

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

Rev. Stat. § 386.020 (2000). KCPL provided its Certificate of Good Standing in Case No. EF-2002-315. It is incorporated herein by reference.

2. KCPL holds Certificates of Convenience and Necessity from the Commission to transact business as an electric public utility in certain areas of the State of Missouri and is principally engaged in the generation, transmission, distribution and sale of electric power and energy. KCPL has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which has occurred within three years of the date of this Application, other than those listed in Exhibit A. No annual report or assessment fees are overdue.

3. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to the undersigned counsel and:

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## **II. BACKGROUND**

4. On July 28, 2005, the Commission issued an order approving the Stipulation and Agreement in Case No. EO-2005-0329 concerning KCPL's experimental Regulatory Plan ("Stipulation and Agreement"). The Stipulation and Agreement included KCPL's Resource Plan, now referred to as the "Comprehensive Energy Plan," which is the result of a collaborative approach that included the Commission staff ("Staff"), the Office of Public Counsel ("OPC"), the Missouri Department of Natural Resources ("MDNR"), and other interested parties. The Comprehensive Energy Plan considered twenty-year forecast data to determine KCPL's resource

needs over the next several years, taking into account the implementation of certain demand-side management programs. Moreover, the parties to the Stipulation and Agreement agreed that “the capital investment package described in Paragraph III.B.4 [of the agreement] and the customer programs described in Paragraph III.B.5 constitute major elements of a reasonable and adequate resource plan.”<sup>1</sup>

5. KCPL agreed in the Stipulation and Agreement “to actively monitor the major factors and circumstances which influence the need for and economics of all elements of its Resource Plan until the capital investments described in Paragraph III.B.5 [of the Stipulation and Agreement] are completed.” Moreover, any signatory to the Stipulation and Agreement, including the Staff and OPC may request a meeting to discuss any changes in factors or circumstances that the signatory believes that KCPL has not adequately acknowledged.

6. KCPL also committed in the Stipulation and Agreement to “provide status updates on [KCPL’s] infrastructure commitments [*i.e.*, implementation of the Resource Plan] to the Staff, Public Counsel, MDNR and all other interested Signatory Parties on a quarterly basis.” In addition, KCPL agreed to “continue to work with the Staff, Public Counsel and all other interested Signatory Parties in its long-term resource planning efforts to ensure that its current plans and commitments are consistent with the future needs of its customers and the energy needs of the State of Missouri.” KCPL has been updating the parties and met with them on March 31, 2006 to discuss the Comprehensive Energy Plan. Further, KCPL submitted a written status update report to the Staff, OPC and MDNR on April 29, 2006, and made that report available to all signatory parties to the Stipulation and Agreement.

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<sup>1</sup> Stipulation and Agreement, at Section III.B.1.a.

7. On May 16, 2006, KCPL presented its recent re-assessment of the Comprehensive Energy Plan to the Staff, OPC, and other parties. This re-assessment included changes to major factors and circumstances that have occurred since the Commission approved the Stipulation and Agreement. Based on the results of this re-assessment, KCPL determined that the resource plan contained in the Commission-approved Stipulation and Agreement does not need to be modified due to changes in factors and circumstances that influence the need for and economics of the plan. KCPL anticipates meeting quarterly with the parties in conjunction with the distribution of the quarterly reports contemplated in the Stipulation and Agreement.

8. KCPL is submitting to the Commission concurrently herewith its IRP filing. The specifics of KCPL's IRP submission are set forth in the transmittal letter for that submission.

### **III. APPLICATION**

9. In recognition of the work that has been accomplished by KCPL, the Staff, OPC and other interested parties concerning the development of KCPL's Comprehensive Energy Plan, good cause exists to grant a minor waiver of the requirements concerning Load Analysis and Forecasting and grant a 23-month extension concerning certain other of the IRP informational and reporting requirements. Good cause exists for the waiver requested by KCPL because granting such waiver will result in the timely submission of useful data without undermining the value of KCPL's upcoming Load Analysis and Forecasting report. Good cause also exists for the extension of time requested by KCPL because the Commission has been informed of, and in fact has approved, KCPL's Resource Plan. Consequently, there is no reason for urgency concerning KCPL's current IRP submission. Furthermore, as discussed herein, a 23-month extension will enable KCPL to include information in its submission that is crucial for evaluating KCPL's long-term resource needs.

**A. Load Analysis and Forecasting (4 CSR 240-22.030)**

10. KCPL submits concurrently herewith, the reports and information required by 4 CSR 240-22.030(8), concerning Load Analysis and Forecasting, but requests a one-time waiver of certain methodology and reporting requirements.

