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**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 January, 1998.

In the Matter of the Application of Kansas City)
Power & Light Company for Approval of the Accrual)
and Funding of Wolf Creek Generating Station)
Decommissioning Costs at Current Levels.) **Case No. EO-97-84**

**ORDER APPROVING COST ESTIMATES AND FUNDING LEVELS FOR
NUCLEAR DECOMMISSIONING COSTS**

On September 3, 1996, Kansas City Power & Light Company (KCPL) filed an application for approval of its proposed accrual and funding of Wolf Creek Generating Station (Wolf Creek Plant) nuclear decommissioning costs at current levels. Along with its application, KCPL also filed a document entitled "Wolf Creek Generating Station Decommissioning Cost Estimate Update For September 1, 1996," which contains a number of appendices, including a detailed cost analysis. The current decommissioning cost has increased from an estimate of \$370 million in 1993 dollars to an estimate of \$408,887,000 in 1996 dollars. KCPL believes it is reasonable to continue the annual accruals at the current level of \$2,303,856 for the Missouri jurisdictional amount, since the cost estimate in 1996 dollars based on the 1996 cost estimate update is reasonably close to the 1996 decommissioning cost projection in the accrual schedule of the 1993 study, which was approved in Case No. EO-94-80. KCPL therefore requests that the Commission issue an order: (a) finding that the 1996 cost study satisfies the requirements of 4 CSR 240-20.070(9), (b) approving the 1996 decommissioning cost estimate of \$408,887,000, (c) approving the continuation of annual accruals at the current level of \$2,303,856, and (d)

finding that the decommissioning costs are included in KCPL's current cost of service and are reflected in its current rates for ratemaking purposes.

The Commission issued an Order and Notice on September 19, 1996, and set an intervention deadline of October 18, 1996. No applications for interventions were filed. The Commission issued an order on October 31, 1996, which set an early prehearing conference for November 18. The prehearing conference was subsequently changed to December 2 at the request of KCPL. In lieu of a proposed procedural schedule, Staff filed a letter on December 6, indicating that the parties did not believe a procedural schedule would be necessary, and that the parties anticipated filing a stipulation and agreement by December 20. A stipulation was not filed by that date, but several other letters concerning the status of the case were subsequently filed.

On September 24, 1997, the Commission issued its Order Directing the Filing of a Proposed Procedural Schedule directing Staff to either file a stipulation and agreement or a proposed procedural schedule. Staff filed a Unanimous Stipulation and Agreement (Stipulation) on October 24. Staff also filed a separate response on that date indicating that testimony in support of the Stipulation would be filed by October 31. Subsequently, several extensions of time were requested, and the testimony of witness David Broadwater in support of the Stipulation was ultimately filed on November 14, 1997.

DISCUSSION

The Stipulation purports to be a settlement of all issues pertaining to this case, and is attached hereto and incorporated by reference as Attachment 1. The major provisions of the stipulation may be summarized as follows:

- In the immediately preceding decommissioning cost proceeding, Case No. EO-94-80, the cost to decommission the Wolf Creek Plant was deemed to be \$369,789,856 in 1993 dollars.
- The annual decommissioning expense accrual and trust fund payment in Case No. EO-94-80 was maintained at \$2,303,856, the level first set in Case No. EO-91-84. No changes to the funding level were sought because KCPL concluded that it was reasonable to continue the annual accruals at the same level as a result of, among other things, changes in federal tax law and corresponding changes in state regulations that permitted decommissioning trust funds to achieve higher earnings.
- The 1993 Accrual Schedule in Case No. EO-94-80 projected that the then-current decommissioning cost would escalate to approximately \$422 million in 1996 for the DECON alternative. Because the inflation rate which KCPL projected in Case No. EO-94-80 was less than expected, the current decommissioning cost estimate in 1996 dollars, \$408,887,000, is less than the \$422 projected in 1993.
- KCPL considers the current decommissioning cost estimate of \$408,887,000 to be reasonably close to the cost projection contained in its 1993 Accrual Schedule, and therefore considers that it is reasonable to continue annual accruals at the current level of \$2,303,856. Solely for the purposes of the Stipulation, Staff and Public Counsel do not object to KCPL's assumptions as to inflation and trust fund earnings.
- If required, KCPL shall seek an Internal Revenue Service (IRS) ruling regarding the continuation of its current accrual and funding level, in order for KCPL to receive the maximum tax benefits associated with its decommissioning costs.

