

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

In the Matter of an Investigation of)
Kansas City Power & Light Company's)
Storm Preparation and Restoration Efforts) **Case No. EO-2008-0219**

INITIAL REPORT OF STAFF

COMES NOW the Staff of the Missouri Public Service Commission (Commission) and for its Initial Report states as follows:

1. On January 2, 2008, the Commission issued its *Order Directing Staff To Investigate KCPL's Storm Preparation And Restoration Efforts And Setting An Intervention Deadline* (Order). In its Order, the Commission directed Staff to investigate the effectiveness of Kansas City Power & Light Company's (KCPL or Company) storm preparation and power restoration efforts regarding the ice storms of December 2007 and to file an initial report regarding the results of its investigation no later than April 3, 2008. Accordingly, the Staff submits its Initial Report to the Commission, attached hereto as Appendix A and incorporated by reference herein.

2. The Commission's Order set a deadline of January 22, 2008 for any interested party to file an application to intervene in this matter. No party has requested intervention.

3. On January 8, 2008, the Staff initiated its investigation in a Letter sent to the Company signed by the Commission's Executive Director. Staff's Letter (attached hereto as Appendix B, with supporting Attachment 1, and incorporated by reference), requested certain

information from the Company and outlined how Staff intends to proceed in its investigation of twelve separate operational areas. (See Attachment 1 to Staff's Letter to Company).

4. Staff's Initial Report is a broad overview and summary of the progress made to date using information provided on twelve operational areas by the Company. As this Report is a work in progress, the Staff provides no conclusions or recommendations at this time. Staff will provide these in its Final Report to be filed no later than June 17, 2008.

5. KCPL provided information in response to Staff's Letter on January 11, 25, February 14 and 28, 2008. On February 8, 2008, members of Staff and KCPL met at KCPL to discuss the progress of the investigation.

6. The Staff has also prepared a summary of all public comments received so far by the Commission related to KCPL in this case. (See Appendix C "Outage Customer Comment Summary Sheet" attached hereto and incorporated by reference herein.)

WHEREFORE, in accordance with the Commission's Order, the Staff submits its Initial Report.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 3rd day of April 2008.

/s/ Robert S. Berlin

Kansas City Power & Light Company
Initial Report of Storm Preparation and Restoration Efforts
Case No. EO-2008-0219

1) Weather Conditions and Severity of Storm

Storms struck various parts of Missouri over a four day period from December 8 through the 12th of 2007.¹ Staff contacted Dr. Patrick Guinan, Missouri State Climatologist, and researched National Oceanic and Atmospheric Association (NOAA)/National Weather Service (NWS) internet sites regarding these ice storms in Missouri. Dr. Guinan compared these December 2007 storms in scope to those which occurred in 1848, 1924, 1930, 1937, 1957, 1987, and 2002. Dr. Guinan puts the severity of these storms in perspective in the January 2008 issue of the Missouri Ruralist:

Several weeks ago Missouri experienced its second major ice storm in less than a year with a large part of the state cocooned in ice. The storm reached historical proportions over parts of northwestern Missouri, where some communities in Buchanan, Andrew, Holt, Atchison and Nodaway counties reported ice as thick as 1-inch on trees, power lines, vehicles and just about everything that was exposed to the elements.

Winter storms that deposit a glaze of 0.75 to 1-inch of ice are rare and have about a 1 in 50 year recurrence interval for any given location in Missouri. Historical accounts of major ice storms of this magnitude in Missouri indicate the rarity of these events. According to archived storm reports from the National Climatic Data Center, National Weather Service reports, and various press clippings, only a handful of storms of this magnitude have impacted Missouri.

The winter storm that affected the Kansas City Power & Light Company (KCPL or Company) service area started impacting customer service during the evening of Monday, December 10. The active storm conditions that affected KCPL ended by mid-day on Wednesday, December 12. Approximately 90,653 KCPL customers were affected (approximately 54,558 in Missouri). For comparison purposes, the January/February 2002 winter storm affected approximately 305,000 KCPL customers.

¹ All dates in this summary will be 2007 unless otherwise noted.

Staff has gathered information from the NWS and other sources and will provide a more detailed description of that information in its final report.

2) Storm Restoration Planning Process / Company Response

All KCPL Missouri customers were restored by 9:38 p.m. on Thursday, December 13. Staff is reviewing how quickly KCPL recognized the severity of this winter storm and the methodologies it utilized for requesting outside assistance. The timing of the requests and types of assistance requested is being evaluated. Staff is aware that other areas of the midwestern United States had been affected by a winter storm just two days earlier (more than Missouri utilities were affected). The availability of outside support was impacted by this earlier storm.

