

agreement on a plan to remedy the identified deficiencies.” 4 CSR 240-22.080(8). KCPL, Staff, the Office of Public Counsel and the Missouri Department of Natural Resources have been working together to develop such a joint plan. KCPL filed a motion requesting that the time for filing an agreement be extended. On January 8, 2007, the Commission issued an order extending until February 13, 2007 the deadline for the submission of a joint agreement on a plan to remedy the deficiencies noted in KCPL’s Integrated Resource Plan.

Extension of Time and Waiver Requests

In its Report Staff recommends that the Commission allow KCPL the extension of time for the provision of the filing requirements for Supply-Side Analysis (4 CSR 240-22.040(9)), Integrated Resource Analysis (4 CSR 240-22.060(6)) and Risk Analysis and Strategy Selection (4 CSR 240-22.070(11)) with certain conditions. Staff Report, at pp. 8-9. KCPL agrees to comply with the eight bullet point conditions provided in Staff’s Report.

KCPL will submit its Integrated Resource Planning (IRP) analysis on August 5, 2008 (the “2008 Filing”). KCPL’s next three year IRP filing will be filed on November 5, 2011 (the “2011 Filing”), assuming there are no changes to the Electric Utility Resource Planning Rules, 4 CSR 240-22 (Chapter 22), that preempt this filing schedule. The goal of the 2008 Filing is full compliance with the Commission’s Chapter 22, except where the Commission has pursuant to a request by KCPL approved waivers of those rules prior to the 2008 Filing.

ALLEGED AREAS OF DEFICIENCIES

In its Report Staff enumerates 31 alleged deficiencies in KCPL’s July 5 resource planning compliance filing. Staff Report, at pp. 9-11. For clarity, provided below is each alleged

deficiency followed either by KCPL's explanation of the allegation or the remedy to the alleged deficiency.

Load Analysis and Forecasting (4 CSR 240-22.030)

1. *Subclass forecasts 4 CSR 240-22.030 (1)(A)1. and 2. - KCPL did not forecast by subclass or provide an explanation for why it did not forecast at subclass level.*

Through discussions with the other parties, KCPL further explained its forecast methodology. KCPL believes that the parties are now in agreement that KCPL did forecast by subclass. KCPL will continue to forecast by subclass in the same manner in its future resource planning submissions.

2. *Weather normalization 4 CSR 240-22.030(1)(D)1. - KCPL has not shown that it has actual and weather-normalized monthly class and system energy usage and actual hourly net system loads from 1982 forward.*

Through discussions with the other parties, KCPL further explained its weather normalization methodology. KCPL believes that the Staff and Company are now in agreement that KCPL complied with the requirement of 4 CSR 240-22.030(1)(D)1. KCPL will continue to conduct its weather normalization in the same manner in its future resource planning submissions.

3. *Nonlinear weather response function 4 CSR 240-22.030(1)(C)2.A. - KCPL has asked for a waiver from providing its nonlinear response function.*

KCPL will explore its potential use of the nonlinear weather response function for its next resource planning submission in 2008. Should KCPL find, through its analysis, a need for a waiver from this requirement, KCPL will request a waiver.

4. *Load analysis and forecasting reporting requirements 4 CSR 240-22.030(8) - KCPL has asked for a waiver from providing a report containing plots of number of units, energy usage per unit and total class energy usage.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

Supply-Side Resources Analysis (4 CSR 240-22.040)

5. *Supply-side cost estimates 4 CSR 240-22.040(1)(A-L) - KCPL did not show that its generic cost estimates include all required costs.*

In its next resource planning submission in 2008 KCPL will include the available cost data required by the Commission's regulations and will submit an application for waiver of any specific cost items that the company cannot reasonably ascertain.

6. *Analysis of supply-side options 4 CSR 240-22.040(1)(A-L) - KCPL did not show that it analyzed all supply-side options identified.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

7. *Busbar costs 4 CSR 240-22.040(2)(A) - Staff could not determine if busbar costs were included in KCPL's analysis.*

KCPL provided busbar costs in Table 1: Supply-Side Busbar Costs in Attachment 4, Integrated Resource Analysis for some of the identified technologies. KCPL will include available busbar costs for all technologies in its next resource planning submission in 2008. Should busbar costs for a specific technology be unavailable, KCPL will request a waiver from the requirement for that specific technology.

8. *Evaluation of environmental costs 4 CSR 240-22.040(2)(B) - KCPL's evaluation of environmental costs is incomplete.*

In its next resource planning submission in 2008 KCPL will include the available cost data required by the Commission's regulations and will submit an application for waiver of any specific cost items that the Company cannot reasonably ascertain.

9. *Ranking of supply-side options 4 CSR 240-22.040(2)(C) - KCPL's ranking of supply-side options is incomplete.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

10. *Interconnection of potential resource options 4 CSR 240-22.040(3)(A-C) – KCPL provided no documentation of its analysis of existing and planned interconnection of potential resource options.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

11. *Life extension and refurbishment of existing plants 4 CSR 240-22.040(4) - KCPL's documentation of its analysis of life extension and refurbishment of existing plants is incomplete.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

12. *Request for Proposals (RFP) documentation 4 CSR 240-22.040(5)(A-G) - KCPL's documentation of its RFP is incomplete.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

13. *Transmission and distribution efficiency improvements 4 CSR 240-22.040(7) - KCPL provided no information regarding efficiency improvements in existing transmission and distribution facilities.*

The Federal Energy Regulatory Commission's Standards of Conduct for Transmission Providers (Order No. 2004) ("Standards of Conduct") imposes significant restrictions on the transmission-related data that KCPL's transmission group can share with KCPL's supply-side group. KCPL's transmission group cannot, for example, share with the energy resource management group transmission system upgrades or improvements under consideration that are not a matter of public record on KCPL's OASIS. Given such restrictions, the Signatories agree that KCPL's transmission group will submit non-public information about KCPL's transmission system upgrades or improvements under consideration to the parties (the "Transmission Submission") at the time KCPL makes its 2008 Filing. If requested, KCPL will make individuals from its transmission group available to discuss the Transmission Submission with the parties. KCPL will seek waiver of this requirement as it relates to transmission in its future resource planning submissions, should these restrictions and the provision in this S & A regarding the "Transmission Submission" make such a waiver necessary. It is also important to note that as a member of the Southwest Power Pool, Inc. (SPP), KCPL participates in regional transmission planning efforts conducted by SPP, and will continue to do so. KCPL's 2008 filing will reference and summarize the portion of these SPP regional transmission planning efforts that are in the public record.

KCPL systematically examines its distribution system, looking for cost-effective ways to maintain and increase the efficiency of the distribution system. These efficiency improvements that are under consideration and the improvements that are planned will both be described in

KCPL's next resource planning submission in 2008. To the extent a waiver is required, KCPL will request a waiver and supply appropriate analysis to support the request.

14. *Uranium fuel pricing 4 CSR 240-22.040(8)(A) - KCPL failed to include a discussion of uranium fuel pricing.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

15. *Documentation of costs 4 CSR 240-22.040(8)(B)&(C) - KCPL did not provide comprehensive documentation of all costs.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

16. *Emission allowances 4 CSR 240-22.040(8)(D) - KCPL's analysis of forecasts of emission allowances is incomplete.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

17. *Leased or rented facilities 4 CSR 240-22.040(8)(E) - KCPL provided no documentation regarding annual fixed costs for leased or rented facilities.*

KCPL will include information concerning any leased or rented generation facilities in its next resource planning submission in 2008.