- KCPL shall continue its Missouri retail jurisdiction expense accruals and trust fund payment at current levels without a change in its Missouri retail jurisdictional rates.
- KCPL or its trustee shall comply with the quarterly and annual filing requirements of 4 CSR 240-20.070(5) and 4 CSR 240-20.070(6).

In connection with the above agreements, the signatories to the Stipulation request that the Commission: (a) approve the Unanimous Stipulation And Agreement; (b) recognize that KCPL's current decommissioning costs are included in its current cost of service and reflected in its current rates for ratemaking purposes; and (c) direct that KCPL or its trustee comply with the quarterly and annual filing requirements of 4 CSR 240-20.070(5) and 4 CSR 240-20.070(6).

In support of the Stipulation And Agreement, Staff filed the testimony of David Broadwater. Staff first explains what decommissioning is, and provides an historical background on KCPL's prior decommissioning cases, including Case No. EO-94-80. Staff explains that KCPL's analysis of the current cost to decommission the Wolf Creek Plant is an update of the study performed by the company in 1993, which the Staff agreed to in Case No. EO-94-80. Staff maintains that it is reasonable to accept KCPL's analysis in the present case without having an outside consultant perform a study. Nevertheless, Staff submits that for the purposes of KCPL's 1999 filing, Staff should retain an outside consultant to perform or assist in an analysis of the cost to decommission the Wolf Creek Plant and perform a reconciliation between the Wolf Creek Plant and the Callaway Plant concerning decommissioning quantities, dimensions, weights and levels of radioactivity. Staff also explains the three alternative decommissioning options explored by KCPL--DECON, SAFSTOR and ENTOMB--and notes that all three alternatives are acceptable to the United States Nuclear Regulatory

Commission (NRC). The cost to decommission the Wolf Creek Plant under the DECON alternative¹ is \$408,887,000 in 1996 dollars.

In addition, Staff reviewed the status of KCPL's decommissioning trust fund. Staff explains that while the cost to decommission the Wolf Creek Plant is estimated at approximately \$409 million in 1996 dollars, Missouri retail customers of KCPL will be responsible for 58.11 percent of the costs, or approximately \$112 million. As of June 30, 1997, KCPL's decommissioning trust fund for its Missouri jurisdictional portion of the Wolf Creek Plant had a market value of approximately \$25.4 million, and has achieved an internal rate of return of 9.74 percent.² Staff performed an analysis of KCPL's decommissioning trust fund based upon certain reasonable assumptions, and notes that while the fund is currently outperforming Staff's assumptions, Staff does not believe that current conditions will exist for the remaining life of the fund. Because of concerns with the reliability of decommissioning cost estimates for any nuclear power plant, as a result of the general lack of historical information respecting the cost of decommissioning nuclear generating units, Staff maintains that it is appropriate to keep the funding level of KCPL's decommissioning trust fund at its current annual level of \$2,303,855.79 with payments made on a quarterly basis.

Moreover, Staff also explains that unlike Union Electric Company (UE) in Case No. EO-97-86, KCPL does not require a waiver of 4 CSR 240-

¹ The DECON alternative assumes decontaminating and decommissioning immediately following the conclusion of power operations in 2024, when the 40-year operating license expires. Work is anticipated to be completed by 2032. DECON consists of removal of fuel assemblies, source material, radioactive fission and corrosion products, and other radioactive materials immediately after cessation of power operations.

