BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Joint Application of Great Plains Energy Incorporated, Kansas City Power & Light Company, and KCP&L Greater Missouri Operations Company for a Variance from the Commission's Affiliate Transaction Rule, 4 CSR 240-20.015

Case No. EE-2017-0113

REPLY OF JOINT APPLICANTS TO IBEW'S RESPONSE TO THE OPPOSITION OF JOINT APPLICANTS TO IBEW'S 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 International Brotherhood of Electrical Workers Local Unions No. 412, 1464 and 1613 ("IBEW") to its Application to Intervene ("Response"):

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

2. On November 7, 2016 IBEW filed its Response to the Opposition, offering no new facts on why its interest is different from that of the general public except to note that it is the collective bargaining unit for certain KCP&L employees. <u>See</u> Response, ¶ 4. IBEW provides nothing to contradict Joint Applicants' point that a final order in this proceeding will not change any provision in its agreements with KCP&L. IBEW only suggests that whether the Joint Applicants' requested variance from the Affiliated Transactions Rule "will necessitate

changes in the Locals current collective bargaining agreements are yet unknown." See Response, $\P 6$.

3. To the contrary, because there is no proposed change on file to any tariff, rate or charge in connection with this case -- let alone, any proposal relating to a collective bargaining agreement -- it is an objective fact that the contents of both the Stipulation with Commission Staff and the Stipulation with Public Counsel contain no provision that could change any IBEW agreement with KCP&L.

4. Under the Intervention Rule, an applicant must demonstrate an interest with a meaningful connection to the case in which it seeks to participate, and it must also show how that its interest "may be adversely affected <u>by a final order arising from the case</u>." See 4 CSR 240-2.075(3)(A) [emphasis added]. In this Affiliate Transactions Rule variance proceeding, IBEW has failed both to articulate its specific interest in this case and to explain how its interests could be adversely affected "by a final order arising from the case."

5. IBEW has also failed to show why its intervention "would serve the public interest" under Intervention Rule. See 4 CSR 240-2.075(3)(B). 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

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

such transactions to occur at cost and permit the attainment of savings that will ultimately benefit customers, as well as employees of GPE's regulated utility subsidiaries. Indeed, IBEW has raised no specific objection to the Joint Applicants' request for a variance from the Affiliate Transactions Rule.²

6. Denying IBEW intervention would be consistent with other Commission decisions where a party sought to intervene without a sufficient demonstration of interest. In a 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 <u>rates ... will not be affected</u>." See Order Denying Application for Intervention at 2, <u>Application of Union Elec. Co.</u>, No. EF-2006-0278 (Feb. 2, 2006) (emphasis added). The Commission found 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." <u>Id.</u> See also Order at 4, <u>In re Union Elec. Co. for Authority to File Tariffs Increasing Rates for Natural Gas Service</u>, 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").

7. The identical situation exists in the subject proceeding, where granting the Joint Applicants' request for a variance from the Affiliate Transactions Rule and approving the stipulations entered into with Staff and OPC will not change or otherwise affect the collective bargaining agreements of IBEW and its members. Because IBEW has not shown that its interest

² <u>See</u> IBEW Application to Intervene, ¶ 7 ("The Petitioners have no current position regarding the Joint Application for Variance and the non-unanimous stipulation and agreement filed on October 12, 2016.").

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 International Brotherhood of Electrical Workers Local Unions No. 412, 1464 and 1613.

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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 (APPLICANTS FOR INTERVENTION)

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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