18. *Supply-side reporting requirements 4 CSR 240-22.040(9) - KCPL asked for an extension for the reporting requirements until June 5, 2008.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

Demand-Side Resource Analysis (4 CSR 240-22.050)

19. *Demand-side analysis 4 CSR 240-22.050 - KCPL did not meet the specific requirements of the demand-side rule or provide an explanation of why the Commission should grant it a waiver from the specific requirements.*

In its current resource planning submission KCPL used a best practices approach rather than screening all end uses as required by the Commission's regulations. KCPL has found that utilities are quite willing to share data derived from their experiences with demand-side programs. KCPL is evaluating the best practices approach vs. an end-use evaluation as required by the Commission's regulations. Based upon the foregoing, should KCPL continue to use the best practices approach in its next resource planning submission any necessary waivers will be requested.

20. *Market research 4 CSR 240-22.050(5) - KCPL did not document any market research.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

21. *End-use screening and avoided costs 4 CSR 240-22.050(1), 4 CSR 240-22.050(2)(A)1. - 2., (2)(C)2.A.-B. - KCPL did not conduct end-use screening or calculate avoided costs as required by the rule.*

As described above, KCPL will seek a waiver of the requirement to use an end-use evaluation. Nonetheless, in its next resource planning submission in 2008 KCPL will include the available avoided cost data and will submit an application for waiver of any costs that it cannot reasonably ascertain.

22. *Load building evaluation 4 CSR 240-22.050(10) - KCPL did not evaluate the load building aspects of its demand-side programs.*

KCPL will examine the load building aspects of its demand-side programs and evaluate those programs. To the extent waivers are required, KCPL will request a waiver and supply appropriate analysis to support the request.

Integrated Resource Analysis (4 CSR 240-22.060)

23. *Development of alternative resource plans 4 CSR 240-22.060(3) - Deficiencies in Supply-side and Demand-side analysis limits the development of alternative resource plans.*

KCPL will include an expanded group of scenarios in its alternative resource plans in its next resource planning submission in 2008.

24. *Alternative resource plans 4 CSR 240-22.060(3) - The alternative resource plans that were developed were limited.*

As stated above, KCPL will include an expanded group of scenarios in its alternative resource plans in its next resource planning submission in 2008.

25. *Analysis of Load-Building Programs 4 CSR 240-22.060(5) - KCPL provided no documentation that it did any analysis of load building programs.*

To the extent KCPL implements load-building programs, KCPL will include the information required to satisfy the Commission's regulations in its next resource planning submission in 2008. Moreover, KCPL will keep load-building programs separate from demand side management programs.

26. *Integration Analysis filing requirements 4 CSR 240-22.060(6) - KCPL asked for an extension for the reporting requirements until June 5, 2008.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

Risk Analysis and Strategy Selection (4 CSR 240-22.070)

27. *Decision-Makers Assessment of Risk 4 CSR 240-22.070(1) - KCPL provided no documentation on decision-makers consideration of the results of the resource plan or the decision makers determination that the assessments of these uncertainties were reasonable.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

28. *Expected Value of Better Information 4 CSR 240-22.070(8) - KCPL did not include any documentation of its analysis of the value of better information.*

KCPL will examine the need for and value of better information, and will include this information. To the extent a waiver is required, KCPL will request a waiver and supply appropriate analysis to support the request.

29. *Environmental Compliance 4 CSR 240-22.070(10) - KCPL needs to conduct additional analysis on environmental compliance.*

KCPL is in the process of conducting additional analysis regarding environmental compliance and will incorporate the results of this analysis in the 2008 submission.

30. *Contingency Analysis 4 CSR 240-22.070(10) KCPL did not develop an adequate set of contingency options.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

31. *Risk Analysis and Strategy Selection filing requirements 4 CSR 240-22.070(11) - KCPL asked for an extension for the reporting requirements until June 5, 2008.*

KCPL will include the information required to satisfy the Commission's regulations concerning this issue in its next resource planning submission in 2008.

AGREEMENTS CONCERNING KCPL'S INTEGRATION AND RISK ANALYSIS

KCPL agrees that demand-side resources considered in integration and risk analysis in its next resource planning submission in 2008 will reflect:

- a) information from demand-side management ("DSM") evaluations that is available in time to use for adjusting, if necessary, the demand-side resources that are analyzed in integrated and risk analysis,
- b) any changes in the portfolio of KCPL's ongoing and planned programs and any changes in program designs of KCPL's ongoing and planned programs.

KCPL agrees that some of the alternative plans that are assessed in integration and risk analysis in its next resource planning submission in 2008 should be designed to address future risks of:

- a) additional environmental regulations and
- b) adverse changes in the price and/or availability of fossil fuels.

To the extent the following pass the technical screening and analysis, integrated and risk analysis should assess the long run cost and risk mitigation benefits of:

- a) nuclear generation,
- b) IGCC with sequestration,
- c) renewables,
- d) a more aggressive portfolio of DSM programs than KCPL has in its current plans
- e) thermal storage
- f) generation from landfill gas

AGREEMENTS NOT LINKED TO A SPECIFIC SECTION OF 4 CSR 240-22

1. KCPL agrees that, if it seeks any waivers for the 2008 Filing it will make a good faith effort to do so at least 12 months prior to the filing. In the event that KCPL is unable to request waivers at least 12 months prior to the filing and determines that it will seek a waiver in a shorter time frame, KCPL will provide prompt notice of its determination to the Signatories and file a waiver request with the Commission no later than 6 months prior to the filing. KCPL agrees that it will seek waivers for any and all sections of the current IRP rules that its filing will not comply with.
2. KCPL agrees that if the Commission removes or lessens the requirements of Chapter 22 prior to KCPL's 2008 Filing, such changes will not affect KCPL's commitments in this S&A regarding the 2008 Filing.
3. The non-KCPL Signatories agree that should future changes to Chapter 22 result in additional or differing requirements, the non-KCPL Signatories will support KCPL in seeking a waiver or exemption from the additional or differing requirements for the 2008 Filing.
4. This S&A does not restrict any of the Signatories from taking the position of its choice in any Commission case to review the Chapter 22 rules or in any KCPL rate proceeding.
5. KCPL's agreement to take any particular action or to provide any particular analysis in the 2008 filing does not constitute an admission on the part of KCPL that its 2005 filing contained any deficiencies.
6. The Signatories agree to hold semi-annual resource planning meetings until the 2008 Filing. The meetings will be open to all parties in this case. At these meetings, KCPL will provide an update on the incorporation of the terms of the S&A into the 2008 Filing. The meetings will also be used to facilitate discussion and gather input from participants on specific

aspects of the IRP process. The first meeting will be held within a month of the Commission's approval of this S&A.

7. The Staff may file suggestions, a memorandum or other pleading in support of this S&A and any of the Signatories shall have the right to file responsive suggestions, memorandum or other pleading in response.

8. None of the Signatories shall be deemed to have approved or acquiesced in any question of Commission authority, accounting authority order principle, cost of capital methodology, capital structure, decommissioning methodology, ratemaking principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation, cost recovery, or prudence that may underlie this S&A, or for which provision is made in this S&A.

9. This S&A represents a negotiated settlement. Except as specified herein, the parties to this S&A shall not be prejudiced, bound by, or in any way affected by the terms of this S&A: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this S&A in the instant proceeding, or in any way condition its approval of same.

10. The provisions of this S&A have resulted from extensive negotiations between the parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this S&A in total, it shall be void and none of the Signatories shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof, unless otherwise agreed to by the Signatories.

11. If approved and adopted by the Commission, this S&A shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this S&A and the operation of this S&A according to its terms.

12. This S&A does not constitute a contract with the Commission. Acceptance of this S&A by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this S&A is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

13. If the Commission does not unconditionally approve this S&A without modification, and notwithstanding its provision that it shall become void thereon, neither this S&A, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has to a hearing on the issues presented by the S&A, for cross-examination, or for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this S&A had not been presented for approval, and any suggestions, memoranda, testimony or exhibits that have been offered or received in support of this S&A shall thereupon become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever, unless otherwise agreed to by the Signatories.

