

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

In the Matter of the 2012 Resource Plan of)
KCP&L Greater Missouri Operations Company)
Pursuant to 4 CSR 240-22)

Case No. EO-2012-0324

JOINT FILING

Pursuant to 4 CSR 240-22.080(9), KCP&L Greater Missouri Operations Company (“GMO” or “Company”), the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“OPC”), the Missouri Department of Natural Resources (“MDNR”), and Dogwood Energy, LLC (“Dogwood”) (collectively, the “Signatories”) hereby submit to the Missouri Public Service Commission (“Commission”) this Joint Filing that includes a remedy to many alleged deficiencies and concerns expressed by the Signatories of this Joint Filing regarding the compliance filing GMO submitted in this proceeding on April 9, 2012. Additionally, this document also identifies those alleged deficiencies that could not be resolved by the Signatories. The Midwest Energy Consumers Group (“MECG”), the City of Kansas City, Missouri (“KCMO”), the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”), the Midwest Energy Users’ Association (“MEUA”), and the Southern Union Company, d/b/a Missouri Gas Energy (“Southern”) intervened in this case but they are not Signatories to this Joint Filing.

In support hereof, the Signatories offer as follows:

BACKGROUND

1. On April 9, 2012, GMO submitted its compliance filing with Chapter 22 of the Commission’s regulations concerning GMO’s resource planning. Absent any extensions approved by the Commission, GMO would submit an annual update report no less than twenty (20) days prior to the annual update workshop to be held on or about April 1, 2013, and will

complete its next Chapter 22 compliance filing on April 1, 2015 (“the next Chapter 22 compliance filing”) unless new Chapter 22 rules alter the compliance dates. However, the Signatories have agreed that GMO will file, pursuant to Commission Rule 4 CSR 240-22.080(13) and (15), for a variance to extend the 2013 Annual Update Report and the 2013 Annual Update Workshop by three (3) months, such that GMO will submit the 2013 Annual Update report no less than twenty (20) days prior to the 2013 Annual Update Workshop, which will be requested to be extended to on or about July 1, 2013. The Signatories note that the timing of many of the resolutions that have been reached is based upon GMO being granted an extension for its 2013 Annual Update Workshop to on or about July 1, 2013. The Signatories also agree that prior to the 2013 Annual Update Workshop, GMO will convene a meeting open to the stakeholder group for the purpose of reviewing changes to inputs to be used in the integrated resource analysis for the 2013 Annual Update. The meeting is to occur sufficiently prior to the 2013 Annual Update Report and the 2013 Annual Update Workshop, for GMO to be able reflect useful information in said 2013 Annual Update Report and 2013 Annual Update Workshop. Although Public Counsel does not object to the extensions for the 2013 report and workshop, this non-objection does not alter Public Counsel’s position that KCP&L and GMO should file revised triennial IRP’s within 180 days to remedy certain deficiencies.

2. On September 6, 2012, Staff, OPC, MDNR, and Dogwood submitted reports identifying concerns and in some cases alleging certain deficiencies regarding GMO’s 2012 Integrated Resource Plan (“IRP”). The MDNR also contracted with GDS Associates, Inc. (“GDS”) to identify whether GMO’s IRP filing complies with the provisions of the Electric Utility Resource Planning rules. Although MECG, KCMO, MJMEUC, MEUA, and Southern intervened in the case, they did not submit a report.

3. The Commission's Electric Utility Resource Planning regulations provide that if the Staff, Public Counsel or any intervenor finds deficiencies in or concerns with a triennial compliance filing, they shall work with the electric utility and the other parties in an attempt to reach a joint agreement on a plan to remedy the identified deficiencies and concerns. The Signatories have worked together to develop such a Joint Filing. This Joint Filing represents the fruits of those efforts.

DOCUMENT ORGANIZATION

4. The order of items contained within this document is as follows:

Agreed Upon Remedies to Concerns and Alleged Deficiencies – Page 4

Load Analysis and Load Forecasting – Page 4

Supply-Side Resources Analysis – Page 7

Transmission and Distribution Analysis – Page 16

Demand-Side Resource Analysis – Page 17

Integrated Resource Analysis and Risk Analysis - Page 21

Resource Acquisition Strategy Selection – Page 24

Filing Schedule, Filing Requirements and Stakeholder Process - Page 26

Unresolved Deficiencies and Concerns – Page 29

AGREED UPON REMEDIES TO CONCERNS AND ALLEGED DEFICIENCIES

4 CSR 240-22.030 Load Analysis and Load Forecasting

5. Staff's Concern A states: GMO submitted energy and peak growth rates that are arithmetic averages. GMO should use compound annual growth rates in all future Chapter 22 filings when expressing the rate of growth in its annual energy and demand levels in its load forecasts.

Resolution: GMO will provide additional documentation to answer questions or reference specific workpapers provided that include the information needed.

6. MDNR's Deficiency #1 states: Inadequate model specification in load analysis and load forecasting. In estimating the effect of weather on electric loads, the functional form of the models was not specified and neither were the goodness of fit measures reported for statistical models, citing 4 CSR 240-22.030(2)(C)3 and 4 CSR 240-22.030(3)(B).

