

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

In the Matter of the Consideration of Adoption)	
Of the PURPA Section 111(d)(12) Fuel Sources)	Case No. EO-2006-0494
Standards as Required by Section 1251 of the)	
Energy Policy Act of 2005)	

**POSITION STATEMENT OF
KANSAS CITY POWER & LIGHT COMPANY'S
EXPERT WITNESS**

Pursuant to 4 CSR 240-2.080 and the order issued by the Missouri Public Service Commission ("Commission") on March 15, 2007 in the above-captioned proceeding, Kansas City Power & Light Company ("KCPL") hereby provides the Position Statement of Randy Hughes to the threshold question of the applicability of the prior state action exemption to the adoption of the PURPA noted in this proceeding. In support thereof, KCPL states as follows:

1. In compliance with the Energy Policy Act of 2005 (the "Act"), the Commission established this case to consider the implementation of certain standards under the Public Utility Regulatory Policies Act ("PURPA").

2. In the order issued by the Commission in this proceeding on March 15, 2007, the Commission ordered that the parties file with the Commission position statements from their identified experts, outlining the expert's position on the applicability of the prior state action exemption to the adoption of the PURPA standards noted in each respective case caption, and articulating the reasons for supporting those positions.

3. The Commission directed the parties to this case to submit a response to the questions quoted above by no later than April 13, 2006.

4. In response to the Commission's Order, KCPL states its position (as will be articulated by Randy Hughes) that that this proceeding can be closed based on prior state actions. As required by Section 1251(b)(3) of the Act, KCPL believes that the Commission has adequately

considered and implemented fuel sources standards through its promulgation of 4 CSR 240-22.040 (Supply-Side Resources Analysis).

5. Specifically, the Commission provides for consideration of the fuel standard in 4 CSR 240-22.040 (8) (A), Fuel Price Forecasts. Under this section of the required utility resource planning, the following fuel issues are to be considered and included when evaluating new technologies:

- a. Present reserves, discovery rates and usage rates of the fuel including forecasts of future trends for these factors;
- b. The financial condition of the fuel suppliers;
- c. Potential environmental impacts of each fuel;
- d. The capacity, profitability and expansion potential of fuel transporters
- e. Potential effects of government regulations, competition and environmental legislation on fuel transporters;
- f. For uranium fuel, potential effects of competition and government regulations of future costs of enrichment services and cleanup of production facilities; and
- g. Potential for governmental restrictions on the use of the fuel for electricity production.

6. 4 CSR 240-22.040 (1) also requires the evaluation of new plants with existing technologies and new plants utilizing new technologies. By including the requirement of numerous technologies, existing rules force consideration of varied fuel sources.

7. In addition to the above considerations, utilities are required to identify the critical uncertain factors that drive the price forecasts for fuels and to provide a range of forecasts and subjective probability distributions that reflect this uncertainty. Each supply-side alternative is

subjected to a screening process to rank alternatives based on, among other items, probable environmental costs, operating efficiency and risk reduction or planning flexibility. The required planning horizon for these evaluations is a minimum of 20-years.

7. Resource plans resulting from this comprehensive evaluation will capture the range of price and supply uncertainties for a range of fuels and will provide the necessary diversity in fuel sources.

8. Although KCPL believes that this case can be closed based on prior state actions, if the Commission determines that it is necessary to continue the proceeding, KCPL believes that the Commission should undertake a notice and comment rulemaking proceeding.

WHEREFORE, KCPL respectfully provides its Position Statement in response to the Commission's March 15, 2007 Order in the above-captioned matter.

Respectfully submitted,

/s/ James M. Fischer

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Position Statement was served to all persons on the official service lists in the above-referenced cases via electronic filing and electronic mail (e-mail) on this 13th day of April, 2007.

/s/ James M. Fischer

James M. Fischer