AQUILA, INC., dba KCP&L GREATER MISSOURI OPERATIONS COMPANY
Before the Public Service Commission of the State of Missouri
Case No
Information Filed in Accordance with 4 CSR-240-3.030
Minimum Filing Requirements for Utility Company General Rate Increases

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BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Aquila,)		
Inc. dba KCP&L Greater Missouri)		
Operations Company for Approval to Make)	Case No. HR-2009	
Certain Changes in its Charges for Steam)		
Heating Service.)		

APPLICATION

Aquila, Inc. dba KCP&L Greater Missouri Operations Company ("GMO" or "Company") files this Application with the Missouri Public Service Commission ("Commission") for the purpose of making changes to GMO's charges for steam heating service, pursuant to 4 CSR 240-2.060(1), and 4 CSR 240-3.030, and 4 CSR 240-3.425. GMO respectfully requests that the proposed rate changes become effective in accordance with the statute and regulation, and in support of such request, GMO states the following:

1. GMO is a Delaware corporation with its principal office and place of business at 1201 Walnut, Kansas City, Missouri 64106-2124. GMO is primarily engaged in providing electric and steam utility service in Missouri to the public in its certificated areas. GMO is a "heating company" and a "public utility" subject to the jurisdiction, supervision and control of the Commission under Chapters 386 and 393. Aquila, Inc.'s Certificate of To Do Business As A Foreign Corporation was filed in Case No. EU-2002-1053 and is incorporated herein by reference. GMO's fictitious name registration was filed in Case No. EN-2009-0015 and is incorporated herein by reference.

on July 1, 2008 in Case No. EM-2007-0374 ("the Merger").

¹ GMO is the surviving corporation that resulted from the recent merger of Aquila, Inc., a Delaware corporation, and Gregory Acquisition Corp., a Delaware corporation, which was a direct, wholly-owned subsidiary of Great Plains Energy Incorporated, a Missouri corporation. This merger was approved by the Commission in its Report And Order issued

- 2. GMO is authorized to conduct business in Missouri and is engaged in providing electric and steam heating utility service in Missouri to the public in its certificated areas. GMO is a "heating company" and a "public utility" subject to the jurisdiction, supervision and control of the Commission under Chapters 386 and 393. The Company provides steam heating service in the area formerly served by Aquila Networks-L&P ("L&P Steam").
- 3. All correspondence, pleadings, orders, decisions, and communications regarding this proceeding should be sent to:

William G. Riggins

Chief Legal Officer and General Counsel

Curtis D. Blanc

Managing Attorney - Regulatory

Kansas City Power & Light Company

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Kansas City, Missouri 64106

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Chris B. Giles

Vice President - Regulatory Affairs

Kansas City Power & Light Company

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Karl Zobrist Roger Steiner

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James M. Fischer Fischer & Dority, P.C.

101 Madison Street, Suite 400 Jefferson City, Missouri 65101 Telephone: (573) 636-6758 Facsimile: (573) 636-0383

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5. GMO has no 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 the Application.

- 6. GMO has no annual reports or regulatory assessment fees that are overdue in Missouri.
- 7. This Application and the attached schedules and testimony filed on behalf of GMO in this proceeding reflect the historical data and analyses concerning GMO's operations, based on a test year ending December 31, 2007, updated based upon October 31, 2008 financial data, and a true-up as of April 30, 2009.
- 8. The schedules filed with this Application establish a gross revenue deficiency of approximately \$1.3 million for L&P Steam, based upon normalized operating results for the 12 months ending December 31, 2007, adjusted for known and measurable changes in revenues, operating and maintenance expenses, cost of capital and taxes, and the other adjustments referred to herein. This represents a rate increase of approximately 7.7% for L&P Steam based on test year revenue of approximately \$17 million. Tariffs reflecting the proposed rate increases are being filed simultaneously with this Application and are attached as Appendix 1.
- 9. GMO is requesting in this Application a return on equity ("ROE") of 10.75% based upon a capital structure of 53.82% equity, based upon the capital structure of GMO's parent holding company, Great Plains Energy Incorporated. The proposed ROE is described in the direct testimony of GMO witnesses, Sam Hadaway and Tim Rush.
- 10. A substantial portion of the proposed increase for L&P Steam is directly related fuel and other operating costs.
- 11. GMO has also included its allocable share of the merger savings and transition cost amortization in the revenue requirement in this case, as ordered by the Commission in Case No. EM-2007-0374. These synergy savings help to offset the

revenue requirement increases of GMO in this proceeding. Company witness Darrin Ives discusses the synergy savings issue in his Direct Testimony.