Resolution: In order to make it easier for those stakeholders¹ who do not have a license for MetrixND, GMO will create a Word document for the models used to weather normalize sales and copy the goodness of fit statistics, residuals plots before correction for outliers, and residual plots after correction for outliers. This will be completed for the 2013 Annual Update.

7. MDNR's Deficiency #2 states: Overly optimistic forecast of household growth. Moody's forecast of economic activity may overestimate the growth in the number of households in the Kansas City metropolitan area, citing 4 CSR 240-22.030(3)(A).

¹ 4 CSR 240-22.020(56): Stakeholder group means – (A) Staff, public counsel, and any person or entity granted intervention in a prior Chapter 22 proceeding of the electric utility. Such persons or entities shall be a party to any subsequent related Chapter 22 proceeding of the electric utility without the necessity of applying to the commission for intervention; and (B) Any person or entity granted intervention in a current Chapter 22 proceeding of the electric utility.

Resolution: Prior to 2013 Annual Update, GMO will host a discussion of its forecast of household growth at a stakeholders meeting.

8. MDNR's Deficiency #3 states: Improper model specification in the analysis of number of units. The weather normalization regression models used are not properly specified. No rationale provided for the choice of autoregressive models or the inclusion of specific month dummy variables. The rules cited are 4 CSR 240-22.030(3)(A) and 4 CSR 240-22.030(3)(B).

Resolution: Prior to the 2013 Annual Update, GMO will host a discussion of these weather normalization models at a stakeholders meeting.

9. GDS' (MDNR) Deficiency #1 states: GMO failed to fully describe adjustments made to the historical data used in developing the energy sales forecasting models. GMO failed to fully describe how the historical energy consumption data series for each class were adjusted to reflect existing DSM programs, citing 4 CSR240-22.030(6)(C)(2).

Resolution: Prior to the 2013 Annual Update, GMO will host a discussion of this topic at a stakeholders meeting.

10. GDS' (MDNR) Concern #1 states: GMO'S assumed forecast bandwidths for population and number of households appear to be too narrow. As a result, the high and low growth case load forecasts also do not reflect a reasonable bandwidth when compared to historical growth.

Resolution: Prior to the 2013 Annual Update, GMO will host a discussion of this topic at a stakeholders meeting.

11. GDS' (MDNR) Concern #2 states: GMO's use of certain independent variables in the models used to weather normalize energy sales is questionable. Most of the models developed by GMO to weather normalize historical class energy sales include one or more

variables that are not statistically significant at a 95% confidence level. GMO fails to report the R-squares and goodness of fit measures for their models.

Resolution: In order to make it easier for those stakeholders who do not have a license for MetrixND, GMO will create a Word document for the models used to weather normalize sales and copy the goodness of fit statistics, residuals plots before correction for outliers, and residual plots after correction for outliers. This will be completed for the 2013 Annual Update. In addition, GMO will host a discussion of the models at a stakeholders meeting.

4 CSR 240-22.040 Supply-Side Resources Analysis

12. Staff's Deficiency 1 states: GMO did not include the nuclear powered small modular reactor (SMR) as a potential supply-side resource option and did not provide its assessments of the SMR technology as required by Rule 4 CSR 240-22.040(1). Although GMO evaluated three nuclear technologies, GMO did not include SMR as a potential supply-side resource in its April 9, 2012 filing. GMO should provide its assessment of the SMR technology in its April 1, 2013 annual update filing.

Resolution: The Company will provide an assessment of SMR technology in the 2013 Annual Update.

13. MDNR's Deficiency #4 states: Estimates of natural gas prices were used in the fuel price forecasts are consistently high, citing 4 CSR 240-22.040(5)(A). The natural gas prices used for this analysis were consistently higher than the base case forecast for natural gas prices published in the United States Department of Energy's Annual Energy Outlook for 2011(AEO2011).

Resolution: The Company will update its natural gas forecast for the 2013 Annual Update.

14. MDNR's Concern #2 states: Compliance with alternative Missouri renewable energy standard. GMO addressed its attempts to comply with the current Missouri renewable energy standard (RES) or Proposition C. However, the IRP does not discuss the compliance with the potentially modified or newly proposed renewable energy standard. The rules cited are 4 CSR 240-22.010, 4 CSR 240-22.020(28), 4 CSR 240-22.060(5).

Resolution: The Company will develop at least one alternative resource plan in the 2013 Annual Update utilizing an aggressive level of renewable resource additions per Rule 4 CSR 240-22.060(3)(A)2.

15. MDNR's Concern #3 states: Inadequate exploration of distributed generation technologies ("DG") in screening supply-side resources. GMO inadequately analyzes the role of distributed generation technologies, in particular combined heat and power (CHP), in its screening analysis of potential supply-side resources, citing 4 CSR 240-22.020(15), 4 CSR 240-22.040(1), 4 CSR 240-22.040(4).

Resolution: The Company will include DG as a supply-side option in its integrated resource analysis in the 2013 Annual Update.

16. GDS' (MDNR) Deficiency #2 states: GMO has not considered ultra-low sulfur coal in its IRP ignoring its potential as a practical contingency option and its ability to address environmental compliance requirements, citing 4 CSR 240-22.040(5)(A) and (D).

Resolution: The forecast used in the April 2012 IRP Filing covers this issue.