14. In the event the Commission accepts the specific terms of the S&A, the Signatories waive their respective rights to cross-examine witnesses; their respective rights to present oral argument

and written briefs pursuant to Section 536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510 RSMo 2000. This waiver applies only to a Commission Order Approving this S&A issued in this proceeding, and does not apply to any matters raised in any subsequent Commission proceeding, or any matters not explicitly addressed by this S&A.

Wherefore, for the foregoing reasons, the Signatories respectfully request that the Commission issue an order approving the terms and conditions of this Non-unanimous Stipulation and Agreement.

Respectfully submitted,

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Missouri Department of Natural Resources

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E-Mail: lewis.mills@ded.mo.gov

Office of the Public Counsel

Dated: February 13, 2007

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing response was served via e-mail or first class mail, postage pre-paid, on this 13th day of February 2007, upon:

James M. Fischer

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

In the Matter of the 2008 Resource Plan of)
Kansas City Power & Light Company)
Pursuant to 4 CSR 240-22) Case No. EO-2007-_____

**APPLICATION FOR WAIVERS CONCERNING
KANSAS CITY POWER & LIGHT COMPANY'S AUGUST 2008
INTEGRATED RESOURCE PLAN SUBMISSION**

Pursuant to 4 C.S.R. 240-2.060 and -22.080(11), Kansas City Power & Light Company ("KCPL") hereby respectfully submits to the Missouri Public Service Commission ("Commission") an application ("Application") for waivers concerning certain of the Commission's Electric Utility Resource Planning ("IRP") reporting requirements, as set forth in Chapter 22 of the Commission's regulations. Good cause exists for such waivers. In support of its Application, 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). KCPL provided its Certificate of Good Standing in Case No. EF-2002-315. It is incorporated herein by reference.

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, other than those listed in Exhibit A. No annual report or assessment fees are overdue.

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

Tim M. Rush
Director Regulatory Affairs
Kansas City Power & Light Company
1201 Walnut – 13th Floor
Kansas City, Missouri 64106
Phone: (816) 556-2344
Fax: (816) 556-2110
E-mail: Tim.Rush@kcpl.com

4. On July 5, 2006, KCPL submitted its compliance filing with Chapter 22 of the Commission's regulations concerning KCPL's resource planning. The Commission assigned Case No. EO-2007-0008 to that proceeding. KCPL also sought certain waivers and extensions of time concerning certain filing requirements. On November 15, 2006, Staff submitted its report concerning the adequacy of KCPL's July 5 compliance submission and related application. Staff's report alleged certain deficiencies in KCPL's compliance filing.

5. On February 13, 2007, after extensive negotiations, KCPL, Staff, the Office of Public Counsel ("OPC"), and the Missouri Department of Natural Resources ("MDNR") submitted a Stipulation and Agreement that resolved all of the alleged deficiencies in KCPL's July 5 submission. The Commission approved the Stipulation and Agreement by order issued April 12, 2007.

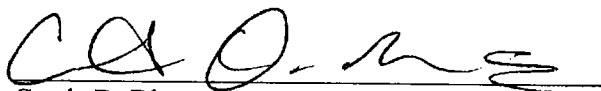
6. KCPL must submit its next IRP submission by August 5, 2008. In the Stipulation and Agreement, KCPL agreed to make a good faith effort to request any waivers relevant to that submission at least 12 months prior to the filing. In fulfillment of that obligation, KCPL hereby requests the waivers requested in Attachment A concerning load analysis and forecasting (4 CSR

240-22.030); Attachment B concerning supply-side resource analysis (4 CSR 240-22.040); and Attachment C concerning demand-side resource analysis (4 CSR 240-22.050). KCPL does not anticipate seeking any waivers related to integrated resource analysis (4 CSR 240-22.060) and risk analysis and strategy selection (4 CSR 240-22.070). KCPL will promptly notify the Commission if that expectation changes.

7. Good cause exists for the waivers requested herein. The information that KCPL will provide in August of 2008, consistent with the granting of the waivers sought herein, will at a minimum meet the objectives contemplated in the rule. Many of the waivers sought will in fact allow KCPL to use improved information and methodologies not available at the time the rule was enacted. Granting these waivers will improve KCPL's planning efforts and ultimately lead to a IRP submission that is more useful to the Commission and other interested parties. Moreover, as part of the collaborative process contemplated in the Stipulation and Agreement, KCPL presented the requested waivers to Staff, OPC and MDNR and undertook best efforts to address any comments or concerns they had. KCPL appreciates their participation and input.

8. For the foregoing reasons, KCPL respectfully requests that the Commission waive certain of its IRP requirements for KCPL's August 2008 submission, as set forth in Attachments A, B and C hereto. Such waivers are consistent with the policy objectives of the Commission's IRP regulations and will result in the submission of data that is more useful to the Commission and other interested parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C.D. Blanc", written over a horizontal line.

Curtis D. Blanc (Mo. Bar No. 58052)
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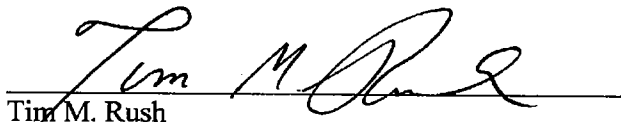
**COUNSEL FOR
KANSAS CITY POWER & LIGHT COMPANY**

Dated: August 3, 2007

AFFIDAVIT

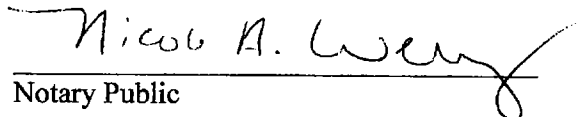
State of Missouri)
) ss
County of Jackson)

I, Tim M. Rush, having been duly sworn upon my oath, state that I am the Director, Regulatory Affairs of Kansas City Power & Light Company ("KCPL"), that I am duly authorized to make this affidavit on behalf of KCPL, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.

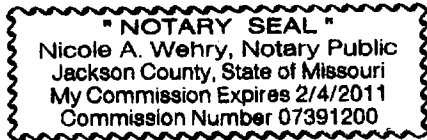


Tim M. Rush

Subscribed and sworn before me this 3rd day of August 2007.



Notary Public



**IN RE: KANSAS CITY POWER & LIGHT COMPANY'S
2008 UTILITY RESOURCE FILING PURSUANT TO 4 CSR 240,
CHAPTER 22**

**ATTACHMENT A
WAIVER REQUESTS RELATED TO:
LOAD ANALYSIS AND FORECASTING
4 CSR 240-22.030**

(1) 4 CSR 240.22.030 (1.D.1)

Current Requirement: The development of actual and weather-normalized monthly class and system energy usage and actual hourly net system loads shall start from January 1982 or for the period of time used as the basis of the utility's forecast, whichever is longer.

Proposed Alternative: The development of actual and weather-normalized monthly class and system energy usage shall start from January 1990. Actual hourly net system loads shall start from January 1982.

Rationale: Historic monthly and class system energy usage prior to 1990 is not available, and therefore KCPL cannot provide that data. For the purposes of this requirement, we believe that the current usage data, spanning 17 years, is appropriate for forecasting. This data provides more than 200 monthly observations, which is sufficient to obtain statistically significant calibration coefficients in our models.

(2) 4 CSR 240.22.030 (1.D.2)

Current Requirement: Estimated actual and weather-normalized class and system monthly demands at the time of the system peak and weather normalized hourly system loads shall start from January 1990 or for the period of time used as the basis of the utility's forecast of these loads, whichever is longer.

Proposed Alternative: Estimated actual and weather-normalized class and system monthly demands at the time of the system peak and weather normalized hourly system loads shall start from January 2005.