- 12. Consistent with prior Aquila, Inc. rate cases, the Company has not sought to recover actual debt costs for certain debt issued at non-investment grade interest rates. Company witness Samuel Hadaway discusses this further in his Direct Testimony.
- 13. The proposed revenues in this Application are just and reasonable, and necessary to assure continuing, adequate, efficient and reliable utility service, and to maintain the financial integrity of GMO.
- 18. The testimony of 6 witnesses and schedules are filed in support of this Application. The names of the witnesses and the subject of each witness' testimony are as follows:

Witness	Subject Matter
Tim Rush	Overview and Policy; Quarterly Cost
	Adjustment; Rate Design
Ron Klote	Revenue Requirement Schedules; Test Year;
	Allocations; Accounting Adjustments
Samuel C. Hadaway	Cost of Capital
Timothy M. Nelson	Steam Production Cost Modeling
H. Davis Rooney	Hedging Program
Darrin Ives	Synergy Savings and Tracking; Transition
	Costs

22. Pursuant to 4 CSR 240-3.030, the following "Minimum Filing Requirements" information is attached in Appendix 2: (a) the amount of dollars of the aggregate annual increase and the percentage of increase over current revenues which the tariffs propose; (b) names of counties and communities affected; (c) the number of customers to be affected in each general category of service and in all rate classifications within each general category of service; (d) the average change requested in dollars and

percentage change from current rates for each general category of service and for all rate

classifications within each general category of service; (e) the proposed annual aggregate

change by general categories of service and by rate classification within each general

category of service including dollar amounts and percentage of change in revenues from

current rates; (f) copies of the press release relative to the filing issued by the company at

the time of filing and (g) a summary of the reasons for the proposed changes in the rates

and tariffs.

23. GMO has attempted to keep the amount of confidential material in this

filing to a minimum. However, some proprietary and highly confidential information is

included in the testimony being filed with this Application. Pursuant to the Commission's

Rule 4 CSR 240-2.135 (effective January 30, 2007), it is GMO's understanding that such

proprietary and highly confidential information will be protected without the need to file a

separate Motion For Protective Order.

WHEREFORE, GMO respectfully requests that the Commission approve the

proposed rate schedules and tariffs for steam heating service, order that they become

effective as proposed, and that the Commission grant such other and further relief as it

deems just and reasonable.

Respectfully submitted,

/s/ James M. Fischer _

James M. Fischer, MBN 27543

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email: lwdority@sprintmail.com

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William G. Riggins, MBN 42501 Chief Legal Officer and General Counsel Kansas City Power & Light Company

Telephone: (816) 556-2785 Facsimile: (816) 556-2787 email: bill.riggins@kcpl.com

Counsel for Kansas City Power & Light Company

VERIFICATION

State of Missouri)
) ss.
County of Jackson)

I, Chris B. Giles, being duly affirmed according to law, depose and say that I am authorized to make this affidavit on behalf of Aquila, Inc. dba KCP&L Greater Missouri Operations Company being the Vice President - Regulatory Affairs, and that the facts above set forth are true and correct to the Dest of my knowledge, information and belief.

CHRIS B. GILES

Subscribed and affirmed to before me this 5th day of September, 2008.

Notary Public

My commission expires:

Tes 4, 2011

"NOTARY SEAL"
Nicole A. Wehry, Notary Public
Jackson County, State of Missouri
My Commission Expires 2/4/2011
Commission Number 07301200

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Application has been hand-delivered, emailed or mailed, First Class mail, postage prepaid, this 5th day of September 2009, to the following:

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 200 Madison St., Suite 650 Jefferson City, MO 65102

/s/ Curtis D. Blanc
Curtis D. Blanc

APPENDIX 1

PROPOSED TARIFF SHEETS

PSC Mo. No. 1 "Various" canceling PSC Mo. No. 1 "Various".

LETTER OF TRANSMITTAL

Aquila, Inc., dba KCP&L Greater Missouri Operations Company September 5, 2008

To the Public Service Commission, State of Missouri, Jefferson City:

Accompanying schedules issued by the Kansas City Power & Light Company is sent you for filing in compliance with the requirements of the Public Service Commission Law.

PSC Mo. No. 1 "Various". Effective, August 5, 2009.