17. GDS' (MDNR) Deficiency #3 states: GMO did not provide adequate documentation to support the reasonableness of wind resource cost assumptions, citing 4 CSR 240-22.040(1) and 4 CSR 240-22.040(5)(B). By using the same inflation rate for capital and fixed O&M costs and maintaining a constant capacity factor, costs for wind energy are held constant relative to other supply side resources, providing the appearance of higher costs than may be reasonably expected over the next 20 years. The IRP is deficient in its failure to "fairly" analyze and compare costs of wind against other resources.

Resolution: The Company will analyze improving wind capacity factors and lower relative inflation rates before the 2013 Annual Update.

18. GDS' (MDNR) Deficiency #4 states: GMO did not provide adequate documentation to support the transmission interconnection costs for wind resources, citing 4 CSR 240-22.040(4)(C), 4 CSR 240-22.040(5)(F) and 4 CSR 240-22.045(3)(A)(1). The small sample size and wide range of costs gives rise to a question of whether the sample used to generate the interconnection costs is representative of past or future interconnection costs.

Resolution: The Company will identify a greater number of wind project transmission interconnect costs for inclusion into the 2013 Annual Update.

19. GDS' (MDNR) Concern #3 states: GMO has not considered a broad enough range of potential coal prices in its IRP. A broader range in coal fuel prices should have been used in the development of GMO's preferred or alternative resource plans.

Resolution: This issue has been resolved.

20. GDS' (MDNR) Concern #4 states: GMO's assumed coal plant capacity factors are not representative of recent actual operating experience and the impact of these assumed higher capacity factors on wind options has been overlooked. This issue affects the ability of existing supply resources to meet expected demand and limits the potential role of new renewable resources such as wind in the preferred plan.

Resolution: This issue has been resolved.

21. GDS' (MDNR) Concern #5 states: GMO did not address the impact of natural disasters, such as the flood at the Iatan coal plant, in its contingency plans.

Resolution: This issue has been resolved.

22. In what Dogwood refers to as Deficiency 1 (See Dogwood's Comments for complete statement), Dogwood asserts that GMO's IRP is deficient because it improperly establishes a bias against the Dogwood plant as a potential supply-side resource by precluding

consideration of the possibility of acquiring a minority interest in the plant. This bias artificially drives up the NPVRR of the one alternative plan (ACCG7) that includes Dogwood as a resource because it forces the plan to include an excess of 160 MW of generation capacity as compared to GMO's Preferred Plan and the other top feasible plans.

GMO should have studied alternative plans that included a minority interest in the Dogwood plant to meet its projected capacity needs, instead of solely looking at a larger interest with excess capacity and greater costs. By failing to do so, GMO does not fairly and adequately evaluate its supply-side resource options as required by the Commission's IRP rules, which expressly require consideration of partial ownership. Reducing GMO's acquisition of Dogwood capacity from 310 MW down to 150 MW would decrease the NPVRR of the Dogwood Plan by roughly \$100 million due to changes in capital cost alone, putting it ahead of both the ACCG1 stand-alone plan and the AICG9 combined-company plan just by correcting for this one deficiency.

Resolution: To address Dogwood's concern the Company agrees to conduct analysis of at least one alternative resource plan to quantify the effect of minority ownership in the Dogwood facility. The alternative resource plan(s) will be included in the 2013 Annual Update and will have the same net capacity additions as the other plans to which they are compared.

Dogwood will provide to the Company any requested operating assumptions for review in a timely manner for inclusion in the 2013 Annual Update Integrated Analysis, subject to any applicable confidentiality. The Company will attempt to use these assumptions or provide a response to Dogwood explaining why any or all the recommended assumptions have been modified.

This deficiency will be resolved by the Company providing the additional analysis in its 2013 Annual Update as agreed. In addition to its rights pursuant to 4 CSR 240-22.080(3) regarding the annual update, Dogwood reserves the right to seek relief from the Commission regarding any breach of this Joint Filing.

23. In what Dogwood refers to as Deficiency 2 (See Dogwood's Comments for complete statement), Dogwood asserts that GMO's IRP is deficient because it improperly assumes that new combined cycle generating capacity can only be acquired in minimum increments of 300 MW either by GMO alone or combination with KCPL. As with the preceding deficiency, GMO places an artificial constraint at the beginning of the planning process which limits the alternatives that are developed for consideration. There is no basis for GMO's assumption that it could not acquire a partial interest in a plant other than by developing it with KCPL, at a time when KCPL has a corresponding capacity need. By assuming that it must add combined cycle capacity in a minimum increment of 300 MW when KCPL is not projected to be in a position to split development of such a plant, GMO drives up plan cost by unnecessarily including excess capacity. Again, GMO does not fairly and adequately evaluate its supply-side resource options as required by the Commission's IRP rules. In fact, this restriction creates improper affiliate bias by effectively requiring GMO to partner only with KCPL in plant ownership rather than being open to partnership with other entities. Reducing the 2028 additional combined cycle capacity addition in the Dogwood Plan from 300 MW to 150 MW to match the ACCG9 and AICG9 combined company plan capacity additions in those same years would also result in a similar roughly \$100 million decrease in the NPVRR of the Dogwood Plan as would the reduction in the acquisition of the Dogwood capacity referenced above.

Resolution: To resolve this deficiency the Company agrees to conduct analysis of at least one alternative resource plan to quantify the effect of 310 MW in the Dogwood facility together with the same net capacity additions as the other plans to which they are compared. The alternative resource plan(s) will be included in the 2013 Annual IRP Update.

