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May 6, 2004

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Missouri 65102

RE: In the Matter of the Future Supply, Delivery and Pricing of the Electric Service Provided by Kansas City Power & Light Company, Case No.

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter is the Application To Establish Investigatory Docket And Workshop Process Regarding Kansas City Power & Light Company. A copy of the foregoing Application has been hand-delivered, emailed or mailed, this date, to the Commission Staff, Office of the Public Counsel, and other counsel listed in Appendix A.

Thank you for your attention to this matter.

Sincerely, A. Liken

James M. Fischer

Enclosures

cc: Counsel listed on Appendix A

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

In the Matter of the Future Supply,	)	
Delivery and Pricing of the Electric	)	
Service Provided by Kansas City	)	Case No.
Power & Light Company	j	

# APPLICATION TO ESTABLISH INVESTIGATORY DOCKET AND WORKSHOP PROCESS REGARDING KANSAS CITY POWER & LIGHT COMPANY

COMES NOW Kansas City Power & Light Company (KCP&L or the Company) and, pursuant to 4 CSR 240-2.060 and Sections 386.250, 393.140, RSMo 2000, respectfully requests the Missouri Public Service Commission (Commission) to open an investigatory docket, to provide notice and to establish a workshop process, as more fully described below. The purpose of the investigatory docket and workshops will be to discuss, and hopefully gain consensus on, constructive regulatory responses to emerging issues that will affect the supply, delivery and pricing of the electric service provided by KCP&L. In support of its Application, the Company states as follows:

1. KCP&L is a Missouri corporation, in good standing in all respects, with its principal office and place of business at 1201 Walnut Street, Kansas City, Missouri 64106. KCP&L is engaged in the generation, transmission, distribution and sale of electricity in western Missouri and eastern Kansas, operating primarily in the Kansas City metropolitan area. KCP&L is an "electrical corporation" and "public utility" as those terms are defined in Section 386.020 and, as such, is subject to the jurisdiction of the Commission as provided by law. KCPL's Certificate of Good Standing was filed in Case No. EM-2000-753 and is incorporated herein by reference.

- 2. KCP&L sells electricity at retail to approximately 267,000 customers in Missouri and 224,000 in Kansas. It owns 1,754 miles of high-voltage power lines and 4,041 megawatts of base, intermediate and peak load generating capacity.
- 3. All correspondence, pleadings, orders, decisions, and communications regarding this proceeding should be sent to:

William G. Riggins
General Counsel
Great Plains Energy
1201 Walnut
Kansas City, MO 64106
Telephone: (816) 556-2785
Facsimile: (816) 556-2787

E-mail: bill.riggins@kcpl.com

Chris B. Giles Senior Director, Revenue and Resource Management Kansas City Power & Light Company 1201 Walnut Kansas City, MO 64106

Telephone: (816) 556-2912
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- 4. Early this year, KCP&L began a comprehensive strategic planning process that included its holding company, Great Plains Energy, and its affiliate, Strategic Energy. Cross-functional and cross-sectional employee teams were formed to develop a 10-year forward-looking view of specific topical areas, i.e. Winning Culture; Regulatory, Legislative and Community; Financial and Shared Services; Distribution; Generation and Wholesale, and; Retail and Non-Regulated Services. The most visible part of the process was a series of strategic planning seminars. Each of the seminars addressed the following topical areas: Changing Community, Changing Customer, Employees as Leaders, Workforce 2014, Energy 2014, Technology Trends in Distribution, and Wall Street's View of Energy Companies. Every one of KCP&L's employees was invited to attend at least one seminar. The seminars were designed to be inclusive and collaborative. They featured divergent viewpoints. Speakers and attendees included representatives of the financial community, the political and regulatory communities, environmental organizations, community and consumer groups, manufacturers, other utility companies, academicians, industrial and trade groups, organized labor, and other energy experts. Break-out discussion sessions involving the speakers and the attendees were conducted after most of the presentations.
- 5. The initial activity in the strategic planning initiative culminated in April 2004 when the strategic planning teams produced reports that addressed each of the topical areas. The inclusive and collaborative nature of the process enabled the teams to identify numerous interrelated issues of importance to KCP&L and its stakeholders. For example:

- More capacity will be required to supply KCP&L's customers in the foreseeable future. That capacity need could be met by a central generation station using coal or gas as a fuel. It also, however, could be met, at least in part, by wind energy and by new technologies, including distributed generation technologies.
- KCP&L can reduce the emissions from its existing coal-fired plants, and will be required to do so in the future. The Company prefers to take a proactive environmental approach, but the costs associated with such an approach are significant.
- KCP&L and its stakeholders have a mutual interest in price stability.
- Interest exists for a renewed focus on demand-side management programs and evaluation of new technologies for energy and account management.
- 6. KCP&L is now prepared to continue with its strategic planning initiative. Having experienced the benefits, in the strategic planning process, of an informal, inclusive and collaborative effort (as opposed to a formal, protracted, and possibly adversarial process), the Company believes that the workshop process utilized by the Commission in the past is well-suited to this situation. The process of continuing these strategic discussions in the context of informal Commission workshops will enable all stakeholders to identify and seek agreement on a regulatory plan that addresses these dynamic issues on a prospective basis for KCP&L. That plan then would be presented to the Commission for its consideration and approval.
- 7. Although KCP&L is unaware of the Commission's workshop process being used in a specific situation such as this, it has been authorized for several different purposes. For instance, KCP&L and its stakeholders utilized informal workshops to discuss issues related to the restructuring of the Company and creation of a holding company in Case No. EM-2000-753 (filed May 15, 2000). The Commission also utilized the workshop format for investigating issues related to retail electric competition in Case No. EW-97-245 (filed May 23, 1997). More recently, the workshop procedure has been

used to investigate issues related to the gas industry's recovery of purchased gas costs in Case No. GW-2004-398 (January 23, 2001), and in the Commission's inquiry into affordable heating energy for customers of regulated Missouri utilities, and possible changes to the Cold Weather Rule in Case No. GW-2004-0452.

