

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 27th
day of January, 2000.

In the Matter of the Application of)	
Kansas City Power & Light Company)	
for Approval of the Accrual and Funding)	<u>Case No. EO-2000-210</u>
of Wolf Creek Generating Station)	
Decommissioning Costs at Current Levels)	

ORDER APPROVING STIPULATION AND AGREEMENT

On September 1, 1999, Kansas City Power & Light Company (KCPL) filed an application with the Missouri Public Service Commission (Commission) for approval of the accrual and funding of Wolf Creek Generating Station (Wolf Creek) decommissioning costs at current levels.

On September 7, 1999, the Commission issued notice of the application, and allowed interested entities the opportunity to intervene. Since no proper party filed an application to intervene and there are no outstanding requests for hearing, the Commission determines that an oral hearing is not necessary and KCPL may submit evidence in support of its application by verified statement. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

On October 7, 1999, the Staff of the Commission (Staff) filed its motion for an extension of time to file a stipulation and agreement or

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a procedural schedule. Before that motion could be ruled on, on October 15, 1999, Staff filed its second motion for extension of time to file a stipulation and agreement or a procedural schedule, requesting that the Commission give the parties until November 4, 1999, to either file a stipulation and agreement or a procedural schedule. On October 19, 1999, the Commission entered its order extending the date for the filing of a procedural schedule until November 4, 1999. On November 4, 1999, Staff filed its third motion for extension of time to file a stipulation and agreement or a procedural schedule, requesting that the Commission give the parties until December 4, 1999, to either file a stipulation and agreement or a procedural schedule. On November 10, 1999, the Commission entered another order extending the date for the filing of a procedural schedule until January 4, 2000.

On December 14, 1999, KCPL filed its motion to amend its application for approval of the accrual and funding of Wolf Creek Generating Station decommissioning costs at current levels. KCPL stated that this amendment would correct an inaccurate assumption that only the land and right of way would be subject to property taxes. The proposed amendment, KCPL stated, assumes that some of the buildings will continue in use and, therefore, be subject to property taxes. The proposed amendment would result in an increase in the estimated property taxes from \$608,537 to \$3,885,197, KCPL stated. KCPL stated also that the overall cost of decommissioning was changed to reflect the increase of \$3,276,579 in estimated property taxes. The Commission will grant KCPL's motion to

amend its application for approval of the accrual and funding of Wolf Creek Generating Station decommissioning costs at current levels.

The Office of the Public Counsel, Staff, and KCPL (the parties) filed a unanimous stipulation and agreement on December 20, 1999. On January 14, 2000, the parties filed a motion to file an amended page in the stipulation, which corrected the original last page of the stipulation and agreement. The Commission will grant the parties' motion to file an amended page in the stipulation.

In the stipulation and agreement, the parties agree, *inter alia*, that KCPL shall continue its Missouri retail jurisdiction expense accruals and trust fund payments at current levels without any change in its Missouri retail jurisdictional rates. The parties further agree that annual decommissioning costs in the amount of \$2,303,856 are, and should continue to be, included in KCPL's cost of service and reflected in its current rates for ratemaking purposes. The parties agree that it is reasonable and prudent to continue the annual accruals at the current level of \$2,303,856, the current Missouri jurisdictional amount.

On December 20, 1999, Staff filed the testimony of David Broadwater (Broadwater) in support of the stipulation. Broadwater testified, *inter alia*, that Staff and KCPL have agreed to an amount of decommissioning expense of approximately \$470 million in 1999 dollars, and have also agreed upon the annual funding level. Broadwater reviewed KCPL's decommissioning options, and explained the current status of the fund.

The Commission has considered the verified application, the unanimous stipulation and agreement, and the testimony of Broadwater. The Commission finds that the parties' estimate of \$470 million in 1999 dollars to immediately decommission Wolf Creek upon the expiration of its forty year license is reasonable. The Commission also finds that KCPL's currently effective rates include an annual amount of \$2,303,856 for decommissioning expense.

IT IS THEREFORE ORDERED:

1. That the Motion to File Amended Page in Stipulation and Agreement filed on January 14, 2000, is granted.

2. That the Unanimous Stipulation and Agreement filed on December 20, 1999, is approved.

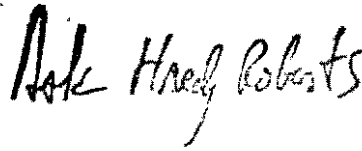
3. That Kansas City Power and Light Company's retail jurisdiction annual decommissioning expense accruals and trust fund payments shall continue at the current level of \$2,303,856.

4. That the December 14, 1999, motion by Kansas City Power and Light Company to amend its application for approval of the accrual and funding of Wolf Creek Generating Station decommissioning costs at current levels is granted.

5. That Kansas City Power and Light Company or its trustee shall file on a prospective basis in this case one copy of the quarterly reports required by Commission Rule 4 CSR 240-20.070(5) and one copy of the annual reports required by Commission Rule 4 CSR 240-20.070(6).

6. That this order shall become effective February 8, 2000.

BY THE COMMISSION

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer, and Drainer, CC., concur

Hopkins, Senior Regulatory Law Judge

Att/Secy: Hopkins/Ryke

Date Circulated 1-21 CASE NO. EO-2000-210

[Signature]
Lumpe, Chair

[Signature]
Crubpton, Commissioner

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Murray, Commissioner

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Schenkauer, Commissioner

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Drainer, Vice-Chair

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Agenda Date

Action taken: 5-045

Must Vote Not Later Than _____

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

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 27TH day of January 2000.

[Signature: Dale Hardy Roberts]

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge