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January 24, 2001

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Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOLILIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Case No. EF-2001-282**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STATUS REPORT AND STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Eric William Anderson  
Assistant General Counsel  
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(573) 751-9285 (Fax)  
[eanderso@mail.state.mo.us](mailto:eanderso@mail.state.mo.us)

Enclosure  
cc: Counsel of Record

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

**FILED<sup>3</sup>**

**JAN 24 2001**

**Missouri Public  
Service Commission**

In the Matter of the Application of Kansas )  
City Power & Light Company, a Missouri )  
Corporation, for Authority to Issue Debt )  
Securities. )

Case No. EF-2001-282

**STATUS REPORT AND STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) in accordance with the Commission Order Directing Filing dated January 10, 2001, and for the Status Report and Recommendation of Staff, states as follows:

1. On October 24, 2000 KCPL filed an application in this matter, requesting Commission approval for the issuance of \$400 million in debt securities.
2. On November 3, 2000 KCPL filed an amended application and motion for expedited treatment.
3. On November 20, 2000 Staff filed a recommendation for conditional approval of the application.
4. On December 5, 2000 the Commission issued an order approving the application and requesting documents relating to the financing. The approval of the financing included the following conditions:
  1. That Kansas City Power & Light Company shall be required to file with the Commission, within ten days of completion of the transaction, all final terms and conditions on this financing including, but not limited to, the aggregate principal amount to be sold or borrowed, price information, estimated expenses, portion subject to the fee schedule and loan or indenture agreement concerning each issuance.

2. That Kansas City Power & Light Company shall not issue any unissued amount of the \$400 million amount in debt securities if the Company's credit rating falls below "BBB" credit rating as defined by Standard and Poor's Credit Rating Service.
3. That Kansas City Power & Light Company shall file with the Commission any information concerning deviations from the stated use of the funds or any information that would materially change the pro forma capitalization and financial ratios no later than ten days after the discovery of such information.
4. That Kansas City Power & Light Company is authorized to issue this debt only if the interest rate does not to exceed ten percent.
5. That Kansas City Power & Light Company shall file with the Commission any information concerning communication with credit rating agencies regarding this issuance or issuances no later than ten days from the date of communication.
6. That Kansas City Power & Light Company's Application to issue debt securities is approved only for the purposes stated in the Amended Application and the debt securities shall not be used for operating expenses.
7. That Kansas City Power & Light Company's total borrowings, including all instruments, shall not exceed its regulated rate base.
8. That the Kansas City Power & Light Company shall be required to submit to the Financial Analysis Department of the Commission key financial ratios for Total Company on a quarterly basis as calculated and defined by Standard and Poor's Credit Rating Service:
  - a. Pre-tax Interest Coverage
  - b. After-tax Coverage of Interest and Preferred Dividends
  - c. Funds Flow Interest Coverage
  - d. Funds from Operations to Total Debt
  - e. Total Debt to Total Capital (including Preferred)
9. That Kansas City Power & Light Company shall be required to submit to the Staff of the Commission any information concerning deviations from the projected in-service date for the Hawthorn No. 5 Generating Unit not more than ten days from the date it receives such information.
10. That nothing in this order shall be considered as a finding by the Commission of the reasonableness of the expenditures; and the Commission reserves the right to consider the ratemaking treatment to be afforded these transactions in future rate proceedings.


5. On December 14, 2000 KCPL filed a letter from Jeanie Sell Latz enclosing letters concerning communications with credit rating agencies.

6. On December 21, 2000 KCPL filed a letter from Jeanie Sell Latz with a copy of an Indenture Agreement and Final Prospectus Supplement.

7. On December 6, 2000, the Commission granted approval for KCPL to issue up to \$400 million of unsecured debt securities subject to the conditions recommended by Staff. As of December 14, 2000, KCPL has consummated an Indenture and Final Prospectus Supplement for Senior Notes, which will mature on December 15, 2005, in the amount of \$250 million with an interest rate of 7.125 percent. This \$250 million issuance is subject to the Commission's fee schedule as stated by KCPL in its letter dated December 20, 2000. The Commission's Report and Order dated December 6, 2000 contains conditions on future issuances, which direct KCPL to file additional information with the Commission as so outlined in the conditions recommended by Staff and approved by the Commission. Therefore, Staff respectfully requests this case remain open until such time when all approved debt securities are issued and all requirements ordered by the Commission are fulfilled.

WHEREFORE the Staff requests that the Commission leave this case open to facilitate the taking of additional information for any and all debt issuances in this matter.

Respectfully submitted,  
DANA K. JOYCE  
General Counsel

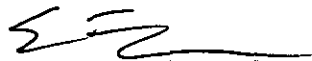


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**Certificate of Service**

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 24<sup>th</sup> day of January, 2001.



**Service List for**

Case No. EF-2001-282

Verified: January 24, 2001 (ccl)

**Office of the Public Counsel**

P.O. Box 7800

Jefferson City, MO 65102

**Jeanie Sell Latz**

Kansas City Power & Light Company

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