BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Kansas City Power and Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Begin the Implementation of Its Regulatory Plan.

Case No. ER-2006-0314

KANSAS CITY POWER & LIGHT CO.'S RESPONSE TO RECONCILIATION FILED BY STAFF

Kansas City Power & Light Company ("KCPL" or "Company") states the following in response to the Staff's Reconciliation/Reconcilement as of the Date of Conclusion of True-Up to September 30, 2006:

1. On December 1 Staff filed its Reconciliation/Reconcilement that reflected its view of the quantification of the certain parties' positions on revenue issues as of the conclusion of the true-up to September 30, 2006. However, KCPL believes that the figures contained on Line 33 and Line 39, which relate to the off-system sales margin figures proposed by the Office of the Public Counsel and the Department of Energy, respectively, do not comport with trued-up data submitted by KCPL.

2. The Direct True-Up Testimony of KCPL's Tim Rush presented the Company's view that rates for off-system sales margins be set at the 25% point of the probability analysis conducted by KCPL witness Michael Schnitzer. However, Mr. Rush's testimony did not present the expected amount of off-system sales that the Schnitzer analysis predicted would occur at the 50th percentile. See Ex. 54 (T. Rush True-Up Direct Testimony at 3 & Sched. 2 [p. 4 of 51]). Both Public Counsel and the Department of Energy, as well as Praxair, Inc. and the Missouri Industrial Energy Consumers, presented testimony that advocated the Commission's using the median value or 50th percentile point – not the 25th percentile point proposed by KCPL – to set

rates for off-system sales margins in this case. <u>See</u> Ex. 210 (Direct Testimony of Ralph C. Smith at 7-8, 32; Surrebuttal at 4-5); Ex. 803 (Direct Testimony of James R. Dittmer at 12-14, 18-19); Ex. 601 (Direct Testimony of Maurice Brubaker at 8); Tr. 916-18 (Brubaker).

3. The updated figures to September 30, 2006 with the 50th percentile point are <u>not</u> a matter of record, while the figures related to KCPL's proposal to set rates at the 25th percentile are in the record. This updated data (which is designated "highly confidential") was distributed to interested parties on October 25, 2006 during the course of the hearing, and is contained in KCPL's workpapers made available to the parties.

4. KCPL anticipates that the Commission will shortly be issuing "scenarios" that will request the parties to calculate the expected level of rates, including the Regulatory Plan Additional Amortizations, under various assumptions or scenarios related to the contested issues in this case. Therefore, in arriving at its decisions in this proceeding, and in issuing requests for scenarios relating to prospective rates, the Commission may wish to request KCPL and the parties to include in the scenarios the impact of the updated figures to September 30, 2006 with the 50th percentile point so that the record is complete and, therefore, able to support any decision that the Commission makes in this regard.

Respectfully submitted,

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Attorneys for Kansas City Power & Light Co.

CERTIFICATE OF SERVICE

I do hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 8th day of December, 2006.

/s/ Karl Zobrist Attorney for Kansas City Power & Light Co.