Rationale: Historical monthly class coincident demands (weather normalized) back to 1990 are not available. KCPL, with the involvement of Missouri Staff, designed and implemented an improved load research sample beginning in April of 2004 that utilized a structure that matches our tariff rate classes. As a result, data prior to April 2004 cannot be readily combined with the new sample data. KCPL believes that the current load research sample provides data appropriate for the proper forecasting of loads.

(3) 4 CSR 240.22.030 (3)

Current Requirement: Analysis of Use per Unit. For each major class, the utility shall analyze historical use per unit by end-use.

Proposed Alternative: For each major class, KCPL will analyze historical use per unit for heating, cooling and other end uses. For the residential class, other end uses will be appliance specific.

Rationale: The three end uses and the residential appliance data specified above are the only data available. This data is used in the SAE model to evaluate end use. KCPL conducts an appliance saturation survey for its residential customers, which allows analysis of use per unit for that class. For commercial and industrial classes, KCPL relies on regional end-use data collected by the US Department of Energy (DOE), which does not include an accurate means of disaggregation by end-use. KCPL believes that the DOE provides the best available end-use data for forecasting its loads because it maintains the best available models for incorporating appliance efficiency standards and trends in building design efficiencies, updates its models annually, and performs extensive research on energy utilization. In the future KCPL will consider performing additional market studies to help calibrate the regional data.

(4) 4 CSR 240.22.030 (3.B.1)

Current Requirement: Measures of the stock of energy-using capital goods. For each major class and end-use, the utility shall implement a procedure to develop and maintain survey data on the energy-related characteristics of the building, appliance, and equipment stock including saturation levels, efficiency levels, and sizes where applicable. The utility shall update these surveys before each scheduled filing pursuant to 4 CSR 240-22.080.

Proposed Alternative: With the exception of residential appliance saturations, KCPL requests a waiver from this requirement.

Rationale: KCPL believes that the DOE provides the best available end-use data for forecasting its loads because it maintains the best available models for incorporating appliance efficiency standards and trends in building design efficiencies, updates its models annually, and performs extensive research on energy utilization. DOE data is provided on a regional basis. The West North Central region includes Missouri, Kansas, Iowa, Nebraska, Minnesota, South Dakota, and North Dakota. Surveys conducted by DOE are completed in three parts, the Manufacturing Energy Consumption Survey (MECS) collects data on energy consumption and expenditures, onsite generation of electricity, and byproduct energy use, the Residential Energy Consumption Survey (RECS) which measures the physical characteristics of housing units, the number of appliances, the types of space conditioning equipment used, and demographic characteristics, and the Commercial Buildings Energy Consumption Survey (CBECS) which collects data on energy related building characteristics, and equipment stocks. The sample sizes in each survey are sufficient to provide estimates at the regional level. KCPL believes the use of this data for its Missouri and Kansas service areas is reasonable, useful, and appropriate for load analysis and forecasting. The level of detail provided by DOE is adequate and effective for use in the SAE model, which KCPL utilizes to evaluate the data. Given that alternate sources like EPRI's REEPS,

COMMEND and INFORM are no longer maintained and do not incorporate recent appliance efficiency standards, individual studies are cost prohibitive to produce, and our belief that the DOE survey results are comparable to those we might obtain through our own efforts, the DOE provides our most reasonable source for end use data.

(5) 4 CSR 240.22.030 (3.B.2)

Current Requirement: Estimates of end-use energy and demand. For each end-use, the utility shall estimate end-use monthly energies and demands at time of the monthly system peaks and shall calibrate these energies and demands to equal the weather-normalized monthly energies and demands at the time of monthly peaks for each major class for the most recently available data.

Proposed Alternative: For each major end-use, defined as heating, cooling and other, KCPL will estimate end-use monthly energies and demands at time of the monthly system peaks and shall calibrate these energies and demands to equal the weather-normalized monthly energies and demands at the time of monthly peaks for each major class for the most recently available data.

Rationale: KCPL's forecasting models buildup an end-use forecast for heating, cooling and other end uses, which are then calibrated to monthly sales data using a statistically adjusted end-use (SAE) approach.

In the residential sector, the end-use forecast is constructed from projections of appliance stocks, unit energy consumptions, appliance standards and building characteristics. The other end use is the sum of end-use projections for electric water heaters, clothes dryers, clothes washers, dishwashers, ovens, cooktops, refrigerators, freezers and lighting. KCPL uses its own measures of appliance ownership from its residential appliance saturation survey. These end-use projections capture expected trends in appliance ownership and efficiency.

In the commercial and industrial sectors, the end-use projections for heating, cooling and other end uses are constructed from DOE's estimates of end-use floor space shares, end-use energy use per square foot and efficiency trends for appliances and buildings. The other end use is the sum of energy use for lighting, office equipment, refrigeration equipment, cooking equipment, electric water heating and miscellaneous equipment. KCPL measures electric space heating saturations as the percentage of customers on an electric space heating rate and projects penetrations and conversions based on energy price forecasts.

The SAE model calibrates the three end uses, heating, cooling and other, to KCPL's monthly kwh sales data.

(6) 4 CSR 240.22.030 (4.A)

Current Requirement: Load profiles for each day type shall be developed for each end-use, for each major class and for the net system load.

Proposed Alternative: Load profiles for each day type shall be developed for each major end use, for each major class and for the net system load, where major end use is defined as heating, cooling and other.

Rationale: KCPL's forecasting models buildup an end-use forecast for heating, cooling and other end uses, which are then calibrated to monthly sales data using a statistically adjusted end-use (SAE) approach. Please see item #5 for details concerning the buildup process. Load profiles are then required for these major calibrated end uses to forecast hourly loads and peaks.

(7) 4 CSR 240.22.030 (4.B)

Current Requirement: For each day type, the estimated end-use load profiles shall be calibrated to sum to the estimated major class load profiles and the estimated major class load profiles shall be calibrated to sum to the net system load profiles.

Proposed Alternative: The estimated major class load profiles shall be calibrated to sum to the net system load profiles.

Rationale: KCPL's forecasting models buildup an end-use forecast for heating, cooling and other end uses, which are then calibrated to monthly sales data using a statistically adjusted end-use (SAE) approach. Please see item #5 for details concerning the buildup process. Load profiles are required for these major end uses to forecast hourly loads and peaks.

(8) 4 CSR 240.22.030 (5.B.2.B)

Current Requirement: End-use detail. For each major class and for each end-use, the utility shall forecast both monthly energy use and demands at time of the summer and winter system peaks.

Proposed Alternative: End-use detail. For each major class and for each major end use, the utility shall forecast both monthly energy use and demands at time of the summer and winter system peaks. Major end uses are defined as heating, cooling and other.

Rationale: KCPL's forecasting models buildup an end-use forecast for heating, cooling and other end uses, which are then calibrated to monthly sales data using a statistically adjusted end-use (SAE) approach. Please see item #5 for details concerning the buildup process. These forecasts by major end-use then feed our forecasts of hourly loads and peak demands.

(9) 4 CSR 240.22.030 (8.B.2)

Current Requirement: The plots for the forecast period shall show each end-use component of major class coincident demands per unit and total class coincident demands for the base-case forecast.

Proposed Alternative: The plots for the forecast period shall show each major end-use component of major class coincident demands per unit and total class coincident demands for the base-case forecast. Major end-use is defined as heating, cooling and other.

Rationale: KCPL's forecasting models buildup an end-use forecast for heating, cooling and other end uses, which are then calibrated to monthly sales data using a statistically adjusted end-use (SAE) approach. Please see item #5 for details concerning the buildup process.

(10) 4 CSR 240.22.030 (8.E.1)

Current Requirement: The plots shall show each end-use component of the hourly load profile.

Proposed Alternative: The plots shall show each major end-use component of the hourly load profile. Major end use is defined as heating, cooling and other.