² The internal rate of return is the annualized interest rate that equates the ending market value with the historical stream of quarterly fund payments.

20.070(4)(D). Staff reviewed KCPL's most recent revised schedule of ruling amounts from the Internal Revenue Service (IRS),³ a letter dated February 23, 1995, which contains ruling amounts for the life of the Wolf Creek Plant, with a mandatory review after ten years. KCPL was able to obtain this ruling because, unlike UE, it provided the IRS with a copy of the Commission's order issued on June 14, 1994 in Case No. EO-94-80. KCPL thus has a current IRS ruling in effect and is able to make contributions to its decommissioning trust fund.

The decommissioning cost estimate update provided by KCPL states that the cost estimate is based upon current requirements and present-day technology. The update uses the same assumptions regarding decommissioning requirements, techniques, and cost estimate methodology, with the exception of certain work efficiency assumptions, as were made in the earlier 1993 study, but takes into account physical changes made to the plant since 1993, as well as inflation. The update also includes a risk assessment of the impact of input variability on total cost. Further, the study assumes that spent fuel will be stored on site for five years following the Wolf Creek Plant's final shutdown in 2025, in accordance with the requirements of the U.S. Department of Energy (DOE), which mandates the five-year period to allow adequate cooling prior to DOE acceptance of the spent fuel. The cost for the disposal of spent fuel is not included in KCPL's cost estimate, as the cost for fuel disposal is funded by DOE's one mill per kilowatt surcharge.

³ The purpose of seeking "ruling amounts" from the IRS is to obtain tax-deductible treatment for KCPL's contribution to its decommissioning trust fund.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact.

The Commission has considered KCPL's application, the Wolf Creek Plant Decommissioning Cost Estimate Update for September 1, 1996, the Unanimous Stipulation And Agreement, and the testimony of Staff witness Broadwater in support of the Stipulation.

The Commission finds as follows:

(A) No party has requested a hearing in this case.

(B) KCPL is not requesting a change to its authorized rates and charges for its nuclear decommissioning trust fund.

(C) The decommissioning cost study filed by KCPL should be received into evidence, along with the Unanimous Stipulation And Agreement.

(D) The Unanimous Stipulation And Agreement is just and reasonable with respect to the continuation of Missouri retail jurisdiction expense accruals and nuclear decommissioning trust fund payments at current levels without a change in Missouri retail jurisdiction rates, as well as with respect to all other agreed-upon terms and conditions specified in the Stipulation and previously set forth in this order.

(E) That the cost in 1996 dollars to immediately decommission the Wolf Creek Plant at the end of its 40-year operating license shall be deemed to be \$408,887,000.

(F) That KCPL's Missouri retail jurisdiction annual decommissioning expense accruals and trust fund payments shall continue at the current level of \$2,303,856.

(G) That the \$2,303,856 funding level is currently included in KCPL's current cost of service, and is reflected in its current rates for ratemaking purposes.

(H) That KCPL or its trustee shall comply with the quarterly and annual filing requirements of 4 CSR 240-20.070(5) and 4 CSR 240-20.070(6) on an ongoing basis.

In restating portions of the Unanimous Stipulation And Agreement, the Commission is not changing the language or terms of the Stipulation, but adopts it in full as resolving all issues that were set out therein. The Commission in adopting the Stipulation is satisfied that the negotiated settlement represents a reasoned and fair resolution of the issues in this case, and that it would be in the interest of all parties for the Commission to adopt the Stipulation.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law.