This deficiency will be resolved by the Company providing the additional analysis in its 2013 Annual Update as agreed. In addition to its rights pursuant to 4 CSR 240-22.080(3) regarding the annual update, Dogwood reserves the right to seek relief from the Commission regarding any breach of this Joint Filing.

24. In what Dogwood refers to as Deficiency 3 (See Dogwood's Comments for complete statement), Dogwood asserts that GMO's IRP is deficient because it artificially drives up the costs of acquiring an interest in the Dogwood plant by applying false assumptions as to the efficiency of the plant. GMO used generic capacity factors and heat rates in its analysis of combined cycle resources, rather than the specific and more efficient characteristics of the Dogwood plant. GMO admits in discovery responses that it used capacity factors of "simulated units" and "one and only heat rate" for all combined cycle resources.

Depending on projections of the cost of natural gas to fuel the Dogwood plant, these faulty assumptions overstate the annual costs of operating the plant by at least \$2-3 million, resulting in NPVRR reductions of a least \$20- \$30 million for the Dogwood Plan. As with the prior deficiencies, these faulty assumptions prevent GMO from complying with the Commission's rules.

Resolution: To resolve this deficiency the Company has received heat rate information from Dogwood, has agreed to provide Dogwood with the capacity factor(s) for the plant that result from the aforesaid model dispatching, and has agreed to consider any comments Dogwood

may timely provide on such capacity factor(s) in conjunction with the development of alternative resource plans as described in the resolution of Dogwood Deficiencies 1 and 2.

This deficiency will be resolved by the Company providing the additional analysis in its 2013 IRP update as agreed. In addition to its rights pursuant to 4 CSR 240-22.080(3) regarding the annual update, Dogwood reserves the right to seek relief from the Commission regarding any breach of this Joint Filing.

25. In what Dogwood refers to as Deficiency 4 (See Dogwood's Comments for complete statement), Dogwood asserts that GMO failed to consider retirement of the City of Clarksdale's Crossroads plant and GMO's coal-fired units. The impacts of this failure are unknown. In conjunction with correcting the other deficiencies identified by Dogwood above, GMO should also meet the Commission's directives concerning robust analysis of plant retirements so that the impacts can be identified and studied.

Resolution: To remedy Dogwood's concern, the Company proposes to provide at least one alternative resource plan that simulates the impact of a retirement of the Crossroads plant in the 2013 Annual IRP Update using the same analytical method and assumed regulatory treatment applied to all other retirement alternatives in the 2013 Annual IRP Update, and including the same total net capacity additions as the other plans to which they are compared.

This deficiency will be resolved by the Company providing the additional analysis in its 2013 Annual Update as agreed. In addition to its rights pursuant to 4 CSR 240-22.080(3) regarding the annual update, Dogwood reserves the right to seek relief from the Commission regarding any breach of this Joint Filing.

26. Dogwood states that GMO selected the overall fifth place plan by NPVRR, and top-ranked feasible plan, labeled ACCG9, as the Preferred Plan. (See Dogwood's Comments for

complete statement). That plan is based on combined-company planning with KCPL. The top GMO-only plans, based on NPVRR, include the plan in which the Dogwood plant is a component, labeled ACCG7. The difference between the Dogwood Plan and the Preferred Plan in terms of NPVRR over 20 years is only \$186 million, which again is only 1.5% of total NPVRR.

Correction of the deficiencies identified in these Comments regarding GMO's inadequate consideration of the Dogwood plant would certainly elevate the Dogwood Plan to the status of the top feasible stand-alone plan and most likely to preferred status after a full comparable re-analysis of the Dogwood plant is performed on a combined company basis. Because GMO improperly applied a bias against acquiring a minority interest in the Dogwood plant (Dogwood Deficiency 1 above) and improperly assumed it could only acquire combined cycle capacity in a minimum increment of 30 MW (Dogwood Deficiency 2 above), the Dogwood Plan (ACCG7) includes 160 MW in excess capacity as compared to other top feasible plans.

Resolution: To resolve this deficiency the Company has agreed to remedies in response to Dogwood Deficiencies 1-4.

27. Dogwood concludes that the Commission should order GMO to correct the identified deficiencies and make a new IRP submittal as soon as possible. (See Dogwood's Comments for complete statement). GMO's submittal does not meet the purpose of the Commission's integrated resource planning rules. GMO imposes arbitrary biases and assumptions regarding the Dogwood plant and thereby artificially excludes this unique resource alternative from consideration. In doing so, GMO fails to use minimization of NPVRR as the primary selection criteria, fails to adequately evaluate full and partial ownership of supply-side resource options, and fails to address concerns raised about its prior IRP submittals. Thus, GMO

has violated the Commission's IRP rules and its prior orders. Further, GMO does not develop a sound plan to protect and serve the public interest.

Resolution: To resolve this deficiency the Company has agreed to remedies in response to Dogwood Deficiencies 1-4.

4 CSR 240-22.045 Transmission and Distribution Analysis

28. Staff's Deficiency 2 states: GMO did not provide its assessments of the RTO expansion plans as required by Rule 4 CSR 240-22.045(3)(C). These documents are necessary to determine if GMO satisfied the conditions required in Rule 4 CSR 240-22.045(3)(B) which permits the Company to use the RTO transmission expansion plans for its resource planning. GMO should provide its assessments of the RTO expansion plans in its annual update.

