

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

In the Matter of the Application of Kansas City Power &)
Light Company and KCP&L Greater Missouri Operations)
Company for the Issuance of an Accounting Authority Order) **File No. EU-2014-0077**
Relating to their Electrical Operations and for a Contingent)
Waiver of the Notice Requirement of 4 CSR 240-4.020(2).)

MIEC STATEMENT OF POSITION

COME NOW Missouri Industrial Energy Consumers (“MIEC”),¹ and state their position on the issues as follows:

Issue 1: What standards and /or factors should be considered in granting or denying an AAO in this proceeding?

POSITION: AAOs should be granted only for costs that are extraordinary, nonrecurring, and material. Furthermore, such cost deferral should never be allowed where the utility is already earning its authorized return, including such potential deferred costs, during the current period, nor where the utility would, with deferral of such costs, earn above its authorized return for the current period.

Issue 2: Should KC&PL and GMO be authorized an AAO to defer and record in Account 182 of the Federal Energy Regulatory Commission (“FERC”) Uniform System of Accounts (“USOA”) certain incremental transmission costs charged to them by the Southwest Power Pool (“SPP”) and other providers of transmission service above the level included in current base rates or defer and record in USOA Account 254 said transmission costs below the amount included in current base rates, with the calculation of the deferrals beginning with the effective date of rates in the Companies’ last general rate case proceedings, which was January 26, 2013, as proposed by KCP&L and GMO?

POSITION: No. The costs at issue do not meet the above standard.

a. Are there mitigating factors affecting the current operations and earnings levels of KCP&L and GMO that are relevant to the KCP&L and GMO request for AAOs?

POSITION: Yes. To the extent a utility is earning or, with deferral would earn, above its authorized return, an AAO should not be granted. Currently, GMO is earning above its authorized return.

¹ Bayer CropScience, Boehringer Ingelheim, Corn Products and Ford Motor Company.

Issue 3: Should KCP&L and GMO be authorized to include carrying costs based on the Companies' latest approved weighted average cost of capital on the balances in this regulatory asset or regulatory liability of transmission costs as proposed by KCPL and GMO?

POSITION: No.

Issue 4: Should KCP&L and GMO be authorized to defer such amounts in a separate regulatory asset or regulatory liability with the disposition to be determined in each Company's next general rate case?

POSITION: No.

Issue 5: Should KCP&L and GMO be authorized trackers for their transmission costs in this proceeding rather than AAOs?

POSITION: No.

Issue 6: If the Commission grants KCP&L and/or GMO AAOs or trackers, should it also adopt all or any of the following conditions proposed by Staff and addressed by one or more of the other Parties?

POSITION: In the event the Commission were to grant such an AAO, all of the Staff conditions should be imposed.

1. That the deferral reflects both transmission revenues and expenses, and thereby be based upon the level of net transmission costs experienced by KCP&L and GMO.
2. That KCP&L and GMO provide to all parties in this case on a monthly basis copies of billings from SPP for all SPP rate schedules that contain charges and revenues that will be included in the deferral and report, per its general ledger, all expenses and revenues included in the deferral by month by FERC USOA account and KCP&L/GMO subaccount or minor account. KCP&L and GMO shall also provide, on no less than a quarterly basis, the internally generated reports it relies upon for management of its ongoing levels of transmission expenses and revenues. KCP&L and GMO shall also notify the Parties of any changes to its existing reporting or additional internal reporting instituted to manage its transmission revenues and expenses.
3. That KCP&L and GMO maintain an ongoing analysis and quantification of all benefits and savings associated with participation in SPP not otherwise passed on to retail customers between general rate proceedings.

4. That KCP&L and GMO maintain documentation of its efforts to minimize the level of costs deferred under any AAOs or trackers authorized for it.
5. That all ratemaking considerations regarding transmission revenue and expense amounts deferred by the Company pursuant to Commission authorization be reserved to the next KCP&L and GMO rate proceedings, including examination of the prudence of the revenues and expenses.
6. That an amortization to expense over a 60-month period of the amounts accumulated in any deferral commence on KCP&L's and GMO's books in the first full calendar month following Commission approval of the AAOs or trackers.
7. That deferrals addressed by the AAOs or trackers cease when KCP&L or GMO report it is earning at or in excess of its authorized ROE on a twelve-month rolling forward average basis in quarterly earnings "surveillance" reporting on an overall basis. Deferrals addressed by the AAOs or trackers begin again when KCP&L or GMO report it is below its authorized ROE on a twelve-month rolling forward average basis in quarterly earnings "surveillance" reporting on an overall basis.

Respectfully submitted,

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**Attorneys for the Missouri
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted electronically to all counsel of record this 14th day of January, 2014.

/s/ Edward F. Downey