11. 4 CSR 240-22.030(1)(C)2.A. requires that “The estimates of the effect of weather on class and system loads shall incorporate the nonlinear response of loads to daily weather and seasonal variations in loads.” KCPL’s response function is linear rather than nonlinear and KCPL needs additional time to test a nonlinear function. Consequently, KCPL respectfully requests a one-time waiver from the requirement in 4 CSR 240-22.030(1)(C)2.A. to incorporate a nonlinear function.

12. In addition, 4 CSR 240-22.030(8) specifies the reporting of end-use detail. KCPL has recently adopted new end-use forecasting models and has used these models to produce a long-term forecast and has produced a document that describes these models and the methodology used in the models and summarizes the forecast by revenue class with weather sensitive end-use information. KCPL needs additional time, however, to produce the plots and tables specified in this section. KCPL, therefore, requests a one-time waiver from the requirements of this section.

13. Good cause exists to grant such waivers. KCPL does not expect that the results of an analysis done with a nonlinear function would be significantly different than the results of the current model, which incorporates a linear function. Moreover, KCPL is in the process of evaluating and possibly incorporating the nonlinear response of loads to daily weather and seasonal variations in loads in future forecasting.

**B. Supply-Side Resources Analysis (4 CSR 240-22.040)**

14. Per the terms of the Stipulation and Agreement, KCPL will continue to monitor and update its forecasts through implementation of the Comprehensive Energy Plan. KCPL has already met with, and will continue to meet regularly with, the Staff, OPC and other interested parties to provide such updates.

15. Planning for the supply-side resources included in the Stipulation and Agreement closely paralleled the requirements of the Commission's IRP rules. The results of these evaluations are contained in the supply-side resource additions specified in the Stipulation and Agreement.<sup>2</sup> These resource additions are projected to satisfy KCPL generation needs through 2014. The results of an IRP completed in the 2006 timeframe would have little if any impact on future supply-side decisions beyond updating what is provided in the Stipulation and Agreement, which the Commission approved in August 2005, primarily because the assumptions for costs and key drivers will be outdated well before decisions are required for adding future supply-side resources.

16. In addition, KCPL is in the process of evaluating several highly significant supply-side issues, *i.e.*, **\*\***(i) \_\_\_\_\_

\_\_\_\_\_ ; (ii) \_\_\_\_\_

\_\_\_\_\_ ; and (iii) \_\_\_\_\_

\_\_\_\_\_.**\*\*** Such evaluations are required to determine the feasibility and economics of the various alternatives, and in turn, are necessary to conduct a complete and

<sup>2</sup> See, Stipulation and Agreement, at Section III.B.4.

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informative IRP. Consultant studies regarding these evaluations will not be completed until later this year. Internal KCPL evaluation of the results will occur subsequent to the completion of the consultants' studies. An IRP completed for the July 5, 2006 timeline would not include a sufficient evaluation concerning these key alternatives, and would therefore be less meaningful than an IRP conducted after the alternatives were analyzed.

17. For the foregoing reasons, KCPL respectfully requests a 23-month extension of time to furnish the information required under 4 CSR 240-22.040(9) concerning KCPL's Supply-Side Resource Analysis. Good cause exists for such an extension. The requested extension will result in the submission of much more useful information without jeopardizing the Commission's timely review of KCPL's resource planning.

**C. Demand-Side Resource Analysis (4 CSR 240-22.050)**

18. The development of KCPL's Comprehensive Energy Plan included a thorough demand-side resource analysis. Initially, KCPL researched what programs other utilities were implementing. KCPL spoke with consultants, such as Rocky Mountain Institute and Applied Energy Group, to inquire about their opinions on programs. KCPL also solicited and received input from other organizations, such as the City of Kansas City, Missouri and MDNR. Upon completing the initial research, KCPL hired Applied Energy Group to assist with the development of a portfolio of programs and the completion of the initial screening of those programs.

19. The Stipulation and Agreement provided a list of the final proposed programs and an estimated cost, kW and kWh savings associated with each Affordability, Energy Efficiency and Demand Response Program for a five-year period. Specifically, a portfolio of the proposed programs was attached to the Stipulation and Agreement as Appendix C. Pursuant to the terms

of the Stipulation and Agreement, an advisory group was established comprised of representatives from KCPL, the Staff, OPC, MDNR and any other interested signatory party. The group is called the Customer Programs Advisory Group (“CPAG”).