Rationale: KCPL's forecasting models buildup an end-use forecast for heating, cooling and other end uses, which are then calibrated to monthly sales data using a statistically adjusted end-use (SAE) approach. Please see item #5 for details concerning the buildup process.

ATTACHMENT B
WAIVER REQUESTS RELATED TO
SUPPLY SIDE RESOURCE ANALYSIS
4 CSR 240-22.040

(11) 4 CSR 240. 22.040 (8.A) and (8.D.2)

Current Requirement: Fuel price forecasts shall be obtained from a consulting firm with specific expertise in detailed fuel supply and price analysis and each forecast shall consider several specific factors. The utility shall consider the accuracy of previous forecasts as an important criterion in selecting providers of fuel price forecasts. The provider of each forecast shall be required to identify critical factors that drive the commodity price forecast, a range of forecasts and an associated subjective probability distribution that reflects that uncertainty.

Proposed Alternative: KCPL will develop consensus price forecasts for fuel and emission allowance commodities. The various commodity price forecasts used in the consensus price forecasts shall be obtained from independent consulting firms and/or government agencies that have expert knowledge and experience with the commodity under consideration. KCPL will use the set of commodity price forecasts to develop probability distributions for each.

Rationale: In evaluating the accuracy of forecasts to comply with the requirement summarized above, KCPL has determined that of the various forecasts it has reviewed, no one forecast provider always outperforms all others. On the other hand, the combination or consensus of those various forecasts consistently is more accurate than most of the forecasts that it represents. In any one year, some forecasting services will do better than the consensus in terms of predicting the correct outcome, these 'top performers' will vary from year to year and are very difficult to identify in advance. This is consistent with academic research showing that forecast combinations have been found in empirical studies to produce better forecasts on average than methods based on the ex-ante best individual forecasting model¹. Moreover, research such as that conducted by Huiyu Huang and Tae-Hwy Lee of University of California, Riverside's Department of Economics and reported in a January 2007 paper, "To Combine Forecasts or to Combine Information?" that combining forecasts is better than schemes that combine information².

Using a combined or consensus forecast makes it difficult if not impossible to identify the critical factors that drive a consensus forecast. KCPL will however, identify those fundamental factors it believes are critical to the forecast.

¹ See Allan Timmermann of University of California, San Diego's paper, "Forecast Combinations" at <http://rady.ucsd.edu/faculty/directory/timmermann/docs/forecast-combinations.pdf>

² See <http://www.economics.ucr.edu/papers/papers07/07-02.pdf>

**ATTACHMENT C
WAIVER REQUESTS RELATED TO
DEMAND-SIDE RESOURCE ANALYSIS
4 CSR 240-22.050**

BACKGROUND

In its entirety, 22.050 (2) discusses the calculation of avoided cost associated with Demand Side Resources (DSR). KCPL has addressed this resource through a portfolio of Demand Side Management (DSM) programs. 22.050 (3) utilizes the results of 22.050 (2) for the purpose of screening and ranking alternative DSM programs. The purpose for ranking programs is to ensure that the utility includes those programs that pass the various screening tests in subsequent Integrated Analysis evaluations.

KCPL intends to carry a portfolio of DSM programs into Integrated Analysis. Preliminary tests from a third party consultant, Summit Blue, indicate that all proposed programs pass the required screening tests. Therefore, KCPL does not expect the efforts required by 22.050 (2) and 22.050 (3) to exclude any of the proposed programs, and therefore the results of sections (2) and (3) will provide little benefit other than to demonstrate a ranking of programs.

KCPL will pursue the avoided costs, prescreening and ranking efforts required by these two rules; however, will seek waivers from various specific requirements of the two rules.

(12) 4 CSR 240.22.050 (2) (C) 2.

Current Requirement: The utility shall calculate and document the avoided capacity costs per kW-year for each year of the planning horizon. The calculation shall include the cost of any new generation, transmission and distribution facilities that are delayed [by at least one (1) year] or avoided because of the specified load decrement.

Proposed Alternative: KCPL will utilize the levelized annual cost of a peaking unit as the avoided “capacity” value of DSM programs.

Rationale: As written, the rule appears to contain conflicting instructions for assigning avoided “capacity” values as shown below (emphasis added):

(2)(C)2.B: “...(the utility)...shall allocate a nonzero portion of the annualized avoided capacity cost to each of the (avoided cost) periods in which capacity was utilized”.

(2)(D)1: “Demand period avoided demand costs...shall include the smaller of avoided generation capacity costs or avoided capacity cost of peaking capacity”.

(2)(D)3: “The avoided demand cost for Non-demand periods shall be zero”.

An example of the conflict is shown below:

Residential Compact Fluorescent Lights primarily reduce off-peak energy.
Following the IRP rules, the avoided capacity value could be:

1. \$0/KW-Yr [per rule (2) (D) 3],
2. \$270/kW-Yr, the levelized capacity cost of base load generation at use during the specified time period [per rule (2) (C) 2 B], or
3. \$70/kW-Yr, the smaller value of the avoided resource or peaking generation [per rule 2 (D)].

Due to the potential conflicts within the rule, KCPL will utilize the levelized value (in \$/kW-Yr) for a peak generating resource. KCPL believes this may be a conservative estimate of the avoided "capacity" cost; however, preliminary results show that using this value does not exclude any of the programs currently under consideration. The purpose of the avoided cost evaluations and subsequent screening are to ensure that programs passing the screening test are included in Integrated Analysis (4 CSR 22.060). Use of this value shows that all programs under consideration will be included in Integrated Analysis. Therefore, no programs are eliminated by applying the proposed value.

(13) 4 CSR 240-22.050 (3)

Current Requirement: Section 22.050 (3) specifies in its entirety the methodology for the cost-effectiveness screening of end-use measures using the probable environmental benefit test.

Proposed Alternative: KCPL will use the software package, DSMore, which was developed by Integral Analytics specifically for the evaluation of end-use energy efficiency measures.

DSMore provides all the standard energy efficiency cost effectiveness tests including the participant test, the utility test, the ratepayer impact test, the total resource test, societal test, plus a long run option value test. We propose to use the Societal Benefits Test for initial end-use measure screening.

Rationale: DSMore provides KCPL with a number of features that comply with these rules and improve the quality of the data. KCPL will model each measure using DSMore and will utilize the following inputs to model the program portfolio:

Utility input data

1. KCP&L's utility discount rate.
2. The levelized avoided demand (capacity) cost.
3. The avoided energy costs will be defined as a log-logistic statistical distribution of historical hourly wholesale market prices.
4. KCP&L generation cost escalation factor.
5. KCP&L levelized avoided T&D cost.

6. KCP&L T&D line loss as a percent of delivered energy.
7. KCP&L's annual incentive payments
8. KCP&L's annual program administration expense which will include annual operation and maintenance, if applicable.
9. KCP&L avoided ancillary services cost (e.g., spinning reserve requirements, et al.)

End-use measure data

1. The energy savings for each hour of the year in kWh (or end-use load shape)
2. The total annual energy savings, kWh
3. The total annual demand savings, kW
4. The month and hour of the co-incident demand of the end-use measure.

Participant's input data

1. Participant's tax rate.
2. Participant's implementation cost
3. Participant's annual operation and maintenance cost
4. The annual number of program participants
5. The annual number of program "free riders".
6. The participant's annual electric rate escalation factor.
7. The participant's electric rate structure which will include the fixed customer charge and the block energy and demand charges for both summer and winter.

Societal benefits, environmental and other

1. The cost of emissions in dollars per kWh for NO_x, SO_x, particulate matter, CO, CO₂, and HG, if applicable.
2. Any other identifiable societal benefits will be modeled as needed, and if applicable.

