

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

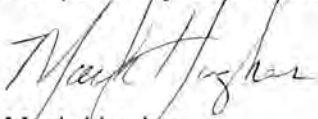
In the Matter of the Joint Application of     )  
Kansas City Power & Light Company and     )  
KCP&L Greater Missouri Operations     )     EM-2012-0176  
Company for Approval of the Merger of the )  
Companies and for Other Related Relief     )

**NOTICE REGARDING EXTRA-RECORD COMMUNICATION**

Issue Date: December 8, 2011

On December 8, 2011, I received the attached correspondence from Tim Rush,  
Director, Regulatory Affairs, Kansas City Power & Light Company.

Respectfully Submitted,



Mark Hughes  
Personal Advisor to Commissioner Davis

Dated at Jefferson City, Missouri,  
on this 8<sup>th</sup> day of December, 2011.

## Gregory, Sheryl

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**From:** Hughes, Mark  
**Sent:** Thursday, December 08, 2011 2:10 PM  
**To:** Gregory, Sheryl  
**Cc:** Reed, Steven  
**Subject:** FW: LaCygne 10/18/11 Meeting Follow-up

Sheryl, I don't know why I was sent this, but please see that it is filed in all appropriate cases under ex parte communications rules. Thanks, MDH

Mark D. Hughes  
Adviser to Commissioner Davis  
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**From:** Rush Tim [mailto:Tim.Rush@kcpl.com]  
**Sent:** Thursday, December 08, 2011 12:06 PM  
**To:** Schallenberg, Bob  
**Cc:** Voss, Cherlyn; Dietrich, Natelle\*; Thompson, Kevin; Kliethermes, Sarah; Mantle, Lena; Beck, Dan; Oligschlaeger, Mark\*; Featherstone, Cary; Hughes, Mark; Majors, Keith; Elliott, David; Lange, Shawn; Taylor, Michael; Erickson Randy; Ives Darrin; Giles Chris; Bell Bob; Davis Brent; Steiner Roger  
**Subject:** RE: LaCygne 10/18/11 Meeting Follow-up

Bob,

Thanks for your e-mail. I will try to address each of the questions from your mail of last week.

Rate Cases and Merger Case – I spoke with Natelle this morning and we are scheduled to discuss the merger and rate cases later this afternoon.

Montrose - You made mention that KCP&L had indicated that Montrose might be upgraded for the benefit of GMO operations. What we were talking about is some of the potential benefits of the Company's merging and that an evaluation of a combined company might show upgrading Montrose rather than retirement. Many factors are constantly changing with the changes in environmental regulations and at this time, we are moving to make improvements to Montrose by mid-year next year for the benefit of KCP&L. Until some of the overall regulations are made clear, we will not finalize plans on any retirement at Montrose.

Cost Control System for LaCygne – I don't necessarily agree with your statement regarding moving forward on LaCygne and the cost control system without input from the Staff. As I remember, in an earlier meeting, Chris Giles had discussed with you about anything we should be doing with the cost control system. The only thing mentioned was that we should assign someone to monitor for inappropriate charges. I think that before we get too deep into the project that we should meet again to address any other areas that we can help with in providing sufficient information for Staff's review.

Reporting on LaCygne – As we had mentioned at our previous meetings, we will be providing the same report given to the KS Staff on the LaCygne project. You also addressed your interest in reviewing project reports internally produced for management, executives, joint owners, and others regarding the project. As I understand, the reports we currently provide include the EOC, Joint Owners, LEP, B&V and KCC monthly reports, but I will need to check further to better understand the reporting. We will put together a listing and provide it to you in the very near future.

Meetings on LaCygne – You had asked to participate in the monthly meetings with the Kansas Staff. Besides the Kansas Staff, Westar is also in attendance at these meetings. As this point, we would prefer to have a separate meeting with the Missouri Staff. As the project progresses, we would continue to look at whether this makes sense. We would be happy to arrange a meeting as soon as you would like. Please provide some dates when your team could meet.

I hope this addresses your thoughts, questions and concerns from you e-mail sent last week. Please let me know if I have not addressed any of the questions or concerns and I will try to address them as quickly as possible.

Tim Rush  
Director, Regulatory Affairs  
Kansas City Power & Light Company  
816 556-2344

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**From:** Schallenberg, Bob [mailto:bob.schallenberg@psc.mo.gov]  
**Sent:** Friday, December 02, 2011 2:13 PM  
**To:** Rush Tim  
**Cc:** Voss, Cherlyn; Natelle Dietrich MO PSC; Thompson, Kevin; Kliethermes, Sarah; Lena Mantle MO PSC; Dan Beck MO PSC; Oligschlaeger, Mark\*; Featherstone, Cary; Hughes, Mark; Majors, Keith; Elliott, David; Lange, Shawn; Taylor, Michael  
**Subject:** LaCygne 10/18/11 Meeting Follow-up

Tim,

The purpose of this email is to follow-up on our meeting regarding LaCygne's environmental upgrade held in the Commission offices on October 18, 2011. I understood the purpose of the meeting was to determine the information process for the Missouri Commission Staff regarding the information provided to the Kansas Corporation Commission (KCC) related to the Kansas predetermination decision regarding these environmental upgrades. The Staff will be meeting internally to determine the objectives and related scope of work necessary to form a position regarding these costs when these costs are proposed to be included in customer rates. It was also mentioned at the meeting that a Montrose unit might be upgraded for the benefit of the KCP&L Greater

Missouri Operations Company system in lieu of retiring all Montrose units as had been discussed at a previous meeting.

In the meeting, KCPL verified that it had implemented its LaCygne cost control system without benefit of discussion with the Commission Staff input regarding features that could avoid issues raised regarding its audit of the Iatan project. If this is not accurate, please provide the date, who from Staff KCPL worked with regarding its cost control system, and the features of the cost control system implemented as a result of this contact.

Staff indicated that it did not seek to require KCPL additional work to create a special LaCygne report or hold regularly scheduled separate meetings for the Missouri Commission Staff relative to KCPL's Kansas requirements. We would like to receive the same report given to the KCC Staff and attend the same meetings with the KCC Staff. Staff intends to use this information to reduce and hopefully avoid duplication in its requests to support Staff's evaluation the LaCygne project. KCPL indicated that you would check to see if our receipt of such information or attendance at the KCPL and KCC Staff meetings would be a problem. We assume that the lack of response indicates that no problem exists. If this assumption is not true, then please notify us of the problem and the concerns preventing our attendance or receipt of such information.

We did indicate that while we did not seek special reports created for Staff, we would like to review project reports internally produced for management, executives, joint owners, and others regarding the project. We requested that KCPL provide a list of all the reports that are being produced for the LaCygne environmental upgrade project. It is my understanding that KCPL agreed to provide such a listing; however, we have yet to receive such a list. Please let us know when you will be providing the list of reports to Staff. If our understanding is incorrect, then please let us know as soon as possible.

Once Staff has reviewed the listing of reports, it will provide KCPL with which reports it would like KCPL to provide Staff from that listing on an ongoing basis. Staff will submit specific requests that it seeks for information not contained either in the KCC reports or the project reports Staff selects for further analysis.

On another topic, Staff has interest in meeting with the Company regarding the upcoming rate and merger cases. Staff would like to inquire regarding certain specifics of these cases. If the Company is agreeable to such a meeting, then please let me know the date and time that KCPL would be willing to meet. Staff will develop a list of topics to be discussed at the meeting, if KCPL would find the list to be useful.

Thanks for your help on these matters.