Resolution: The Company will provide its assessments of the RTO expansion plans in its 2013 Annual Update.

29. Staff's Deficiency 3 states: GMO did not identify and describe all affiliates as required by 4 CSR 240-22.045(5). GMO should, in future Chapter 22 filings, identify and describe the relationship between itself, KCP&L and Transource. GMO and KCP&L should conduct separate analysis of the RTO expansion plans for each company.

Resolution: GMO will identify and describe the relationship between KCP&L, Transource and GMO in its 2013 Annual Update

30. Staff's Concern B states: The Filing does not describe and document the analysis performed by the utility to determine whether such affiliate-built transmission is in the interest of the utility's Missouri customers. GMO is affiliated with KCPL and Transource Energy, LLC ("Transource"). Some of the analysis in Rule 4 CSR 240-22.045 is based on a combination of KCPL and GMO rather than GMO as an individual company. GMO should provide its analysis of affiliate-built transmission in its April 1, 2013 Annual Update filing.

Resolution: The SPP RTO expansion plans included in the 2012 IRP filing provided separate analysis for KCP&L and GMO. GMO is identified as "MIPU" in some of the SPP RTO expansion plans. Therefore, this issue is resolved.

4 CSR 240-22.050 Demand-Side Resources Analysis

31. Staff's Deficiency 4 states: The Company has no current market research study that identifies the maximum achievable potential ("MAP"), technical potential and realistic achievable potential ("RAP") of potential demand- side resource options as required by Rule 4 CSR 240-22.050(2). The Company should utilize the results of the Navigant Demand-Side Management Potential as input in the preparation of its 2013 Annual Update.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update.

32. Staff's Deficiency 5 states: The Company has not provided all information required by Rule 4 CSR 240-22.050. Specifically, the Company has repeatedly referenced the future results of: a) the Navigant Demand-Side Management Potential study, not available until January 15, 2013, in response to satisfying specific requirements of Rule 4 CSR 240-22.050 (1)(A)3, 1(D), 1(E), (2), (3)(G)3, (3)(G)5, (3)(I), (4)(D),4(E), 4(G) and 6(C); b) the Smart Grid Residential TOU Pilot Tariff that will not be available until after the summer of 2012 in response to satisfying the specific requirements of Rule 4 CSR 240-22.050(4)(D)1 and (4)(D)4. The Company should utilize the results of the Navigant Demand-Side Management Potential study and the Smart Grid Residential TOU Pilot Tariff when performing analyses for its 2013 Annual Update.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update and the Smart Grid Residential TOU Pilot Tariff.

33. Staff's Concern C states: GMO is constraining both the Energy Optimizer and MPower programs. GMO has indicated that it is not promoting either the Energy Optimizer or

MPOWER program, and for the MPOWER program, the Company is not currently accepting and/or processing new program applications. The Company should utilize the results of the Navigant Demand-Side Management Potential study meeting the requirements of Rule 4 CSR 240-22.050(2) and Rule 4 CSR 240-3.164(2) (A), and should use the same as input in the preparation of its 2013 Annual Update filing.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update.

34. Staff's Concern D states: The Chapter 22 Total Resource Cost ("TRC") value of 0.63 for the Energy Star New Homes program indicates that this program is not cost effective and differs significantly from the MEEIA TRC value of 1.32. In addition, several other TRC values in this Chapter 22 filing differ from those contained in the Company's MEEIA filing. The Company should carefully review all of the Chapter 22 calculated TRC values, compare them to the TRC values in the MEEIA filing and resolve all significant discrepancies.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update. The Company will carefully review all TRC values for all DSM programs. If any programs are not cost effective and do not meet the requirements of 4 CSR 240-20.094 (3)(B) and (C), they will not be included in the Company's 2013 Annual Update.

35. MDNR's Deficiency #5 states: No clear analysis of interactive factors in assessing DSM program cost-effectiveness. Analysis of the interactive effects of efficiency measures was not performed in the estimation of program cost-effectiveness, citing 4 CSR 240-22.050(3)(G)2.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update. Interactive effects will be included in the assessment of future programs. The program-level-cost-effectiveness will be recalculated after the completion of the potential study.

36. MDNR's Deficiency #6 states: No identification of DSM portfolios that address "maximum achievable potential" and "realistic achievable potential." GMO has deferred all estimation and analysis of "maximum achievable potential" and "realistic achievable potential" to the completion of its market potential study, citing 4 CSR 240-22.020(40), 4 CSR 240-22.020(49), 4 CSR 240-22.050(2), 4 CSR 240-22.050(3)(G)5.B, 4CSR 240-22.050(4)(D)5.A, 4 CSR 240-22.050 (6)(C)1.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update. DSM portfolios that meet the definition of "maximum achievable potential" and "realistic achievable potential" will be included in the 2013 Annual Update.

37. MDNR's Deficiency #7 states: The requirements for the 1% and 2% DSM portfolio agreed upon in Stipulation to EO-2009-0237 [has] not been met, citing Stipulation and Agreement, File No. EE-2009-0237, Paragraph 28.