Chris B. Giles, Vice-President
Aquila, Inc., KCP&L Greater Missouri Operations Company

^{*} See accompanying roster of Rate Sheet revisions

Aquila, Inc., dba KCP&L Greater Missouri Operations Company PSC Mo. No. 1, Steam Rates Effective August 5, 2009

2nd Revised Sheet No. 1, canceling 1st Revised Sheet No. 1
2nd Revised Sheet No. 2, canceling 1st Revised Sheet No. 2
2nd Revised Sheet No. 3, canceling 1st Revised Sheet No. 3 (Reserved for Future Use)
2nd Revised Sheet No. 4, canceling 1st Revised Sheet No. 4 (Reserved for Future Use)
2nd Revised Sheet No. 5, canceling 1st Revised Sheet No. 5
1st Revised Sheet No. 6.1, canceling Original Sheet No. 6.1

Sheet No. 6.6, original, new

Sheet No. 6.7, original, new

Sheet No. 6.8, original, new

Sheet No. 6.9, original, new

P Canceling P	MISSOURI, PUBLIC SERVICE COMMI .S.C. MO. No1 .S.C. MO. No1	SSION <u>2nd</u> 1 st	Revised Sheet No Original Sheet No	o. <u> </u>
Aquila, Inc., KCP&L Gre KANSAS CI	dba ater Missouri Operations Company TY, MO 64106		For St. Joseph, MC) & Environs
		CONTENTS		
	SII	EAM		
	of Service CONTENTS		Schedule 	Sheet No.
DESCRIPTION		VITODV		
	ON OF AUTHORIZED SERVICE TERF Company provides steam service for rating station in the City of St. Joseph,	heating and proces	ssing in the vicinity of	Lake Road
RATES:				
	n Service		MO981	2
	rved For Future Use			
Contr	act Steam Service		MO982	5
Ag Pi	rocessing Special Contract			6
Quar	terly Cost Adjustment Rider		QCA	6.1
DILLEGAND	REGULATIONS			
1.	Customer Defined			7
2.	Service			
3.	Security			
4.	Meter Installation	***************************************	***************************************	7
5.	Meter Relocation			
6.	Access for Company's Employees	***************************************	***************************************	
7.	Right-of-way			
7. 8.	Continuity of Service			
9.	Non-Payment			
10.	Interference			
11.	Disconnection of Service	***************************************	•••••	0
12.	Indemnity to Company			
13.	Resale of Steam	***************************************	••••••	ი
13. 14.	Meter Failure	***************************************	••••••	y
15.	Billing of License, Occupation, Franc	hise or Other Simila	ur Chargos or Tayon	ປ 10
16.	Late Payment Charge			
17.	Line Extensions	***************************************	•••••	10
17.				
10.	Special Facilities	•••••	• • • • • • • • • • • • • • • • • • • •	[1]

Issued: September 5, 2008 Issued by: Chris B. Giles, Vice - President

STATE OF MISSOURI, PUBLIC SERVICE COMMISS	ION		
P.S.C. MO. No1	2 nd	Revised Sheet No	2
Canceling P.S.C. MO. No1	1 st	Original Sheet No.	2
Aquila, Inc., dba	"		
KCP&L Greater Missouri Operations Company		For St. Joseph, MO &	Environs
KANSAS CITY, MO 64106			
STEAM SE	RVICE		
STEA	M		

AVAILABILITY

Available for firm service from the Company's facilities to customers located in the vicinity of Lake Road Generating Station who shall contract to use this service for continuous periods of not less than two (2) years.

BASE RATE, MO981 Net two parts

Reserved Capacity Charge:
 For all BTU of Reserved Capacity, per month, per million BTU......\$407.33

Plus

2. Energy Charge per million BTU:

For the first 300 million BTU's per million BTU's of reserved capacity........... \$7.9728 For all over 300 million BTU's per million BTU's of reserved capacity........... \$6.8639

QUARTERLY COST ADJUSTMENT

The Energy Charge is subject to the Quarterly Cost Adjustment Rider.

LICENSE, OCCUPATION, FRANCHISE OR OTHER SIMILAR CHARGES OR TAXES

See Company Rules and Regulations

LATE PAYMENT CHARGE

See Company Rules and Regulations

DETERMINATION OF RESERVED CAPACITY

The Reserved Capacity shall be the actual demand for the billing period but not less than eighty-percent (80%) of the highest actual demand established in the previous eleven (11) months, and in no case less than three (3) million BTU's per hour.

SPECIAL RULES

The pressure, temperature and heat content of all service under this schedule shall be only as specified by the Company.

Service will be furnished under, and this schedule shall be subject to Company Rules and Regulations.

