

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

In the Matter of an Incident on May 9, 2007)
at the Iatan generating plant Kansas) Case No. ES-2007-0458
City Power & Light Company operates)

**RESPONSE OF KANSAS CITY POWER & LIGHT COMPANY
TO STAFF RECOMMENDATIONS AS ORDERED**

Pursuant to the Order Directing Kansas City Power & Light To Respond To Staff's Final Report ("Order Directing Response") issued on March 18, 2008 by the Missouri Public Service Commission ("Commission") in the above-captioned proceeding, Kansas City Power & Light Company ("KCPL") respectfully submits its response. In support of hereof, KCPL offers as follows:

1. KCPL is a Missouri corporation with its principal office and place of business at 1201 Walnut, Kansas City, Missouri 64106-2124. KCPL is primarily engaged in the business of generating, transmitting, distributing, and selling electric energy in portions of eastern Kansas and western Missouri. KCPL is an electrical corporation and public utility as defined in Mo. Rev. Stat. § 386.020 (2000).

2. KCPL holds Certificates of Convenience and Necessity from the Commission to transact business as an electric public utility in certain areas of the State of Missouri and is principally engaged in the generation, transmission, distribution and sale of electric power and energy. KCPL has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which has occurred within three years of the date of this Application. No annual report or assessment fees are overdue.

3. Pleadings, notices, orders and other correspondence and communications concerning this proceeding should be addressed to the undersigned counsel and:

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4. Staff filed its Final Report on March 17, 2008. In its Final Report, Staff recommended that KCPL “take certain steps to reduce the likelihood of a recurrence of a similar accident.” As such, the Commission directed KCPL to respond to Staff’s Final Report no later than April 16, 2008.

5. Staff’s Final Report included the following recommendations:

- That the Commission order KCPL to keep all of its records relating to KCPL’s Flow-Accelerated Corrosion (“FAC”) program, including testing results, and make them available for review by Staff upon request with reasonable notice;
- That the Commission order KCPL to, by June 1 of each year, provide to the Energy Utility Regulatory Manager of Staff an annual report that describes the effectiveness of the FAC program that was in effect for the preceding twelve months, including all testing results obtained during the preceding twelve months. This report shall also identify any revisions or changes made to the FAC program during the preceding twelve months; and
- That the Commission order KCPL to file a response to Staff’s final incident report and staff’s recommendations within thirty (30) days of a Commission Order adopting Staff’s recommendations.

6. KCPL generally accepts these recommendations. KCPL requests one clarification regarding the annual reporting requirement. In order to allow sufficient time and resources to

prepare the annual report, KCPL believes the report should cover the preceding calendar year period, and is agreeable to moving the submission date to April 1. Moving the submission date to April 1 for the report for the preceding calendar year was determined by joint agreement between the Commission Staff and the Company. Given this clarification, KCPL believes these recommendations are appropriate under these circumstances.

7. In addition to responding to these recommendations, KCPL offers several clarifications of paragraph 5 in the “KCPL Response” section of the Final Report. The Final Report provides:

With the assistance of an outside consultant, CSI Technologies, Inc., KCPL has created an FAC program which provides a plan for: 1) monitoring the changes in the chemical treatment of boiler water, 2) updating the FAC software, 3) updating FAC testing procedures, 4) updating plant piping drawings, 5) adding a design review procedure for plant piping modifications, 6) updating procedures with industry FAC updated standards, and 7) creating a position responsible for coordinating FAC monitoring and testing. Staff believes that this FAC program with procedures created by KCPL should mitigate the risk of future pipe failures due to FAC.

8. KCPL seeks to clarify that provision as follows:

With the assistance of an outside consultant, CSI Technologies, Inc., KCPL has created an FAC program which provides a plan for: 1) monitoring the changes in the chemical treatment of boiler water, 2) updating the FAC ~~software~~ models, 3) updating FAC testing procedures, 4) updating ~~plant~~ FAC model piping drawings, ~~5) adding a design review procedure for plant piping modifications,~~ 6) updating procedures with industry FAC updated standards, and 7) creating a position responsible for coordinating FAC monitoring and testing, Staff believes that this FAC program with procedures created by KCPL should mitigate the risk of future pipe failures due to FAC.

9. Additionally, KCPL would like to mention that the design review procedure for plant piping modifications currently a part of our ongoing effort at Iatan, is separate from the FAC program there and elsewhere within the system. KCPL is, however, agreeable to providing updates to the Staff regarding this effort should the Commission so order. KCPL believes

approaching process piping design review from a systems analysis perspective is the best approach, and thus far concluded our initial efforts for the Iatan matter should focus on Covered Piping Systems (CPS) as defined in ASME B31.1 (4" and larger, greater than 750F or greater than 1025 psi). KCPL is developing a piping design review for CPS piping.

10. Since the time of the incident, KCPL has worked with the Commission's Staff to develop an understanding of the facts and implications of the Company's investigation. This response is the culmination of collaborative effort between KCPL and the Commission's Staff. We believe that Staff has a thorough understanding of the FAC program proposed by KCPL, and we sincerely appreciate the opportunity to collaborate with Staff in this on-going effort.

11. KCPL respectfully requests that the Commission accept this response to Staff's Final Report.

Respectfully submitted,

/s/ Curtis D. Blanc

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**COUNSEL FOR
KANSAS CITY POWER & LIGHT COMPANY**

Dated: April 16, 2008

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was served either by electronic mail or by first class mail, postage prepaid, on this 16th day of April 2008, upon:

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/s/ Curtis D. Blanc

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