Historic non-labor maintenance expense compared to 2005

HISTORIC NON-LABOR MAINTENANCE EXPENSE COMPARED TO 2005 (HISTORIC COST SHOWN IN 2005-$'s PER HANDY-WHITMAN)						
	2005 (9-mo actual/3-mo budget)	2001-2005 Avg	2003-2004 Avg	2003-2005 Avg	2000-2004 Avg	2000-2005 Avg
Years Averaged		5-Yr	2-Yr	3-Yr	5-Yr	6-Yr
L-1	6,577,338	6,426,056	6,380,223	6,445,928	6,414,049	6,441,264
L-2	2,206,731	3,337,047	3,766,389	3,246,503	3,445,726	3,239,227
latan	5,933,219	5,275,486	4,485,316	4,967,950	5,752,987	5,783,026
H-5	4,962,323	4,094,499	5,424,772	5,270,623	3,418,037	3,675,418
M	4,082,313	5,334,654	7,029,477	6,047,089	5,365,106	5,151,307
Other	1,718	69,868	131,572	88,287	69,525	58,223
WC	-	-	-	-	-	-
Grand Ave	-	-	-	-	-	-
NE	97,626	138,491	96,579	96,928	167,009	155,445
H-6	271,908	378,869	760,414	597,579	354,073	340,379
H-7&8	46,360	32,464	47,425	47,070	23,406	27,231
H-9	374,889	422,300	390,241	385,124	375,093	375,059
Other CT's	49,779	10,553	1,075	17,310	31,709	34,720
Total	24,604,204	25,520,287	28,513,485	27,210,391	25,416,718	25,281,299

Hawthorn-5 historic maintenance expense

Recommended Hawthorn-5 Annual Non-Labor Maintenance Expense (2005-$'s Shown)							
	2000	2001	2002	2003	2004	2005	2003-2005 Avg
H-5	$1,580,011	$1,684,425	$2,976,204	$5,769,980	$5,079,565	$4,962,323	$ 5,270,623

Schedule FDC-2

SCHEDULE FDC-3

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-4

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-5

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-6

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-7

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

Summary of Normalized Adjustments

NORMALIZED MAINTENANCE PROJECTION (1-13-06)		
Data	**Annual Total**	**Adjustments**
2005 (9-month Actual, 3-month Budget)	$ 24,604,204	
Average Expense Reported for 2000-2005 (Including Grand Avenue)	$ 25,333,369	
Adjustment from 2005 (9/3) To Correct to the 2000-2005 Average		$ 729,165
Average Grand Avenue Expense (2000-2005)		$ (52,070)
2000-2005 Average After Grand Ave. Removed	$ 25,281,299	
H-5 Adjustment		
Average H-5 as Reported 2000-2005		$ 3,675,418
H-5 Average for 2003-2005		$ 5,270,623
Net Adjustment for H-5		$ 1,595,205
Total After H-5 Adjustment	$ 26,876,504	
CT Adjustments		
H-7&8, NE and New CTs Currently included in 2000-2005 Average		$ 217,397
2006-2010 Average Annual Budget for All CTs		$ 546,705
Net Adjustment for CTs		$ 329,307
Total After CT Adjustment	$ 27,205,812	
Adjust for H-5 Turbine OH		
Amount included in 2000-2005 Avg		$ -
Avg Spend for Sectionalized Turbine Mtce (Every Other Year Beginning in 2007)		$ 1,125,000
Total After H-5 Turbine Adjustment	$ 28,330,812	
Adjust for L-2 Turbine OH		
Amount included in 2000-2005 Avg		$ -
Avg Spend for Sectionalized Mtce (9-year cycle)		$ 165,855
Total After L-2 Turbine Overhaul	$ 28,496,667	
Adjust for H-5 and M-3 GSU Transformer Failures		
Total Adjustment		$ (601,096)
Total Normalized Value	**$ 27,895,570**	
Total Adjustment to 2005 (9/3) For Normalized Non-Labor Maintenance Expense		**$ 3,291,366**
Expected O&M Impact of Adding 100.5 MW of Wind Generation in 2006	**Includes operations expense**	**$ 2,017,406**