Issued: September 5, 2008 Effective: August 5, 2009

Issued by: Chris B. Giles, Vice - President

STATE OF MISSOURI, PUBLIC SERVICE COMMIS	SSION		
P.S.C. MO. No1	2 nd	Revised Sheet No	3
Canceling P.S.C. MO. No1	1 st	Original Sheet No	3
Aquila, Inc., dba KCP&L Greater Missouri Operations Company KANSAS CITY, MO 64106		For St. Joseph, MO &	Environs
STE	EAM		

RESERVED FOR FUTURE USE

Issued: September 5, 2008
Issued by: Chris B. Giles, Vice-President

Effective: August 5, 2009

STATE OF MISSOURI, PUBLIC	SERVICE COM	MISSION		
P.S.C. MO. No	1	2 nd	Revised Sheet No.	4
Canceling P.S.C. MO. No.	1	1 st	Original Sheet No.	4
Aquila, Inc., dba				
KCP&L Greater Missouri Operations Company			For St. Joseph, MO &	Environs
KANSAS CITY, MO 64106				
		NTE 4.14		
	8	STEAM		

RESERVED FOR FUTURE USE

Effective: August 5, 2009

Issued: September 5, 2008
Issued by: Chris B. Giles, Vice-President

CONTRACT :		
Aquila, Inc., dba KCP&L Greater Missouri Operations Company KANSAS CITY, MO 64106		For St. Joseph, MO & Environs
Canceling P.S.C. MO. No1	1 st	Original Sheet No <u>5</u>
P.S.C. MO. No1	2 nd	Revised Sheet No <u>5</u>
STATE OF MISSOURI, PUBLIC SERVICE COMMISS	SION	

AVAILABILITY, MO982

Company may, in those instances in which it faces competition from an alternate supplier of industrial steam service or the possibility of self-generation of industrial steam by a customer, enter into a special rate contract(s) with the customer on such terms and conditions as may be agreed upon by Company and the customer which, in Company 's sole discretion, are deemed necessary to continue to maintain services to an existing customer, to reestablish service to a previous customer or to acquire new customers.

All such contracts shall be furnished to the Commission Staff and to the Office of the Public Counsel and shall be subject to the Commission's jurisdiction.

Unless otherwise specified or modified in the contract between the customer and Company, such service shall be subject to all other applicable Company rules, regulations, tariffs and General Terms and Conditions of Service applicable to industrial steam service on file with and approved by the Commission and as the same may be changed lawfully from time to time. The rates provided by any such contract shall not, however, exceed the tariffed rate which would otherwise be applicable nor be less than \$6.9829 per mmBtu. Any such contract shall not bind the Commission for ratemaking purposes.

QUARTERLY COST ADJUSTMENT

The Energy Charge of any contract under this tariff is subject to the Quarterly Cost Adjustment Rider.

Issued: September 5, 2008 Effective: August 5, 2009

Issued by: Chris B. Giles, Vice - President

STATE OF MISSOURI, PUBLIC SERVICE COMMISS	SION		
P.S.C. MO. No1	1st	Revised Sheet No.	6.1
Canceling P.S.C. MO. No1		Original Sheet No.	
Aquila, Inc., dba			
KCP&L Greater Missouri Operations Company		For St. Joseph, MO &	Environs
KANSAS CITY, MO 64106		.,	
QUARTERLY COST AD	JUSTMENT I	RIDER	
STFA			

AVAILABILITY

This Quarterly Cost Adjustment (QCA) Rider applies to all sales of steam service provided under all steam rate schedules and contracts.

The Company will file rate adjustments quarterly to reflect eighty percent (80%) of the change in the actual fuel costs above or below a base amount of \$3.0050 per million BTU on input. The sum of the Current Quarterly Cost Adjustment (CQCA), plus the three (3) preceding CQCAs, plus reconciling adjustments, if any, plus the Reconciliation Rate will be billed in addition to all other charges under applicable tariff provisions.

This tariff will apply until recovery is complete for all time periods occurring before the effective date of a revised Quarterly Cost Adjustment Rider.

CALCULATIONS

Current Quarterly Cost Adjustment (CQCA):

The CQCA is the rate adjustment component designed to reflect the customer share of the variation in fuel cost for the most recent quarter. In the computation of the CQCA the numerator is the portion of fuel costs to be collected or refunded based on costs incurred for the previous quarter. The denominator is the number of annual billing units used to compute the rate component.