KCPL is a Missouri corporation, with its principle place of business located at 1201 Walnut Street, Kansas City, Missouri, and is engaged in the generation, transmission, distribution and sale of electric energy and power in portions of western Missouri and eastern Kansas. It is an electrical corporation and public utility as defined in Section 386.020, RSMo. Supp. 1996, and is subject to the jurisdiction of the Commission pursuant to Chapters 386 and 393 of the Missouri Revised Statutes. KCPL owns 47 percent of the Wolf Creek Plant, and 58.11 percent of that ownership interest is allocated to the Missouri retail jurisdiction. Pursuant to 4 CSR 240-20.070(9), utilities with decommissioning trust funds are required to file every three years a cost study detailing the utility's latest cost estimate for decommissioning its

nuclear generating unit, along with the funding levels necessary to defray these decommissioning costs. The purpose of KCPL's filing of September 3, 1996 is to comply with this requirement.

Ordinarily, a hearing would be required in the event a change in the level or annual accrual of decommissioning funding is proposed, pursuant to Section 393.292, RSMo 1994. No such change has been proposed. In addition, no party has requested a hearing. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

Pursuant to Section 536.060, RSMo. Supp. 1996, the Commission may approve a stipulation and agreement concluded among the parties as to any issues in a contested case. The standard for Commission approval of a stipulation and agreement is whether it is just and reasonable. The Commission, in accordance with its statutory power, has determined that the Unanimous Stipulation And Agreement which settles all issues raised in this case is just and reasonable and appropriate, and therefore should be approved in full.

IT IS THEREFORE ORDERED:

1. That the Missouri Public Service Commission approves and adopts the Unanimous Stipulation And Agreement filed on October 24, 1997, and agreed to and signed by Kansas City Power & Light Company, the Staff of the Missouri Public Service Commission, and the Office of the Public Counsel, which is incorporated herein by reference and attached hereto as Attachment 1.

2. That the Unanimous Stipulation And Agreement shall be received into evidence as Exhibit No. 1, and the decommissioning cost study filed

by Kansas City Power & Light Company shall be received into evidence as Exhibit No. 2.

3. That pursuant to the Unanimous Stipulation And Agreement, the cost in 1996 dollars to immediately decommission the Wolf Creek Plant at the end of its 40-year operating license shall be deemed to be \$408,887,000.

4. That pursuant to the Unanimous Stipulation And Agreement, Kansas City Power & Light Company's Missouri retail jurisdiction annual decommissioning expense accruals and trust fund payments shall continue at the current level of \$2,303,856.

5. That the current decommissioning costs for the Wolf Creek Plant are included in Kansas City Power & Light Company's current cost of service, and are reflected in its current rates for ratemaking purposes.

8. That Kansas City Power & Light Company or its trustee is directed to file on a prospective basis in Case No. EO-97-84 the quarterly and annual reports required by 4 CSR 240-20.070(5) and 4 CSR 240-20.070(6) respectively.

9. That this order shall become effective on January 30, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton,
Murray, and Drainer,
CC., Concur.

Bensavage, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
OCT 24 1997
MISSOURI
PUBLIC SERVICE COMMISSION

In the Matter of the Application of Kansas City)
Power & Light Company for Approval of the)
Accrual and Funding of Wolf Creek Generating)
Station Decommissioning Costs at Current Levels.)

Case No. EO-97-84

UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW Kansas City Power & Light Company (KCPL), the Staff of the Missouri Public Service Commission (Staff), and the Office of the Public Counsel (Public Counsel), and state the following in resolution of Case No. EO-97-84.

Section 393.292 RSMo 1994 states that the Commission, pursuant to regulations, may authorize changes to the rates and charges of an electrical corporation as a result of a change in the level or annual accrual of funding necessary for its nuclear power plant decommissioning trust fund. Section 393.292 was passed by the Missouri Legislature as House Bill No. 609 on May 12, 1989 and was signed into law by the Governor on June 20, 1989. This statute creates a narrow exception to the general body of law in Missouri as applied to electric utilities in State ex rel. Utility Consumers Council of Missouri, Inc. v. Public Serv. Comm'n, 585 S.W.2d 41 (Mo. banc 1979). This general body of law set out therein requires that before the Commission can change any rate charged by a utility under its jurisdiction, it must consider all relevant factors. Under Section 393.292, the Commission can limit its review to those factors relevant to the funding level or accrual rate of the decommissioning trust fund when ruling on matters related to the rates and charges associated with collecting the amounts necessary for funding the trust. Further, Section 393.292 gives the Commission authority to adopt rules and regulations governing the procedures associated with these tariff changes as well as to ensure that the amounts contained in the trust funds will be neither

"greater nor lesser than the amounts necessary to carry out the purposes of the trust." As a result of the enactment of this statute, and to carry out its terms, on March 2, 1990, in Case No. EX-90-110, the Commission adopted the original decommissioning rule.