Schedule FDC-8

Supply Division Business Plan

December 6, 2005

Schedule FDC-9

Kansas City Power & Light®
ENERGIZING LIFE

Business Plan Overview

- 2005 Results
- Business Drivers
- Organizational Implications of the Strategy
- Plant Performance
- Off-System Sales and Purchases
- Portfolio Risks
- Expansion and Environmental Upgrades

SCHEDULE FDC-9
Page 3

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

Our 2006-2010 business plan is shaped by our current view of several key business drivers

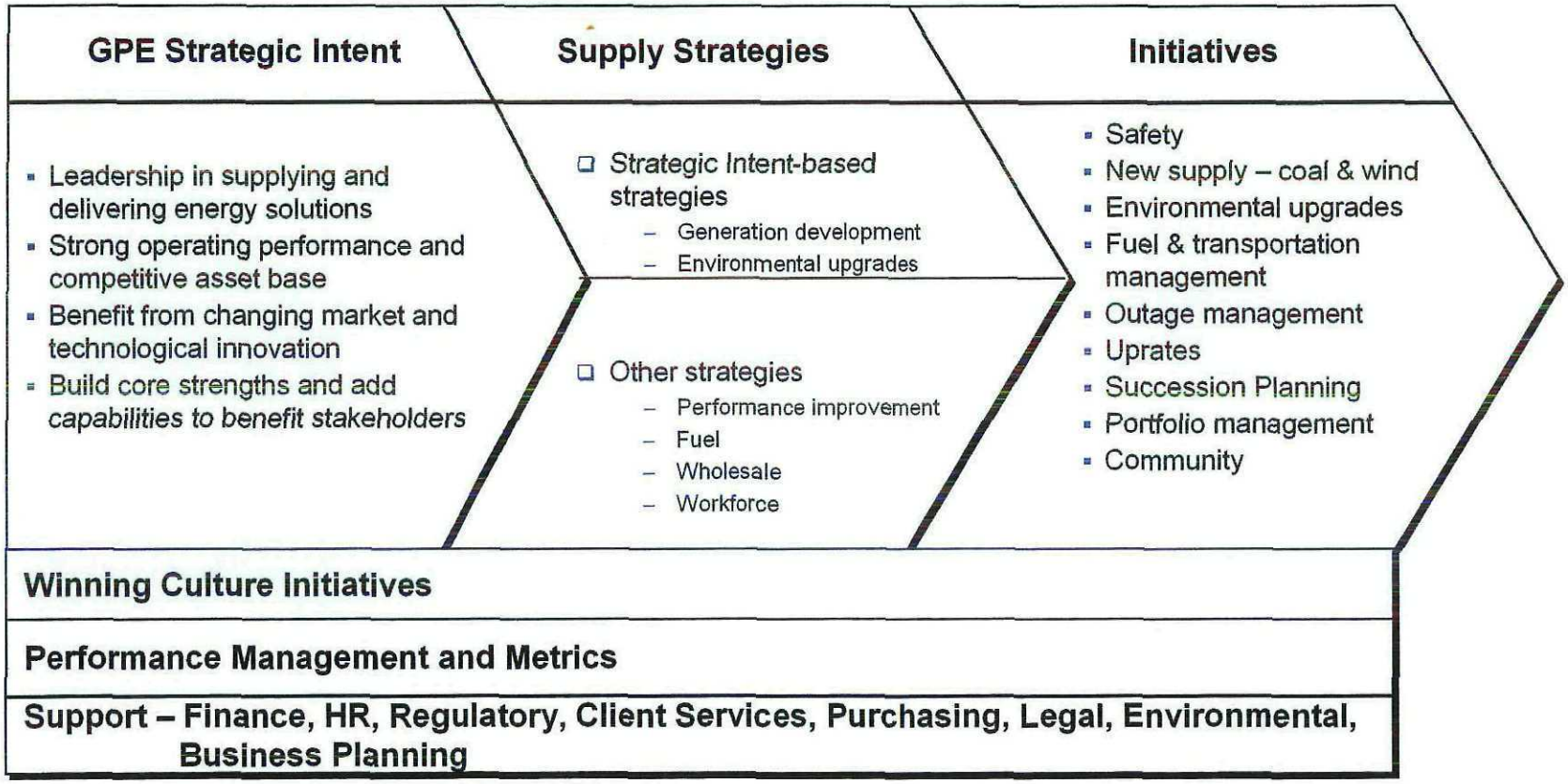
- Power prices will continue to increase and will exhibit higher volatility, driven by natural gas prices and environmental regulation
- Renewal of nuclear licenses at nearly all current reactors will continue, capacity upgrades on both primary and secondary sides being completed, and new reactor development under active consideration by the largest nuclear utilities
- Environmental regulation will increase, including regulation of "Green House" gases towards the end of the next 10 years
- Wholesale market will continue to evolve towards a standard design on a regional/national basis
- Modest transmission construction is expected, driven by reliability concerns
- Continued development of renewables (e.g., wind, biomass)
- Continued high-priced natural gas will fuel the move toward more coal and renewed interest in nuclear
- Managing workforce turnover and knowledge transfer