DSMore will produce the following elements as the output of processing and facilitate the prescreening evaluation of DSM programs:

- Energy and demand reductions on an hourly basis over the lifetime of the measure on a weather normalized basis meeting requirements of 4 CSR 240-22.050 (3) (A)
- The cost and benefits per installation of each end-use measure on an hourly basis over the lifetime of the measure using both a levelized avoided cost of demand and energy incorporating the utility discount rate and meets the requirements of 4 CSR 240-22.050 (3) (B)
- The incremental costs and benefits of implementing the measure for both utility and participant.
- All program costs including the initial cost and ongoing operation and maintenance costs to the participant.

- All costs to the utility including incentives, administration and ongoing operation and maintenance cost.
- The annualized cost and benefit over the lifetime of the measure and uses the utility discount rate.
- Financial tables of the annual costs and benefits.
- Uncertainty using a Monte Carlo simulation and incorporate both cost based and market price based outcomes.
- Valuations of end-use measures including consideration of weather effects, and covariance of prices and loads, hourly by weather station.
- Multiple test results under different price assumptions to assess program risk
- Results will include probability distributions as required by 4 CSR 240-22.050 (3) (C) 1. & 2.
- The environmental impact mitigation costs that are due to the measure that are borne by either the customer or the utility and meets the requirements of 4 CSR 240-22.050 (3) (C) 3.

(14) 4 CSR 240-22.050 (3) (F)

Current Requirement: End-use measures that pass the probable environmental benefits test must be included in at least one (1) potential demand side program.

Proposed Alternative: If KCPL does not include each end-use measure that passes the probable environmental benefits test in at least one potential demand-side program, it shall provide an explanation as to why that measure was not appropriate for inclusion.

Rationale: This section addresses the cost-effectiveness screening of end use measures. Typically many measures are screened to determine which measures should be included in the energy efficiency programs that will be assessed in subsequent stages of the analysis. The objective of this step is to combine measures in such a way that the program represents a compelling program offering to a particular market segment. The initial list of measures can include those that, while passing a simple cost-effectiveness test, are not easily or logically bundled with other measures as part of a program, and the design of a program solely to incorporate these measures may be inefficient and inconsistent with best practice program design. In addition there may be measures that pass which do not need specific incentives or attention for the market to respond. These measures may be far along the adoption curve with suspected or proven high free-ridership if the utility includes them within a program. Often these measures will be promoted through general energy efficiency education but not within a specific program. The intent of this waiver is to create the flexibility to exclude measures passing the cost-effectiveness screen if the projected impacts are extremely small, or if those measures cannot logically be bundled into programs or offered as a cost-effective stand-alone program. KCPL would be required to present the results of the full measure screening and a justification as to why any cost effective measures would be excluded from further analysis. Absent this waiver, there is a greater premium placed on a qualitative screening process that can eliminate measures expected to have little impact in the market due to applicability, market potential or feasibility.

(15) 4 CSR 240-22.050 (7)

Current Requirement: Section 22.050 (7) specifies in its entirety the methodology for the cost-effectiveness screening of demand side programs.

Proposed Alternative: KCPL intends to use the software package, DSMore, which was developed by Integral Analytics specifically for the evaluation of end-use energy efficiency programs.

Rationale: DSMore calculates all the standard energy efficiency cost effectiveness tests including the participant test, the utility test, the ratepayer impact test, the total resource test, societal test, plus a long run option value test. The DSMore societal test includes the environmental costs (benefits) associated with displaced energy and is considered equivalent to the required “probable environmental” cost included in the IRP rules.

EXHIBIT A

The following is a listing of KCPL's pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application:

1. *Wilbur Strawn v. Kansas City Power & Light Co.*, MPSC Case No. EC-2007-0479.
2. *Richard Tolbert v. Kansas City Power & Light Co.*, MPSC Case No. EC-2007-0407.

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 3rd day of August 2007, upon:

Kevin Thompson
Missouri Public Service Commission
P.O. Box 360
200 Madison St., Suite 800
Jefferson City, MO 65102

Lewis Mills
Office of the Public Counsel
P.O. Box 2230
200 Madison St., Suite 650
Jefferson City, MO 65102

A handwritten signature in black ink, appearing to read "Curtis D. Blanc", written over a horizontal line.

Curtis D. Blanc

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 25th day of September, 2007.

In the Matter of the 2008 Resource Plan)
of Kansas City Power & Light Company) **Case No. EE-2008-0034**
Pursuant to 4 CSR 240-22)

**ORDER GRANTING KANSAS CITY POWER & LIGHT COMPANY'S
REQUEST FOR WAIVERS**

Issue Date: September 25, 2007

Effective Date: October 5, 2007

On July 27, 2007, Kansas City Power & Light Company ("KCPL") asked the Commission to grant it variances from certain requirements of the Commission's Integrated Resource Planning (IRP) Rule, 4 CSR 240-22, for its August 2008 IRP submission. The IRP rule requires investor-owned electric utilities, such as KCPL, to file a written plan in which it considers all options, including demand side efficiency and energy management measures, so as to provide safe, reliable, and efficient electric service to the public at reasonable rates, in a manner that serves the public interest.

Since the Commission's decision whether to grant the variances requested by KCPL may affect the substance of KCPL's IRP filing, the Commission provided notice of the request for variances to all parties to KCPL's most recent IRP case,¹ as well as to the media and members of the General Assembly representing KCPL's service area. The

¹ KCPL's last IRP submission resulted in a contested case and was assigned Case No. EO-2007-0008. The parties to that case ultimately resolved their differences and filed a stipulation and agreement, that was ultimately approved by the Commission.

Commission also established August 28 as the deadline for the submission of applications to intervene.

The Missouri Department of Natural Resources (“DNR”) applied to intervene out of time on September 4. No party objected to DNR’s request to intervene. The Commission granted DNR’s application on September 14. No other party asked to intervene.

The Commission also ordered any party wishing to respond to KCPL’s application for variances or request a hearing on that request do so no later than September 17. The Commission’s Staff and DNR each filed responses. Those responses support KCPL’s positions. Staff’s response also asked the Commission to clearly indicate that its approval of the waivers requested by KCPL are granted for this case only, and are not to be taken as a general waiver of any aspect of the rule in any future proceeding. No party requested a hearing.

The Commission’s IRP Rule is highly detailed and technical. The requested variances are also highly detailed and technical. Since no party objects to the requested variances, they will not be described in detail in this order. However, the specific variances are described in detail in Attachment A to KCPL’s Application.

IT IS ORDERED THAT:

1. Kansas City Power & Light Company’s request for waivers from certain portions of the Commission’s Integrated Resource Planning rules is granted. The specific portions of the rule that are waived are described in Attachment A to the application, which is attached to this order.

2. The Commission's approval of the waivers requested by Kansas City Power & Light Company is granted for this case only, and shall not to be taken as a general waiver of any aspect of the rule in any future proceeding.

3. This order shall become effective on October 5, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
Appling, and Jarrett, CC., concur.

Voss, Regulatory Law Judge

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

In the Matter of the 2008 Resource Plan of)
Kansas City Power & Light Company) Case No. EE-2008-0034
Pursuant to 4 CSR 240-22)

**APPLICATION FOR WAIVERS CONCERNING
KANSAS CITY POWER & LIGHT COMPANY'S AUGUST 2008
INTEGRATED RESOURCE PLAN SUBMISSION**

Pursuant to 4 C.S.R. 240-2.060 and -22.080(11), Kansas City Power & Light Company ("KCPL") hereby respectfully submits to the Missouri Public Service Commission ("Commission") an application ("Application") for waivers concerning certain of the Commission's Integrated Resource Plan ("IRP") reporting requirements, as set forth in Chapter 22 of the Commission's regulations. Good cause exists for such waivers. In support of its Application, 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). KCPL provided its Certificate of Good Standing in Case No. EF-2002-315. It is incorporated herein by reference.

