

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Kansas City Power & Light Company of Kansas City, Missouri,)	
for authority to file tariffs increasing)	
rates for electric service provided to)	Case No. ER-85-128
customers in the Missouri service area)	
of the Company.)	

In the matter of the determination of)	
in-service criteria for the Kansas City)	
Power & Light Company's Wolf Creek)	Case No. EO-85-185
Generating Station and Wolf Creek rate)	
base and related issues.)	

STIPULATION AND AGREEMENT
REGARDING ELECTRIC JURISDICTIONAL ALLOCATIONS

I. Procedural History

As indicated in the Phase I Hearing Memorandum filed on April 10, 1985 in the above referenced cases, the Staff of the Missouri Public Service Commission (Staff) and Kansas City Power & Light Company (KCPL) were the only parties to file testimony on the issue of electric jurisdictional allocations. Since the commencement of the Phase I prehearing conference on April 1, 1985, the Staff and KCPL have met and participated in discussions concerning the jurisdictional allocation issues raised in their prefiled testimony. No other party to this case has participated in such discussions. As a result of these prehearing discussions, the Staff and KCPL have reached the following stipulations and agreements:

II. Stipulations and Agreements

1. Although Staff and KCPL continue to disagree on whether a 1-CP or 4-CP methodology should be used for determining production and transmission system demand allocators, Staff and KCPL have resolved their differences regarding adjustments to System and Missouri Retail peak(s) for jurisdictional allocation purposes. In the event the Commission adopts the 1-CP methodology for determining the production and transmission demand allocators, the Staff and KCPL recommend Missouri Retail production and transmission demand allocators of 65.10 and 59.81, respectively. In the event the Commission adopts the 4-CP methodology, the Staff and KCPL recommend Missouri Retail production and transmission demand allocators of 65.78 and 59.89, respectively.

2. KCPL and Staff agree that the 1-CP vs. 4-CP dispute remaining between KCPL and Staff can be characterized as follows:

Staff continues to assert that the 1-CP methodology should be used for purposes of determining the system production and transmission demand allocators while the Company believes that the 4-CP methodology should be used for such purposes. Although KCPL continues to assert that the 4-CP methodology is appropriate, KCPL suggests that the use of a 1-CP methodology would be an appropriate alternative so long as non-fuel production expenses are classified as part demand-related and part energy-related and allocated accordingly. Staff asserts that with the exception of the production fuel expense incurred by the Company to serve its own load, all production expenses should be allocated on the production demand allocator.

3. For purposes of resolving the Functionalization of Plant issue set forth on page 10 of the Phase I Hearing Memorandum filed on April 10, 1985, Staff and KCPL have agreed to an adjustment which reduces KCPL's Missouri Retail gross transmission plant, as determined under the Company's functionalization, by \$2,500,000 with a corresponding reduction to associated expenses and depreciation reserve.

4. The Company agrees to provide for the Staff for the purposes of implementing the above paragraphs a computer cost of service analysis reflecting the 1-CP demand allocators they recommend and also reflecting the adjustments discussed in paragraph 3 above.

5. KCPL agrees to preserve for a period of at least two years existing printouts reflecting any manual changes to telemetered load information for loads occurring on each monthly system peak day. KCPL also agrees to provide Staff with a list of any circular meter charts located at the Company's tie points with other utilities.

6. KCPL states that during periods of station outages or negative net output, the auxiliary power used at jointly-owned generating facilities within its service area is, and must be, provided by the joint owners of such facilities in proportion to their ownership share. KCPL agrees to provide all existing documentation or other suitable representations which demonstrate this operational requirement.

7. KCPL agrees to provide assurances that the existing power transactions with Pittsburg and Midway Mine are considered by FERC authorities to be consistent with applicable FERC requirements. Staff will cooperate in the Company's efforts to obtain such assurances.

8. The Staff shall have the right to submit to the Commission, in memorandum form, an explanation of its rationale for entering into this Stipulation and Agreement and to provide to the Commission whatever further explanation the Commission requests. Such memorandum and further explanation shall not become a part of the record of this proceeding and shall not bind or prejudice the Staff in any future proceeding or in this proceeding in the event the Commission does not approve the Stipulation and Agreement. It is understood by the parties hereto that any rationales advanced by the Staff in such a memorandum or in such further explanation are its own and not acquiesced in or otherwise adopted by such other parties.

9. None of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking principle, value methodology, method of cost of service determination, rate design methodology, or cost allocation underlying any of the recommendations provided for in this Stipulation and Agreement.

Nor shall the parties be deemed to have acquiesced in the validity of any representation made in the surrebuttal testimony presented by KCPL and Staff on the jurisdictional allocation issue.

10. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their rights to cross-examine witnesses with respect to the prefiled testimony and exhibits sponsored by such witnesses.

11. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their respective rights to present oral argument or written briefs, pursuant to Section 536.080(1), RSMo 1978, with respect to the issues resolved herein.

12. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their respective rights pertaining to the reading of the transcript by the Commission, pursuant to Section 536.080(2), RSMo 1978, with respect to the issues resolved herein.

13. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their respective rights to judicial review, pursuant to Section 386.510, RSMo 1978, regarding the disposition of the issues resolved herein.

14. The provisions of this Stipulation and Agreement have resulted from extensive negotiations among the signatory parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Stipulation and Agreement in total, this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

Respectfully submitted,

/s/ Michael C. Pendergast
Assistant General Counsel

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102
(314)751-7488

/s/ Mark C. Sholander
Assistant General Counsel

Attorney for
Kansas City Power & Light Company
1330 Baltimore Avenue
Kansas City, Missouri 64105

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Kansas City Power & Light)	
Company of Kansas City, Missouri, for)	
authority to file tariffs increasing rates)	Case No. ER-85-128
for electric service provided to customers)	
in the Missouri service area of the Company.)	

In the matter of the determination of)	
in-service criteria for the Kansas City Power)	
& Light Company's Wolf Creek Generating)	Case No. EO-85-185
Station and Wolf Creek rate base and related)	
issues.)	

