Company Name: KCP&L
Case Description: KCPL Integrated Resource Plan (IRP)
Case: EO-2012-0323

Response to fisk Shannon Interrogatories – Set Sierra Club_20120813
Date of Response: 08/30/2012

Question No. :17

Refer to Volume 6, page 6 of the IRP, which states "KCP&L filed to withdraw the MEEIA filing, Case EO-2012-0008, made on December 22, 2012 due to the lagging economic environment, declines in weather-normalized retail demand, softness in the wholesale energy market due to low natural gas prices, and no current need for capacity."

a. State whether the "low natural gas prices" referenced therein are the same as the base case natural gas prices used in identifying and evaluating resource plans in the IRP.

i. If not, identify the difference between the prices and explain why the "low natural gas prices" were not used in the evaluation of resource plans.

b. State whether "the lagging economic environment, declines in weathernormalized retail demand, softness in the wholesale energy market due to low natural gas prices, and no current need for capacity" has led KCP&L to reevaluate its plans to retrofit either of the LaCygne units.

i. If so, explain the results of such re-evaluation and produce any documents regarding that evaluation.

ii. If not, explain why not.

c. State whether "the lagging economic environment, declines in weathernormalized retail demand, softness in the wholesale energy market due to low natural gas prices, and no current need for capacity" has led KCP&L to reevaluate its plans regarding Montrose Units 1, 2, or 3.

i. If so, explain the results of such re-evaluation and produce any documents regarding that evaluation.

ii. If not, explain why not.

d. Explain how KCP&L's withdrawal of its MEEIA filing impacts the projected NPVRR of the resource plans evaluated in this IRP.

RESPONSE: (do not edit or delete this line or anything above this)

a. The "low natural gas prices" statement was not based on the same prices used in the IRP. The sentence in Volume 6, page 6 containing "low natural gas prices" was a specific sentence copied from the MEEIA filing Case EO-2012-0008 and was cited as such. There was no specific numeric forecast behind the statement. Therefore no specific natural gas price forecast utilized in the IRP can be correlated to said statement.

b.i. and ii. The conditions stated did not directly lead KCP&L to reevaluate its plans to retrofit the LaCygne units. KCP&L reevaluated the decision to retrofit LaCygne as part of its planning process.

The KCP&L Alternative Resource Plans (ARP) ADDK1, AEDK1, and AFDK1 evaluated various LaCygne retirement scenarios. Volume 6, Page 24, Table 22 illustrates ARP ADDK1 which includes retirement of LaCygne Unit 1 by 2015. Volume 6, Page 25, Table 23 illustrates ARP AEDK1 which includes retirement of LaCygne Unit 2 by 2015. Volume 6, Page 25, Table 24 illustrates ARP AFDK1 which includes retirement of LaCygne Unit 1 and LaCygne Unit 2 by 2015.

Volume 6, Page 32, Table 34 provides the results of these analyses.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ADDK1 is $90 M greater than the Preferred Plan NPVRR.

With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP AEDK1 is $79 M greater than the Preferred Plan NPVRR.

With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP AFDK1 is $477 M greater than the Preferred Plan NPVRR.

c. i. The KCP&L Alternative Resource Plans (ARP) ABEK1, ABEK2, ABEK4, ABEK5, ABEK6, ABEK7, ACEK1, ACEK2, AGEK1, and AGEK9 evaluated various Montrose Station retirement scenarios. Volume 6, Pages 20 through 26 illustrates each ARP that included Montrose unit retirements. Volume 6, Page 32, Table 34 provides the results of these analyses.

With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ABEK1 is $39 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ABEK2 is $47 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ABEK4 is $120 M greater than the Preferred Plan NPVRR.

With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ABEK5 is $270 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ABEK6 is $170 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ABEK7 is $251 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ACEK1 is $183 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP ACEK2 is $226 M greater than the Preferred Plan NPVRR.
With respect to the KCP&L Preferred Plan AGEK9, the net present value revenue requirement (NPVRR) of ARP AGEK1 is $9 M greater than the Preferred Plan NPVRR.

d. A two year delay in DSM program implementation resulted in approximately a $23 million increase in NPVRR over the IRP evaluation period. During the first few years, the delay resulted in a reduction in revenue requirements.

Attachment: Q17 MO Verification.pdf