

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

In the Matter of the Application of Kansas City Power and Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Continue the Implementation of Its Regulatory Plan) Case No. ER-2009-0089
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In the Matter of the Application of KCP&L Greater Missouri Operations Company for Approval to Make Certain Changes in its Charges for Electric Service) Case No. ER-2009-0090
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In the Matter of the Application of KCP&L Greater Missouri Operations Company for Approval to Make Certain Changes in its Charges for Steam Heating Service) Case No. HR-2009-0092
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**STATUS REPORT AND MOTION TO EXTEND PERIOD TO DEMONSTRATE
COMPLIANCE WITH CERTAIN IN-SERVICE CRITERIA OF
KANSAS CITY POWER & LIGHT COMPANY AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

Pursuant to 4 C.S.R. 240-2.080 and the *Notice Regarding Settlement Conference and Order Directing Filing* issued by the Missouri Public Service Commission (“Commission”) on February 17, 2009 in the above-captioned proceedings, Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“KCP&L-GMO”) (collectively, the “Companies”) hereby provide a status report concerning possible procedural schedule modifications and request that the date for demonstrating compliance with the technical in-service criteria for the new air quality control system (“AQCS”) on Iatan 1 be extended until April 30, 2009. In support hereof, the Companies state as follows:

STATUS REPORT

1. Pursuant to the November 20, 2008 *Order Setting Procedural Schedules (“Procedural Order”)*, the Companies met for settlement discussions with Staff, the Office of Public Counsel (“OPC”), and intervenors during the week of February 23, 2009. As directed by

the Commission, the parties discussed possible changes to the procedural schedules in these cases to reflect issues concerning the start-up event at Iatan 1, as described in the Companies' February 11, 2009 Notice to the Commission. The parties did not reach agreement concerning what changes to the procedural schedule would be appropriate, and rather than submitting a joint status report, it was suggested to the Companies that it would be better for the Companies to notify the Commission of what the Companies proposed to do and the other parties would respond accordingly.

2. As the Companies explained in their February 11 Notice to the Commission, on February 4, 2009, Iatan 1 tripped during start-up activities due to vibration in the turbine that was beyond its operating parameters. KCP&L explained in its Notice that the event with the turbine generator could impact the return to service of Iatan 1 by 1-2 months.

3. Testing confirmed that Iatan 1 could not be returned to service without repairing the rotor shaft, a primary component of the new high-pressure turbine. On February 10, the rotor shaft was removed and shipped to a General Electric ("GE") facility in Chicago, Illinois for evaluation and repair. GE has completed its repairs. The rotor shaft was returned to the site February 28, 2009. It will take approximately ten to twelve days to reassemble the high-pressure turbine. Start-up activities would then resume on or about March 10, 2009, and if all goes well, the unit would be synchronized to the grid on or about March 15, 2009 and begin generating at or near full capacity by March 22, 2009. However, once this occurs, ALSTOM has the contractual right to take up to twenty-one days to demonstrate that the new AQCS equipment satisfies the provisional acceptance criteria provided in the contract, which would also demonstrate satisfaction of the technical in-service criteria agreed to by KCP&L and Staff in consultation with OPC in these cases. In other words, although the Companies believe Iatan 1

will return to service prior to March 31, 2009, the AQCS equipment will likely not satisfy the applicable in-service criteria until the second or third week of April 2009.

MOTION

4. To recognize the timing of the Iatan 1 AQCS equipment satisfying the in-service criteria and to avoid prejudicing any of the parties to this case, the Companies propose to maintain all of the dates contemplated in the procedural schedules with respect to all issues other than Iatan 1. With respect to Iatan 1, the Companies only request is to extend until April 30, 2009 the deadline for demonstrating that the AQCS equipment satisfies the technical in-service criteria. The True-Up Invoice Cutoff Date of April 30, 2009 and the True-Up Invoice Receipt Date of May 1, 2009 would not change.

5. The Companies believe their proposal represents a reasonable compromise between (i) KCP&L's right under the regulatory plan approved in Case No. EO-2005-0329 ("Regulatory Plan") to include in this rate case plant in service as of April 30, 2009 and (ii) the other parties' need for cost information in a timely manner.

6. The Companies' proposal does not impact either the timing of parties' access to Iatan 1-related cost information or the amount of time the parties have to audit that information. The deadlines associated with those items remain as provided in the procedural schedules. If anything, the Companies' proposal puts the Companies at greater risk that prudently incurred costs associated with plant in service at Iatan 1 will not be included in rates as part of these pending cases due to the fact that a delayed date for the demonstration of the completion of the in-service criteria increases the likelihood that additional sums will be spent after the invoice-related deadlines provided above, *i.e.*, the True-Up Invoice Cutoff Date and the True-Up Invoice Receipt Date.

