BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City	)	
Power & Light Company's Request	)	Case No. ER-2014-0370
for Authority to Implement a General	)	
Rate Increase for Electric Service	)	

INFORMATIVE FILING

COMES NOW the Midwest Energy Consumers' Group and, in possession of certain information relevant to the Commission's decision in the above captioned proceeding, provides the following information.

1. As the Commission may be aware, rate cases are pending before the Kansas Corporation Commission for both KCP&L and Westar. In recent deliberations, the Kansas Corporation Commission has indicated that they will likely authorize a return on equity for KCP&L of 9.30%. Furthermore, in a settlement filed on August 6, 2015, Westar agreed to a revenue requirement that included a return on equity of 9.35%.

2. The Supreme Court has made the following finding.

> A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties.[1]

With this in mind, the return on equity decisions of the Kansas Commission with regards to KCPL (the exact company as that considered by this Commission) and Westar (a comparable company in KCPL's return on equity analysis[2]) are particularly informative to this Commission's decision. Clearly, these decisions tend to indicate that anything above 9.35% would be excessive. Reducing KCPL's authorized return on equity from

[1] *Bluefield Water Works v. Public Service Commission of West Virginia*, 262 U.S. 679, 692 (1923).
[2] See, Exhibit 115, Hevert Direct, Schedule RBH-1.

9.50% to 9.35% would reduce KCPL's revenue requirement by $3.5 million[3] and send an indication that the Commission is concerned for the KCPL ratepayers that have suffered a 76% rate increase in the past 8 ½ years.

3. In addition, the Commission is considering two requests by KCPL to increase its revenue requirement by adopting certain adjustments that occur after the true-up date. In its deliberations, the Commission appears to be receptive to adopting one of KCPL's adjustments that occurs after the true-up date, but on or about the operation of law date. Applying this same standard, the Commission should be aware that, on August 18, Great Plains Energy[4] issued $350 million of 10 year bonds with an interest rate of 3.65%.[5] The practical effect of such an action is two-fold. ***First***, the issuance of these bonds significantly reduces the equity percentage in KCPL's capital structure. ***Second***, the issuance of these bonds significantly reduces KCPL's cost of debt. Certainly, to be fair to ratepayers, if the Commission was to apply a standard which allows for out of period adjustments that occur prior to the operation of law date, the Commission should also include consideration of this debt issuance in KCPL's authorized revenue requirement. In doing so, the Commission should adjust KCPL's capital structure and reduce its cost of debt.

WHEREFORE, MECG respectfully requests that the Commission consider the information included in this pleading.

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[3] Exhibit 260.
[4] The Great Plains Energy consolidated capital structure is used for purposes of setting rates for KCPL.
[5] It is interesting that KCPL provided the Commission with two out of period of adjustments that increased its revenue requirement. KCPL was undoubtedly aware of this upcoming debt issuance at the July 20, 2015 true-up hearing, but failed to inform the Commission of this significant event that reduced KCPL's revenue requirement. Such lack of candidness with the tribunal reflects KCPL's unfettered pursuit of an inflated revenue requirement and lack of concern for its ratepayers. As one Commissioner has noted, KCPL is "not managed or run as well" as other Missouri utilities.

Respectfully submitted,

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David L. Woodsmall, MBE #40747
308 E. High Street, Suite 204
Jefferson City, Missouri 65101
(573) 636-6006
Facsimile: (573) 636-6007
Internet: david.woodsmall@woodsmalllaw.com

ATTORNEY FOR THE MIDWEST ENERGY CONSUMERS' GROUP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

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David L. Woodsmall

Dated: September 2, 2015