4 CSR 240-20.070(9) requires that on or before September 1, 1990 and every three years thereafter, utilities with decommissioning trust funds shall file cost studies with the Commission detailing their latest cost estimates for decommissioning, along with funding levels necessary to defray these costs.

KCPL established a decommissioning trust fund as a result of its Wolf Creek Generating Station (Wolf Creek) rate case decided by the Commission in 1986. Re Kansas City Power & Light Co., Case Nos. EO-85-185 and EO-85-224, 28 Mo.P.S.C. (N.S.) 228, 276-8 (1986).

Section 1917 of the Energy Policy Act of 1992 (EPACT) lifted the stringent "Black Lung" investment restrictions¹ on tax-qualified decommissioning trust funds which prohibited investment in equity securities. The Commission's original decommissioning rule had limited to 40 percent the amount of nontax-qualified trust assets that could be held in the form of equity securities and prohibited the holding of equity securities as tax-qualified trust assets. The Commission in Case No. EX-93-304 amended its decommissioning trust fund rule to permit a maximum investment in equity securities of 65 percent of the decommissioning trust fund's book value for tax-qualified and nontax-qualified trust assets. Section 1917 of EPACT reduced the federal income tax rate on certain investment earnings of decommissioning trusts from the regular corporate federal income tax rate

¹ "Black Lung" investments are public debt securities of the United States; obligations of a state or local government that are not in default as to principal or interest; and time or demand deposits in banks or insured credit unions located in the United States. Taxable bonds and equity securities are not included among "Black Lung" investments.

of 35 percent to 22 percent for 1994 and 1995, and 20 percent commencing in 1996. The Commission's amendment of its decommissioning rule places more restrictions on self-dealing and prohibits the trust from holding investments of affiliated companies associated with the trust or the utility.

On September 3, 1996, pursuant to 4 CSR 240-20.070, KCPL filed an Application for approval of the accrual and funding of Wolf Creek decommissioning costs at current levels. KCPL also requests that the Commission find that the annual decommissioning costs in the amount of \$2,303,856 are included in KCPL's current cost of service for ratemaking purposes. KCPL owns 47 percent of Wolf Creek and approximately 60 percent of KCPL's 47 percent ownership share is allocated to KCPL's Missouri retail operations.

Accompanying KCPL's Application is a cost study detailing its latest cost estimate for decommissioning Wolf Creek (1996 KCPL Study) entitled "Wolf Creek Generating Station Decommissioning Cost Estimate Update For September 1, 1996." The cost study was jointly prepared by Wolf Creek Nuclear Operating Corporation and Union Electric Company (UE). Although Wolf Creek and UE's Callaway nuclear plant (Callaway) are very similar generating units (they have the same architect/engineer, nuclear steam supply system and turbine generator manufacturer), they are not identical units, e.g., Wolf Creek has a cooling lake whereas Callaway has a cooling tower.

The 1996 KCPL Study is an update of a 1993 site specific study performed by TLG Engineering, Inc. for KCPL. Three decommissioning options were examined by KCPL: (1)

DECON,² (2) SAFSTOR³ and (3) ENTOMB.⁴ Each of these three alternatives are acceptable to the United States Nuclear Regulatory Commission (NRC).

