

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

In the Matter of KCP&L Greater Missouri Operations)
Company’s Request for Authority to Implement a) File No. ER-2016-0156
General Rate Increase for Electric Service)

**Response of the Public Counsel to the
Commission’s March 3, 2016 Order Directing Filing**

COMES NOW the Office of the Public Counsel (“OPC”), by and through undersigned counsel, and for its *Response of the Public Counsel to the Commission’s March 3, 2016 Order Directing Filing* states as follows:

1. On March 3, 2016, the Commission issued its *Order* asking parties to respond to the preliminary schedule regarding the proposed test year as set forth in Kansas City Power and Light Greater Missouri Operations’ (“GMO”) application.

2. GMO has proposed a historical test year ending on June 30, 2015 with projections through July 31, 2016. EFIS No. 7 (February 23, 2016) *Application*, page 2, paragraph 5. Given the shortened rate case proceeding ordered by the Commission in this matter, the OPC proposes a historical test year ending December 31, 2015 with an update period through July 31, 2016.

3. The OPC’s rationale for its proposal focuses on the concept that a year-end test year permits auditors to have greater access to end of year audited financial information including a utility’s revenues, expenses, plant, and other rate base items. End-of-year financial information is more reliable and verifiable. In addition, a 2015 calendar year ended test year allows test year cost of service information to reflect more current information on which said adjustments will be made. Quarter-ended or mid-year ended test year data has gone through significantly less audit, less review, and is not designed to reflect the results of operations for a calendar year. For example, per book expenses during the year may include substantially large expense accruals or

estimates. These accruals are adjusted at the end of the calendar year but are not adjusted during the calendar year. Also, year-ended financial information is reviewed for correcting entries to fix errors and other issues in the books before closing at year end. Not having a year-end test year puts additional burdens on rate case auditors to find each accrual buried in a mid-year test year. It also allows test year expenses to include errors not revealed through a detailed correcting entry process. Year-ended financial information is more reliable and verifiable than non-calendar year ended financial information.

4. **WHEREFORE**, the OPC submits this *Response* and requests the Commission adopt a historical test year ending December 31, 2015 updated through July 31, 2016.

Respectfully submitted,

/s/ Cydney D. Mayfield
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Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, to all parties of record on the Service List maintained for this case by the Data Center of the Missouri Public Service Commission, **on this 7th Day of March, 2016.**

/s/ Cydney D. Mayfield