20. The CPAG has two key objectives: (i) to perform pre-implementation evaluation of energy efficiency programs and (ii) to review program design, implementation plans, and evaluation plans for all programs.<sup>3</sup> CPAG has successfully completed most of its objectives. CPAG revised the definitions and subsequently the numerical inputs for the benefit/cost screening tool, added the Total Resource Cost test to the cost-benefit, and re-ran all the programs through its new screening tool. CPAG obtained hourly load impacts for all energy efficiency programs, merged them into three groupings (affordability only, residential energy efficiency only, and commercial/industrial energy efficiency only) and re-ran MIDAS with twenty years of programming and twenty years of benefits. KCPL ran for CPAG three scenarios of this MIDAS run: (i) one with no environmental externalities, (ii) one with low environmental externalities and (iii) one with high environmental externalities.

21. CPAG also reviewed program design and implementation plans for several energy efficiency and demand-side management programs. Tariffs for some of these programs have been filed and approved, and those programs have been implemented and offered to Missouri customers. Other programs are in final stages of review.

22. KCPL maintains that this process satisfies the requirements of 4 CSR 240-22.050. To the extent necessary, KCPL respectfully requests waiver of the reporting requirements set forth at 4 CSR 240-22.050(11). Good cause exists for such a waiver. The process leading to the development of the Comprehensive Energy Plan, as described above, satisfies the intent of the

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<sup>3</sup> See, Stipulation and Agreement, at Section III.B.5.

information required by 4 CSR 240-22.050(11) concerning demand-side management programs. Moreover, the submission of any additional information or reports that 4 CSR 240-22.050(11) may require will not aid the Commission in its determination of whether KCPL adequately considered the potential effects of demand-side management programs on its IRP.

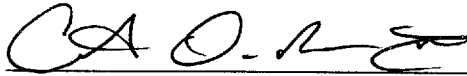
**D. Integrated Resource Analysis (4 CSR 240-22.060) and Risk Analysis and Strategy Selection (4 CSR 240-22.070)**

23. As described above, KCPL is in the process of evaluating several significant supply-related issues. KCPL cannot complete its Integrated Resource Analysis or Risk Analysis and Strategy Selection without that information. Consequently, KCPL respectfully requests a 23-month extension of time to furnish the information required under 4 CSR 240-22.060(6), concerning KCPL's Integrated Resource Analysis and under 4 CSR 240-22.070(11), concerning KCPL's Risk Analysis and Strategy Selection. For the reasons set forth above, good cause exists for such an extension.

**IV. CONCLUSION**

For the foregoing reasons, KCPL respectfully requests that the Commission waive certain of its IRP requirements, as set forth herein, and extend for 23 months the deadline for complying with certain other provisions of its requirements. Such waivers and extensions of time are consistent with the policy objectives of the Commission's IRP regulations and will result in the submission of data that is more useful to the Commission and other interested parties.

Respectfully submitted,



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**COUNSEL FOR  
KANSAS CITY POWER & LIGHT COMPANY**

Dated: July 5, 2006

## **EXHIBIT A**

The following is a listing of KCPL's pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application:

1. *Vandora R. Henry. v. Kansas City Power & Light Co.*, MPSC Case No. EC-2006-0412.
2. *Tony Walker v. Kansas City Power & Light Co.*, MPSC Case No. EC-2006-0451.

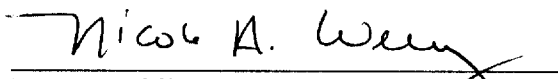
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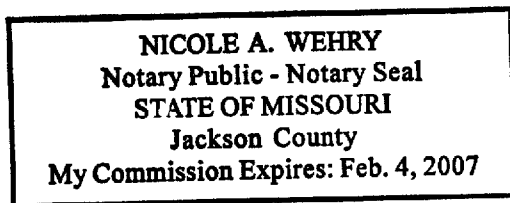
**State of Missouri**     )  
                                  ) ss  
**County of Jackson**    )

I, Tim M. Rush, having been duly sworn upon my oath, state that I am the Director, Regulatory Affairs of Kansas City Power & Light Company ("KCPL"), that I am duly authorized to make this affidavit on behalf of KCPL, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.

  
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Tim M. Rush

Subscribed and sworn before me this 5<sup>th</sup> day of July 2006.

  
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Notary Public



## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Application was served either by electronic mail or by first class mail, postage prepaid, on this 5<sup>th</sup> day of July 2006, upon:

Kevin Thompson  
Missouri Public Service Commission  
P.O. Box 360  
200 Madison St., Suite 800  
Jefferson City, MO 65102

Lewis Mills  
Office of the Public Counsel  
P.O. Box 2230  
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A handwritten signature in black ink, appearing to read "C.D. Blanc", written over a horizontal line.

Curtis D. Blanc