were received. Furthermore, counsel for KCP&L states that counsel for the Office of the Public Counsel, MEEG and MIEC were informed of the agreement and authorized KCP&L to represent that they did not oppose it or request a hearing on the agreement. Commission Rule 4 CSR 240-2.115(c) authorizes the Commission to treat a non-unanimous stipulation and agreement as a unanimous agreement if no party timely objects. Due to the agreement, the Commission may decide this matter without convening a hearing.¹ The Commission is not required to separately state its findings of fact or conclusions of law.²

Based on the Commission's review of the record and the unopposed *Second Non-Unanimous Stipulation and Agreement*, the Commission will approve the agreement and order all parties to comply with its terms.

THE COMMISSION ORDERS THAT:

1. The *Second Non-Unanimous Stipulation and Agreement*, filed on December 15, 2014, is approved and incorporated into this order as if fully set forth

¹ Section 536.060, RSMo Cum.Supp.2013. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

² Section 536.090, RSMo Cum.Supp.2013.

herein. The signatories shall comply with the terms of the agreement. A copy of the agreement is attached to this order as Attachment 1.

2. KCP&L is authorized to continue using construction accounting for the La Cygne Environmental Project for the period of time between when the project becomes operational and when rate recovery begins for the associated costs.

3. KCP&L is authorized to defer and record as a regulatory asset 1) depreciation expense that would otherwise be recorded on the company's income statement when the La Cygne Environmental Project becomes operational, and 2) carrying costs (equivalent of AFUDC recorded during construction work in progress in the last month before La Cygne Unit 2 and common plant become operational) that would otherwise cease to be recorded when the La Cygne Environmental Project becomes operational.

4. The base La Cygne Environmental Project costs on which carrying costs are calculated for deferral purposes shall not increase after the amount determined at the true-up in File No. ER-2014-0370, and no additional deferrals shall be recorded for the La Cygne Environmental Project after the effective date of rates in File No. ER-2014-0370.

5. Nothing in this order shall be considered a Commission ratemaking determination regarding the La Cygne Environmental Project construction accounting deferrals.

6. Nothing in the *Second Non-Unanimous Stipulation and Agreement* or this order shall limit the arguments (including arguments for offsets to the deferred amounts) any party to File No. ER-2014-0370 may make to contest ratemaking treatment or all, or

any part, of the amounts KCP&L defers by construction accounting for the La Cygne Environmental Project.

7. This order shall become effective on January 17, 2015.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
and Rupp, CC., concur;
Hall, C., dissents.

Burton, Regulatory Law Judge.