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, other than those listed in Schedule 1. No annual report or assessment fees are overdue.

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

Tim M. Rush
Director Regulatory Affairs
Kansas City Power & Light Company
1201 Walnut – 13th Floor
Kansas City, Missouri 64106
Phone: (816) 556-2344
Fax: (816) 556-2110
E-mail: Tim.Rush@kcpl.com

4. On July 5, 2006, KCPL submitted its compliance filing with Chapter 22 of the Commission's regulations concerning KCPL's resource planning. The Commission assigned Case No. EO-2007-0008 to that proceeding. KCPL also sought waivers and extensions of time concerning certain filing requirements. On November 15, 2006, Staff submitted its report concerning the adequacy of KCPL's July 5 compliance submission and related application. Staff's report alleged certain deficiencies in KCPL's compliance filing.

5. On February 13, 2007, after extensive negotiations, KCPL, Staff, the Office of Public Counsel ("OPC"), and the Missouri Department of Natural Resources ("MDNR") submitted a Stipulation and Agreement that resolved all of the alleged deficiencies in KCPL's July 5 submission. The Commission approved the Stipulation and Agreement by order issued April 12, 2007.

6. KCPL must submit its next IRP submission by August 5, 2008. On August 3, 2007, in compliance with the Stipulation and Agreement, KCPL made a good faith effort to request all of the necessary waivers relevant to its August 5, 2008 submission. These waivers were granted by the Commission on September 25, 2007.

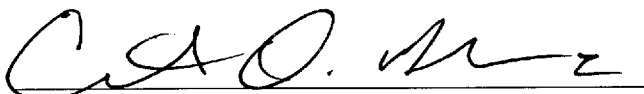
7. In the Stipulation and Agreement KCPL agreed that in the event it is unable to request waivers at least 12 months prior to the filing, KCPL will provide prompt notice of its determination to the Signatories and file a waiver request with the Commission no later than 6 months prior to its August 5, 2008 submission.

8. On January 30, 2008, shortly after the need for additional waivers was identified, KCPL provided email notification to the Signatories of KCPL's intent to file for certain additional waivers. KCPL hereby requests the waivers requested in Schedule 2 concerning supply-side resource analysis (4 CSR 240-22.040) and demand-side resource analysis (4 CSR 240-22.050).

9. Good cause exists for the waivers requested herein. While preparing the IRP submission and as the result of discussing issues with Staff, OPC, and MDNR, KCPL identified elements of data or presentations of that data that will not fully comply with the technical requirements of the IRP rules. KCPL believes that the alternative data and presentations it proposes are consistent with the intent of the applicable portions of the IRP rules. The information that KCPL will provide on August 5, 2008 as a result of the waivers sought herein will be more useful to the Commission and other interested parties than the information required under Chapter 22 of the Commission's regulations.

10. For the foregoing reasons, KCPL respectfully requests that the Commission waive certain of its IRP requirements, as set forth herein and in Schedule 2, for KCPL's August 5, 2008 submission. Such waivers are consistent with the policy objectives of the Commission's IRP regulations and will result in the submission of data that is more useful to the Commission and other interested parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C.D. Blanc", written over a horizontal line.

Curtis D. Blanc (Mo. Bar No. 58052)
Kansas City Power & Light Company
1201 Walnut – 20th Floor
Kansas City, Missouri 64106
Phone: (816) 556-2483
Fax: (819) 556-2787
Email: Curtis.Blanc@kcpl.com

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

Dated: February 5, 2008

The following is a listing of KCPL's pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application:

Zimmerman, Adam v. Kansas City Power & Light Co., MPSC Case No. EC-2008-0195.

SCHEDULE 1

**IN RE: KANSAS CITY POWER & LIGHT COMPANY'S
2008 UTILITY RESOURCE FILING PURSUANT TO 4 CSR 240, CHAPTER 22**

**WAIVER REQUESTS RELATED TO:
DEMAND-SIDE RESOURCE ANALYSIS
4 CSR 240-22.050**

(1) 4 CSR 240-22.050 (2.C.1)

Current Requirement: For each year of the planning horizon and for each avoided cost period, the utility shall calculate the avoided direct running cost per kWh.

Proposed Alternative: Rather than utilizing the avoided direct running cost for valuing total avoided costs associated with DSM, KCPL proposes to utilize the forecasted market price of energy.

Rationale: Customer end-use energy savings will either be available for sale into the wholesale market or will reduce the need to purchase energy from the wholesale market. KCPL believes utilization of energy market pricing is a more accurate value for the avoided energy costs associated with DSM programs.

**WAIVER REQUESTS RELATED TO
SUPPLY SIDE RESOURCE ANALYSIS
4 CSR 240-22.040**

(2) 4 CSR 240-22.040 (2)

Current Requirement: For technology pre-screening, the IRP rule indicates:

1. "The purpose of this step (pre-screening) is to provide an initial ranking of these options based on their relative annualized utility cost"
2. "All costs shall be expressed in nominal dollars"

Proposed Alternative: For pre-screening, KCPL will rank technologies based on projected busbar costs which will be expressed in constant year dollars.

Rationale: Busbar costs are a solid indication of the all-inclusive cost of ownership and production for each alternative technology. This cost provides a clear comparison and direct ranking between technologies. Using the busbar cost for comparison eliminates the need to consider nominal dollar value as all costs can be expressed in annual costs. Therefore applying constant year dollars is appropriate for the busbar cost comparison.

(3) 4 CSR 240-22.040 (3) (6) & (7)

Current Requirement: The analysis of supply side resources shall include a thorough analysis of existing and planned interconnected generation resources. The purpose is to ensure that the transmission network is capable of reliably supporting the supply resource options under consideration.

Proposed Alternative: KCPL will include projected transmission upgrade costs on a \$/kW basis for each technology that would interconnect to the transmission system. For prescreening, the applied cost will be the average transmission-related costs associated with Iatan-2 and the West Gardener CT's. In addition, KCPL will develop factors to apply to various technology types. For example, KCPL may apply a factor of 1.5 times the average cost for wind while applying 1.2 times the average cost for CT's and 1.0 for larger base load units. Application of these factors allows for consideration of technology-specific issues such as economies of scale and the known transmission infrastructure issues associated with many wind sites.

For integrated analysis, KCPL will apply a range of potential transmission costs to each technology. Note that some smaller scale technologies might not interconnect to the transmission system, but rather might connect on the customer side of the meter or only connect to the distribution system. Also, for larger scale base load additions, the range of capital and operating costs applied may cover the potential range in costs associated with transmission.

Rationale: The Southwest Power Pool process for providing transmission interconnection costs does not allow a utility to identify costs for a wide range of potential new generating resources. The process requires all utilities to file planned generation additions which are incorporated into an integrated transmission analysis. SPP then provides the expected transmission cost for each project assuming all projects will be installed. At this point utilities may opt-out, effectively changing the projected costs. The process is then repeated, and again utilities may opt-out changing the projected costs yet again. A final evaluation is ultimately performed, but a utility must commit to installing the generating unit at this point in the process.

The overall process simply is not compatible with a 20-year resource planning process as any cost values provided today would be expected to change by the time resources are actually installed over the course of the planning horizon. Additionally, utilities are charged for each evaluation performed during this iterative process. Given the associated high cost and potential inaccuracy of the results, KCPL has chosen the proposed alternative.

(4) 4 CSR 240-22.040 (2) (B) 2 & 4, Probable Environmental Cost

Current Requirement: The utility shall specify at least two (2) levels of mitigation that are more stringent than existing (environmental) requirements.

