

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

In the Matter of the Joint Application of)
Great Plains Energy Incorporated, Kansas)
City Power & Light Company, and KCP&L) Case No. EE-2017-0113
Greater Missouri Operations Company for)
a Variance from the Commission's Affiliate)
Transaction Rule, 4 CSR 240-20.015)

**REPLY OF JOINT APPLICANTS TO
CITY OF INDEPENDENCE, MISSOURI'S RESPONSE
TO THE OPPOSITION OF JOINT APPLICANT'S
TO APPLICATION TO INTERVENE**

Great Plains Energy Incorporated ("GPE"), Kansas City Power & Light Company ("KCP&L"), and KCP&L Greater Missouri Operations Company ("GMO") (collectively, "Joint Applicants") state the following in reply to the Response of the City of Independence, Missouri ("City") to the Joint Applicants' Opposition to its Application to Intervene ("Response"):

1. On October 28, 2016 the Joint Applicants filed their Opposition to the City's Application to Intervene ("Opposition") in this case. In the Opposition, the Joint Applicants argued that the City failed to meet the requirements of 4 CSR 240-2.075 ("Intervention Rule") because it did not demonstrate either an interest different from the general public or that its intervention would serve the public interest.

2. On November 7, 2016 the City filed its Response to the Opposition, offering no new facts on why its interest is different from that of the general public. The City provides nothing to contradict Joint Applicants' point that a final order in this proceeding will not change any rates, terms, or conditions of service of KCP&L or GMO, or any agreements that KCP&L or GMO have with the City. Instead, the City vaguely claims that intervention is justified because of the alleged "far-reaching effects of the affiliate transactions and the conditions in the Stipulations," and that the Stipulations with Commission Staff and with the Office of the Public

Counsel (“OPC”) “may ultimately affect rates or its contractual relationship” with KCP&L and GMO. See Response, ¶¶ 14-15.

3. However, because there is no proposed change on file to any tariff, rate or charge in connection with this case, it is an objective fact that the contents of both the Stipulation with Staff and the Stipulation with OPC contain no provision that changes any tariff, rate or charge of either KCP&L or GMO.

4. Neither the City’s Response nor its Application to Intervene states how it “may be adversely affected by a final order” in this case, or why its intervention “would serve the public interest.” These are the touchstones of the Commission’s Intervention Rule. See 4 CSR 240-2.075(3)(A)-(B). The City has not met these requirements because this proceeding seeks a variance from the asymmetric pricing standards of the Affiliate Transactions Rule under 4 CSR 240-20.015 that would permit transactions between the regulated operations of KCP&L, GMO and Westar Energy, Inc. (“Westar”) to occur at cost.¹ Although KCP&L and GMO will continue to be regulated public utilities in Missouri, and Westar will continue to be a regulated provider of electric service in Kansas, the Affiliate Transactions Rule could prevent transactions between and among their regulated operations from occurring at cost. The requested variance would allow such transactions to occur at cost and permit the attainment of savings that will ultimately benefit customers of GPE’s regulated utility subsidiaries. Indeed, the City has raised no specific objection to the Joint Applicants’ request for a variance from the Affiliate Transactions Rule.

5. Denying the City intervention would be consistent with other Commission decisions where a party sought to intervene without a sufficient demonstration of interest. In a

¹ The variance request excludes wholesale power transactions, which will be based on FERC-approved rates.

financing case where Ameren applied for approval to assume a lease relating to the combustion turbine generating facility owned by Audrain County, the Commission denied the intervention application of the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”), noting that “MJMEUC’s *rates ... will not be affected.*” See Order Denying Application for Intervention at 2, Application of Union Elec. Co., No. EF-2006-0278 (Feb. 2, 2006) (emphasis added).

6. MJMEUC had a relationship with Ameren similar to the City’s relationship with KCP&L and GMO. MJMEUC alleged that its wholesale contracts with AmerenUE and the interconnections that its members had with AmerenUE justified its intervention. However, the Commission held that MJMEUC did “not have an interest which is different from that of the general public” and “will not be adversely affected by a final order arising from the case.” Id. It therefore denied MJMEUC intervention.

7. Given the similar circumstances in this proceeding, the Commission should also deny intervention to the City. See also Order at 4, In re Union Elec. Co. for Authority to File Tariffs Increasing Rates for Natural Gas Service, No. GR-2010-0363 (Sept. 1, 2010) (MoGas Pipeline LLC denied intervention where it “failed to show that its interest will be affected by an outcome of this case”).

8. Because the Commission’s approval of the request for a variance from the Affiliate Transactions Rule, including the Staff and OPC Stipulations, will not change or otherwise affect the rates paid by its electric customers, the City has not shown that its interest is different from that of the general public, that it will be adversely affected by a final order, or that its proposed intervention would serve the public interest, its application for intervention should be denied.

WHEREFORE, the Joint Applicants request that the Commission deny the Application to Intervene of the City of Independence.

/s/ Robert J. Hack

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CERTIFICATE OF SERVICE (PARTIES)

A copy of the foregoing was served upon the below named parties by email or U.S. mail, postage prepaid, this 16th day of November, 2016.

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**CERTIFICATE OF SERVICE
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A copy of the foregoing was served upon the below named parties by email or U.S. mail, postage prepaid, this 16th day of November, 2016.

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