

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

In the Matter of the Application of Kansas)
City Power & Light Company for Approval)
To Make Certain Changes in its Charges for) Case No. ER-2010-0355
Electric Service to Continue the)
Implementation of its Regulatory Plan)

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company for) Case No. ER-2010-0356
Approval to Make Certain Changes in its)
Charges for Electric Service)

MISSOURI RETAILERS ASSOCIATION'S POSITION STATEMENT

The following is the MRA's position on the issues as set out in the List of Issues filed on January 7, 2011. The MRA may modify its position as the evidence warrants, or as the nature of the issue manifests differently.

21. Should the Iatan 1 and plant additions be included in rate base in this proceeding?

MRA asserts that the cost of the Iatan 1 and 2 plant additions (hereafter "the Iatan project") should be included in rate base, to the extent such costs were prudently incurred. (Drabinski)

22. Has doubt regarding the prudence or reasonableness of the Iatan 1 and 2 plant additions been raised by any party in this proceeding?

MRA asserts that both Staff and MRA have cast doubt upon the reasonableness of the cost of Iatan project costs. (Drabinski)

23. What should be the appropriate prudence standard regarding the costs of the Iatan 1 and 2 plant additions?

MRA asserts that the Commission should apply the prudence standard that it has developed and applied in prior rate cases. (Drabinski)

24. Did KCP&L prudently manage the Iatan 1 and 2 projects?

MRA asserts that KCP&L prudently managed some aspects of the Iatan project, but not others. MRA has proposed that the Commission exclude from rate base those costs resulting from imprudent management. (Drabinski)

25. Is the December 2006 Control Budget Estimate the “definitive Estimate”?

MRA asserts that the December 2006 Control Budget Estimate (CBE) was a definitive estimate of the costs of the Iatan project. It is not the only budget estimate developed for the Iatan project and should not be the base for prudence disallowances. (Drabinski)

26. Should the costs of the Iatan 1 and 2 projects be measured against the Control Budget Estimate?

MRA asserts that the Iatan project costs can be measured against the CBE. (Drabinski)

27. What amount of Iatan 1, 2, and Common regulatory assets and annualized amortization expense should be included in rate base in this case?

MRA has not examined, and has no opinion, on the level or rate treatment of regulatory assets and amortization expense in this case. As the evidence is introduced, MRA may adopt a position. MRA has not addressed the allocation of construction costs among Iatan 1, Iatan 2, and common plant accounts, and has no position on the issue at this time.

28. Has KCP&L carried its burden of proving the common costs of its Iatan 1 and Iatan 2 construction projects?

MRA asserts that KCP&L's prefiled testimony established that it expended costs for the Iatan project. (Drabinski)

29. What portion of the Common Costs of the Iatan 1 and Iatan 2 construction projects should be included in rate base in this proceeding?

MRA asserts that the prudent costs incurred for the Iatan project be included in rate base. MRA does not take a position on the allocation of costs among Iatan 1, Iatan 2 and common costs. MRA asserts that approximately \$230 million of the more than \$1.9 billion spent by KCP&L should be excluded from rate base because not prudently incurred.

33. Should costs related to the May 23, 2008 Crane Accident be included as costs of the Iatan Unit 1?

MRA has eliminated some costs associated with the May 23, 2008 crane incident as imprudent. (Drabinski)

36. Should the costs related to the campus relocation be included in the costs of Iatan 1 and Iatan 2?

MRA has made an adjustment for the relocation of the campus. (Drabinski)

37. Should costs related to the August 25, 2007 JLG accident be included in the costs of Iatan Unit 1 and Iatan Unit 2?

MRA has proposed an adjustment based on the JLG accident. (Drabinski)

38. Should KCPL include costs related to the construction resurfacing project in the costs of Iatan Unit 1 and Iatan Unit 2?

MRA has proposed an adjustment to the resurfacing costs. (Drabinski)

41. Should the cost of the July 18, 2008 settlement and foregone liquidated damages be included in the costs of Iatan Unit 1?

MRA has proposed an adjustment to the costs of the July 18, 2008 settlement.

42. Should the cost of the January 13, 2010 settlement be included in the costs of Iatan Unit 2?

MRA has proposed an adjustment to the costs of the January 13, 2010 settlement.

43. Schiff Hardin, LLP

MRA has proposed an adjustment to the costs KCP&L incurred for services from Schiff Hardin. (Drabinski)

49. Should the cost of the Iatan Unit 1 and Unit 2 be reduced by the adjustments proposed by the KCC Staff?

MRA asserts that the Commission adopt the adjustments proposed by Vantage Energy Consultants in this case. The adjustments were the basis of the KCC Staff adjustments in the KCC rate proceeding. Vantage' approach differed from that of Staff in this case, and while generally consistent, the Commission must avoid possible duplicate adjustments.

50. Should the cost of Iatan Unit 2 be reduced by costs paid to Welding Services Incorporated?

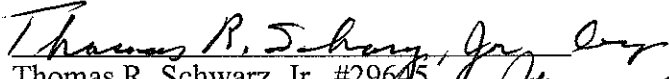
MRA has proposed an adjustment based on the Welding Services costs. (Drabinski)

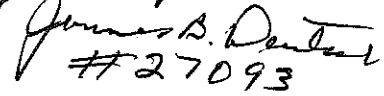
51. Should the cost of Iatan Unit 2 be reduced by the cost of the temporary auxiliary boilers?

MRA has proposed an adjustment to the cost of the temporary auxiliary boilers.

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CERTIFICATE OF SERVICE

I hereby certify that true and accurate copies of the foregoing Missouri Retailers Association's Position Statement were sent by electronic transmission, this 11th day of January, 2011, to the following:

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