Proposed Alternative: KCPL will provide a detailed review of current and potential environmental regulations. Based on that review, the cost of complying with more restrictive future regulations will be calculated. Current evaluations indicate that many of the potential restrictions result in an “either-or” condition and do not lend themselves to the required “2-levels of mitigation”. Therefore, KCPL may only show 1-level of mitigation in many instances.

Based on current findings, the cost impacts of several potential regulations can be combined. For example, regulations relating to Ozone, PM and CAIR primarily focus on SO₂ and NO_x (as precursors to Ozone & PM or as the primary issues for acid rain). Increased controls required for all three regulations are therefore anticipated to include the addition of scrubbers for SO₂, SCR’s for NO_x control and baghouses for PM control. These installations are assumed to equal Best Available Control Technology (BACT) over the planning horizon. KCPL assumes in the base case that BACT controls will be required for all existing coal fired units. Therefore, the probable environmental “capital” costs associated with tighter restrictions for all three of these regulations is essentially captured in the base case. The probable environmental “operating” costs are projected to be related to increased usage of limestone, ammonia and other catalysts. It is assumed that these cost increases are captured through the application of a range of allowance prices over the planning horizon.

It should be noted that the capital and operating cost projections for new generating resources includes the cost of BACT emission controls. Therefore, the probable environmental cost for new resources is similarly captured through the application of a range of allowance price forecasts for these three regulations.

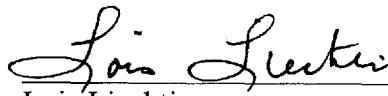
Based on the above discussions, a portion of future probable environmental costs will be captured in the base case assumptions and therefore will not be shown as a separate cost evaluation. For potential regulations not captured in base case assumptions, KCPL will document probable environmental costs separately; however, “either-or” applications will not necessarily show “2-levels” of future mitigation.

Rationale: KCPL believes the proposed evaluations accurately capture the probable environmental costs required in the IRP rules and takes into consideration all of the specific approaches contained in those rules. This waiver is being requested to indicate that many of the probable environmental costs will be captured in our base case assumptions and also to indicate that documenting 2-levels of mitigation may not be applicable to all potential regulations.

AFFIDAVIT

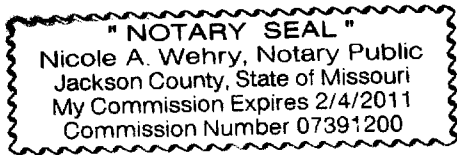
State of Missouri)
) ss
County of Jackson)

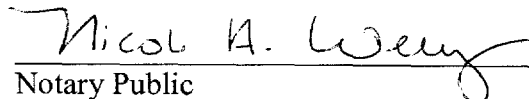
I, Lois Liehti, having been duly sworn upon my oath, state that I am the Manager, Regulatory Affairs of Kansas City Power & Light Company ("KCPL"), that I am duly authorized to make this affidavit on behalf of KCPL, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.



Lois Liehti

Subscribed and sworn before me this 5th day of February 2008.





Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was served on all counsel of record either by electronic mail or by first class mail, postage prepaid, on this 5th day of February 2008.

A handwritten signature in black ink, appearing to read "C.D. Blanc", written over a horizontal line.

Curtis D. Blanc

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 20th day
of March, 2008.

In the Matter of the 2008 Resource Plan)
of Kansas City Power & Light Company)
Pursuant to 4 CSR 240-22) **Case No. EE-2008-0034**

**ORDER GRANTING KANSAS CITY POWER & LIGHT COMPANY'S
SECOND REQUEST FOR WAIVERS**

Issue Date: March 20, 2008

Effective Date: March 30, 2008

On August 3, 2007, Kansas City Power & Light Company ("KCPL") filed an application for waivers concerning certain of the Commission's Electric Utility Resource Planning ("IRP") reporting requirements, as set forth in Chapter 22 of the Commission's Rules, for its August 2008 IRP submission. That filing resulted in the opening of this case.

Since the Commission's decision whether to grant the initial variances requested by KCPL could have affected the substance of KCPL's IRP filing, the Commission provided notice of the request for variances to all parties to KCPL's most recent IRP case,¹ as well as to the media and members of the General Assembly representing KCPL's service area.

The Missouri Department of Natural Resources ("DNR") requested and was granted intervention in this case. No other requests in intervene were filed. No party

¹ KCPL's last IRP submission resulted in a contested case and was assigned Case No. EO-2007-0008. The parties to that case ultimately resolved their differences and filed a stipulation and agreement that was ultimately approved by the Commission.

opposed KCPL's initial waiver requests, which the Commission granted in its order issued September 25, 2007.

On February 5, 2008, KCPL filed a second Application for Waivers Concerning Kansas City Power & Light Company's August 2008 Integrated Resource Plan Submission ("Second Application"). In the Second Application, KCPL requests waivers of additional provisions of the IRP reporting requirements, as set forth in Chapter 22 of the Commission's Rules, for its August 2008 IRP submission.

Since the Commission's decision whether to grant the additional variances requested by KCPL may affect the substance of KCPL's IRP filing, the Commission provided notice of the request for additional variances to all parties to KCPL's most recent IRP case, as well as to the media and members of the General Assembly representing KCPL's service area. The Commission also established February 26, 2008, as the deadline for the submission of applications to intervene.

Praxair, Inc., timely filed an application to intervene. No party objected to Praxair's request to intervene. The Commission granted Praxair's application on March 3, 2008. No other party asked to intervene.

The Commission directed its Staff to file a recommendation regarding KCPL's request for additional waivers no later than March 7, 2008. The Commission also ordered any party wishing to respond to KCPL's application for additional variances or request a hearing on that request to do so no later than March 17, 2008.

The Commission's Staff filed its recommendation on March 7, 2008. Staff recommended that the Commission grant KCPL the additional variances subject to certain conditions. Staff's response also asked the Commission to clearly indicate that its approval

of the waivers requested by KCPL are granted solely to KCPL and for this case only, and are not to be taken as a general waiver of any aspect of the rule in any future proceeding. More than ten days have passed since Staff filed its recommendation and no party, including KCPL, has filed a response or objection to Staff's recommendation to conditionally grant the additional variances.

No party other than the Commission's Staff filed a response to KCPL's additional variance requests. No party requested a hearing.

The Commission's IRP Rule is highly detailed and technical. The additional variances requested are also highly detailed and technical. Since no party objects to the additional requested variances, they will not be described in detail in this order. However, the specific variances are described in detail in Schedule 2 to KCPL's Second Application.

IT IS ORDERED THAT:

1. Kansas City Power & Light Company's request for additional waivers from certain portions of the Commission's Integrated Resource Planning rules filed on February 5, 2008 is granted. The specific portions of the rule that are waived are described in Schedule 2 to the February 5, 2008 application, which is attached to this order.

2. The Commission's approval of the additional waivers requested by Kansas City Power & Light Company in its February 5, 2008 application is granted for this case only, and shall not to be taken as a general waiver of any aspect of the rule in any future proceeding.

3. Kansas City Power & Light Company's August 2008 IRP submission shall include each of the following components as recommended in the Staff Recommendation to Grant Variances with Conditions filed on March 7, 2008:

- a. An explanation of the derivation of energy market prices and documentation of the calculation of these prices;
 - b. Documentation of the supply-side resources that were rejected, and for each rejected supply-side resource, the reasons it was rejected as required by 4 CSR 240-22.040(9)(A)3;
 - c. Documentation of the SSP process for deriving the transmission interconnection costs, as well as the factors that Kansas City Power & Light Company actually used in pre-screening and how they were derived; and
 - d. For each pollutant that Kansas City Power & Light Company identifies, a statement of the company's rationale for each of the levels of mitigation it chooses, and if it does not include two or more levels, the reasons two or more levels of mitigation are not applicable.
4. This order shall become effective on March 30, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
Appling, and Jarrett, CC., concur.

Voss, Regulatory Law Judge