

**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) Case No. ER-2010-0356
For Electric Service)

OBJECTION TO L&P TARIFF

COME NOW Ag Processing, Inc. a cooperative, (“Industrial Intervenors”) by and through undersigned counsel, and for their Objection to the Compliance Tariff filed by KCP&L Greater Missouri Operations (“GMO”) respectfully state as follows:

1. On May 4, 2011, the Commission issued its Report and Order in the above-captioned matter. In that order, the Commission required GMO to file compliance tariffs on May 12 with other parties scheduled to file any objections on May 16.

2. GMO initiated this case on June 4, 2010 by filing rate schedules. As provided by Section 393.150, those tariffs notified interested parties of GMO’s request to increase the Light & Power Division’s rates by \$22.1 million (13.78%). Consistent with the increase in the proposed L&P tariffs, the Commission subsequently issued its June 11, 2010 Order Directing Filing and Directing Notice notifying parties of L&P’s intent to increase rates by 13.78%.

3. Now, contrary to its initiating tariffs as well as the notice provided to interested parties, GMO has filed compliance tariffs designed to collect an increase from the L&P Division of approximately \$29.3 million (21.0%). As the attached affidavit indicates, these compliance tariffs seek to collect a revenue requirement which is well in excess of the amount that GMO initially requested for that division and for which interested parties were provided notice.

4. Given the notice provided by its initial tariffs, GMO is limited to an increase of \$22.1 million for the L&P division. Given this legal limitation, the Industrial Intervenors object to the L&P compliance tariffs.

5. The Industrial Intervenors do not raise this objection simply for the purpose of denying the utility of its authorized revenue requirement. Rather, the Industrial Intervenors raise this objection to protect the L&P customers from the rate shock provided by L&P's compliance tariffs. L&P customers were notified of the possibility of a 13.78%. Based upon that notification, those customers have made budgeting decisions and planned their participation in this case. Now, despite that notice, L&P seeks to impose a 21.0% increase on those customers. In addition to the legal notice problems, the request to seek an increase in excess of that originally requested contradicts all notions of equity.

6. Another option may exist. Section 393.155.1 provides the Commission with the ability to phase-in a large rate increases that is "primarily due to an unusually large increase in the corporation's rate base." It is unquestioned that the L&P rate increase is primarily due to the addition of the Iatan 2 unit to the L&P rate base. As compared to its rate base in Case No. ER-2009-0090, the L&P rate base has increased by 121.6% as a result of the addition of the Iatan 2 unit.

ER-2009-0090 rate base: \$190,475,404

ER-2010-0356 rate base: \$422,039,507

Given this “unusually large increase in the corporation’s rate base,” the Industrial Intervenors suggest that, while limiting L&P’s increase to the initially requested 13.78% increase, it phase-in the remaining 7.22% increase.¹

WHEREFORE, the Industrial Intervenors respectfully object to the L&P compliance tariffs and ask that the Commission limit the L&P increase resulting from this case to 13.78%.

Respectfully submitted,



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ATTORNEYS FOR THE INDUSTRIAL
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¹ This approach might mitigate the impact of the increase on the L&P Division. These parties take no position at this time whether such action would address the unlawful nature of directing rate relief that exceeds the utility’s published request.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

A handwritten signature in black ink, appearing to read "Woodsmall", written in a cursive style.

David L. Woodsmall

Dated: May 16, 2011