Based on this analysis, KCPL concluded that its current funding level should result in a final decommissioning trust amount which is sufficient to cover the costs estimated in its decommissioning cost study under what KCPL believes are a reasonable set of economic, financial and investment assumptions. Consequently, KCPL did not seek any changes to its funding level and asks the Commission to approve the current funding level amount.

Certain agreements have been reached by the parties. Consequently, KCPL, Staff and Public Counsel stipulate and agree as follows:

1. The cost in 1993 dollars to immediately decommission (DECON) Wolf Creek, upon the end of its operating license (40 years of service), was deemed to be \$369,789,856 in KCPL's immediately preceding decommissioning cost proceeding, Case No. EO-94-80.

² DECON assumes decontaminating and decommissioning (D&D) immediately following conclusion of power operations in 2025, when the 40 year operating license expires. Work is anticipated to be completed by 2033. DECON consists of removal of fuel assemblies, source material, radioactive fission and corrosion products, and other radioactive materials immediately after cessation of power operations. Total cost to decommission in 1996 dollars is \$408,887,000.

³ SAFSTOR places the facility in protective storage once spent fuel and source material are removed. Delayed decontamination and dismantling activities are initiated such that license termination is accomplished within the 60 year time period set by the NRC. This process is anticipated to be completed by 2087. Total cost to decommission in 1996 dollars is \$680,136,000.

⁴ ENTOMB places the facility in protective storage. Initial activities include: removing contaminated components, systems, and structures outside the designated entombment boundary, and sealing the remaining radioactivity within the reactor containment building. This process is restricted in overall duration to 60 years and is anticipated to be completed by 2087. Total cost to decommission in 1996 dollars is \$619,833,000.

2. KCPL's Missouri retail jurisdiction annual decommissioning expense accrual and trust fund payment was set by the Commission at \$2,303,856, first in Case No. EO-91-84, Re Kansas City Power & Light Co., 1 Mo.P.S.C.3d 353 (1992), and again in Case No. EO-94-80, Re Kansas City Power & Light Co., 3 Mo.P.S.C.3d 60 (1994).⁵ KCPL took the position in Case No. EO-94-80 that it was reasonable to continue the annual accruals at the Case No. EO-91-84 level because of, among other things, changes in federal tax law and corresponding changes in state regulations that permit decommissioning trust funds to achieve higher earnings.

3. The accrual schedule in Case No. EO-94-80 (1993 Accrual Schedule) projected that the \$369,789,856 decommissioning cost would escalate to approximately \$422 million in 1996 dollars for the DECON alternative. The 1996 KCPL Study shows the current decommissioning cost estimate to be \$408,887,000 in 1996 dollars for the DECON alternative. This difference has occurred because the inflation rate over the period spanning the two studies has been less than what KCPL projected.

⁵ In 1985 in KCPL's Wolf Creek rate case, KCPL and the Staff stipulated that the decommissioning cost of Wolf Creek was \$103,330,000 in 1985 dollars. As a result of the Commission's Wolf Creek Report And Order, KCPL's Missouri jurisdictional annual trust fund payment requirement was set at \$803,000. Re Kansas City Power & Light Co., Case Nos. EO-85-185 and EO-85-224, 28 Mo.P.S.C. (N.S.) 228, 276-78 (1986). In Case No. EO-91-84, KCPL's first filing pursuant to 4 CSR 240-20.070, a Unanimous Stipulation And Agreement was accepted by the Commission which identified the cost in 1990 dollars to immediately decommission Wolf Creek, as if it had completed 40 years of service, as being \$347 million and set KCPL's Missouri retail jurisdiction annual trust fund accrual and payment requirement as \$2,303,856. The great increase in the cost estimate was due principally to a major increase in the projected cost of disposal facilities for low-level radioactive waste. (Low-level radioactive waste should not be confused with high level radioactive waste and spent nuclear fuel. The federal fee which is collected with each kilowatt hour of electricity generated by Wolf Creek, and the recent federal litigation against the Department of Energy which this Commission was a party to along with many other states, relates to disposal facilities for high-level radioactive waste and spent nuclear fuel, not disposal facilities for low-level radioactive waste.)