3) Outage Tracking and Field Dispatch Coordination

KCPL's Outage Management System (OMS) receives inputs from multiple sources and is utilized to consolidate the information for more efficient utilization by the field crews. Staff is reviewing how KCPL's OMS was utilized to manage the outage restoration activities and crew dispatching.

4) Prioritization of Outage Repairs

Staff is reviewing the prioritization process defined in KCPL's Storm Evaluation and Restoration Plan (SERP). Staff will also address how these priorities are utilized by crew dispatching personnel in its final report. Communications with prioritized customers are also being reviewed.

5) Call Center Operations

Customers are able to report outages by contacting the Company's Call Center through a toll-free phone number or using the Company's web site. The Call Center's published business hours are 7 a.m. to 7 p.m. CST Monday through Friday, but even under normal conditions, representative are onsite and available 24/5. Beginning at 4 a.m. Tuesday through Wednesday overnight, the number of overnight representatives was increased to handle outage calls. Normal business hours resumed Thursday morning.

The representatives normally provide customers a restoration time; but, due to the dynamics of this storm the Company discontinued this practice throughout the storm.

During the storm, the Company implemented use of 21st Century to assist with the high volume of calls and it also put into operation a backup system to its Call Center that consisted of twenty computers and twenty phones. The Company utilized employees familiar with the Call Center procedures to assist in the Call Center during the storm. The Call Center representatives are union employees and their roles do not change during SERP.

Outbound calling is performed by live Call Center representatives to confirm customers' service has been restored. In addition, the Company's Cellnet technology provides data that informs the Company whether or not the customer's service has been restored. The Company stated that it experienced a malfunction with this Cellnet feature during this storm. The Staff will further investigate the Company's outbound calling, its Cellnet technology, and the anomaly it experienced during the storm.

Call Center personnel stated that KCPL has had a post mortem following the storm and has determined it will implement changes prior to the next storm. Staff is evaluating these anticipated changes. Staff is examining the Call Center's staffing, call volume and types of calls during the storm. Staff is also analyzing the Call Center's average speed of answer and the abandoned call rate, two critical call center performance metrics, in addition to the number of calls handled by 21st Century and comparing them to the indicators from prior storms. Staff is also reviewing the Company's decision of providing or not providing estimated restoration times to its customers.

6) Web Site

Customers are able to report their outage and confirm a record of their report on the KCPL's web site, Report Outages Screen (<http://www.kcpl.com/reportoutage.html>). This screen also informs the customer to call 911 to report life-threatening or emergency situations and provides information of the responsibilities of the customer regarding their meter, connection to the residence, etc. The Company's web site also has a storm center report; this information is updated every two to three hours. Staff is evaluating the

Company's web site to determine its usefulness to the customers especially during an outage.

7) Customer Comments and Complaints

The Commission's Electronic Filing and Information System (EFIS) received public comments from seven KCPL customers; these seven customer comments included statements regarding seventeen issues. Three of the public comments contained positive feedback. The number of comments per 1,000 customers was 0.06. A summary listing of the breakdown of the public comments is attached to the filing of this initial report.

8) Medical and Special Needs Customers

The Company has forty medical needs customers in Missouri and stated that it had placed emphasis on these customers during the storm. Customers register themselves as a medical needs customer annually. These customers are provided a phone number that moves their call next in line when contacting the Company's Call Center. The Company stated that throughout the storm, its employees maintained contact with these customers to make certain they were coping satisfactorily.

The Company also has Gatekeeper customers. These are customers that are elderly, disabled or confused, and are placed on the Gatekeeper List due to an experience or conversation with a Company employee. The Customer Relations Department employees contacted the Gatekeeper customers without service a minimum of once daily to assess their situations. When a nursing home contacts the Company's Call Center, the Call Center confirms that Dispatch is aware of the outage. Outage calls to the Call Center from elderly customers during a large outage are confirmed to make certain an outage ticket has been prepared and not reprioritized. The Company stated that due to the information provided by KCPL to the Red Cross, shelters were opened in Northland, downtown and at Bannister.

The Company has energy solutions customers, which are small industrial customers. Prior to the storm, laminated cards were provided to all energy solutions customers with information of how to handle outages during the storm. During the storm, the Company made proactive calls to these customers that were without service.