In the telecommunications industry, the workshop format has also been used fairly extensively to investigate issues of common interest to regulated companies, Commission Staff, Public Counsel and other stakeholders. *See, e.g.*, Case No. TW-2004-0324 (Concerning a study of Voice over Internet Protocol); Case No. TW-2004-0471 (PSC inquiry into the Metropolitan Calling Area (MCA) Plan ); Case No. TW-2004-0149 (PSC inquiry into the possibility of impairment without unbundled local circuit switching when serving the mass market); Case No. TW-2003-0063 (Investigation into the effects of bankruptcy of telecommunications carriers in Missouri); Case No. TW-98-356 (Review of the technical and financial provisioning of calling scopes in a competitive environment); Case No. TW-98-155 (Investigation into the provision of Internet access in Missouri); Case No. TW-98-207 (Investigation of payphone issues); Case No. TW-98-333 (Investigation into provision of Community Optional Service).

8. Some of the strategic alternatives available to KCP&L, if agreed to by the other stakeholders, must be acted upon soon. Therefore, the Company respectfully requests that the Commission open the investigatory docket, immediately issue notice of this filing, set an intervention period, schedule an early prehearing conference, and adopt the Commission's Standard Protective Order for use in this proceeding. KCP&L suggests that notice of this filing be provided to the intervenors in the Company's most recent rate reduction proceeding, Case No. ER-99-313. A list of those intervenors is

attached hereto as Appendix A. Once the intervention period has expired and interventions have been granted, all parties can participate in the early prehearing conference to facilitate the immediate scheduling of workshops. At this time, the Company envisions one to two workshops per week, and KCP&L's goal for the workshop process would be to reach an agreement on a regulatory plan by midsummer.

- 9. KCP&L has no 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 the Application, except as listed in Appendix B attached.
- 10. KCP&L has no annual reports or regulatory assessment fees that are overdue in Missouri.

WHEREFORE, KCP&L requests the Commission issue an order 1) opening an investigatory docket regarding the future supply and pricing of the electric service provided by Kansas City Power & Light Company; 2) authorizing the use of the Commission's workshop process to address the issues set forth herein, and any other issues impacting KCP&L that may arise from discussion among the interested parties; 3) providing notice of this filing; 4) establishing an intervention period; 5) scheduling an Early Prehearing Conference; and 6) adopting the Commission's Standard Protective Order for use in this proceeding.

#### Respectfully submitted,

James M. Fischer, MBN 27543

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#### and

William G. Riggins, MBN 42501 General Counsel

**Great Plains Energy** 

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E-mail: kzobrist@blackwellsanders.com

Attorneys for Kansas City Power & Light Company

#### CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 6th day of May, 2004, to:

Dana Joyce General Counsel Missouri Public Service Commission P. O. Box 360 Jefferson City, Missouri 65102 gencounsel@psc.state.mo.us

Paul DeFord Lathrop & Gage, L.C. 2345 Grand Boulevard Suite 2800 Kansas City, Missouri 64108 defordps@lathropgage.com

Mark Comley Newman, Comley & Ruth, P.C. P. O. Box 537 Jefferson City, Missouri 65102 ComleyM@ncrpc.com John Coffman
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William Geary 2700 City Hall 414 E. 12<sup>th</sup> Street Kansas City, Missouri 64106 bil\_geary@kcmo.org

Sam Overfelt
Dalton, Reine & Seiden
618 E. Capitol Avenue
P. O. Box 1336
Jefferson City, Missouri 65102
moretailers@aol.com

James M. Fischer

#### **VERIFICATION**

State of Missouri	)
	) ss
County of Jackson	)

I, William H. Downey, being duly affirmed according to law, depose and say that I am authorized to make this affidavit on behalf of Kansas City Power & Light Company being the President and Chief Executive Officer, and that the facts above set forth are true and correct to the best of my knowledge, information and belief.

WILLIAM H. DOWNEY

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Subscribed and affirmed to before me this <u>30 ft</u> day of April, 2004.

Notary Public

My commission expires:

CAROL SIVILS
Notary Public - Notary Seal
STATE OF MISSOURI
NOTARY County

My Commission Expires: June 15, 2007

#### APPENDIX A

## LIST OF INTERVENORS IN CASE NO. ER-99-313

General Counsel Missouri Public Service Commission P. O. Box 360 Jefferson City, Missouri 65102

Paul DeFord Lathrop & Gage, L.C. 2345 Grand Boulevard Suite 2800 Kansas City, Missouri 64108

Mark Comley Newman, Comley & Ruth, P.C. P. O. Box 537 Jefferson City, Missouri 65102 Office of the Public Counsel P. O. Box 7800 Jefferson City, Missouri 65102

William Geary 2700 City Hall 414 E. 12<sup>th</sup> Street Kansas City, Missouri 64106

Sam Overfelt Dalton, Reine & Seiden 618 E. Capitol Avenue P. O. Box 1336 Jefferson City, Missouri 65102

#### **APPENDIX B**

Statement in conjunction with 4 CSR 240-2.060(1)(K):

The following is a list of Applicant'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:

 GST Appeal of Missouri Public Service Commission Decision; Case No. EC-99-553 in the Circuit Court of Cole County, Missouri; Docket No. 00CV324891; further appealed to the Court of Appeals of the Western District of Missouri by GST.