RATE DESIGN STIPULATION

Come now the undersigned parties to the above-captioned case and hereby stipulate and agree as follows:

1. That in order to resolve all rate design issues in this case, with the exception of the separately metered space heating rates, any revenue increases authorized for Kansas City Power and Light Company (hereinafter Company) by the Commission to be recovered during the three year period commencing on the effective date of the first tariffs filed pursuant to Commission authorization by order issued in Case Nos. EO-85-185 and ER-85-128 (or by order issued in any proceeding concerning a tariff filed subsequent to the operation of law date in Case No. ER-85-128, which is filed no later than November 30, 1986, consolidated with Case No. EO-85-185, and which seeks to recover costs associated with the Wolf Creek nuclear generating facility [hereinafter referred to as "Case No. EO-85-185 and subsequent tariff filing"]) shall be distributed to the five (5) customer groups (as defined in Appendix A attached hereto and incorporated herein by reference) set out below as follows:

	% of Any Revenue Increase Granted
Residential	36.97
General Service Secondary	31.04
General Service Primary	26.99
Lighting	2.00
Armco	<u>3.00</u> (main plant)
Total	100.00%

The distribution of any such revenue increase as set out above is illustrated below at various levels of overall system-wide percentage increases. These percentage increases to these customer groups are only estimates since the actual percentage increases to these customer classes will be based on the revenue distribution determined by the as yet unknown test year revenues actually adopted by the Commission in its report and order herein.

System Increase	5%	10%	15%	20%	25%	30%
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Increase to
Customer Classes:

Residential	6.296%	12.596%	18.894%	25.192%	31.490%	37.788
General Service Secondary	3.985	7.969	11.954	15.938	19.923	23.908
General Service Primary	6.298	12.596	18.894	25.192	31.490%	37.788
Lighting	3.985	7.969	11.954	15.938	19.923%	23.908
Armco (main plant)	1.931	3.862	5.792	7.723	9.654%	11.585

The distribution of any revenue increase authorized by the Commission to become effective subsequent to the three year period identified above shall be distributed as specified in paragraph 4 of this Stipulation.

2. That the agreement in paragraph 1. above will determine the group revenue requirement for each group. Any revenue changes resulting from the resolution of the space heating rate issue shall be contained within the group to which they relate, that is, the Residential and General Service Secondary.

3. That the rates within each of the customer groups shall be calculated as set out in Appendix A attached hereto in accordance with allowed revenue levels.

4. That the Company be authorized (subject to the provisions of paragraph 6. below) to file tariffs to recover any revenue increases authorized by the Commission beyond the first three years of any phase-in adopted by the Commission which distribute such increases to the customer groups on the basis of an equal percentage increase to the prior period customer group revenues.

5. That the parties to this Stipulation and Agreement shall have the right to participate in and the Commission shall initiate and conclude a docket to investigate the Company's class cost of service and rate design to be implemented to recover any rate increases authorized beyond the third year of any phase-in. Said investigatory docket shall be instituted by the Commission in its final report and order in this proceeding and be concluded by a final report and order disposing of all issues raised in the investigatory docket no later than 30 days before the effective date of the first tariff authorizing any increase in revenues to become effective after the revenue increases authorized for the first three years of any phase-in adopted by the Commission in this proceeding. In the event a Commission report and order as contemplated in this paragraph is not effective before the effective date of the tariffs described in paragraph 4, then said tariffs shall nevertheless become effective subject only to revision pursuant to the provisions of paragraph 6 below.

6. That the Company agrees to withdraw the tariffs filed pursuant to paragraph 4. above and file tariffs consistent with the Commission's final report and order issued in the investigatory docket to be established pursuant to paragraph 5. above.

7. That if the Commission authorizes a one-time increase or a phase-in of less than three years the provisions of paragraphs 1. through 3. above and 3. through 15. below shall apply and the investigatory docket otherwise established pursuant to paragraph 5. shall still be initiated and concluded no later than three years after the effective date of the tariffs filed pursuant to a report and order in this proceeding (or Case No. EO-85-185 and subsequent tariff filing).

8. That the Company shall periodically provide to the Staff and other requesting signatory parties available monthly load research and monthly individual customer billing data beginning with the effective date of the first tariffs effective pursuant to the Commission's final report and order in this proceeding (or in Case No. EO-85-185 and subsequent tariff filing) and the Company shall also supply each industrial primary customer with its actual monthly billing demand as metered on a periodic basis upon request.

9. That the Company agrees to provide to the Staff all of its load management plans and programs on a periodic basis at time intervals not to exceed two years. The first filing of such load management plans and programs shall be no later than June 30, 1986. The load management plans and programs may be filed in conjunction with the filing of Company's KCPLAN if the filing of the KCPLAN is within the maximum two year periodic filing requirement.

10. That this Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of the rate design issues in Case Nos. ER-85-128 and EO-85-185 (or in Case No. EO-85-185 and subsequent tariff filing) with the exception of the separately metered space heating rates and none of the parties to this Stipulation and Agreement shall be prejudiced by or bound by the terms of this Stipulation and Agreement in any future proceeding (except for Case No. EO-85-185 and subsequent tariff filing), including the investigatory docket to be established pursuant to paragraph 5. above, or in this proceeding (or Case No. EO-85-185 and subsequent tariff filing) in the event the Commission does not approve this Stipulation and Agreement in its entirety.

11. That none of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any method of cost of service determination or principle of cost allocation by reason of the execution of this Stipulation and Agreement.

12. That the prefiled rate design testimony and exhibits sponsored by the signatory parties and marked as Exhibits 35 through 68 shall be received into evidence without the necessity of said witnesses taking the witness stand except to the extent such testimony is relevant to the space heating rate. The foregoing applies to Company's Exhibits 3, 6 and 7, but only to the extent said exhibits contain testimony relevant to rate design or cost of service and not to any testimony or schedules contained therein relevant to any other issues.

