

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

| | | |
|---|---|-----------------------|
| In the Matter of the Application of Kansas City |) | |
| Power & Light Company for Approval to Make |) | |
| Certain Changes in its Charges for Electric |) | Case No. ER-2007-0291 |
| Service to Implement its Regulatory Plan. |) | |

STATEMENT OF POSITION OF MISSOURI GAS ENERGY

COMES NOW Missouri Gas Energy (“MGE”), an operating division of Southern Union Company (“Southern Union”), by counsel, and for its statement of position in this matter, respectfully states as follows to the Missouri Public Service Commission (the “Commission”):

1. On February 1, 2007, Kansas City Power & Light Company (“KCPL”) submitted to the Commission proposed tariff sheets intended to implement a general rate increase for electrical service provided by KCPL in its Missouri service area.

2. Pursuant to the Commission’s Order Setting Procedural Schedule dated April 5, 2007, position statements are to be filed herein on September 25, 2007.

3. As a provider of natural gas service in a territory which substantially overlaps the territory in which KCPL provides electric service, MGE competes with KCPL for business opportunities. Consequently, MGE moved to intervene in this proceeding, and MGE’s interest in this proceeding relates primarily to issues in the areas of class cost-of-service, rate design, and rules of service.

4. Issue 23 of the List of Issues filed herein by the Staff of the Commission on September 21, 2007, is regarding general service all-electric tariffs and general service separately-metered space-heating tariff provisions and reads as follows:

- a. Should KCPL’s general service all-electric tariff rates and separately-metered space heating rates be increased more (i.e., by a greater percentage) than KCPL’s corresponding standard general application rates and if so, by how much more?

- b. Should KCPL's general service all-electric tariffs and separately-metered space heating rates be phased-out, and if so, over what period?
- c. Should the availability of KCPL's general service all-electric tariffs and separately-metered space heating rates be restricted to those qualifying customers commercial and industrial physical locations being served under such all-electric tariffs or separately-metered space heating rates as of the date used for the billing determinants used in this case (or as an alternative, the operation of law date of this case) and should such rates only be available to such customers for so long as they continuously remain on that rate schedule (i.e., the all-electric or separately-metered space heating rate schedule they are on as of such date)?
- d.
 - i. Should the Commission require KCPL, as soon as possible but not later than its next rate case, to present complete cost of service and/or cost-effectiveness studies and analyses of KCPL's general service all-electric tariffs and separately-metered space heating rates and, consistent with the findings of such studies and analyses, allow KCPL the opportunity at that time to present its preferred phase-out plan for the remaining commercial and industrial customers served under the all-electric tariffs and separately-metered space heating rates?
 - ii. In the event that KCPL does not file such cost of service and/or cost-effectiveness studies before or as part of its next rate case, should the Commission require KCPL to impute the revenues associated with the discounted rates in the all-electric general service tariffs and separately-metered space heating provisions of its tariffs and impute revenues equal to KCPL's cost of administering these discounted rates as part of its next rate case?
- e. Should the Commission require KCPL to (a) investigate and determine whether the commercial and industrial customers currently served under the general service all-electric tariffs and the separately-metered space heating provisions of the standard general service tariffs continue to meet the eligibility requirements for those discounted rates; (b) remove from the discounted rates those customers which KCPL's investigation determines are no longer eligible for such discounted rates; and (c) monitor and police the eligibility requirements of those customers receiving such discounted rates for reporting in KCPL's direct testimony in its next rate case filing?
- f. Should the Commission approve KCPL's proposal to rename its general service "All-Electric" tariffs as "Space Heating" tariffs?

5. MGE believes that KCPL's general service all-electric tariff rates and separately-metered space heating rates should be increased more (i.e., by a greater percentage) than KCPL's corresponding standard general application rates, that KCPL's general service all-electric tariffs

and separately-metered space heating rates should be phased-out, and/or that availability of the rates should be limited. MGE also believes that the Commission should require KCPL to produce complete cost of service and/or cost-effectiveness studies and analyses of KCPL's general service all-electric tariffs and separately-metered space heating rates.

6. Due to MGE's limited involvement with this case, at this time, MGE takes no position on the other issues set forth in the List of Issues. MGE reserves its right, as a party to this proceeding, to fully participate in the evidentiary hearings to be held herein.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

By: /s/ Diana C. Carter
Diana C. Carter MBE #50527
312 E. Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102
Phone: (573) 635-7166
Fax: (573) 634-7431
DCarter@brydonlaw.com

ATTORNEYS FOR MGE

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, mailed by U.S. mail, or electronically transmitted on this 25th day of September, 2007, to all parties of record.

/s/ Diana C. Carter