CQCA = Customer Share of Fuel Cost Variation for the Preceding Quarter divided by Annual Billing Determinants

Or, CQCA =
$$\frac{[AM \times (FCPM_{pq} - FCPM_{b})] \times Fl_{pq}}{BD_{p12} + BDA_{f12}}$$

Or, using spreadsheet software math conventions, except substituting variables for cell references:

CQCA = $((AM * (FCPM_{pq} - FCPM_b)) * FI_{pq}) / IF (OR (BD_{pq} > BD_{pq-4} * 1.05, BD_{pq} < BD_{pq-4} * .95), BD_{p12} + BDA_{f12}, BD_{p12})$

Where:

CQCA= Current Quarterly Cost Adjustment

AM= Alignment Mechanism = 80%

FCPM_{pg}= Fuel Cost per million BTU on input for the preceding guarter

FCPM_b= Base Fuel Cost per million BTU on input = \$3.0050

Fl_{pq} = Fuel Input (million BTUs of fuel for steam input) for the preceding guarter

BDpq= Billing Determinants (million BTU delivered to retail customers) for the preceding quarter

BD_{pq-4}= Billing Determinants for the corresponding quarter one (1) year prior to the preceding quarter

BD_{p12}= Billing Determinants for the preceding year

 BDA_{f12} = Billing Determinants Adjustment for the following year; provided, however, that this term shall be zero (0) unless BD_{pq} varies by more than five percent (5%) up or down from BD_{pq-4} and Company determines that an adjustment is appropriate.

Note: Billing determinants shall reflect usage corresponding to the period of fuel cost computations, regardless of the "billing" or "revenue month" in which such usage is billed.

Issued: September 5, 2008 Effective: August 5, 2009

Issued by: Chris B. Giles, Vice-President

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION	
P.S.C. MO. No 1	Original Sheet No. 6.6
Canceling P.S.C. MO. No.	
Aquila, Inc., dba	
KCP&L Greater Missouri Operations Company	For St. Joseph, MO & Environs
KANSAS CITY, MO 64106	, ,
QUARTERLY COST ADJUSTM	IENT RIDER
STEAM	

AVAILABILITY

This Quarterly Cost Adjustment (QCA) Rider applies to all sales of steam service provided under all steam rate schedules and contracts.

The Company will file rate adjustments quarterly to reflect the change in the actual fuel costs above or below a base amount of \$5.7112 per million BTU in sales. The sum of the Current Quarterly Cost Adjustment (CQCA), plus the three (3) preceding CQCAs, plus true-up amounts will be billed in addition to all other charges under applicable tariff provisions.

This tariff will apply to time periods after the effective date of this tariff.

CALCULATIONS

Current Quarterly Cost Adjustment (CQCA):

The CQCA is the rate adjustment component designed to reflect the customer share of the variation in fuel cost for the most recent quarter. In the computation of the CQCA the numerator is the portion of fuel costs to be collected or refunded based on costs incurred for the previous quarter. The denominator is the number of annual billing units used to compute the rate component.

CQCA = Customer Share of Fuel Cost Variation for the Preceding Quarter divided by Annual Billing Determinants

Or, using spreadsheet software math conventions, except substituting variables for cell references: $CQCA = (((FC_{pq} - (FCPM_b * BD_{pq})) + True))/$

IF (OR (BD_{pq} > BD_{pq-4} * 1.05, BD_{pq} < BD_{pq-4} * .95), BD_{p12} + BDA_{f12}, BD_{p12})

Where:

CQCA= Current Quarterly Cost Adjustment

 FC_{pq} = Fuel Cost for the preceding quarter

FCPM_b= Base Fuel Cost per million BTU = \$5.7112

BD_{pq}= Billing Determinants (million BTU delivered to retail customers) for the preceding quarter BD_{pq-4}= Billing Determinants for the corresponding quarter one (1) year prior to the preceding quarter

BD_{p12}= Billing Determinants for the preceding year

 BDA_{f12} = Billing Determinants Adjustment for the following year; provided, however, that this term shall be zero (0) unless BD_{pq} varies by more than five percent (5%) up or down from BD_{pq-4} and Company determines that an adjustment is appropriate.

True = The over or under collection amount from the prior CQCA recovery period.

Note: Billing determinants shall reflect usage corresponding to the period of fuel cost computations, regardless of the "billing" or "revenue month" in which such usage is billed.

Issued: September 5, 2008
Issued by: Chris Giles, Vice-President

Effective: August 5, 2009

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION	
P.S.C. MO. No1	Revised Sheet No. 6.7
Canceling P.S.C. MO. No1	Original Sheet No.
Aquila, Inc., dba	
KCP&L Greater Missouri Operations Company	For St. Joseph, MO & Environs
KANSAS CITY, MO 64106	, ,
QUARTERLY COST ADJUSTMENT I	RIDER (Continued)
STEAM	, , , , , ,

Reconciling Adjustments:

After a CQCA recovery period is complete, the over- or under-collection of the intended revenues (the numerator of the CQCA) will be applied to the next CQCA recovery period. Other fuel cost refunds, or credits related to the operation of this rider may also flow through the CQCA recovery periods, as ordered by the Commission. DETAILS