4. KCPL deems the current decommissioning cost estimate of \$408,887,000 to be reasonably close to the decommissioning cost projection in its 1993 Accrual Schedule. KCPL believes that it is reasonable and prudent to continue the annual accruals at the current level of \$2,303,856. Thus, KCPL's Application asks that the Commission approve the continuation of the annual accrual at the current level. Solely for purposes of the instant Unanimous Stipulation And Agreement, the Staff and Public Counsel do not object to KCPL's assumptions as to inflation and trust fund earnings.

5. KCPL shall continue its Missouri retail jurisdiction expense accruals and trust fund payments at current levels without a change in its Missouri retail jurisdictional rates.

6. In order for KCPL to receive the maximum tax benefits associated with its decommissioning costs, KCPL shall seek, if required, an Internal Revenue Service (IRS) ruling regarding continuing its current accrual and funding level. KCPL, the Staff and Public Counsel agree that such decommissioning costs are included in KCPL's current cost of service and are reflected in its current rates for ratemaking purposes and request that this be specifically recognized in the Commission's Report And Order.

7. KCPL or its trustee shall file on a prospective basis in the instant docket one copy of the quarterly reports required by 4 CSR 240-20.070(5) and one copy of the annual reports required by 4 CSR 240-20.070(6). Payments to the trustee of the external trust fund are made on a quarterly basis in the month following the end of the quarter to which the payment applies.

8. None of the parties to this Unanimous Stipulation And Agreement shall be deemed to have approved or acquiesced in any question of Commission authority, 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 Unanimous Stipulation And Agreement.

9. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation And Agreement. Each party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of the Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation And Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation And Agreement, whether or not the Commission approves and adopts this Stipulation And Agreement.

The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation And Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

10. This Unanimous Stipulation And Agreement represents a negotiated settlement for the sole purpose of addressing the authority requested by the Application of KCPL. Except as specified herein, the parties to the Unanimous Stipulation And Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Unanimous Stipulation And Agreement: (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 the Unanimous Stipulation And Agreement in the instant proceeding, or in any way condition its approval of same.

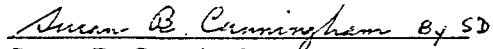
11. The decommissioning cost study of KCPL shall be received into evidence.

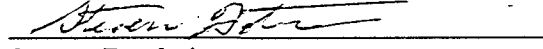
12. The provisions of this Unanimous Stipulation And Agreement have resulted from extensive negotiations among the signatory parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Unanimous Stipulation And Agreement in total, it shall be void and no party hereto shall be bound by, prejudiced, or in any way affected by any of the agreements or provisions hereof unless otherwise provided herein.

13. In the event the Commission accepts the specific terms of this Unanimous Stipulation And Agreement, 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 1994; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1994; and their respective rights to judicial review pursuant to Section 386.510 RSMo 1994. This waiver applies only to a Commission Report And Order 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 Unanimous Stipulation And Agreement.

WHEREFORE, the signatories hereto request that the Commission (1) approve the instant Stipulation And Agreement, (2) specifically recognize in its Report And Order that Kansas City Power & Light Company's current decommissioning costs are included in its current cost of service and are reflected in its current rates for ratemaking purposes, and (3) direct that Kansas City Power & Light Company or its trustee file on a prospective basis in Case No. EO-97-84 one copy of the quarterly reports required by 4 CSR 240-20.070(5) and one copy of the annual reports required by 4 CSR 240-20.070(6).

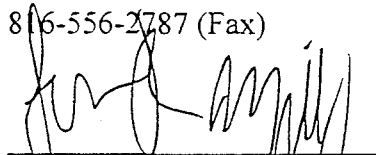
Respectfully submitted,


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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all Counsel of record as shown on the attached service list this 24th day of October, 1997.