Our strategies and action plans are consistent with our view of the key business drivers and are grounded in our Strategic Intent

GPE Strategic Intent provides an overview of GPE objectives with which ...

... the Supply strategies are consistent and provide additional detail...

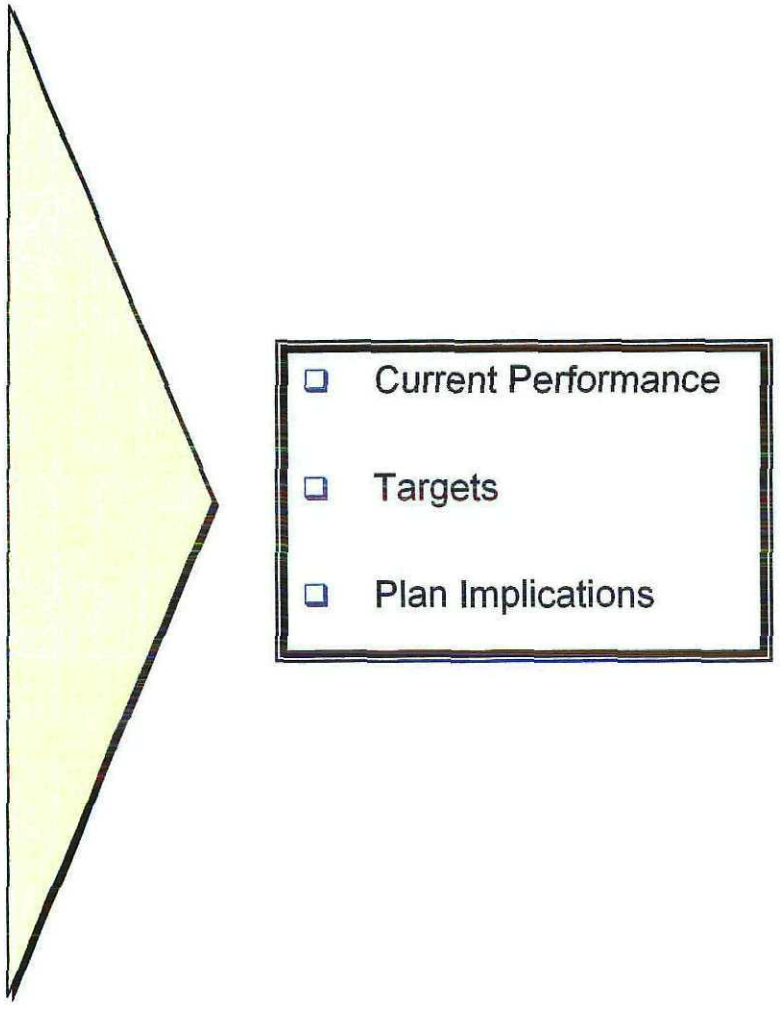
... and includes specific initiatives and action plans ...



... which are enabled by a Winning Culture, Performance Management program and Support Services.

KCP&L's Supply division will focus on four key components

- Organization Implications & Culture
  - On-boarding
  - Diversity
  - Workforce Transition
- Plant Performance
  - *Improving equivalent availability*
  - Reducing outage durations
  - Continuing to improve our safety record
- Off-System Sales and Purchases
  - Continued expansion of wholesale market opportunities
  - *RTO development*
  - Continued reduction of MWh not sold
- Expansion and environmental upgrades
  - Development and construction of a new clean coal fired power plant by 2010 at the existing latan site
  - Developing and constructing approximately 100 MW of renewable wind generation with the option of an additional 100MW in the future
  - *Investment in pollution control equipment at our* existing coal fired units