These customers have access to the Power Watch web site, which is updated every fifteen minutes.

In the Ice Storm Report of the January 2002 storm, which was issued June 12, 2002, the Staff recommended that Company “Structure a curriculum that periodically informs and updates the medical-need customers and communicates the expectations of the program”. Staff is evaluating the Company’s storm response and the restoration activities associated with its medical and special needs customers, including institutions such as hospitals and nursing home, before, during and following the storm.

9) Communication with Customers and City, County and State Officials

The Company stated that most of its customers receive their information during the storm from the media. The information regarding the Company’s restoration efforts to the media was provided real time. The Company stated that it did proactive media outreach to the television stations in order to assure its customers that it was prepared for the storm by informing them what had been done in preparation for the storm. A major emphasis was placed on providing safety points to the customers.

During the storm, the Company was linked into other agencies: the City EOC, government officials and civic officials. The Company updates its contact information with these agencies twice yearly; this recommendation was made in the Ice Storm Report issued June 12, 2002, of the January 2002 storm. The Company stated that it met with community constituents during the past year. The Company did not participate in the daily State Emergency Management Agency (SEMA) meetings during the storm. Staff is evaluating the Company’s communication efforts with its customers and city, county and state officials prior to and during storms.

10) Vegetation Management

Staff and KCPL have recently been involved in recent rule-making activities on this topic. As part of a roundtable discussion conducted in June 2007, KCPL presented the structure and objectives of its vegetation management program. Staff is examining the implementation of KCPL’s vegetation management program and how that implementation may have affected the damage incurred in this storm, including schedule

adherence. Staff is also looking at the impact of the Commission's vegetation management rule, which will soon be in effect, on KCPL's vegetation management program.

11) Infrastructure Maintenance

To the extent that data is available, Staff is evaluating the impact of infrastructure maintenance on storm damage and/or storm damage prevention. Staff is also reviewing actions that KCPL has taken to improve the reliability of its electrical transmission and distribution systems. Staff and KCPL have also been involved in recent rule-making activities on this topic. Staff is also looking at the impact of the Commission's infrastructure rule, which will soon be in effect, on KCPL's infrastructure maintenance program.

12) Evaluation of Restoration Effort and Recommendations

Staff sent a letter to all Missouri electric utilities on January 8, 2008. This letter requested specific information from the utilities regarding the December winter storm. KCPL's responses to that letter have been received as requested. Staff is compiling the information received through the responses to Staff's letter, meetings, and other communications. Staff is also reviewing the January/February 2002 storm investigation with regard to KCPL actions and Staff conclusions/recommendations.



Commissioners

JEFF DAVIS
Chairman

CONNIE MURRAY

ROBERT M. CLAYTON III

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General Counsel

January 8, 2008

Mr. Tim Rush
Kansas City Power & Light Company
P.O. Box 418679
1201 Walnut
Kansas City, MO 64141

Dear Mr. Rush:

The Commission recently opened cases and issued orders directing Staff to investigate the effectiveness of utilities' storm preparation and power restoration efforts for the December 2007 Ice Storms and report its findings and recommendations to the Commission (Case Numbers EO-2008-0215, EO-2008-0218, EO-2008-0219, and EO-2008-0220 for The Empire District Electric Company, Union Electric Company d/b/a AmerenUE, Kansas City Power & Light Company, and Aquila, Inc., respectively). The orders direct Staff to file an initial report regarding the results of its investigation no later than April 3, 2008. Staff anticipates filing an initial report by the date specified followed by additional reports as necessary at a later date. Staff will also consider scheduling a roundtable discussion (or similar forum) to review the results of these reports and analysis on a state-wide basis.

Since all investor-owned utilities in Missouri were affected, Staff is requesting the following information from each of the individual utilities by the dates listed.

A. Description of the event, including statistics related to number of customer outages, duration of outages, infrastructure affected, call center performance data that includes metrics considered by the utility to be most critical during the outage, use of internal and third parties to provide personnel and facilities, and any other relevant information. Submit to Staff by January 25, 2008.

B. Description of remedial actions taken by the utility to recover from the event, including resources utilized (manpower, material, financial expenditures, etc.), outage tracking, crew dispatching, restoration prioritization, customer communications, public official communications, special circumstances encountered, and any other relevant information. Submit to Staff by February 15, 2008.

