

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Great Plains)
Energy Incorporated, Kansas City Power & Light) Case No. EE-2017-0113
Company and KCP&L Greater Missouri Operations)
Company for a Variance from the Commission's)
Affiliate Transactions Rule, 4 CSR 240-20.015)

**SIERRA CLUB'S RESPONSE IN SUPPORT OF ITS APPLICATION TO
INTERVENE**

Sierra Club, pursuant to 4 CSR 240-2.080(13), respectfully submits this response to the *Opposition of Joint Applicants to Sierra Club's Application to Intervene* ("Opposition").

1. As Sierra Club noted in its Application to Intervene on October 26, 2016, the issues in this case are framed by the Application of the Joint Applicants for a variance, and the Stipulation and Agreement reached between the Joint Applicants and Commission Staff. Filed on the same day as Sierra Club's application to intervene, Joint Applicants and the Office of the Public Counsel ("OPC") also reached a Stipulation and Agreement. The full ramifications of these stipulations are unknown at this time, but the text of the stipulation with Commission Staff envisions events such as a credit downgrade, potentially leading to increased costs and/or a decline of service, and possible increases in cost of capital. Sierra Club is concerned that such results could adversely affect Joint Applicants' ability or inclination to invest in renewable energy and efficiency programs. Sierra Club has an interest in averting this unfavorable outcome.

2. In their Opposition, Joint Applicants state that they “recognize that Sierra Club and its members are interested in environmental protection and the ‘investments in efficiency and renewable energy’ made by the Joint Applicants” (§ 3), but that Sierra Club has no interest different from that of the general public. This statement is internally contradictory. Sierra Club advances its environmental interests in many dockets before the Commission, not all of which are entirely or directly concerned with renewable energy, coal-burning power plants and their regulation, or energy efficiency, including general rate cases and Integrated Resource Planning cases.

3. Joint Applicants assert that their Application and the supporting stipulation with Commission Staff will not “cause a change to any rate, tariff or charge of KCP&L or GMO, or to modify any of their environmental commitments” (§ 4). This assurance is a mere conclusion, which is why Sierra Club has applied to intervene.

4. Applicants seek a variance from the Affiliate Transactions rule, 4 CSR 240-20.015. The purpose of that rule, as stated in the preamble, is “to prevent regulated utilities from subsidizing their non-regulated operations.” For Great Plains Energy’s subsidiaries to exchange goods and services at cost is not necessarily an economizing measure or an environmentally sound one, and it may lead to false economies. Transactions at cost may give these utilities a competitive advantage in the wholesale power markets, for instance, but Sierra Club contends that, given the increasing diseconomies and externalized costs of coal-fired generation, anything that might have the effect of prolonging the employment of KCP&L’s and KCP&L GMO’s coal fleets would be an ill-advised subsidy.

5. Joint Applicants also argue that Staff and OPC will adequately represent the public interest (Opposition, ¶ 5). If that were true, no other party would ever need to be granted intervention. Sierra Club frequently takes positions at odds with Staff and OPC, whose perceptions of the public interest are not coextensive with Sierra Club's environmental interests. Energy and environmental issues as applied to electric utilities are inextricably linked with costs and ratepayer impact, but not always in ways that are represented by Staff and OPC.

6. Commission Staff is in the unenviable position of representing many of the various and often-competing general public and consumer interests, while OPC sees its mission of protecting the public interest as keeping rates down. Sierra Club also seeks to protect the interests of its members as ratepayers, but in ways that, in its view, are not always served by Staff and OPC, especially in the long term and considering costs (such as environmental regulations, pollution, and climate change) that do not always enter into other parties' calculations.

7. The Commission, in keeping with its mission to serve the public interest, has always pursued a policy of liberally granting intervention. As the leading judicial case on the subject says, while "it is certainly not intended that every citizen may participate in any case," nevertheless, "intervenors are not required to have a pecuniary interest, or property or other rights, which will be directly or immediately affected by the order sought or even its enforcement." *Consumers Public Service Co. v. PSC*, 180 S.W.2d 40, 45 and 46 (Mo. banc 1944). It is simply, in the words of 4 CSR 240-2.075(3)(A), "an interest which is different from that of the general public and which may

be adversely affected by a final order arising from the case.” Sierra Club meets that threshold requirement.

WHEREFORE, Sierra Club respectfully requests the Public Service Commission to deny the “Opposition” and grant the application to intervene.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email on this 7th day of November, 2016, to all counsel of record:

/s/ Henry B. Robertson
Henry B. Robertson