Resolution: This was resolved via phone conversations with Adam Bickford, MDNR. DSM Plan F was the S&A level of DSM and was modeled.

38. MDNR's Deficiency #8 states: Key metrics for the "aggressive" and "very aggressive" DSM portfolios are not provided. Required data on number of participants, incentive payments and administrative costs are not provided for the "aggressive" and "very aggressive" DSM portfolios, citing 4 CSR 240-22.050(4)(G).

Resolution: The Company will include in the 2013 Annual Update, program metrics as described in 4 CSR 240-22.050(4)(G) for each of its DSM portfolios.

39. MDNR's Deficiency #9 states: Savings estimates for "Aggressive", "Very Aggressive" and "Stipulated" DSM portfolios are simple extrapolations from a common base case, citing 4 CSR 240-22.050(6)(A).

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update.

4 CSR 240-22.060 Integrated Resource Analysis and Risk Analysis

40. Staff's Deficiency 6 states: GMO has failed to design alternative resource plans to satisfy at least the objectives and priorities identified in 4 CSR 240-22.060(1) over the entire 20-year planning horizon required by Chapter 22. In particular candidate resource plans with DSM A demand-side resources do not satisfy the objective and priorities identified in 4 CSR 240-22.060(1) over the entire 20-year planning horizon and are not consistent with the state energy policy in MEEIA of achieving all cost-effective demand-side savings.

Resolution: To resolve this deficiency, the Company will use the results of the DSM Potential Study as primary data when developing demand-side resources for alternative resource plans to meet the requirements of Rule 4 CSR 240-22.060 in the 2013 Annual Update. It is understood that the DSM Potential Study will provide DSM programs' impacts and costs for the realistic achievable potential, maximum achievable potential, and economic achievable potential levels for both energy savings and demand savings. The Company will include the following in separate alternative resource plans that satisfy the objective and priorities identified in 4 CSR 240-22.060(1) over the entire 20-year planning horizon and are consistent with the state energy policy in MEEIA of achieving all cost-effective demand-side savings: (1) maximum achievable potential, (2) realistic achievable potential, (3) approximately the realistic achievable potential plus one-third of the difference between realistic achievable potential and maximum achievable potential, and (4) approximately the realistic achievable potential plus two-thirds of the difference between realistic achievable potential and maximum achievable potential.

41. Staff's Concern E states: All capacity balance sheets filed to comply with Rule 4 CSR 240-22.060(4)(B)9 include solar resources at 100% of name plate capacity. However, Staff understands that SPP is proposing a 10% solar capacity credit for its transmission planning

studies. GMO should document the SPP policy for solar capacity credits in its 2013 Annual Update. GMO should follow the then-current SPP policy for solar capacity credits when developing capacity balance sheets when required for all future Chapter 22 filings.

Resolution: The Company will document appropriate amount of accredited capacity solar resources that should be assigned for use in its capacity balance sheets for the 2013 Annual Update.

42. Staff's Concern F states: GMO continues to rely unnecessarily upon additional short term purchased power agreements ("PPAs") in its 20-year electric utility resource planning instead of planning to put steel-in-the-ground. This overreliance on additional PPAs – with their inherently uncertain availability and prices – places an unnecessary risk on GMO's ratepayers, since GMO has a Commission approved fuel and purchased power adjustment clause.

Resolution: The Company will only include short term PPAs in its 20-year candidate resource plans' capacity balance sheets at a maximum amount of ten percent (10%) of its required capacity annually. The longest time period over which GMO will plan on relying on short term PPAs to meet its capacity requirements will be three (3) years.

During this time period the Company should be constructing new generation or entering into contracts for long-term firm base, intermediate or peaking capacity to satisfy all its required capacity annually.

43. MDNR's Deficiency #10 states: Documentation of the screening of critical uncertain factors is inadequate, citing 4 CSR 240-22.060(5), 4 CSR 240-22.060(6), and 4 CSR 240-22.060(7). Quantitative details describing the screening and selection process should be provided in either Volume 6 or in the workpapers.

Resolution: The Company provide the workpaper associated with critical uncertain factor documentation in file “CapEx Results (2012 GMO IRP).XLS” provided with the April 2012 IRP Filing.

44. MDNR’s Deficiency #11 states: The number of “subject matter experts” consulted by GMO is inadequate to establish subjective probabilities necessary to assess critical uncertain factor, 4 CSR 240-22.060(7).

Resolution: MDNR and the Company have resolved this deficiency.

45. MDNR’s Deficiency #12 states: No “aggressive renewable energy resource plan.” An alternative resource plan that utilizes only renewable energy resources has not been included in GMO’s suite of plans, citing 4 CSR 240-22.060(3)(A)2.

Resolution: This issue is resolved.

46. MDNR’s Deficiency #13 states: Performance measures specified in 4 CSR 240-22.060(2) for the Combined Company Plans are not provided.

Resolution: The Company will provide a more full discussion and document the results and performance measures of all alternative resource plans in the 2013Annual Update.

47. GDS’ (MDNR) Deficiency #5 states: GMO has not clearly shown in the IRP how the allocation of resources from the Combined-Company to each separate Company is determined, citing (4 CSR 240-22.060(1) and 4 CSR 240-22.060(3).

Resolution: This deficiency has been resolved.