1. The cost of fuel will be the amounts expensed in account 501. The amounts expensed will continue to be based on the cost definitions currently used for the inclusion of costs in these accounts and on the currently used cost allocation methods, as explained in some additional detail: the cost of gas will include the cost of physical gas deliveries and financial instruments associated with gas delivered in the quarterly period. The cost of coal expenses to account 501 will continue to reflect the average cost of coal inventory and the cost allocation method(s) including but not limited to the following:

The fuel allocation is performed on a daily basis as is done in actual operations at the Lake Road Generating Station. Fuel expense is allocated based on the following equations:

$$F_S = [S/(E+S)] \times F$$

 $F_E = F - F_S$

Where,

F is total 900-PSI boiler fuel F_S is 900-PSI boiler fuel allocated to industrial steam sales F_E is 900-PSI boiler fuel allocated to the electric turbines S is industrial steam sales steam mmBtu from boilers E is 900-PSI electric turbine steam mmBtu from boilers

The remaining fuel not allocated to the industrial steam sales system in the first equation is allocated to the electric system as shown in the second equation. Because the variable "F" shown above includes fuel burned for Lake Road plant auxiliary steam, fuel consumed for that purpose is properly allocated between the electric and industrial steam sales systems.

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Issued by: Chris Giles, Vice-President

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION	
P.S.C. MO. No 1	Original Sheet No. 6.8
Canceling P.S.C. MO. No.	Sheet No.
Aquila, Inc., dba	
KCP&L Greater Missouri Operations Company	For St. Joseph, MO & Environs
KANSAS CITY, MO 64106	
QUARTERLY COST ADJUSTMENT R	IDER (Continued)
STEAM	(

- 3. Aquila will make quarterly rate filings with the Commission to adjust the Quarterly Cost Adjustment Rider. Each quarterly rate adjustment will include the fuel costs from the preceding quarter. The Current Quarterly Cost Adjustment factors will be calculated by dividing the fuel costs by the preceding twelve (12) month billing determinants; provided, however, that in the event that steam BTU billing units in a computation period increase or decrease by more than five percent (5%) compared to the corresponding period one year earlier Company may make an adjustment to the historic billing determinants for use in the denominator of the Current Quarterly Cost Adjustment rate computation. Each Quarterly Cost Adjustment will remain in effect for twelve (12) months.
- 4. There are provisions for prudence reviews and the true-up of revenues collected with costs intended for collection. Fuel costs collected in rates will be refundable based on true-up results and findings in regard to prudence. Adjustments, if any, necessary by Commission order pursuant to any prudence review shall also be placed in the next Current Quarterly Cost Adjustment for collection unless a separate refund is ordered by the Commission.
- 5. The quarterly rate adjustments will not include carrying costs related to the timing of fuel cost recovery.

Issued: September 5, 2008
Issued by: Chris Giles, Vice-President

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION	
P.S.C. MO. No1	Original Sheet No6.9
Canceling P.S.C. MO. No	Sheet No
Aquila, Inc., dba	
KCP&L Greater Missouri Operations Company	For St. Joseph, MO & Environs
KANSAS CITY, MO 64106	
QUARTERLY COST ADJUSTMENT RII	DER (Continued)
STEAM	, = (= 0.1 = 2)

- 6. In consideration of this Rider, and the intent to rely on an alignment of customer and Company interests in efficient operations, a two (2) step approach to the review of prudence review will be followed. In Step One, Commission Staff will review to ascertain:
- 6.1. that the concept of aligning of Company and customer interests is working as intended; and.
 - 6.2. that no significant level of imprudent costs is apparent.
- 7. This review may be entirely a part of surveillance activity. Customers will be given timely notice of the results of the Step One review no later than 75 days after the end of each year. In consideration of Step One results, the Staff may proceed with Step Two, a full prudence review, if deemed necessary. A full prudence review, if pursued, shall be complete no later than 225 days after the end of each year. Such full prudence review shall be conducted no more often than once every twelve (12) months and shall concern the prior twelve (12) month period or calendar year only, provided however that the full prudence review addressing the first partial year, if pursued, will be included with a full prudence review of the first full calendar year of operation of this rate mechanism.
- 8. Any customer or group of customers may make application to initiate a complaint for the purpose of pursuing a prudence review by use of the existing complaint process. The application for the complaint and the complaint proceeding will not be prejudiced by the absence of a full (Step Two) prudence review by Staff.
- 9. Pursuant to any prudence review of fuel costs, whether by the Staff process or the complaint process, there will be no rate adjustment unless the resulting prudence adjustment amount exceeds 10% of the total of the fuel costs incurred in an annual review period.

