

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

In the matter of KCP&L Greater Missouri Operations)	
Company for Authority to File Tariffs Changing the)	File No. HT-2011-0343
Steam QCA for Service Provided to Customers in its)	Tariff YH-2012-0159
Service Territory)	

**RESPONSE OF KCP&L GREATER MISSOURI OPERATIONS COMPANY TO
STAFF’S RECOMMENDATION TO REJECT TARIFF SHEET AND DIRECT FILING**

KCP&L Greater Missouri Operations Company (“GMO” or “Company”) states the following in response to Staff’s Recommendation to Reject Tariff Sheet and Direct Filing, as called for by the Commission’s Order Directing Filing and Setting Conference, issued on November 10, 2011:

1. On November 8, 2011, Staff filed its recommendation to reject GMO’s Quarterly Cost Adjustment (“QCA”) tariff sheet for the third quarter of 2011 that was submitted by the Company on October 14.

2. Inexplicably, Staff failed to address any of the significant issues raised in the Company’s verified Response of KCP&L Greater Missouri Operations Company to Staff’s Informational Pleading and Suggestion, filed November 3, 2011.

3. GMO raised several important and material issues in its November 3 Response, including:

(a) Whether it would be reasonable and lawful to refund over a standard 12-month QCA period nearly \$3 million that the Company collected from customers under the QCA Rider over a period of 30 months.

(b) Whether it would be reasonable and lawful for the Commission to refund the amounts pursuant to the QCA Rider when the Commission’s decision in Ag

Processing, Inc. v. KCP&L Greater Missouri Operations Co., No. HC-2010-0235, will shortly be the subject of a notice of appeal by the Company to the Missouri Court of Appeals.

(c) Whether it would be reasonable and lawful for such a refund to occur over the standard QCA Rider period of 12 months given the devastating financial effect that such a refund would have on GMO's steam operations in St. Joseph, as described in Paragraph 5 of the Company's Response filed with the Commission on November 3.

(d) Whether ordering a refund of amounts that are the subject of an appeal is reasonable and lawful when such a refund may cause the Court of Appeals to find that all questions related to the refund have become moot and, thus, deprive the Company of the appellate rights have been afforded to it pursuant to Section 386.510-.540, Mo. Rev. Stat. (2000), as amended.

(e) Whether it would be reasonable and lawful for such a refund under the QCA Rider to reward certain steam customers who caused or contributed to cause the alleged imprudence of the Company in managing its natural gas hedging program during 2006 and 2007, as further described in Paragraphs 13-14 of the Company's November 3 Response.

4. GMO welcomes the Commission's Order setting a conference to discuss these and other important issues on November 17, 2011, and looks forward to responding to questions by the Commission, as well as to explain further its position on these issues.

Respectfully submitted,

/s/ Karl Zobrist

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, transmitted by facsimile or electronically emailed to all counsel of record this 16th day of November, 2011.

/s/ Karl Zobrist

Attorneys for KCP&L Greater Missouri Operations
Company