4 CSR 240-22.070 Resource Acquisition Strategy Selection

48. Staff's Deficiency 8 states: The filing requirements of Rule 4 CSR 240-22.070(2) or Rule 4 CSR 240-22.070(3) were not described and documented for the any of the twenty-one (21) GMO candidate resource plan(s).

Resolution: The Company agrees that the filing requirements results of Rule 4 CSR 240-22.070(2) and Rule 4 CSR 240-22.070(3) for GMO will be provided in the 2013 Annual Update.

49. MDNR's Concern #4 states: GMO did not select the lowest-cost plan as its preferred plan, citing 4 CSR 240-22.010(2) and 4 CSR 240-22.070(1). A more complete description of the reasoning for selecting a higher-cost plan as GMO's preferred plan is required.

Resolution: The Company use the results of the DSM Potential Study to meet the requirements of Rule 4 CSR 240-22.060 in the 2013Annual Update. It is understood that the DSM Potential Study will provide DSM impacts and costs, such as the maximum achievable potential, realistic achievable potential, and economic potential, etc. The Company will include the following in separate alternative resource plans that satisfy the objective and priorities identified in 4 CSR 240-22.060(1) over the entire 20-year planning horizon and are consistent with the state energy policy in MEEIA of achieving all cost-effective demand-side savings: (1) maximum achievable potential, (2) realistic achievable potential, (3) approximately the realistic achievable potential plus one-third of the difference between realistic achievable potential and maximum achievable potential, and (4) approximately the realistic achievable potential plus two-thirds of the difference between realistic achievable potential and maximum achievable potential.

50. MDNR's Deficiency #14 states: Questionable methodology for allocating combined plans. There does not appear to be any underlying methodology for allocating the

resources in the combined company plans. Rather, the combined plans appear to be constructed from previously identified company-specific resources, citing 4 CSR 240-22.010(2)(B), 4 CSR 240-22.020(7), 4 CSR 240-22.020(46), 4 CSR 240-22.070(1), 4 CSR 240-22.070(2), and 4 CSR 240-22.070(4). The Company should provide a complete description of its approach to constructing combined plans and its allocation procedures.

Resolution: MDNR and the Company have resolved this deficiency.

51. MDNR's Deficiency #15 states: Missing Analysis of Critical Uncertain Factors for GMO Preferred Plan. GMO did not analyze the impacts of critical uncertain factors on its preferred plan, citing 4 CSR 240-22.070(2) and 4 CSR 240-22.070(4). Given that the Company has not provided a methodology for allocating the resources in the combined plan to each individual utility, it is not possible to allocate the impacts of the critical uncertain factors.

Resolution: The Company and MDNR agree that the Company complied with 4 CSR 240-22.070(2) and 4 CSR 240-22.070(4). Documentation is in Volume 7. This issue is resolved.

52. MDNR's Concern #5 states: Federal renewable/clean energy standard as a critical uncertain factor. A potential federal renewable energy standard (RES) or clean energy standard (CES) will have significant impacts on renewable electricity generation and/or acquisition as well as associated costs. GMO's IRP plan is largely silent on a plan to address this issue. The rules cited are 4 CSR 240-22.020(8), 4 CSR 240-22.060(5) and 4 CSR 240-22.070(2).

Resolution: This issue is resolved.

4 CSR 240-22.080 Filing Schedule, Filing Requirements and Stakeholder Process

Special Contemporary Issues

53. Staff's Deficiency 10 states: The Filing failed to comply with the Commission's special contemporary issue "h" by not analyzing and documenting aggressive DSM portfolios without constraints and by not including analysis and documentation of demand-side investment mechanisms to implement each DSM portfolio.

Resolution: The Company will include an analysis and description of demand-side investment mechanism necessary to implement the DSM portfolios referenced in the resolution to item 40 (Staff deficiency 6) of this Joint Filing.

54. MDNR's Deficiency #18 states: Special Contemporary Issue B: Energy savings requirements for Special Contemporary Issue B have not been met, citing Special Contemporary Issue B File No. EO-2012-0042.

Resolution: The Company will include an alternative resource plan in the 2013 Annual Update that consists of only renewable resource additions to meet future capacity requirements.

55. MDNR's Concern #6 states: Special Contemporary Issue H: Response to Special Contemporary Issue H does not address the "demand-side investment mechanisms necessary to implement" an aggressive DSM portfolio. The response to Special Contemporary Issue H does not analyze or document the demand-side investment mechanisms necessary to implement an aggressive DSM portfolio, citing Special Contemporary Issue H File No. EO-2012-0042.

Resolution: The Company will utilize the results of the Navigant Demand-Side-Management Potential Study in its 2013 Annual Update. With this update, the Company will include an analysis and description of demand-side investment mechanisms to implement a DSM portfolio.

56. MDNR's Deficiency #19 states: Special Contemporary Issues I and J: GMO has not analyzed distributed generation, DSM programs, and combined heat and power projects in collaboration with municipalities and in the agricultural sector, citing Special Contemporary Issues I and J, File No. EO-2012-0042.

Resolution: The Company will incorporate the results of the Navigant DSM Market Potential Study in its 2013 Annual Update.

57. MDNR's Deficiency #20 states: Special Contemporary Issue L: The Environmental Impact of Plan ACCG6 has not been analyzed; the requirements of Special Contemporary Issue L have not been met, citing Special Contemporary Issue L, File No. EO-2012-0042.