Organizational Implications of the Strategy

December 6, 2005

Kansas City Power & Light®
ENERGIZING LIFE

Our ability to execute our strategies and initiatives and support our Strategic Intent is dependent on Human Performance

- Nothing Gets Done Without People
- Doing the Right Things as Well as Doing Things Right is the Key to Success

SCHEDULE FDC-9
Page 9-10

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

The GPE Ideal is the basis for enhancing the performance of the workforce and establishing a Winning Culture

Inspired leadership, disciplined performance management and engagement will lead to accountability & loyalty

- Improve our training at all levels to provide techniques to help move the culture
- Use on-boarding process at all levels to facilitate knowledge transfer and the culture transferred is where we are going to, not where we have been
- Make all errors learning, rather than punishment, opportunities so we both foster innovation as well a continuous learning environment
- Use Business Issues to create opportunities for employees at all levels to make meaningful contributions
- Reward the behaviors that advance the GPE IDEAL and coach to eliminate all other behavior

Plant Performance

December 6, 2005

Kansas City Power & Light®
ENERGIZING LIFE

In addition to human performance, production capabilities and performance are driven by two major factors

- **Equipment Reliability**
  - Equivalent Availability Factor
  - Capacity Factor
  - MWH Production
  - Maintenance Schedule Compliance
- **Market Position**
  - Coal price advantage
  - Transportation costs
  - Cost of environmental compliance

SCHEDULE FDC-9
Page 14

THIS DOCUMENT CONTAINS HIGHLY CONFLIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-9
Page 15

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

We will focus our equipment reliability plans on those factors that we believe will have the greatest impact

- **Coal**
  - Aging plant and end of life on major components
  - Maintenance versus Capital
  - Boiler Tube Failure Program

- **Nuclear**
  - Single point vulnerabilities
  - Equipment reliability - Aging plant equipment / end-of-life
  - Maintenance practices
  - Relicensing

SCHEDULE FDC-9
Page 17

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-9
Page 18

THIS DOCUMENT CONTAINS HIGHLY CONFIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC

Maintenance management programs will be focused on becoming more efficient by working smarter, not harder

- Planning
  - Greater focus on outage planning, integrated schedules assessed and reworks prior to outage to yield shortest duration. As the value of the lost/gained day of production increases, the focus shifts from cost control to schedule control.
- Work package development (repeat work)
  - Productivity gains are made by increasing wrench time.
    - Planning
    - Parts
    - Procedures
- Uniform process all plants
  - Plant maintenance optimization piloted at La Cygne will be rolled out to all stations.
  - Focus on Managers/Superintendents sharing data/experiences to assure consistency and facilitate the movement of people between plants.
- Technology
  - Smart Signal
  - New Work Management System
  - Monitoring
  - Central Controls Group

SCHEDULE FDC-9
Page 20

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

SCHEDULE FDC-9
Page 21-23

THIS DOCUMENT CONTAINS HIGHLY CONFIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC

Off System Sales & Purchases

December 6, 2005

Kansas City Power & Light®
ENERGIZING LIFE

SCHEDULE FDC-9
Page 25

THIS DOCUMENT CONTAINS HIGHLY CONFIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC

The Regional Transmission Organization (RTO) will bring additional changes to the market into which we sell

- Bidding strategies for load and generation
- Financial settlements hourly for deviations from schedules (both load & generation), prices will reflect congestion
- Systems for managing resource plans, ancillary service plans, resource offers and shadow settlement
- Southwest Power Pool dispatching our units

Our success as a participant in the new market structure will be influenced by a few critical factors

- Gas Prices
- RTO Market "Shake Out"
- Plant Performance

SCHEDULE FDC-9
Page 28-29

THIS DOCUMENT CONTAINS HIGHLY CONFIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC

Capacity Expansion & Environmental Upgrades

December 6, 2005

Kansas City Power & Light®
ENERGIZING LIFE

Expansion & environmental upgrades: We have begun implementation of our long-term, comprehensive energy plan

- Development and construction of approximately 100 MW of renewable wind generation to address the increasing demands for renewable resources, to reduce CO_2 emissions intensity and to demonstrate the viability of this evolving technology. Additional 100MW for consideration in 2008 time frame

- Development and construction of a new clean coal fired power plant by 2010 at the existing Iatan site as the least cost option to provide for the incremental baseload needs of the region and to provide for long term rate stability against volatile future natural gas prices

