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May 30, 2002

Mr. Dale H. Roberts
Secretary/Chief Regulatory Law Judge
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: **Kansas City Power & Light Company**
Case No. EU-2002-1048

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of PUBLIC COUNSEL RECOMMENDATION AND REQUEST FOR HEARING. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,


John B. Coffman
Acting Public Counsel

JBC:jb

cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of	)	
Kansas City Power & Light Company for	)	
an Accounting Authority Order Regarding	)	Case No. EU-2002-1048
Accounting for Extraordinary Cost	)	
Relating to Storm Damage.	)	

PUBLIC COUNSEL RECOMMENDATION AND
REQUEST FOR HEARING

Comes Now the Office of the Public Counsel (Public Counsel), pursuant to Section 393.140(4) and (8) RSMo. 2000 and submits the following recommendations for conditional approval of the Accounting Authority Order requested by Kansas City Power & Light Company (Company), or in the alternative requests an evidentiary hearing to litigate disputed issues regarding this matter. In support hereof, Public Counsel states:

1. On April 24, 2002, Company filed its Application for an Accounting Authority Order regarding cost related to an ice storm occurring in its service area on January 30 and 31, 2002.

2. The ice storm that occurred this past winter in Kansas City, Missouri was a severe weather event that interrupted service for a majority of Company's customers. This type of unusual event is the type of unpredictable event for which an Accounting Authority Order is often appropriate; however, there are several terms and conditions that the Commission should adopt in approving any Accounting Authority Order related

to the ice storm that affected Company, in order to insure fair and equitable ratemaking treatment in the future. The following conditions:

1. KCPL should be authorized to defer **actual incremental** operation and maintenance **expenses** incurred as a direct result of the January 2002 ice storm to USDA (Uniform System of Accounts) Account 182.3. Such expenses shall be in accordance with USDA definitions of operation and maintenance expense and shall exclude any costs of or related to expenditures relating to plant-in-service (i.e., capital costs).
2. The Commission should order that any insurance claim proceeds, if applicable, first be used to offset the amount of the incremental expenses deferred. Any insurance proceeds in excess of the actual incremental expense (to the extent any insurance proceeds exist) shall be used to offset capital additions directly resulting from the ice storm.
3. KCPL should be authorized to immediately begin ratably amortizing the amount deferred to Account 182.3 over a 60-month period upon receipt of a MPSC R&O authorizing an AAO for expenses related to the January 2002 ice storm.
4. KCPL should be ordered to maintain adequate records supporting the incremental expenses deferred. Such records shall include, but not be limited to, detailing of outside contractors, food and lodging

costs, labor and material costs, procedures and verification for expense versus capitalization determinations, and determination of incremental levels of such costs versus normal on-going levels of costs. Such records shall be available for Public Counsel and the Commission Staff to review.

5. The Commission should not make any findings as to whether the deferred expenses are reasonable, whether other factors contributed to the damage to the system and the resulting repair/replacement costs incurred, or whether KCPL would have suffered financial harm (i.e. earnings during the period were adequate to compensate KCPL for the costs incurred) absent deferral. The Commission should reserve the right to consider the ratemaking treatment of the costs deferred and any assertions by parties to a future rate case.

WHEREFORE, Public Counsel respectfully requests that the Commission conditionally grant Company's Application based on conditions 1 - 5 listed above, or in the alternative, establish an evidentiary hearing and require the parties to propose a procedural schedule that would allow any disputed issues in this case to be resolved.

Respectfully submitted,

OFFICE OF THE Public Counsel

By: 
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 29th day of May 2002:

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