

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Atmos Energy)
to Amend its Purchase Gas Adjustment (PGA)) Docket No. 14-ATMG-230-TAR
Schedule to Add a Demand Charge Savings and)
Pipeline Bypass Savings Component to the PGA)

STAFF'S RESPONSE TO KCP&L'S PETITION TO INTERVENE

The Staff of the Kansas Corporation Commission (Staff) states the following in response to the *Petition to Intervene by Kansas City Power & Light Company* (Petition to Intervene) filed in this docket by Kansas City Power & Light Company (KCP&L) on June 3, 2014:

1. K.A.R. 82-1-225 states that the presiding officer in a proceeding before the Commission shall grant a petition to intervene when the petitioner states facts demonstrating that its legal rights, duties, privileges, immunities, or other legal interests may be substantially affected by the proceeding, or that the petitioner qualifies as an intervenor under any provision of law.¹ Additionally, the presiding officer shall only grant intervention when the interests of justice and the orderly and prompt conduct of the proceedings will not be impaired by the grant of intervention.²

2. At this juncture, the claimed injury to KCP&L is speculative. Additionally, granting intervention to KCP&L would impair the prompt and orderly conduct of this proceeding.

3. Atmos Energy's (Atmos) Amended Application in this docket requests permission to utilize demand charge and pipeline bypass savings to fund: 1) capital projects in under-served areas, such as all-electric subdivisions, areas served by propane, or areas where

¹K.A.R. 82-1-225(a)(2).

²K.A.R. 82-1-225(a)(3).

irrigation farmers do not have access to natural gas distribution service; 2) capital projects that would reduce gas supply costs, such as capital improvements to the Atmos owned storage facilities, capital improvements to access alternative pipeline or local natural gas supplies; and 3) other capital projects approved by the Commission.

4. KCP&L claims in its Petition to Intervene that it serves in at least one of the “underserved” areas referenced by Atmos in its Amended Application. KCP&L, an electric public utility, also states that it has concerns that approval of the Amended Application will allow Atmos, a natural gas public utility, to commence competing in these areas where, without a subsidy, Atmos may not be able to justify the investment contemplated. Finally, KCP&L states that it does not object to natural gas competition, but it does object to a natural gas company being provided a competitive advantage by regulatory fiat.

5. While Staff does consider KCP&L’s concerns to be valid, Staff does not consider KCP&L’s injuries to be ripe at this time. It does not appear that KCP&L takes objection to the incentive mechanism as a whole, but rather a small subset of projects that could come to fruition after the incentive mechanism is approved. The Commission is only being called upon at this time to determine whether the incentive mechanism should be approved. It is not being asked to make a determination on individual projects.

6. The nature of the program is to allow Atmos to generate savings, and make proposals on an individualized basis to utilize the savings. Because no specific projects have been proposed at this time, KCP&L’s concerns are not ripe.

7. Atmos may never make a proposal to spend savings in KCP&L’s service territory. Therefore, any discussion about the propriety of those projects is premature, and should be deferred until such time as they are proposed.

8. Additionally, allowing KCP&L to argue against the overall incentive mechanism program based on a hypothetical project that may never occur would cause unnecessary delay and confusion in this proceeding. Unless KCP&L derives injury from the incentive mechanism outside of the potential future harm alleged, it should not be granted permission to intervene.

WHEREFORE, Staff asks the Commission to deny KCP&L's Petition to Intervene.

Respectfully submitted,



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CERTIFICATE OF SERVICE

14-ATMG-230-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing docket was served via electronic service this 5th day of June, 2014, to the following:

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