

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

In the Matter of the 2011 Resource Plan Of)
Kansas City Power & Light Company) File No. EE-2011-0032

**MISSOURI DEPARTMENT OF NATURAL RESOURCES' RESPONSE
TO OFFICE OF PUBLIC COUNSEL AND STAFF RESPONSES**

COMES NOW the Missouri Department of Natural Resources (MDNR), pursuant to 4 CSR 240-2.080(15) and submits this response to the Staff Response to Fourth Report of Kansas City Power & Light Company (Staff Response) and Public Counsel's Response in Opposition to Kansas City Power & Light Company's Renewed Application for Waiver and Alternative Request for Hearing (OPC Response), filed in this matter on November 30, 2010.

1. MDNR concurs in the concerns raised in both the OPC Response and Staff Response, but disagrees with Staff's recommendation that the waiver application should be granted because the postponement would not "significantly impact" KCPL's resource planning (Staff Response, p. 1). To the contrary, failure to address the concerns raised by OPC, Staff and MDNR in this docket will seriously jeopardize the likelihood of a quality integrated resource plan (IRP), whenever the Commission determines it should be filed. Granting the postponement without further condition will also extend the unacceptable status quo of the absence of a preferred resource plan and lack of an effective stakeholder process.

2. On September 7, 2010, MDNR filed its first response to KCPL's application for this waiver. In that response, MDNR requested that the Commission postpone ruling on the waiver request and order the parties to convene a conference to discuss the issues concerning KCPL request to delay its IRP filing. MDNR cited its concerns with the ramifications of a delay

in the next KCPL IRP filing, and suggested there should be conditions and contingencies that should accompany any such delay.

3. MDNR participated in stakeholder meetings held on September 27, October 4, 7, 15, 27, and November 3, 2010. Despite significant efforts by all parties, these meetings did not result in resolution of the concerns raised by Staff, OPC or MDNR. Contrary to the Staff's position that postponing KCPL's next IRP filing until April 2012 will not significantly impact certain resource planning issues, MDNR holds that now is the time to address the concerns of Staff, OPC and MDNR.

4. Staff's Response lists several issues which also concern MDNR including: 1) the issues with "how KCPL, and its affiliate KCPL Greater Missouri Operations Company ("GMO") have planned and carried out resource additions", 2) KCPL's failure to consider alternatives to retrofitting LaCygne, 3) KCPL's decision not to expand DSM programs, and 4) "KCPL's "vacillations and delays in adding wind generating resources" (Staff Response, p. 2). The LaCygne situation is a newly raised issue from both Staff and OPC, which is symptomatic of a lack of communication and cooperation with the stakeholder process regarding resource evaluation and decision making. In addition to the issues itemized in Staff's Response, MDNR is particularly concerned with the status of KCPL's compliance with terms to which it agreed in its most recent IRP case (EE-2008-0034).

5. MDNR wholeheartedly concurs in OPC's concern that KCPL has been operating without an officially adopted preferred resource plan or resource acquisition strategy since at least February 3, 2010, when KCPL notified the Commission that the company had "abandoned its preferred resource plan" (OPC Response, p. 2). In MDNR's view, this abandonment without a suitable replacement resource plan, KCPL's actions regarding the retrofit of LaCygne and

vacillations on wind power, along with concerns regarding KCPL's compliance with previous stipulations, undermines KCPL's past integrated resource planning process and bodes ill for the next IRP plan process. MDNR cannot support any delay in the filing date for KCPL's next IRP unless an agreement is reached or the Commission issues an Order addressing the current status of KCPL's preferred resource plan and parameters for the stakeholder process for KCPL's next IRP.

6. MDNR shares Staff's reservations about KCPL's proposal for a "joint filing" with its sister company KCPL Greater Missouri Operations (GMO) (Fourth Report of KCPL, p. 3) . So long as the two companies are separate legal entities, joint filing entails legal issues that cannot readily be resolved. As attractive as a joint IRP filing may be, it is highly doubtful that these issues could be resolved in time to accommodate a joint filing. Therefore, MDNR concurs with Staff in opposing KCPL's proposal for a joint IRP filing with GMO (Staff Response, p. 3). MDNR also agrees with OPC that the proposal for joint IRP lacks sufficient specificity to serve as the basis for an actual plan for a joint filing by the two companies (Public Counsel Response, p. 3).

7. However, simultaneous (but not joint) filing by the two companies, incorporating a common pre-filing stakeholder process, a common analytic approach and a cooperative data development process, has the potential to produce improved efficiency and quality of the integrated resource planning by the two companies and the review of this planning by other parties.

8. MDNR is interested in continuing dialog with the parties regarding the possibility of a resolution which calls for simultaneous filing of integrated resource plans in April 2012 (or some other agreed-upon date), based on clearly specified agreements regarding the stakeholder

process, identifying the Preferred Resource Plan under which KCPL is currently operating and developing a common methodological approach for KCPL and its sister company GMO that acknowledges and harmonizes KCPL & GMO's stipulated agreements in Cases EE-2008-0034 and EE-2009-0237. This plan should lay out the pre-filing stakeholder process and identify the areas where KCPL and GMO will conduct joint analyses and where they will conduct separate analyses. MDNR welcomes the parties' participation in such a dialog, and requests additional time to attempt to reach such a resolution.

WHEREFORE, MDNR submits this response to the Staff and OPC Responses.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record this 3rd day of December, 2010.

/s/ Sarah Mangelsdorf
Sarah Mangelsdorf