C. Description of actions taken (since the December 2007 storms) and planned actions to be taken by the utility to prevent or mitigate the effects of future events such as the December 2007 ice storms, including policy/procedure modifications, communications enhancements, vegetation management, reliability monitoring, infrastructure modifications, and any other relevant information. This item should include a review of any previous corrective actions (due to similar events) taken prior to December 2007 and an analysis of the success of those actions relative to this event. Submit to Staff by February 29, 2008.

D. A complete copy of all procedures, policies, guidelines, plans, or other documents that existed prior to December 1, 2007, that were utilized during the December 2007 ice storm events, specifically

relating to Items A and B above. If the Company had a consolidated document such as a "Storm Restoration Plan", please provide it. Submit to Staff by January 18, 2008.

E. A complete copy of any revisions made since the storm, to any of the documents listed in item D. Submit to Staff by January 18, 2008.

F. A copy of all reports and other documentation provided to Company management regarding the Company's operations immediately prior to and during the storm restoration activities. Submit to Staff by January 25, 2008.

G. Copies of all documentation defining the Company's methodology and data collection process to generate statistics (e.g. customer outages, costs, etc.) related to the impact of the storm on the Company's operations and financial conditions. Submit to Staff by February 15, 2008.

Staff has designated storm investigation coordinators for each of the utilities. Please feel free to contact the appropriate person with any questions or comments.

| | | | |
|------------|----------------|--------------|---------------------------|
| Staff Lead | Lena Mantle | 573-751-7520 | lena.mantle@psc.mo.gov |
| Empire | Dan Beck | 573-751-7522 | dan.beck@psc.mo.gov |
| AmerenUE | Debbie Bernsen | 573-751-7440 | debbie.bernsen@psc.mo.gov |
| KCPL | Mike Taylor | 573-526-5880 | michael.taylor@psc.mo.gov |
| Aquila | Lisa Kremer | 573-751-7441 | lisa.kremer@psc.mo.gov |

An outline of the proposed topics and activities that Staff is proposing to be utilized is attached for your information. Please let us know if you have any suggestions for additional topics or activities.

If you have any questions regarding this information, or can't meet the timelines listed, please provide a written explanation why the timeline can't be met and when the information will be available for Staff review. You may contact Lena Mantle at 573-751- 7520 or me at 573-751-7435.

Sincerely,


Wess Henderson
Executive Director

Attachment

cc: Blane Baker
Bob Berlin
Nathan Williams
James Swearngen
Renee Parsons
William Riggins
Thomas Byrne
Natelle Dietrich
Bob Schallenberg
Lena Mantle
Dan Beck
Lisa Kremer
Debbie Bernsen
Mike Taylor
Warren Wood

Review of Storm Restoration Efforts
Proposed Topics & Outline of Activities

- 1) Storms / Arrival Times / Outages by Day - Morning & Evening (w/maps)
Staff will examine how severe these storms were compared to typical winter storms and if this was a contributor to the severity of the outages. Staff will discuss with the electric utilities the operation of their Outage Analysis Systems (OAS) during and following these storms if such system exists for the utility.

- 2) Crew Needs Determination
 - Mutual Assistance Agreements
 - Search for Outside Crews
 - When Crews Called In
 - Any Delays in Crew Availability/Arrivals
 - How Long Crews Were Kept*Staff will review how quickly the utilities recognized the severity of the outages and how quickly they sought outside assistance. The timing of requests for different levels of assistance will also be looked into as these outages were the result of two major ice storms. Staff will also study if the utilities did not ask some utilities for help or turned down any offers for assistance and if so, why. These factors will be looked at in conjunction with the utilities' Mutual Assistance Agreements to assess if they played a significant role in extending the timeframe of restoration in this outage.*

- 3) Outage Tracking & Field Dispatch Coordination
Staff will look at how all of the utilities dispatch crews using their systems and how they establish what type of crews need to be at a particular site as well as how they determine the next site each crew is dispatched to when they are done with their current job.

- 4) Prioritization of Outage Repairs
 - Priority Treatment Groups (fire, medical, police, water, sewer, etc...)
 - Prioritization of Remaining Customers*Staff will review the current priority of service procedures and look into how the utilities track these customers in terms of when they lose service and how crews are dispatched to give them priority restoration service.*

- 5) Call Center Operations During Storm
 - Customers Calling In To Report Outages
 - Overflow Provisions
 - Estimated Restoration Times
 - Customers Wanting Estimate But Not Being Provided
 - Automated Call Back Functions*Staff will review each utilities customer call capability. If it is determined that there were problems with the customer call capability, Staff will look into how*

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this situation occurred, how it was fixed, and what steps are being taken to prevent recurrence in future major outages. This portion of Staff's review may bring to light issues outside of the utilities' planning/infrastructure support process and any of these observations will be looked into by Staff.