7. As the Companies explained in their October 29, 2008 submission in this case, the rate case timeframes included in the Regulatory Plan Stipulation and the manner in which its two prior cases under the Regulatory Plan Stipulation were prosecuted both support the Companies' contention that KCP&L has until April 30, 2009 to demonstrate that the Iatan 1 AQCS equipment satisfies the in-service criteria. Although the Companies notified the Commission on January 20, 2009 that they believed they would be able to demonstrate compliance by March 31, 2009, the Companies do not believe such notice precludes KCP&L from reverting to its rights under the Regulatory Plan to have until April 30, 2009 to demonstrate compliance. This is especially true in light of the unforeseen nature of the turbine issue and the adverse financial impact on the Companies of a Commission determination that the Iatan 1 AQCS equipment costs cannot be included in their pending rate cases. These issues are explained in the attached Affidavit of Michael W. Cline, Vice President, Investor Relations and Treasurer of Great Plains Energy Incorporated, the parent company of KCP&L and KCP&L-GMO.

8. In the alternative, if the Commission determines that the request described above is unacceptable, the Companies request that the Commission amend the procedural schedules by extending the "End of True-Up Period" until April 30, 2009, and similarly extending by approximately one month the dates provided in the procedural schedule related to the True-Up Proceeding beginning with the "Closed Book True-Up Data Date" and continuing through to "Effective Date for Tariffs." Under this alternative, there would be no changes to the previously scheduled dates for the following procedural events: Evidentiary Hearings, Initial Post Hearing Briefs, Reply Briefs, and Proposed Findings of Fact and Conclusions of Law.

9. In the Commission's Procedural Order, the Commission noted that "if the true-up period is extended, there is a possibility that the tariff effective date and true-up procedural

schedules will also need to be extended.” (*Procedural Order*, p. 5, fn. 3) Mindful of this concern, in the event that the Commission adopts the Companies’ alternative proposal discussed in paragraph 8, then the Companies would voluntarily extend the effective date of their tariffs implementing the new rates until September 5, 2009. As a result, the Companies do not believe it would be necessary for the Commission to suspend those tariffs under Section 393.150.

10. As the Commission acknowledged in its *Procedural Order*, extending the effective date for the new rates sought in these cases would result in some financial harm to the Companies. However, if the Companies are put in the position of having to choose between (i) the adverse financial impact of delaying the effectiveness of rates that reflect their costs by one month or (ii) not getting to include in rates in these pending cases their substantial investments in the Iatan 1 AQCS equipment, the Companies must choose the former.

11. Since this important matter needs to be resolved as quickly as possible, the Companies would also request that the parties be directed to respond to this pleading by Friday, March 6, 2009, to allow the Commission time to consider these matters as soon as possible.

For the foregoing reasons, the Companies respectfully request that they be given until April 30, 2009 to demonstrate compliance with the technical in-service criteria for the AQCS equipment that was added to Iatan 1 pursuant to the Regulatory Plan. The Companies do not seek to modify any of the true-up-related accounting and audit dates provided in the procedural schedules.

Respectfully submitted,

/s/ Curtis D. Blanc

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**Attorneys for Kansas City Power & Light Company and
KCP&L Greater Missouri Operations Company**

Dated: March 2, 2009

**BEFORE THE PUBLIC SERVICE COMMISSION
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AFFIDAVIT OF MICHAEL W. CLINE

State of Missouri)
) ss
County of Jackson)

Michael W. Cline, being first duly sworn upon his oath, states as follows:

1. My name is Michael W. Cline. I am employed by Great Plains Energy Incorporated (“Great Plains”), the parent company of Kansas City Power & Light Company (“KCPL” or “Company”) and KCP&L Greater Missouri Operations Company, formerly known as Aquila, Inc. (“GMO”), in Kansas City, Missouri as Vice President, Investor Relations and Treasurer. In this capacity I oversee and manage the financing and investment activities, cash management, bank relations, rating agency relations, financial risk management, and investor relations functions of Great Plains, KCPL and GMO. I report to Terry Bassham, Executive Vice-President of Finance and Strategic Development for Great Plains and the Chief Financial Officer of KCPL and GMO.

