

**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	)	

**MIEC STATEMENT OF POSITION**

ISSUE 1: Should the Commission grant KCP&L's Application for an order allowing it to continue construction accounting—deferral of KCP&L's Missouri jurisdictional carrying costs and monthly depreciation expense calculated on the La Cygne plant additions from the time the La Cygne plant additions are placed in service until the date rates become effective in KCP&L's pending general rate case, Case No. ER-2014-0370—filed on June 12, 2014?

MIEC POSITION: No. As reflected in the testimony of Staff and OPC witnesses, the completion and in-service operation does not meet the Commission's standard for granting accounting authority to continue construction accounting. Rather, the in-service of capital projects is a routine event for electric utilities. While the Commission has granted the requested authority in limited situations in the past, each instance was the result of a settlement that included the consumer parties. As such, there was value exchanged for the requested authority. For instance, in the 2005 Regulatory Plan, KCP&L was provided construction accounting for the Iatan 2 construction project. In exchange, KCP&L agreed to forego any right it had to seek a fuel adjustment clause for 10 years. In this case, KCP&L has been unwilling to provide such value to the ratepayers.

Furthermore, while construction accounting was provided to KCP&L in the past, the situation regarding KCP&L's rates is strikingly different. For instance, in 2005, KCP&L had

gone approximately 20 years without a rate increase. Today, rates have increased dramatically. In fact, with the requested increase, KCP&L rates will have increased approximately 80% in the past eight years. Certainly, while ratepayers may have been willing to make such concessions in the face of 20 years of rate stability, those same ratepayers are unlikely to provide such concessions in the face of ever-increasing rates and the multitude of KCP&L requested trackers and adjustment clauses.

ISSUE 2: If so, what conditions, changes in the calculation of construction accounting, or offsets to the amount deferred, if any, should be included in the order granting KCP&L's Application?

MIEC POSITION: In the event that the Commission ignores past precedent and grants continued construction accounting for this non-extraordinary event, the Commission should also impose all of the conditions offered by Staff witnesses. While not providing the customer value that has historically come from negotiations for construction accounting, those conditions help to balance the interests between the utility shareholders and its ratepayers.

Respectfully submitted,

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**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/ Edward F. Downey

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Edward F. Downey

Dated: December 12, 2014