

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

In the Matter of Kansas City Power & Light )  
Company's Tariff Sheets Designed to Make Changes ) Case No. ET-2007-0380  
to Its MPower Program. )

**STAFF'S RECOMMENDATION TO APPROVE TARIFF SHEETS**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and, for its Recommendation the Commission approve Tariff Sheets Kansas City Power & Light Company filed on April 5, 2007, states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Missouri Public Service Commission approve the five tariff sheets Kansas City Power & Light Company filed on April 5, 2007, to modify in certain respects its *MPower Rider* voluntary load curtailment program for commercial and industrial customers.

2. Kansas City Power & Light Company proposes the following changes to the program:

- Customer selects the maximum number of times between one and ten that it is willing to be curtailed.
- Enrollment (program participation) payments are based on the contract term, the maximum number of curtailments selected by the customer and the number of consecutive years the customer has been enrolled.
- Event payments are based on kWh rather than kW.
- One, three, five year contracts available – Customer can sign consecutive one-year contracts.
- Penalties are assessed by reduced enrollment (program participation) and event payments.

- Performance is measured against June – September peak demand; May is no longer included.
- Minimum curtailable load is reduced from 200 kW to 25 kW.

3. The modifications were made in response to only one customer signing up for the 2006 curtailment season, only two signing up to the 2007 season, market research and the following customer feedback:

- Payments were too low to cover customer's variable costs of curtailing.
- Penalties were perceived as being too high for the risk of participation.
- Customers were not comfortable committing to as many as 25 events or 120 hours of curtailment.
- Customers felt their performance was unfairly measured by the method used to calculate "average peak demand."
- Customers unwilling to commit to multi-year contracts.

4. Kansas City Power & Light Company filed these tariff sheets pursuant to the Demand Response, Efficiency and Affordability Programs section of Appendix C of the Stipulation and Agreement which comprises the Experimental Regulatory Plan approved by the Commission in its July 28, 2005 Report And Order in Case No. EO-2005-0329. The Customer Programs Advisory Group (CPAG) has reviewed the MPower Program.

5. Because the tariff sheets comply with Appendix C of the Stipulation and Agreement which comprises the Experimental Regulatory Plan approved by the Commission in its July 28, 2005 Report And Order in Case No. EO-2005-0329, the Staff recommends the Commission issue an order approving the proposed tariff sheets to become effective May 5, 2007, as requested by Kansas City Power & Light Company, or permit the tariff sheets to go into effect by operation-of-law.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission approve the Tariff Sheets Kansas City Power & Light Company filed on April 5, 2007, to become effective May 5, 2007, or allow them to become effective May 5, 2007, by operation of law, to wit:

P.S.C. MO. No. 7

Sixth	Revised Sheet No. 21,	Cancelling Fifth	Revised Sheet No. 21
Sixth	Revised Sheet No. 21A,	Cancelling Fifth	Revised Sheet No. 21A
Sixth	Revised Sheet No. 21B,	Cancelling Fifth	Revised Sheet No. 21B
Fifth	Revised Sheet No. 21C,	Cancelling Fourth	Revised Sheet No. 21C
Fifth	Revised Sheet No. 21D,	Cancelling Fourth	Revised Sheet No. 21D

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams  
Deputy General Counsel  
Missouri Bar No. 35512

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Missouri Public Service Commission  
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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 26<sup>th</sup> day of April, 2007.

/s/ Nathan Williams

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. ET-2007-0380, File No. JE-2007-0723  
Kansas City Power & Light Company

FROM: James Watkins, Manager, Economic Analysis  
Tom Imhoff, Rate & Tariff Examination Supervisor  
Henry Warren, Regulatory Economist II  
Mack McDuffey, Rate & Tariff Examiner II

/s/ James Watkins 04/26/07  
Energy Department / Date

/s/ Nathan Williams 04/26/07  
General Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed To Revise MPower Rider

DATE: April 26, 2007

On April 5, 2007, Kansas City Power & Light Company (KCPL or Company) of Kansas City, Missouri, filed with the Missouri Public Service Commission (Commission) five (5) tariff sheets with a proposed effective date of May 5, 2007. "MPower Rider" (MPower) is a demand response program as defined in Section 1252 (Smart Metering) of the Energy Policy Act of 2005. This filing is made pursuant to the Demand Response, Efficiency and Affordability Programs section of Appendix C of the Stipulation and Agreement which comprises the Experimental Regulatory Plan approved by the Commission in its July 28, 2005 Report And Order in Case No. EO-2005-0329. The Customer Programs Advisory Group (CPAG) has reviewed this Program.