13. That in the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their rights to cross-examine the witnesses who sponsored the exhibits referred to in the foregoing paragraph except to the extent such testimony is relevant to the separately metered space heating rates or issues other than rate design.

14. That in the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their respective rights pertaining to (1) the presentation of oral argument or filing of written briefs, pursuant to Section 536.080(1) RSMo 1978; (2) the reading of the transcript by the Commission, pursuant to Section 536.080(2), RSMo 1978; and (3) judicial review, pursuant to Section 385.510, RSMo 1978 with respect to all rate design issues with the exception of the separately metered space heating rates.

15. That this Stipulation and Agreement has resulted from extensive negotiations among the signatory parties and its terms are interdependent; that in the event the Commission does not approve and adopt this Stipulation and Agreement

in total this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

16. That the Staff shall have the right to submit to the Commission, upon Commission request, in memorandum form, an explanation of its rationale for entering into this Stipulation and Agreement and to provide to the Commission whatever further explanation the Commission requests and that such memorandum shall not become a part of the record of this proceeding and shall not bind or prejudice the Staff in any future proceeding or in this proceeding in the event the Commission does not approve the Stipulation and Agreement. It is understood by the parties hereto that any rationales advanced by the Staff in such a memorandum are its own and not acquiesced in or otherwise adopted by such other parties.

Respectfully submitted,

/s/ Mark C. Sholander
Mark C. Sholander
Assistant General Counsel
P.O. Box 679
Kansas City, Missouri 64141

Attorney for Kansas City
Power & Light

/s/ William C. Harrelson
William C. Harrelson
General Counsel and
Steven Dottheim
Deputy General Counsel
P.O. Box 360
Jefferson City, Missouri 65102

Attorneys for the Missouri
Public Service Commission

/s/ Douglas M. Brooks
Douglas M. Brooks
Office of the Public Counsel
7th Floor, Truman Building
Jefferson City, Missouri 65101

Attorney for the Office of
Public Counsel

/s/ William Clark Kelly by W.C.H.
William Clark Kelly
Assistant Attorney General
P.O. Box 899
Jefferson City, Missouri 65102

Attorney for the State of Missouri

/s/ Willard C. Reine
Willard C. Reine
314 East High Street
Jefferson City, Missouri 65101

Sam Overfelt
200 Madison Street
Jefferson City, Missouri 65101

Attorneys for Missouri
Retailers Association

/s/ Paul W. Phillips by W.C.H.
Paul W. Phillips
Room 6-D033
1000 Independence Avenue S.W.
Washington, D.C. 20585

Attorney for U.S. Department
of Energy

/s/ Stuart W. Conrad
W. H. Bates

Stuart W. Conrad
2600 Mutual Benefit Life Bldg.
2345 Grand Avenue
Kansas City, Missouri 64108

Attorney for Arnco

/s/ George M. Pond

Robert Johnson and
George M. Pond
720 Olive Street - 24th Floor
St. Louis, Missouri 63101

Attorneys for General Motors,
et al.

/s/ Martin J. Bregman by DMB

David M. Claycomb
Martin J. Bregman
The Gas Service Company
2460 Pershing Road
Kansas City, Missouri 64108

Attorney for The Gas Service
Company

/s/ Carrol C. Kennett

Carrol C. Kennett
City of Kansas City
City Hall - 28th Floor
Kansas City, MO 64106

Attorney for City of
Kansas City

Hugh O'Donnell
Jeremiah Finnegan
Jackson County
4225 Baltimore
Kansas City, MO 64111

Attorneys for Jackson County

APPENDIX A

Appendix A - Schedule 1

Primary Service Group

The Primary Service Group is a new classification of customers which will consist of all customers currently served under the various present tariffs listed below and which will be served under a new tariff to be designated 1-PL/3-PL:

Present Tariffs

1-PF1

1-PF2

1-PL

1-GL (Primary Option)

3-PF1

3-PL

3-GL (Primary Option)

The Primary Service (PL) tariffs during the first three years that the rates are in effect pursuant to this Rate Design Stipulation shall be prepared in accordance with the tariff sheet in Exhibit 1 attached hereto. The kilowatt demand and energy charges shall be determined as set forth in Exhibit 2 attached hereto.

Other Primary

The primary customers on the Water and Sewer Pumping (1-WS and 3-W), Seasonal Recreational (1-SR and 3-SR) and Summer Amusement Parks (1-SP) will remain on existing rate schedules. The rate level treatment for these schedules is discussed in section 3.2 for the general service secondary class.

APPENDIX A - Schedule 1

Exhibit 1

PRIMARY SERVICE - LARGE
Schedule 1-PL /3-PL

AVAILABILITY:

For three-phase alternating-current electric service in areas not designated as network areas, to a customer having a demand of not less than 1200 kw, or assuming such a demand. Service will be supplied at available primary voltage of 12,000 volts or over, but not exceeding 69,000 volts, for which the Company has adequate delivery facilities in the area of the load involved.

Standby, breakdown, supplementary, temporary or seasonal service will not be supplied under this schedule.

Service will not be supplied under this schedule where the ultimate use is primarily for residential purposes.

TERM OF CONTRACT:

Contracts under this schedule shall be for a period of not less than one year from the effective date thereof.

RATE:

Demand Charge:

- * \$ per month per kw for the first 1,200 kw of billing demand;
- * \$ per month per kw for all over 1,200 kw of billing demand.

Energy Charge:

Energy will be billed at five rates: Rate "A" applying to the hours of use of that portion of customer's billing demand which is 1200 kw, Rate "B" applying to the hours of use of that portion of customer's billing demand which is included in the next 4800 kw, Rate "C" applying to the hours of use of that portion of customer's billing demand which is included in the next 19,000 kw, Rate "D" applying to the hours of use of that portion of the customer's billing demand which is included in the next 75,000 kw, and Rate "E" applying to the hours of use of that portion of customer's billing demand which is in excess of 100,000 kw.

All kw of billing demand shall be deemed to have been used an equal number of hours.

