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

Application of Kansas City Power & Light	)	
Company for the Opening Of A Proceeding	)	Case No.
To File Status Report On Wind Investments	)	

## APPLICATION AND STATUS REPORT ON WIND INVESTMENTS

Pursuant to 4 CSR. 240-2.060, Kansas City Power & Light Company ("KCPL" or "Applicant") hereby respectfully submits to the Missouri Public Service Commission ("Commission") an application ("Application") for the opening of a proceeding to allow it to file the Status Report on Wind Investments contained herein. In support of its Application, KCPL states as follows:

#### I. APPLICANT

- 1. KCPL is a Missouri corporation with its principal office and place of business at 1201 Walnut, Kansas City, Missouri 64106-2124. KCPL is primarily engaged in the business of generating, transmitting, distributing, and selling electric energy in portions of eastern Kansas and western Missouri. KCPL is an electrical corporation and public utility as defined in Mo. Rev. Stat. § 386.020 (2000). KCPL provided its Certificate of Good Standing in Case No. EF-2002-315. It is incorporated herein by reference.
- 2. KCPL holds Certificates of Convenience and Necessity from the Commission to transact business as an electric public utility in certain areas of the State of Missouri and is principally engaged in the generation, transmission, distribution and sale of electric power and energy. KCPL has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which has occurred within three years of the date of this Application except as provided in Attachment No. 1. No annual report or assessment fees are overdue.

3. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to the undersigned counsel and:

Tim M. Rush
Director Regulatory Affairs
Kansas City Power & Light Company
1201 Walnut – 13<sup>th</sup> Floor
Kansas City, Missouri 64106
Phone: (816) 556-2344
Fax: (816) 556-2110

E-mail: Tim.Rush@kcpl.com

Curtis D. Blanc
Managing Attorney - Regulatory
Kansas City Power & Light Company
1201 Walnut – 20<sup>th</sup> Floor
Kansas City, Missouri 64106
Phone: (816) 556-2483

Phone: (816) 556-2483 Fax: (816) 556-2787

E-mail: Curtis.Blanc@kcpl.com

### II. BACKGROUND

- 4. KCPL, the Staff of the Commission, the Missouri Department of Natural Resources ("MDNR"), the Office of Public Counsel ("OPC"), Praxair, and several other interested parties submitted a Stipulation and Agreement for the Commission's approval in Case No. EO-2005-0329 on March 28, 2005. The Commission approved the Stipulation and Agreement by order issued July 28, 2005. On August 23, 2005, the Commission also issued an Order Approving Amendments to Experimental Regulatory Plan which approved certain amendments to the original Stipulation And Agreement.
- 5. Section 4 of the Stipulation and Agreement at page 45, as amended, provides in part:

100 MW of new wind generation facilities to be installed in 2006. As part of the determination respecting proceeding with the construction of the second 100 MW investment in new wind generation, KCPL will issue a Request for Proposal (RFP) for a

twenty-year (20-year) purchase power agreement (PPA) for wind generation from independent third parties on a cost per kilowatthour basis, which includes any expected tax credits. An additional 100 MW of new wind generation facilities will be installed in 2008 if a detailed evaluation (made with input from interested Signatory Parties) supports such an action to proceed with its construction. (emphasis added)

#### III. STATUS REPORT

- 6. In compliance with Section 4 above, KCPL has been carefully evaluating the possibility of adding an addition 100 MW of wind generation in 2008. Initially, KCPL believed that it should proceed with the 100 MW of wind generation. KCPL's analysis of this alternative is contained in the attached "KCP&L –Wind 2007 RFP Update" (Attachment No. 2 HC). KCPL held meetings/teleconferences on August 9, 2007, and September 28, 2007 with Staff, Public Counsel, and/or MNDR and other interested parties to discuss KCPL's analysis and solicit their input on the advisability of proceeding with an additional 100 MW of wind investment in 2008.
- 7. However, in the fall of 2007, the conditions of the financial markets changed, due principally to concerns over the sub-prime mortgages and related problems. As explained in the True-Up Rebuttal Testimony of Michael W. Cline in KCPL's 2007 Rate Case (Ex No. 37HC, Case No. ER-2007-0291), KCPL had planned to issue a substantial amount of hybrid debt securities in late 2007. However, due to the changed financial market conditions, KCPL was unable to issue the hybrid debt securities, as planned.
- 8. After further analysis of its alternatives, KCPL concluded that it would not be prudent to proceed with the additional 100 MW of wind generation for completion in 2008. KCPL remains committed to evaluating the construction of additional wind generation in 2009 and beyond. However, it believes it is necessary to provide this Status Report to inform the

Commission and other interested parties that KCPL does not intend to complete the substantial investment in an additional 100 MW of wind generation in 2008.

WHEREFORE, for the foregoing reasons, KCPL respectfully requests that the Commission open a proceeding to accept the filing of this Status Report in compliance with the terms of the Stipulation And Agreement approved in Case No. EO-2005-0329.

Respectfully submitted,

/s/ James M. Fischer

James M. Fischer, MBN 27543 email: jfischerpc@aol.com
Fischer & Dority, P.C.
101 Madison Street, Suite 400
Jefferson City, MO 65101
Telephone: (573) 636-6758
Facsimile: (573) 636-0383

ATTORNEY FOR KANSAS CITY POWER & LIGHT COMPANY

# Attachment No. 1

Zimmerman, Adam v. Kansas City Power & Light Company, Case No. EC-2008-0195.

# **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been han	
delivered, emailed or mailed, postage prepaid, this 4th day of January, 2008, to all counsel of	
record.	

/s/ James M. Fischer
James M. Fischer

# AFFIDAVIT

State of Missouri			
) ss		,	
County of Jackson )			
I, Tim M. Rush, having Regulatory Affairs of Kansas authorized to make this affidavi foregoing application and apper knowledge and belief.	City Power & Light C t on behalf of KCPL, and t	that the matters and things state	m duly
	Tim M. Rush	mille	
Subscribed and sworn be	efore me this \(\frac{\lambda \rangle \rangle \rangle}{\rangle}\) day of	January 2008.	
"NOTARY SEAL" Nicole A. Wehry, Notary Pu Jackson County, State of Misson My Commission Expires 2/4/2 Commission Number 073912	2011 3	X	