MPower is a voluntary load curtailment program for commercial and industrial customers. MPower was designed by KCPL to enhance its load curtailment program based on customer feedback. MPower had only one customer sign up for the 2006 curtailment season for 3,000 kW and one additional customer for 2007 season for 5,500 kW. Based on additional customer feedback and market research KCPL has reached the opinion that some changes to the program are needed for it to be accepted by customers and allow the program to achieve its intended results of reducing peak demand, avoiding peaking generation, lowering capacity cost, and avoiding high wholesale purchased power prices.

The additional customer feedback revealed several common negative issues:

- Payments were too low to cover customer's variable costs of curtailing.
- Penalties were perceived as being too high for the risk of participation.
- Customers were not comfortable committing to as many as 25 events or 120 hours of curtailment.
- Customers felt their performance was unfairly measured by the method used to calculate "average peak demand."
- Customers unwilling to commit to multi-year contracts.

The following proposed revisions to the MPower Rider are designed to address the above negative issues to achieve higher customer participation and fulfill KCPL's capacity and energy cost-saving objectives:

- Customer selects the maximum number of times between one and ten that it is willing to be curtailed.
- Enrollment (program participation) payments are based on the contract term, the maximum number of curtailments selected by the customer and the number of consecutive years the customer has been enrolled.
- Event payments are based on kWh rather than kW.
- One, three, five year contracts available – Customer can sign consecutive one-year contracts.
- Penalties are assessed by reduced enrollment (program participation) and event payments.
- Performance is measured against June – September peak demand; May is no longer included.
- Minimum curtailable load is reduced from 200 kW to 25 kW.

The table below shows the comparison of the present MPower rider to the proposed MPower rider.

<b>Common Attributes</b>	<b>Present MPower (2006)</b>			<b>Proposed MPower (2007)</b>		
Contract Years	1 year	3 year	5 year	1 year	3 year	5 year
Enrollment Payment	\$16/ kW	\$24/ kW	\$34/ kW	\$2.50 / kW per event	\$3.25 / kW per event	\$4.50 / kW per event
Event Payments	\$0.36 / kW			\$0.35 / kWh		
Penalties	\$1.25 / kWh			Enrollment payment reduction and event payment reduction		
Curtailment Season	May-Sep	May-Sep	Jan-Dec	Jun - Sep		

Common Attributes	Present MPower (2006)			Proposed MPower (2007)
Minimum Curtailable Load	200 kW			25 kW
Maximum Number of Curtailments per Season	25	25	30	10
Maximum Number of Curtailment Days in a Row	3			3
Hours of Notice	4	2	1	4 (with day ahead courtesy)
Hours Curtailment Can Occur	Noon – 10 pm			Noon – 10 pm
Maximum Length of Curtailment	8 hours			8 hours
Days excluded from Curtailment	Weekends and Holidays			Weekends and Holidays
Maximum Number of Curtailment Hours per Season	120			80

The Commission's Energy Department Staff (Staff) has reviewed the filed tariff sheets, and is of the opinion that they were filed in a timely manner and remain in compliance with the Stipulation and Agreement approved by the Commission's Report and Order in Case No. EO-2005-0329. The Staff therefore recommends that the Commission issue an order approving the following proposed tariff sheets, as filed on April 5, 2007, to become effective on May 5, 2007, as requested by KCPL, or permit the tariff sheets to go into effect by operation-of-law:

P.S.C. MO. No. 7

Sixth	Revised Sheet No. 21,	Cancelling Fifth	Revised Sheet No. 21
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Sixth	Revised Sheet No. 21B,	Cancelling Fifth	Revised Sheet No. 21B
Fifth	Revised Sheet No. 21C,	Cancelling Fourth	Revised Sheet No. 21C
Fifth	Revised Sheet No. 21D,	Cancelling Fourth	Revised Sheet No. 21D

The Staff has verified that this Company is not delinquent on any assessment or the filing of its 2006 annual report. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

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

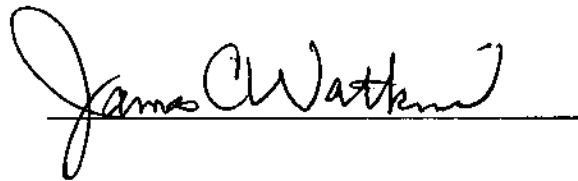
In the matter of Kansas City Power & Light Company's )  
Tariff Sheets Designed to Make Changes to Its MPower )  
Program )

**Case No. ET-2007-0380**  
**Tariff No. JE-2007-0723**

**AFFIDAVIT OF JAMES C. WATKINS**

**STATE OF MISSOURI     )**  
                                     **) ss**  
**COUNTY OF COLE        )**

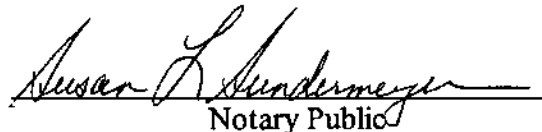
James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.



Subscribed and sworn to before me this 26<sup>th</sup> day of April, 2007.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
Notary Public

My commission expires 9-21-10