*See Schedule 1, Exhibit 2 for calculation

NCPL FORM 81-108 REV. 2/79

PRIMARY SERVICE - LARGE
Schedule 1-PL/3-PL (continued)

RATE: (continued)

Energy Charge: (continued)

	Rate A First <u>1200 kw</u>	Rate B Next <u>4800 kw</u>	Rate C Next <u>19,000 kw</u>	Rate D Next <u>75,000 kw</u>	Rate E Over <u>100,000 kw</u>
First 180 hours use per month @					
Next 180 hours use per month @					
Excess of 360 hours use per month @					

(See Schedule 1, Exhibit 2
for calculations)

REACTIVE DEMAND ADJUSTMENT:

Company may determine the customer's maximum monthly 30-minute reactive demand in kilovars. In each month a charge of 48¢ per month shall be made for each kilovar by which such maximum reactive demand is greater than 50% of the customer's maximum actual kw demand in that month.

MINIMUM:

The minimum monthly charge shall be the Demand Charge.

WINTER SEASON:

Eight consecutive months, the first such month to begin with customer's first regular meter reading date which occurs on or after September 1 in each year.

SUMMER SEASON:

Four consecutive months not included in the Winter Season.

KCP L FORM 61-101 REV. 2/73

PRIMARY SERVICE - LARGE

Schedule 1-PL/3-RL

(continued)

DETERMINATION OF DEMAND:

Demand will be determined by demand instruments or, at the Company's option, by demand tests. The billing demand for any month included in the Summer Season shall be the highest demand indicated during that month or such higher billing demand as maybe established by contract. The billing demand for any month included in the Winter Season shall be seventy percent (70%) of the highest demand indicated during that month or such higher billing demand as may be established by contract.

- * The minimum billing demand established by contract shall not be less than 1.) 75 KW for customers taking service under the 1-GL (primary option), ~~3-GL (primary option), and 1-PF2 rate schedules on the effective date of this schedule;~~ 2.) 400 KW for customers taking service under the 1-PF1 and 3-PF1 rate schedules on the effective date of this schedule; and 3.) 1,200 KW for all other primary service customers nor less than the higher of:

- (i) 80% of the highest billing demand occurring in that portion of the Summer Season included in the 12-month period ending with the current month; or
- (ii) 50% of the highest billing demand occurring in that portion of the Winter Season included in the 12-month period ending with the current month.

INCREASED NIGHT USE:

The hours 11:00 p.m. to 7:00 a.m. of the following day and all hours on Sundays are designated as Off-Peak hours, during which, subject to the conditions hereinafter stated, only two-thirds of a customer's demands will be taken into account in the determination of that customer's billing demand and only two-thirds of the reactive demand shall be used in the determination of the reactive demand adjustment.

The customer's Off-Peak demand may exceed his On-Peak demand during such Off-Peak hours to the extent which the Company shall, in its sole judgment, determine that its generating and delivery facilities have sufficient capacity to permit supplying such excess demand without disturbing service to its other customers. The Company may supply customer, in writing, a schedule of such excess demands which may be imposed during Off-Peak hours. The Company may, upon 30 days written notice, change such schedule.

*New language

MCPL FORM 81-101, REV. 11/10

PRIMARY SERVICE - LARGE
Schedule 1-PL/3-PL (continued)

This provision shall apply only in cases in which, upon written request by the customer, the Company shall in its sole judgment determine that sufficient reasons exist for its application. The Company reserves the right to redetermine and restate the Off-Peak period at any time. Nothing in this provision shall be construed as requiring the Company to provide additional delivery facilities for the delivery of the power and energy exempted from the Demand Charge by this provision.

SECONDARY METERING:

- The Company may, at its option, install metering equipment on the secondary side of the customer's substation. In that event, the customer's metered demand and energy shall be increased either by the installation of compensated metering equipment, or by two and one-half percent if metering equipment is not compensated.

TAX ADJUSTMENT:

Tax Adjustment Schedule 1-TA shall be applicable to all customer billings under this schedule.

REGULATIONS:

Subject to Rules and Regulations filed with the State Regulatory Commission.

PRIMARY SERVICE RIDER
Schedule 1-PL/3-86

Rider No. 1 - Off-Peak Service Option
Applicable to Primary Service - Large
(Not available in conjunction with Demand Determination Option)

PROVISIONS:

During Off-Peak Hours, subject to the conditions hereinafter stated, the customer may exceed his On-Peak Demand and the customer will not be billed for such excess demand.

DEFINITIONS:

1. Off-Peak Hours shall be the hours between 11:00 p.m. and 7:00 a.m. of the following day; all hours between 5:00 p.m. Friday and 7:00 a.m. of the following Monday; all hours on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
2. On-Peak Hours are all hours other than Off-Peak Hours.
3. On-Peak Demand is the highest 30-minute demand established by customer during On-Peak Hours.
4. Off-Peak Demand is the highest 30-minute demand established by customer during Off-Peak Hours.

CONDITIONS:

1. Customer must make written request and Company shall, in its sole judgment, determine that sufficient reason exists for the application of this provision.
2. The customer's Off-Peak Demand may exceed his On-Peak Demand during such Off-Peak Hours to the extent which the Company shall, in its sole judgment, determine that its generating and delivery facilities have sufficient capacity to permit supplying such excess demand without disturbing service to its other customers. The Company may supply customer, in writing, a schedule of such excess demands which may be imposed during Off-Peak Hours. The Company may, upon 30 days written notice, change such schedule.