2. I am familiar with the KCPL Regulatory Plan, including the Stipulation and Agreement in Case No. EO-2005-0329, which this Commission approved in August 2005 (“2005 Stipulation”) and which sets forth the timetable to implement the Regulatory Plan. I am also familiar with and testified in KCPL’s 2006 and 2007 general rate cases where the Commission approved changes in rates designed to implement the Regulatory Plan. See Report and Order, Case No. ER-2007-0291 (Mo. P.S.C., Dec. 16, 2007); Report and Order, Case No. ER-2006-03124 (Mo. P.S.C., Dec. 31, 2006) 374. I am also a witness in this proceeding, having filed Direct Testimony on September 8, 2008.
3. I have a Bachelor of Science degree in finance, summa cum laude, from Bradley University (1983). I also have a Master of Business Administration degree from Illinois State University (1988). From 1984-1991 I was employed by Caterpillar Inc. in Peoria, Illinois, holding a number of finance and treasury positions. From 1992-93 I was Manager, International Treasury with Sara Lee Corporation, Chicago, Illinois. From 1994-2000 I was employed by Sprint Corporation in Overland Park, Kansas, initially as Manager, Financial Risk Management and later as Director, Capital Markets. During most of 2001 I was Assistant Treasurer for Corporate Finance at Corning Incorporated in Corning, New York.
4. I joined Great Plains in October 2001 as Director of Corporate Finance and became Assistant Treasurer in November 2002. I was promoted to Treasurer in April 2005 and added the title of Chief Risk Officer in July 2005. In February 2008 I was named to my current position as Vice President, Investor Relations and Treasurer.

5. This rate case was filed pursuant to and in compliance with Section III(B)(3)(c) of the 2005 Stipulation. That provision, which is contained on pages 37-41 of the 2005 Stipulation, sets forth in detail the elements of this case, known as “Rate Filing #3 (2008 Rate Case).” The major components of this 2008 Rate Case are the environmental expenditures at the Iatan 1 power plant generally known as the air quality control system (“AQCS”). This primarily consists of the installation of a selective catalytic reduction (“SCR”) facility, a flue gas desulphurization (“FGD”) unit, and a baghouse. See 2005 Stipulation at § III(B)(3)(c)(v) at p. 39.
6. As explained by KCPL and GMO in their March 2 Status Report and related Motion, the companies require that they be given until April 30, 2009 to demonstrate compliance with the technical in-service criteria for the AQCS equipment and in the alternative a delay of no longer than 30 days in the tariff effective date. In this regard, it is very important to the financial well-being of both KCPL and GMO that there be no further delay in the procedural schedule of this case, as well as the GMO rate case, Case No. ER-2009-0090. In ordinary economic times, it would be important for public utilities like KCPL and GMO who are engaged in significant infrastructure improvement and construction programs to receive timely regulatory consideration of their revenue requests.
7. However, given the turmoil in the financial debt markets, the severe recession affecting the United States economy generally, the companies’ reliance on the anticipated cash flow from the rate relief in this proceeding, and the publicly-disclosed need of Great Plains and the Company to raise debt and equity in the financial markets in 2009, it is necessary that KCPL and GMO be permitted to present their respective rate cases to the Commission under the existing procedural schedules or revised schedules that contain only minimal adjustments. The cash-flow shortfall and investor uncertainty created by

more than a minor delay in the Commission's consideration of and implementation of new rates could be damaging to Great Plains' stock price, its ability to complete its planned 2009 equity offering on acceptable terms (with the proceeds targeted for deployment at KCPL and GMO), and on the Company's ability to complete its planned 2009 debt offering on acceptable terms. Anything more than a minor delay could, in turn, lead to KCPL's and GMO's undue reliance on short-term debt for funding, and hurt these companies' credit ratios (and potentially their credit ratings, as well). A delay of more than 30 days would increase the companies' financial risk, would be detrimental to their financial outlook, and would ultimately be detrimental to our customers.

8. The Company believes that the implications of the Commission's response to this request extend beyond 2009. As the Commission knows from its consideration of the 2006 and 2007 KCPL rate cases, the financial markets and the credit rating agencies pay close attention to how a regulatory utility commission manages its rate cases, as well as to the case's ultimate result. The Commission's adherence to the general parameters set forth in the 2005 Stipulation for this 2008 Rate Case, and its timely determination of the pending rate requests of KCPL and GMO should dispel any belief or suggestion in the financial community that there will be an undue delay or that the rules applicable to these proceedings have been materially changed. This would benefit Great Plains and the Company in their capital raising activities not only in 2009, but beyond as well. The success of those activities will ultimately benefit the customers of both KCPL and GMO.

I have knowledge of the matters set forth herein. I hereby swear and affirm that the foregoing is true and accurate to the best of my knowledge, information and belief.

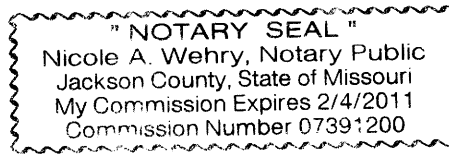
Michael W. Cline
Michael W. Cline

Subscribed and sworn to before me this 2nd day of March, 2009.

Nicole A. Wehry
Notary Public

My commission expires:

Feb. 4, 2011



CERTIFICATE OF SERVICE

A copy of the foregoing has been served this 2nd day of March 2009 upon counsel of record in the above-captioned proceedings.

/s/ Curtis D. Blanc
Curtis D. Blanc