Issued: September 5, 2008

Issued by: Chris Giles, Vice-President

APPENDIX 2

MINIMUM FILING REQUIREMENTS INFORMATION

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ITEM 1 - AGGREGATE ANNUAL INCREASE

The aggregate annual increase over current revenues which the tariffs propose is \$1,296,532 for Aquila, Inc. d/b/a KCP&L Greater Missouri Operations Company for Territory Formerly Served by Aquila Networks – L&P Steam, an overall increase of 7.67% on a Pro Forma Basis. The tariff reflects rebasing the Quarterly Cost Adjustment.

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$\underline{\text{ITEM 2}}$ – NAMES OF COUNTIES AND COMMUNITIES AFFECTED BY PROPOSED ELECTRIC RATE INCREASE

COUNTIES FOR AQUILA NETWORKS - L&P

Buchanan

COMMUNITIES AQUILA NETWORKS - L&P

St. Joseph

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$\underline{\text{ITEM 3}}-\text{NUMBER OF CUSTOMERS AFFECTED BY PROPOSED ELECTRIC RATE INCREASE}$

Line	Sheet	Schedule	Number of
<u>No.</u>	<u>No.</u>	<u>No.</u>	Customers
	(A)	(B)	
1	2	MO981	4
2	4	MO982	1

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ITEM 4 & 5. The average and proposed changes requested in dollars and percentage change from current rates for each general category of service and for all rate classifications within each general category of service.

Line	Sheet	Schedule	Annualized Revenue - Excludes	Proposed Revenue – Excludes QCA	Proposed In	ncrease
No.	No.	No.	QCA Revenue	Re-Base	Amount	Percent
	(A)	(B)	(C)	(D)	(E)	(F)
1	3	MO981 &	\$16,902,671	\$18,199,203	\$1,296,532	7.67%
2	3	MO982			, ,	

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ITEM 4 & 5. The average and proposed changes requested in dollars and percentage change from current rates for each general category of service and for all rate classifications within each general category of service.

					Proposed In	ncrease
Line No.	Sheet No.	Schedule No.	Annualized Revenue - Includes QCA Revenue	Proposed Revenue – Includes QCA Re-Base	Amount	Percent
	(A)	(B)	(C)	(D)	(E)	(F)
1	3	MO981 &	\$21,408,399	\$22,704,268	\$1,295,869	6.05%
2	3	MO982	, ,		, , , , , , , , , , , , , , , , , , , ,	

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<u>ITEM 6</u> – PRESS RELEASE

See Attached





KCP&L FILES RATE INCREASE REQUESTS IN MISSOURI AND KANSAS

Company asks for recovery of investments made to maintain the region's lowcost energy advantage and improve air quality

Kansas City, Mo. (Sept. 5, 2008) – KCP&L today filed rate increase requests with the Missouri Public Service Commission (MPSC) and the Kansas Corporation Commission (KCC) to increase base rates for electric service in all five of its service areas. The requests will raise a typical residential customer's rates approximately 16.2%, translating to a \$12.27 monthly increase. The requests, which are subject to regulatory approval, would take effect in late summer of 2009. The two public utility subsidiaries of Great Plains Energy Incorporated (NYSE: GXP), KCP&L and Aquila, operate using the KCP&L brand name.

The rate requests vary in each of KCP&L's service jurisdictions and include recovery for investments on environmental upgrades at KCP&L's latan 1 and Sibley power plants, Crossroads generation and transmission resources and energy efficiency programs made under KCP&L's Comprehensive Energy Plan (CEP). The requests also seek recovery of increased operating costs. Changes in generation fuel costs are not included in this rate increase request for customers served in KCP&L's Kansas service territory and in the areas formerly served by Aquila. For these customers, adjustments for increases and decreases in the cost of fuel will be determined in separate fuel cost proceedings.

"In 2005 we began a collective journey with customers and communities to form our Comprehensive Energy Plan with a goal of ensuring clean, affordable and reliable electricity for years to come," said Michael Chesser, Great Plains Energy Chairman and CEO. "Committing then to high-efficiency coal generation, wind power, energy efficiency and environmental upgrades was the right call. Those investments, many of which are now completed or nearing completion, address the challenges facing our industry and are helping provide our customers with greater control over their energy use, maintain our region's low-cost energy advantage and improve our environment."