KCP&L FORM 91-101 REV. 2/78

PRIMARY SERVICE RIDER
Schedule 1-PL/3-PL (continued)

Rider No. 1 - Off-Peak Service Option

CONDITIONS: (continued)

3. Nothing in this provision shall be construed as requiring the Company to provide additional generating or delivery facilities for the delivery of such excess demand.
4. If customer's Off-Peak Demand is within the limits outlined in Condition 2 hereof, customer's billing demand shall be based on his On-Peak Demand or such minimum billing demand as may be applicable.
5. The Company, during Off-Peak Hours, in the event of an emergency which would affect deliveries to its other customers, may require the curtailment of all or part of such Off-Peak Demand which is in excess of the On-Peak Demand.
6. That portion of any demand established in a month during the Off-Peak Hours which is above the Off-Peak Demand allowed by the Company shall be added to the highest demand established during On-Peak Hours in such month for the purpose of determining billing demand.
7. In the event service under this provision is made available to more than one customer, the available generating and delivery capacity shall be prorated on the basis of billing demands if sufficient capacity is not available to supply the total amount requested.

MCPL FORM 81-101 REV. 3/79

Appendix A - Schedule 1 - Exhibit 2

The demand and energy charges shall be determined as follows where CPC is defined as the primary customer group percentage revenue increase as compared to present revenue in this proceeding.

Demand Charge:

First 1,200 kW, Charge per kW = $\$5.0598 + .0714962 \times \text{CPC}$
Over 1,200 kW, Charge per kW = $\$2.35832 + .1516544 \times \text{CPC}$

Energy Charge:

Rate A - First 1,200 kW

First 180 Hours Use per Month @ $4.43\text{¢} + .047939 \times \text{CPC}$
Next 180 Hours Use per Month @ $3.75\text{¢} + .018626 \times \text{CPC}$
Excess of 360 Hours Use per Month @ 2.78¢

Rate B - Next 4,800 kW

First 180 Hours Use per Month @ $3.85\text{¢} + .038779 \times \text{CPC}$
Next 180 Hours Use per Month @ $3.43\text{¢} + .017099 \times \text{CPC}$
Excess of 360 Hours Use per Month @ 2.78¢

Rate C - Next 19,000 kW

First 180 Hours Use per Month @ 3.65¢
Next 180 Hours Use per Month @ 3.24¢
Excess of 360 Hours Use per Month @ 2.78¢

Rate D - Next 75,000 kW

First 180 Hours Use per Month @ 3.43¢
Next 180 Hours Use per Month @ 3.14¢
Excess of 360 Hours Use per Month @ 2.78¢

Rate E - Over 100,000 kW

First 180 Hours Use per Month @ 3.40¢
Next 180 Hours Use per Month @ 3.00¢
Excess of 360 Hours Use per Month @ 2.78¢

Note: The tail blocks of Rates A and B and all blocks in Rates C, D and E shall be the amounts specified above irrespective of the amount of the allowed increase. The demand charges and the first two blocks of Rates A and B shall be determined and calculated in accordance with the foregoing formulae.

Sample Calculation:

Assume a 32.75% Primary Customer Group Increase
CPC = 32.75%
First 1,200 kW, Charge per kW
= $\$5.0598 + .0714962 \times 32.75\%$
= $\$7.40130$

Following are the rates determined under the above procedure assuming 0%, 10%, 20%, and 32.75% revenue increases to this primary service customer group.

Illustrative Rate Values Under
Various Assumed Group Percentage Increases

Group Percent Increase	<u>0%</u>	<u>10%</u>	<u>20%</u>	<u>32.75%</u>
Demand Charge:				
First 1,200 kW, per kW	\$5.05980	\$5.77476	\$6.48972	\$7.40130
Over 1,200 kW, per kW	2.35832	3.87486	5.39141	7.32500
Energy Charge:				
Rate A				
First 180 Hours Use	4.430c	4.909c	5.389c	6.000c
Next 180 Hours Use	3.750	3.936	4.123	4.360
Excess of 360 Hours Use	2.780	2.780	2.780	2.780
Rate B				
First 180 Hours Use	3.850	4.238	4.626	5.120
Next 180 Hours Use	3.430	3.601	3.772	3.990
Excess of 360 Hours Use	2.780	2.780	2.780	2.780
Rate C				
First 180 Hours Use	3.650	3.650	3.650	3.650
Next 180 Hours Use	3.240	3.240	3.240	3.240
Excess of 360 Hours Use	2.780	2.780	2.780	2.780
Rate D				
First 180 Hours Use	3.430	3.430	3.430	3.430
Next 180 Hours Use	3.140	3.140	3.140	3.140
Excess of 360 Hours Use	2.780	2.780	2.780	2.780
Rate E				
First 180 Hours Use	3.400	3.400	3.400	3.400
Next 180 Hours Use	3.000	3.000	3.000	3.000
Excess of 360 Hours Use	2.780	2.780	2.780	2.780

Appendix A - Schedule 2

Residential Class

The stipulated residential rates include specifications of rate structures and rate levels for residential general, residential all electric, and residential demand service. The stipulated rate levels depend upon the percentage increase allowed by the Commission.

1. Rate Structure: Residential General and Residential All Electric

1.1 Customer Charge

The stipulated customer charges include the following:

\$5.56/customer/month for urban service;

\$7.56/customer/month for rural service;

\$1.53/customer/month for separately metered space heating service.

These charges will not change over the stipulated three-year period.

1.2 Energy Charges: Residential General

The residential general energy rates are seasonally differentiated, and include two blocks in each season. The winter initial block is 0-1000 kwh/month, and the summer initial block is 0-500 kwh/month. The residential general tariff also includes a seasonally differentiated water heating rate. The water heating portion of the tariff will be similar to the current residential 1-R tariff, with the size of the credit being based upon the customer's monthly usage. The first 130 kwhs are charged at the initial block seasonal rate. All customers with electric water heating will be charged the water heating rate for the next 130 kwh usage. Additional kwhs over 260 will be billed at a rate equivalent to the average of the water heating and regular rates, until a maximum of 1200 kwhs is billed.

1.3 Energy Charges: Residential All Electric

The residential all electric energy rates are seasonally differentiated, and include three blocks in each season. The initial block is 0-250 kwh/month, and the second block is 250-1000 kwh/month. This rate is designed to parallel the residential general rate, including both the water heating and space heating provisions of that rate.