- Environmental compliance through investment in pollution control equipment at our existing coal fired units (recognizing the options for retirements and reconstruction), ensuring the long term viability and stable economics of our generating portfolio

Execution success will be influenced by several key factors

- Clear understanding of drivers for each project
- Contracting strategy
- Dedicated team (KCP&L / AE / contractors) with the proper experience
- Effective project controls and reporting systems
- Decision-making processes & documentation to support the rate-making process

SCHEDULE FDC-9
Page 33

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

Wind Project

- Driver – In Service date to support 2006 rate-case
- Contracting Strategy – Turnkey Project
- Team
  - eneXco Developer; Mortensen Contractor; GE Wind Turbines
  - John Grimwade – Project Lead
  - Phil Duncan – Project Lead
- Site Location – Spearville, Kansas
  - Strong wind resources
  - Minimal environmental impacts
  - Strong community, land owner and political support
- Key Issues / Decisions
  - Turbine Delivery Schedule
  - Transmission Interconnection and Service
  - Regulatory Timing Adjustment due to Construction Schedule

SCHEDULE FDC-9
Page 35

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

LaCygne 1 Selective Catalytic Reduction (SCR) for NOx Control

- **Driver** – Must be in Service for the 2007 ozone season, to fulfill company's commitment to MARC's "Maintenance of Attainment" Plan
- **Contracting Strategy** – Performance Based EPC
- **Team**
  - Contractor – Babcock & Wilcox (same as Hawthorn 5)
  - Owners Engineer – Burns & McDonnell
  - Project Director – John Grimwade
  - Project Manager – John Forristal
- **Key Issues / Decisions**
  - Necessity of SCR by-pass system
  - Large Particle Ash impact on catalyst
  - Pressure drop and potential impact on fan capacity
  - Duration of tie-in Outage

SCHEDULE FDC-9
Page 37

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

Iatan 2 & Environmental Retrofit of Iatan 1

- **Drivers –**
  - Long term Operability/Maintainability
  - Environmental Performance
  - *Minimize Impact on Iatan 1 Operations*
  - Clear and timely information to assure accurate project status
  - Schedule
  - Demonstration of cost prudency
- **Contracting Strategy –**
  - Contracting approach under evaluation with KCP&L's Project Team (including Owner's Engineer) managing the project
  - Key Contracts will include D/E Boiler, Turbine, AQC
- **Project Team**
  - John Grimwade – Project Director
  - To be named - Project Manager (external hire)
  - Owners Engineer – Burns & McDonnell
  - Will use experienced outside consultant to insure appropriate methodology, documentation and communication occurs to support decision-making.

Iatan 2 & Environmental retrofit of Iatan 1 – Regulatory plan completion delay, and competing projects place significant pressure on schedule

- The additional time required for the completion of the regulatory plan reduced the amount of time available in the project schedule for contingency
- Regulators recognized this compression in the schedule by allowing "In-Service Criteria" to be defined around functional as opposed to commercial operation of the unit
- Strong market demand for new coal units as well as environmental retrofits for existing units to comply with CAIR and CAMR has put several other projects out for bid at the same time as Iatan 2 resulting in additional demand on suppliers' engineering and manufacturing resources
- Already volatile commodity markets were even further impacted by 2005 hurricanes which has impacted timing and availability of major steel contracts
- Proposals from major boiler manufacturers in response to KCPL's Boiler RPF will indicate whether contractors have the ability to meet the 2010 schedule

SCHEDULE FDC-9
Page 40

THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION NOT AVAILABLE TO THE PUBLIC

Supply Summary

- Unit Availability is key to KCP&L's earnings in 2006 – 2010
- Off-System Sales and Fuel Costs are critical to our success
- Delivering the Wind Project on-time to support the rate-case is critical
- Impacts of the RTO must be neutral to positive
- WCNOC must make significant progress on its equipment reliability program to keep or improve its INPO rating

Appendices

Outage Schedules 2006 -2010

Gas Price Forecasts

December 6, 2005

Kansas City Power & Light®

ENERGIZING LIFE

SCHEDULE FDC-9
Page 43-48

THIS DOCUMENT CONTAINS HIGHLY CONFIDENTIAL INFORMATION NOT AVAILABLE TO THE PUBLIC