Resolution: This deficiency has been resolved.

Unresolved Deficiencies and Concerns

58. Staff's Deficiency 7 states: The only requirements of Rule 4 CSR 240-22.060 Integrated Resource Plan and Risk Analysis that are satisfied and described and documented for each of the Filing's fourteen (14) combined/joint candidate resource plans are for integrated resource analysis and the calculation of PVRR for each plan.

59. Staff's Deficiency 9 states: The only requirements of Rule 4 CSR 240-22.070 Resource Acquisition Strategy Selection that were satisfied and described and documented for each of the fourteen (14) combined/joint candidate resource plans are: 1) analysis and specification of ranges for critical uncertain factors, and 2) the expected value of better information related to the critical uncertain factors (CO₂, load forecast and natural gas prices).

60. MDNR's Deficiency #17 states: GMO requests acknowledgement of the combined company methodology rather than a preferred plan or resource acquisition strategy, citing 4 CSR 240-22.080(17). In making its acknowledgement request, GMO is asking the Commission to acknowledge its use of combined company planning approach in this plan and in the allocation methods used to create a GMO-specific preferred plan from its combined planning effort.

61. MDNR's Concern #1 states: GMO did not request waivers to address omissions in its DSM analysis or to address the use of a combined company planning process, citing 4 CSR 240-22.080(13).

62. OPC's Deficiency 1 4 CSR 240-22.080 (13) – GMO failed to request a variance from, or waiver of, the requirement in 4 CSR 240-22.080 (1) for utilities to make separate utility specific triennial compliance filing and GMO has instead chosen to “perform its resource planning on a joint company basis” with KCPL. Even though no such waiver was requested,

GMO makes a request on page 25 of Volume 8 for “Commission acknowledgement that it is reasonable for KCP&L and GMO to perform resource planning on a joint company basis.” GMO has not requested the variance or waiver from Chapter 22 rules that would be necessary for the Commission to make the requested acknowledgement. Furthermore, in addition to not requesting such a variance 12 months prior to its triennial filing date as required by 4 CSR 240-22.080(13), the Company has not shown good cause for such a waiver or variance. GMO’s attempt to show financial benefits from performing resource planning on a joint company basis is premised upon the assumption that neither GMO nor KCPL would make investments in a new gas-fired combined cycle plant unless the combined capacity need of GMO and KCPL would be sufficient to allow GMO and KCPL combined to have majority ownership of the plant.

GMO has not presented any type of financial or risk analysis to support this planning assumption.

63. OPC’s Deficiency 2 4 CSR 240-22.080 (16)(A) – Public Counsel recommends that the Commission find, pursuant to 4 CSR 240-22.080 (16)(A) that the electric utility’s filing pursuant to this rule does NOT demonstrate compliance with the requirements of Chapter 22, and that the utility’s resource acquisition strategy either does not meet the requirements stated in 4CSR 240-22. GMO’s request that the Commission find that its preferred resource plan is reasonable should be denied because the utility’s preferred resource plan is premised upon the lawfulness and reasonableness of KCP&L and GMO performing resource planning on a joint company basis. As shown in deficiency number one above, GMO did not request the variance or waiver from Chapter 22 rules that would be necessary for the Commission to make the requested reasonableness finding regarding the preferred plan resulting from joint planning that has not been authorized by the Commission. In addition, the performance of resource planning on a joint

company basis that was done for this triennial filing: (1) failed to show any substantial financial benefits of joint filing that are not premised upon the assumption that neither GMO nor KCPL would make investments in a new gas-fired combined cycle plant unless the combined capacity need of GMO and KCPL would be sufficient to allow GMO and KCPL combined to have majority ownership of the plant 4 and (2) did not comply with all the requirements of Chapter 22 such as the requirement in 4 CSR 240-22.080 (2)(C)3 for special contemporary issues to be addressed.

64. OPC's Deficiency 3 4 CSR 240-22.080(2)(A) - Failure to provide required statement of commitment in the letter of transmittal. The letter of transmittal provided by Roger Steiner does not contain the required commitment to the approved preferred resource plan and resource acquisition strategy and does not appear to be signed by an officer of the utility having the authority to bind and commit the utility to the resource acquisition strategy.

65. Staff's Concern G states: KCP&L and GMO do not have the proper operating agreements and/or contracts in place to correctly analyze joint company planning. In the absence of proper operating agreements and/or contracts, joint company planning must be performed in the context of a plan to merge KCP&L and GMO, and no such plan to merge the two companies exists at this time.

66. MDNR's Deficiency #16 states: Inadequate analysis of combined plan. KCP&L and GMO conducted a combined planning exercise that estimated 14 combined company plans, selected a combined preferred plan, identified contingency plans, and allocated the preferred plan back to each individual company. In completing the combined analysis, the Company neglected to meet the analysis and filing requirements described in the Chapter 22 rules. The rules cited are 4 CSR 240-22.080(2)(C)2, 4 CSR 240-22.080(2)(D) and 4 CSR 240-22.060(2).

WHEREFORE, the Signatories submit this Joint Filing for consideration by the Commission.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail, or mailed, First Class, postage prepaid, this 19th day of November 2012, to counsel for all parties on the Commission's service list in this case.

/s/ Roger W. Steiner

Roger W. Steiner