6) Internet Linkage Problems

Three of the four of the Missouri IOU utilities give outage information on their internet sites. Staff will look into internet problems, how these situations occurred, how they were fixed, and what steps are being taken to prevent recurrence in future major outages. This portion of Staff's review may bring to light issues outside of the utilities' planning/infrastructure support process and any of these observations will be looked into by Staff.

7) Consumer Services Specific Issues/Observations

Staff will review all public comments and complaints submitted to the Commission regarding the outages. Any additional comments that the Commission receives will be included in this investigation.

8) Medical Needs Customer Registration and Notifications

Staff will review the registration, education and notification processes of the utilities.

9) Communication with Customers and City, County & State Officials

Staff participated in the SEMA/EOC phone calls during this outage. Staff will also review the utilities' normal process for maintaining contact with the media and officials and agencies in preparation for future outages.

10) Vegetation Management

Status of Trimming?

Any Need to Accelerate Trim Schedule?

Any Need to Consider Additional Programs?

Any Special Contracts/Initiatives

Years for Transmission vs. Distribution

Service Lines in Yards

Types of Trees & Clearance Distances

Replacement of Problem Trees / Incentives (Ornamentals)

Staff will examine the topics listed above for all of the utilities in this review.

Staff will also again look at types of vegetation contributing to the majority of damage in recent storms and factors contributing to this situation. Factors contributing to extent of damage like backyard routing vs street side routing and overhead vs buried circuits will be considered.

11) Grid Reliability Standards Issues & Infrastructure Maintenance

Staff will review the utilities' pole inspection & treatment programs, worst performing circuits and outage reports processes. Staff will also review what steps the utilities have taken to improve the reliability of their power delivery

system through installation of sectionalizing devices, reclosers, fuses and loop schemes.

12) Evaluation of Restoration Effort & Recommendations

Staff will compile the information received through meetings, utility responses, and data request responses. To the extent possible, Staff will provide a comparison of the IOUs' restoration efforts to the restoration efforts of co-ops in the affected areas. Staff will then summarize its concerns and provide its recommendations on how best to deal with these concerns.

Outage Customer Comment Summary Sheet

December 2007

KCPL EO-2008-0219

| Total Customers Commenting | | Total Number of Comments | | | | Number of Comments Per 1,000 customers | | |
|----------------------------|--------|--------------------------|--------|---------|-----------|--|--|--|
| Utility | Amount | Utility | Amount | Utility | Customers | Customers | | |
| KCPL | 7 | KCPL | 17 | KCPL | 270,787 | 0.06 | | |

| Comment Totals | | | | | | | | | | | | | | | | | | | | |
|----------------|-------------------|----------------------|------------------|----------------|----------------|---------------|--------------|----------------|---------|-------------|--------|------------|-------------|------------------|-----|-----|---------------------|------------|------------|-------|
| Utility | Positive feedback | Storm outage concern | Infrastr. maint. | Repeat outages | Storm response | Tree trimming | Tree cleanup | Repair quality | Credits | Bill amount | Safety | Bury lines | Call center | Medical registry | ERT | Web | Concern with merger | Cust. comm | Exec mgmt. | Total |
| KCPL | 3 | 0 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 1 | 0 | 3 | 0 | 1 | 0 | 0 | 3 | 1 | 17 |

| Percent of Comments Per Outage Category | | | | | | | | | | | | | | | | | | | | |
|---|-------------------|----------------------|------------------|----------------|----------------|---------------|--------------|----------------|---------|-------------|--------|------------|-------------|------------------|------|------|---------------------|------------|------------|-------|
| Utility | Positive feedback | Storm outage concern | Infrastr. maint. | Repeat outages | Storm response | Tree trimming | Tree cleanup | Repair quality | Credits | Bill amount | Safety | Bury lines | Call center | Medical registry | ERT | Web | Concern with merger | Cust. comm | Exec mgmt. | Total |
| KCPL | 17.6% | 0.0% | 0.0% | 0.0% | 5.9% | 17.6% | 5.9% | 0.0% | 0.0% | 0.0% | 5.9% | 0.0% | 17.6% | 0.0% | 5.9% | 0.0% | 0.0% | 17.6% | 5.9% | 100% |