2. Rate Levels: Residential General and Residential All Electric

2.1 Target Rate Levels

Target rate levels were developed for the case of 32.75% increase to the residential class. These target rate levels are shown in the last column of Exhibit 3.

For the residential general rate, the target rate includes the following specifications:

- (a) The summer tail block and water heating rates are 1.4 times the corresponding winter rates;
- (b) Both the summer tail block rate and the overall water heating rate received the same percentage increase; and
- (c) Neither the summer nor winter tail block rates include any customer-related distribution cost (as calculated by Staff).

For the residential all electric rate, the target rate has the same initial block charge as the residential general target rate in both summer and winter, and has the same tail block charge as the residential general target rate in the summer. The winter tail block target rate is a combination of the residential general space heating and winter tail block rates. The middle block target rate is a combination of the initial and tail block rates.

2.2 Initial Rate Levels

Initial rate levels were developed for the case of a 0% increase to the residential class. These are shown in the first column of Exhibit 3. These rates include the stipulated customer charges and existing tail block and water heating rates. Initial block rates were then set to collect the current revenue level for the residential general group. A similar process was followed for the residential all electric group. Existing tail block rates were used, along with the initial block rate levels from the residential general initial rate. The middle block rates were then set to collect the current revenue level for the residential all electric group.

2.3 Actual Rate Levels

The actual rate levels will depend on 1) the revenue increase allowed by the Commission, 2) the stipulated share of that increase going to the residential class, and 3) the Commission's determination of the separately metered space heating rate. These components will, in combination, determine the additional revenue requirement going to the total residential class excluding space heating. The columns between the 0% and 32.75% on Exhibit 3 show examples of the linear interpolation between the initial and target rates based on resulting percentage increases going to the total residential class excluding space heating. Minor adjustments to the calculated prices may be necessary to account for rounding differences.

2.4 Water Heating Rate Schedule

The rate schedule for customers with electric water heating will appear on the residential regular tariff in the following form:

<u>Winter</u>		<u>Summer</u>	
<u>Usage</u>	<u>Rate</u>	<u>Usage</u>	<u>Rate</u>
0 - 130 kwh	8.533c/kwh	0 - 130 kwh	9.844c/kwh
next 130 kwh	5.349c/kwh	next 130 kwh	7.489c/kwh
next 940 kwh	6.951c/kwh	next 740 kwh	8.667c/kwh
over 1200 kwh	6.186c/kwh	over 1200 kwh	8.660c/kwh

The rates appearing in this table are based on the rates shown for a 32.75% increase in Exhibit 3.

2.5 Separately Metered Space Heating Rate

The overall revenue requirement for space heating will be based on the Commission's determination of the space heating rate as it applies to the current rate structure. This rate will then be adjusted to reflect the change from a minimum bill of \$2.14 per month, which includes 61.6715 kilowatt-hours, for the eight winter months to a customer charge of \$1.53 per month for all twelve months.

3. Residential Demand Service

This rate schedule is an experimental schedule to test customer reaction to rates with demand charges. The existing rate structure reflects an increasing emphasis on demand cost as customer load increases. The transition from energy-based rates to demand based rates is accomplished by blocking both demand and energy charges. The stipulated rate design maintains the existing rate form and blocking. The stipulated price increases will cause the annual total charges to reflect those charges that customers with similar load characteristics would face under the stipulated residential general rate design.

The rate schedule includes special minimum energy prices which apply until a customer establishes a summer demand for billing purposes.

3.1 Rate Structure

3.1.1 Customer charge

The stipulated rate includes a customer charge of \$5.56 at the 32.75% rate increase level.

3.1.2 Energy Charges

The energy prices are seasonally differentiated and the energy blocking also varies by season. No special features for space heating or water heating are included in this rate schedule.

3.1.3 Demand Charges

Demand charges are based upon summer maximum demand measured over a one-hour integrating period. Demand charges are blocked with "inverted" demand charges to increase the relative importance of demand as customer load increase.

3.1.4 Minimum Energy Prices

Minimum energy prices are included for newly-connected customers who have not established a summer billing demand.

3.2 Target Rate Levels

3.2.1 Initial Rate Levels

The prices for initial rate levels shown on Exhibit 4 reflect the present price levels.

3.2.2 Target Rate Levels

Target rate levels were developed for the case of 32.75% increase on the total residential class. These target rate levels will be achieved with the prices shown in the last column of Exhibit 4.

3.2.3 Actual Rate Levels

The actual rate levels will depend on 1) the revenue increase allowed by the Commission in any year, 2) the stipulated share

of that increase going to the residential class, and 3) the Commission's determination of the separately-metered space heating rate. The components, in combination, will determine the additional revenue requirement going to the Residential Demand Service. Linear interpolation between the initial rate level (0% increase) and the target rate level (32.75% increase) shown on Exhibit 4 will achieve the intermediate rate levels. Minor adjustments to the calculated prices may be necessary to account for rounding differences.

STIPULATED RESIDENTIAL RATES

RESIDENTIAL GENERAL RATES: CENTS PER KILOWATT HOUR								
(KWH) RATE BLOCK	PERCENTAGE INCREASES TO THE TOTAL RESIDENTIAL CLASS							
	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%	32.75%
WINTER								
0-1000	6.215	6.572	6.929	7.286	7.643	8.000	8.357	8.553
ABOVE 1000	5.670	5.749	5.828	5.986	5.985	6.064	6.143	6.186
WATER HEAT	4.500	4.630	4.759	4.889	5.018	5.148	5.278	5.349
SUMMER								
0-500	6.653	7.140	7.627	8.115	8.602	9.089	9.576	9.844
ABOVE 500	6.380	6.728	7.076	7.424	7.772	8.120	8.469	8.660
WATER HEAT	4.500	4.956	5.413	5.869	6.325	6.782	7.238	7.489
CUSTOMER CHARGES								
URBAN	5.56	5.56	5.56	5.56	5.56	5.56	5.56	5.56
RURAL	7.56	7.56	7.56	7.56	7.56	7.56	7.56	7.56
*SPACE HEAT	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53
3 PHASE A/C	4.08	4.28	4.48	4.68	4.88	5.08	5.28	5.39

