BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company for)
Approval to Make Certain Changes in its)
Charges for Electric Service.)

Case No. ER-2010-0356

REPLY OF KCP&L GREATER MISSOURI OPERATIONS COMPANY TO PUBLIC COUNSEL'S AND AGP'S RESPONSES

KCP&L Greater Missouri Operations Company ("GMO" or "Company"), pursuant to 4 CSR 240-2.080, files its Reply to the Public Counsel's Response To Application For Rehearing And Response To Order Directing Filing ("Public Counsel's Response") and to the AGP Non-Prejudicial Response To Order Directing Filing and its Supplemental Response To Order Suspending Tariff Sheets (collectively "AGP Response") filed on June 8, 2011. In support of its reply, the Company states as follows:

1. On June 2, 2011, the Commission issued its June 2 Suspension Order which, inter alia, suspended all the GMO tariffs, including the general rate increase tariffs, the phase-in tariffs, and the fuel adjustment clause tariffs, until June 18, 2011. In addition, the Commission directed that the parties file any additional objections to the Company's filed tariffs no later than June 8, 2011. Although Public Counsel and AGP filed responses to the order directing filing, neither party filed any objections to the Company's fuel adjustment clause tariffs, the MPS tariffs, or the first year tariffs that were designed to produce additional revenues of \$22.1 million from the L&P division. (See Public Counsel's Response and AGP's Response) Staff has already filed its Staff Recommendation that these tariffs should be approved.¹ The only tariffs that have raised any issues are related to the Company's proposed phase-in plan, particularly the carrying costs that were incorporated therein.

¹ Staff Recommendation To Approve Tariff Sheets, Case No. ER-2010-0356 (filed on June 2, 2011).

2. Public Counsel and AGP have not raised any issues with the compliance tariffs that were filed for the fuel adjustment clause, MPS division tariffs, or for the first year increase in the L&P division. Therefore, the Commission has nothing to decide related to these tariffs, and they should be approved expeditiously.

3. Public Counsel's Response suggests that it needs additional time to file an Application For Rehearing related to any Order Approving Tariffs. This is somewhat difficult to understand since no party, including Public Counsel and AGP, has raised any concerns or issues related to the appropriateness of these tariffs. This case is in stark contrast with the Empire Rate Case, Case No. ER-2006-0315, in which Public Counsel alleged that the filed tariffs were not in compliance with the Commission's *Report And Order*², and therefore it was necessary to file a motion for rehearing to address issues related to whether the tariff complied with *the Report And Order*.³ There is no similar issue in the GMO case.

4. In this case, there are no controverted issues to be decided related to the fuel adjustment clause tariffs, the MPS tariffs, and the first year increase tariffs related to the L&P division. Therefore, it should be unnecessary to allow an extended period of time to allow parties to file yet another round of motions for rehearing. Since there are no issues related to the fuel adjustment clause tariffs, the MPS tariffs, or the first year increase for the L&P division, GMO believes it would be reasonable to make the order approving the fuel adjustment clause tariffs, the MPS division rate increase, and the first year rate increase for the L&P division, to become effective on Tuesday, June 14, 2011.

² See Public Counsel's Response To Motion For Expedited Consideration And Approval Of Tariff Sheets Filed In Compliance With Commission Order On Less Than Thirty Days' Notice, p. 2, Case No. ER-2006-0315 (filed December 28, 2006).

³ See <u>State ex rel. Public Counsel v. Public Service Commission</u>, 236 S.W.3d; 632 (Mo. banc 2007).

5. With regard to the Phase-In Plan carrying cost issue, the Commission should decide this issue expeditiously as well. While the Company believes that it would have been appropriate to take evidence on this issue, it also believes that it is most important that the resolution of the carrying cost issue should not delay the implementation of the fuel adjustment clause tariffs, the MPS tariffs, and the first year tariffs for the L&P division. The Company therefore urges the Commission to make its decision and move forward. If the Commission desires to inquire into the carrying cost issue further, then the Commission can schedule hearings to review the matter. The decision to take evidence on the carrying cost issue is independent of the decision to approve the fuel adjustment clause tariffs, the MPS tariffs, and the first year rate increase for the L&P division.

WHEREFORE, KCP&L Greater Missouri Operations Company respectfully requests that the Commission approve the fuel adjustment clause tariffs, general rate increase tariffs related to the MPS division, and the first year rate increase tariffs related to the L&P division without further delay, even if Commission desires to inquire into the carrying costs incorporated into the Company's phase-in plan tariffs.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 9th day of June, 2011, to all counsel of record.

/s/ James M. Fischer James M. Fischer