

**MDNR Company-Specific Contemporary Issues
For Kansas City Power & Light Company (KCPL)**

Issue 1: Clarifying the assumptions and structural form of weather normalization models

In its annual update, KCPL should elaborate on the assumptions, functional form used in the equations to estimate the effect of weather on system loads and report the R-squared statistic and other goodness of fit measures to comply with the rule. KCP&L should investigate if there are any other variables that can better explain the weather trends or consider using non-linear models as an estimation technique.

Issue 2: Adjusting its load forecast to reflect current economic conditions.

In its annual update, KCPL should recalibrate its forecast of the number of households to reflect the existing economic situation. The analysis should describe and document any changes in the components of the load forecast made to account for changes in the economic situation.

Issue 3: Provide quantitative and qualitative justification for the use of first-order autoregressive models in its weather normalization models

In its annual update, KCPL needs to provide a rationale for the use of first-order autoregressive models, specify the model and explain why autoregressive moving average or autoregressive integrated moving average models were not used, especially in the wake of using time-series models. Use of specific monthly variables need to be justified in the modeling process and any test results for serial correlation and stationarity need to be reported.

Issue 4: Provide a more detailed analysis of distributed generation and combined heat and power (CHP) sources.

In its annual update, KCPL should provide a more detailed analysis of the market status of a number of distribution technologies as well as their potential impacts. KCP&L should also explore more opportunities with customer-side CHP.

Issue 5: Provide complete metrics for “aggressive” and “very aggressive” DSM portfolios.

In its annual update KCPL should provide the program metrics described in 4 CSR 240-22.050(G) for each of its DSM portfolios.

Issue 6: Consider changes to KCPL’s approach to estimating aggressive DSM portfolios.

In its 2012 IRP KCPL estimated two “aggressive” and “very aggressive” DSM portfolios by adding unknown technologies (“Technology X” in the case of its “aggressive” DSM portfolio, “Technology Y” in the case of its “very aggressive” DSM portfolio). KCP&L should describe and document changes in its program designs, measure offerings and customer incentive levels that would achieve the savings levels of its “aggressive” and “very aggressive” DSM portfolios without relying on unknown technologies.

Issue 7: KCPL should describe and document the legal and administrative steps necessary to allow for IRP planning on a combined company basis.

Issue 8: KCPL should describe and document its methodology for allocating combined company resources to its component companies.

In its annual update, KCP&L should describe and document its approach to constructing combined plans and its allocation procedures. If the Company uses a combined planning approach in the future, the combined plan should include an articulated methodology for sharing demand side, supply side and renewable resources between companies.

Issue 9: Address deficiencies in the analysis of Special Contemporary Issues B, C, H, I, J, K and L from File No. EO-2012-0041.

The specific deficiencies and concerns raised by MDNR are described in its filing in response to KCPL's 2012 IRP (File No. EO-2012-0323).