*Additional Charge

RESIDENTIAL ALL ELECTRIC RATES: CENTS PER KILOWATT HOUR								
(KWH) RATE BLOCK	PERCENTAGE INCREASES TO THE TOTAL RESIDENTIAL CLASS							
	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%	32.75%
WINTER								
0-250	6.215	6.572	6.929	7.286	7.643	8.000	8.357	8.553
250-1000	4.642	4.849	5.055	5.262	5.469	5.676	5.882	5.996
ABOVE 1000	4.630	4.643	4.657	4.670	4.684	4.697	4.711	4.718
SUMMER								
0-250	6.653	7.140	7.627	8.115	8.602	9.089	9.576	9.844
250-1000	6.331	6.747	7.163	7.579	7.995	8.410	8.826	9.055
ABOVE 1000	6.170	6.550f	6.930	7.310	7.691	8.071	8.45±	8.660
CUSTOMER CHARGES								
URBAN	5.56	5.56	5.56	5.56	5.56	5.56	5.56	5.56
RURAL	7.56	7.56	7.56	7.56	7.56	7.56	7.56	7.56

STIPULATED RESIDENTIAL DEMAND RATE

	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%	32.75%
CUSTOMER CHARGE:								
Base	\$4.00	\$4.24	\$4.48	\$4.71	\$4.95	\$5.19	\$5.43	\$5.56
DEMAND:								
1st kw	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Next 3 kw	\$1.00	\$1.18	\$1.35	\$1.53	\$1.70	\$1.88	\$2.05	\$2.15
Next 3 kw	\$2.00	\$2.21	\$2.41	\$2.62	\$2.82	\$3.03	\$3.24	\$3.35
Over 7 kw	\$3.00	\$3.28	\$3.56	\$3.85	\$4.13	\$4.41	\$4.69	\$4.85
ENERGY:								
Summer								
0-200 kwh	7.000	7.336	7.672	8.008	8.844	8.679	9.015	9.200
201-700 kwh	6.258	6.456	6.662	6.868	7.074	7.281	7.487	7.600
701-1100 kwh	5.250	5.865	5.479	5.594	5.708	5.823	5.937	6.000
Over 1100 kwh	4.000	4.061	4.122	4.183	4.244	4.385	4.366	4.400
Winter								
1-200 kwh	6.000	6.305	6.611	6.916	7.221	7.527	7.832	8.000
201-600 kwh	5.300	5.483	5.666	5.850	6.033	6.216	6.399	6.500
601-700 kwh	4.250	4.365	4.479	4.594	4.708	4.823	4.937	5.000
Over 700 kwh	3.500	3.485	3.469	3.454	3.439	3.424	3.408	3.400
NEW CONNECT ENERGY MINIMUMS:								
Winter - Without Space Heating								
0-200 kwh	7.370	7.839	8.307	8.776	9.245	9.714	10.182	10.440
201-600 kwh	6.670	7.017	7.363	7.710	8.056	8.403	8.749	8.940
601-700 kwh	5.620	5.898	6.176	6.454	6.731	7.009	7.287	7.440
Over 700 kwh	4.870	5.018	5.166	5.314	5.462	5.610	5.759	5.840
Winter - With Space Heating								
0-200 kwh	6.540	6.906	7.273	7.639	8.006	8.372	8.738	8.940
201-600 kwh	5.840	6.084	6.329	6.573	6.817	7.061	7.306	7.440
601-700 kwh	4.790	4.966	5.141	5.317	5.492	5.668	5.843	5.940
Over 700 kwh	4.040	4.086	4.132	4.177	4.223	4.269	4.315	4.340

Appendix A - Schedule 3

General Service Secondary Class

The stipulated rates for the general service secondary class include the following tariff groups:

<u>Tariff Group</u>	<u>Tariff Designation</u>
General Services Small	1-GS, 3-GS
General Service Large	1-GL, 3-GL
Minute Man Missile Sites	3-MM (Exhibit B-20)
Water and Sewer Pumping	1-WS, 3-WS
Seasonal Recreational	1-SR, 3-SR
Summer Amusement Parks	1-SP
Schools and Churches	1-SC, 3-SC
General Service All Electric	1-GA, 3-GA
All Electric Schools	1-ES, 3-ES
Standby Service	1-SA
All Electric Apartment Houses	1-EA
Traffic Signals	1-TR

1. Tariff Consolidation

1.1 General Service All Electric

The present GA and ES tariff groups will be consolidated.

1.2 General Service Large

The present GL secondary and MM tariff groups will be consolidated.

1.3 All Electric Apartment Houses

The present EA tariff customers will be billed on the residential all electric tariff based on the number of apartments being served by a single meter.

1.4 All Other Tariff Group

All other tariff groups will remain on existing tariffs.

2. Rate Structure

2.1 General Service All Electric

The current effective rate forms and blockings will be replaced by the following stipulated rate form and blocking:

Customer Charge: \$ _____ per month

Demand Charge: \$ _____ per month per kw of billing demand.

Energy Charge:

Summer Season:

_____ ¢ per kwh for the first 120 hours use per month of the billing demand;

_____ ¢ per kwh for the next 120 hours use per month of the billing demand;

_____ ¢ per kwh for the next 120 hours use per month of the billing demand;

_____ ¢ per kwh for all additional kwh per month.

Winter Season:

_____ ¢ per kwh for the first 120 hours use per month of the billing demand;

_____ ¢ per kwh for all additional kwh per month.

The current determination of billing demand will be modified by having winter month demands calculated at 70% of their actual levels. The general service schedule is currently available only 1) to premises being billed on this schedule on its effective date, May 21, 1984 and 2) to newly constructed premises which connect service subsequent to the current schedule effective date. The stipulated general service all electric schedule will provide for billing of existing and newly constructed all electric schools. To accommodate billing of premises served under the existing all electric school tariff, the existing ES minimum connected load for heat service shall be maintained at 3 kw.