Since 2005, the cost of energy has increased substantially. In addition to the environmental plant upgrades, other factors driving the rate requests include labor, raw materials and gasoline costs. KCP&L is implementing a plan to mitigate upward cost pressures and aggressively manage operational cost increases. A cornerstone of this plan is the acquisition of Aquila. Through ongoing operational savings realized through KCP&L's integration with Aquila, the rate increases KCP&L is seeking from customers are significantly lower than they would have otherwise been as stand alone companies.

The Aquila transaction is expected to yield more than \$500 million in customer savings by 2017. The company has also been focused on achieving top-tier status in operating efficiency and was recently ranked among the top 15 utilities nationwide in customer satisfaction by J.D. Power & Associates.

As part of its rate request, KCP&L is seeking regulatory approval for measures aimed at helping customers affected by the proposed rate increases. KCP&L is filing an Economic Relief Pilot Program in both Kansas and Missouri. The Pilot Program will provide monthly financial assistance to qualified lower-income customers. In addition, KCP&L is increasing its weatherization efforts throughout its service territory and expanding its menu of energy efficiency programs, giving customers more control over their energy use.

"We do not relish requesting a rate increase during these difficult economic times," said Chesser. "However, these requests are approximately \$23 million less than they would have been, as a direct result of operational savings realized from our acquisition of Aquila. We will continue to focus on keeping our costs as low as possible and providing ways for customers to have greater control over their electricity use and bills."

The total amount of the rate increase request is \$257.5 million, broken out as follows:

Rate Jurisdiction**	Rate Increase	Rate Increase	Monthly Increase
	(including	Percentage	For Typical
	amortization)		Residential
			Customer
GMO (MPS)	\$66.0 million	14.4%	\$12.58
GMO (L&P)	\$17.1 million	13.6%	\$10.03
GMO (Steam)	\$1.3 million	7.7%	
KCP&L (MO)	\$101.5 million	17.5%	\$13.89
KCP&L (KS)	\$71.6 million	17.5%	\$12.57
Total	\$257.5 million	16.2%	\$12.27

**Rate Jurisdiction Areas:

GMO (MPS): Represents the area served by former Aquila's Missouri Public Service division

GMO (L&P): Represents the area served by former Aquila's St. Joseph Light & Power division

GMO (Steam): Former St. Joseph Light & Power steam customers

KCP&L (MO): KCP&L Missouri customers (not in former Aquila service territory)

KCP&L (KS): KCP&L Kansas customers

About The Companies:

Headquartered in Kansas City, Mo., Great Plains Energy Incorporated (NYSE: GXP) is the holding company of Kansas City Power & Light Company and Aquila, Inc. (doing business as KCP&L Greater Missouri Operations Company), two of the leading regulated providers of electricity in the Midwest. Kansas City Power & Light and Aquila use KCP&L as a brand name. More information about the companies is available on the Internet at:

http://www.greatplainsenergy.com or www.kcpl.com.

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FORWARD-LOOKING STATEMENTS

Statements made in this release that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, the outcome of regulatory proceedings, cost estimates of the Comprehensive Energy Plan and other matters affecting future operations. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the registrants are providing a number of important factors that could cause actual results

to differ materially from the provided forward-looking information. These important factors include: future economic conditions in the regional, national and international markets, including but not limited to regional and national wholesale electricity markets; market perception of the energy industry, Great Plains Energy, KCP&L and Aguila, which is doing business as KCP&L Greater Missouri Operations Company (KCP&L GMO); changes in business strategy, operations or development plans; effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates KCP&L and KCP&L GMO can charge for electricity; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air and water quality; financial market conditions and performance including, but not limited to, changes in interest rates and credit spreads and in availability and cost of capital and the effects on pension plan assets and costs; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts; increased competition including, but not limited to, retail choice in the electric utility industry and the entry of new competitors; ability to carry out marketing and sales plans; weather conditions including weather-related damage; cost, availability, quality and deliverability of fuel; ability to achieve generation planning goals and the occurrence and duration of planned and unplanned generation outages; delays in the anticipated in-service dates and cost increases of additional generating capacity and environmental projects; nuclear operations; workforce risks, including retirement compensation and benefits costs; the ability to successfully integrate KCP&L and KCP&L GMO operations and the timing and amount of resulting synergy savings; and other risks and uncertainties. Other risk factors are detailed from time to time in Great Plains Energy's and KCP&L's most recent quarterly reports on Form 10-Q or annual reports on Form 10-K filed with the Securities and Exchange Commission. This list of factors is not all-inclusive because it is not possible to predict all factors.

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<u>ITEM 7</u> – SUMMARY OF REASONS FOR THE PROPOSED CHANGES

The proposed changes represent a general rate increase request. The primary reason for this filing is driven by higher fuel costs and increased operation and maintenance expenses.