

# Citizens' Utility Ratepayer Board

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## CONSUMER ALERT PRESS RELEASE

### KCC GRANTS KCPL \$33 MILLION RATE INCREASE

TOPEKA, Kansas, December 14, 2012. The Citizen's Utility Ratepayer Board (CURB) today issued the following press release concerning the Order issued today by the Kansas Corporation Commission (KCC or Commission) granting Kansas City Power & Light (KCPL) a \$33.156 million rate increase:

The Commission today granted KCPL a \$33.156 million rate increase following a four day hearing held October 1-4, 2012. In the Order, the Commission:

- Awarded a return on equity (ROE) or "shareholder profit" of 9.5%. The Company had requested a 10.3% ROE, compared to CURB's recommendation of 8.5% and Commission Staff's recommendation of 9.2%.
- Adopted CURB's recommendation and rejected the Company's request to change the longstanding jurisdictional allocation methodology, which CURB argued would unfairly shift \$10.4 million in capacity-related costs to Kansas ratepayers. The Commission also rejected a proposal by Commission Staff to modify its longstanding jurisdictional allocation methodology.
- Rejected CURB's conservation-oriented rate design proposals, which included an inclining summer block rate for residential customers and a proposal to eliminate 50% of the excess (non-cost based) discounts for small general service space heating customers.

"While we are disappointed the Commission did not adopt a lower ROE, we are encouraged that the Commission lowered the Company's ROE from the current 10% to 9.5% and reduced the revenue increase originally requested by \$30 million." said David Springe, Consumer Counsel for CURB. "Consumers continue to struggle during these difficult economic conditions, and a lower ROE would have resulted in a smaller increase in customer bills. However, a \$33 million rate increase is far better than the \$63 million increase requested by KCPL in the Application."

"The rate increase approved by the Commission today will make a similar 1500 kWh bill in July 2013 approximately **69% higher** than the same bill in 2007," said Springe. "What other industry is able to impose such skyrocketing price increases in this economy?"

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