2.2 General Service Large

The present GL rate structure is maintained except for the introduction of a seasonal demand provision. Under this new provision all winter month demands will be calculated at 70% of their actual levels.

2.3 All Other Tariffs

The existing rate structure for all other tariffs will be maintained.

3. Rate Levels

3.1 General Service All Electric

The stipulated general service all electric schedule includes rate levels and structures which depend upon the percentage increase allowed for the general service secondary class excluding the effect of separately metered space heating rate determination.

3.1.1 Initial Rate Levels

The prices for initial rate levels shown on Exhibit 5 reflect the present price levels.

3.1.2 Target Rate Levels

Target rate levels were developed for the case of 20.72% increase to the total general service secondary class. These target rate levels will be achieved with the prices shown in the last column of Exhibit 5.

3.1.3 Actual Rate Levels

The actual rate levels will depend on 1) the revenue increase allowed by the Commission, 2) the stipulated share of that increase going to the general service primary class, and 3) the Commission's determination of the separately-metered space heating rate. These components, in combination, will determine the additional revenue requirement going to the general service all electric. Linear interpolation between the initial rate level (0% increase) and the target rate level (20.72% increase) shown on Exhibit 5 will achieve the intermediate rate levels.

Minor adjustments to the calculated prices may be necessary to account for rounding differences.

3.2 WS, SR and SP Tariffs

There are both primary and secondary customers on the WS, SR and SP tariffs. The percentage increase going to the rate levels on each of these tariffs will be based on the combination of the primary and secondary increases applied to the current revenues being collected on each of the present tariffs.

3.3 All Other Tariffs

The rate levels on all other tariffs in the general service secondary class will be based on an equal percentage increase going to each rate component. The percentage increase going to each tariff will be based on the percentage increase going to the general service secondary class excluding separately metered space heating. Minor adjustments to the calculated prices may be necessary to account for rounding differences.

3.4 Separately Metered Space Heating

The minimum bill will increase by the percentage going to the general service secondary class, and the space heating energy rate level will be determined by the Commission.

STIPULATED GENERAL SERVICE - ALL ELECTRIC RATE

	0.00%	5.00%	10.00%	15.00%	20.00%	20.72%
CUSTOMER CHARGE:						
Base	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
DEMAND:	\$2.716	\$2.905	\$3.094	\$3.294	\$3.473	\$3.500
ENERGY:						
Summer						
First 120 hours	5.940	6.354	6.768	7.182	7.596	7.656
Next 120 hours	5.500	5.884	6.267	6.651	7.035	7.090
Next 120 hours	3.300	3.529	3.758	3.987	4.216	4.249
Over 360 hours	3.000	3.181	3.362	3.543	3.724	3.750
Winter						
First 120 hours	5.940	6.354	6.768	7.182	7.596	7.656
All add'l hours	3.000	3.000	3.000	3.000	3.000	3.000

Appendix A - Schedule 4
Street Lighting

Any increase in revenue authorized by the Commission for the lighting class, including area lights, will be spread to each of the street lighting rates (redesigned as indicated in the table below) on an equal percentage basis. Any equipment not listed below will also receive an equal percentage increase. Area lights shall be 10% higher than the increased street light rates for comparable equipment to reflect the higher incremental cost of new area light installation compared with the embedded costs of street lights.

8600 Lumen Mercury Vapor	\$145.20
12100 Lumen Mercury Vapor	162.84
22500 Lumen Mercury Vapor	177.84
9500 Lumen High Pressure Sodium	141.84
16000 Lumen High Pressure Sodium	158.04
27500 Lumen High Pressure Sodium	168.12
50000 Lumen High Pressure Sodium	183.36
Ornamental Steel Pole	\$ 9.84
Aluminum Pole	24.72
Underground Service Under Sod	41.76
Underground Service Under Concrete	159.36
Breakaway Base	22.92

Appendix A - Schedule 3
Armco

APMCO MAIN PLANT, LAGOON PUMP STATION AND UNION WIRE ROPE FACILITIES

Armco's Lagoon Pump Station and Union Wire Rope facilities will be billed under the terms of tariff schedule 1-PL/3-PL and participate in the primary service group increase pursuant to that schedule. Armco Main Plant revenues will be recovered pursuant to an interruptible contract yet to be negotiated. Any increase in rates under such contract will be limited to the Armco percentage specified in paragraph 1 of this Stipulation.

List of Late-filed Exhibits

<u>Exhibit No.</u>	<u>Description</u>
605	Request for this exhibit was withdrawn on November 26, 1985.
606	Update of Post-Wolf Creek Operating Study.
607	November 26, 1985, letter from S. Dottheim pertaining to Staff witness Watkins' forced outage rate.
608	February 14, 1986, update of Exhibit 392.
609	February 14, 1986, update Appendix A, revised October 8, 1985.
610	February 26, 1986, testimony and exhibits of Public Counsel witness Trippensee and associated computer runs.
611	March 11, 1986, Order Directing Revenue Requirement Calculations with attached hypothetical assumptions.
612	March 17, 1986, request for clarification.
613	March 18, 1986, response to March 17 request for clarification.
614	March 18, 1986, request for clarification.
615	March 19, 1986, request for clarification (fuel expense).
616	March 19, 1986, request for clarification (net electric capability).
617	March 19, 1986, response to March 18 and 19 requests for clarification.
618	March 21, 1986, request for clarification.
619	March 21, 1986, response to March 21 request for clarification.
620	March 27, 1986, request for clarification.
621	March 27, 1986, response to March 27 request for clarification.
622	March 28, 1986, response of Staff, KCPL, Public Counsel and DOE to Order Directing Revenue Requirement Calculations.
623	April 2, 1986, additional schedules for March 28, 1986, filing.
624	April 3, 1986, additional phase-in schedules.
625	April 9, 1986, corrected phase-in schedules.
626	April 1, 1986, letter of M. Hogarty requesting additional phase-in schedules.