

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

In the Matter of the 2008 Resource Plan of Kansas)	
City Power & Light Company pursuant to 4 CSR)	
240-22.)	Case No. EE-2008-0034

**STAFF’S RESPONSE TO KCPL’S REQUEST
FOR WAIVERS CONCERNING KCPL’S AUGUST 2008 INTEGRATED RESOURCE
PLAN SUBMISSION**

Comes now the Staff of the Missouri Public Service Commission (Staff), by and through the General Counsel’s Office, in response to KCPL’s August 3, 2007 Request for Waivers concerning KCPL’s Integrated Resource Plan. The Staff relates as follows:

On August 8, 2007, the Missouri Public Service Commission (Commission) issued its Order Directing Notice, Establishing Intervention Deadline, And Directing Staff To File a recommendation or status report by September 7, 2007.

KCPL’s application explained that, as a part of the Stipulation and Agreement in Case No. EO-2007-0008, which was approved by the Commission on April 12, 2007, KCPL agreed to make its next Chapter 22 Resource Plan filing by August 5, 2008. KCPL also agreed to make a good faith effort to request any waivers relevant to that submission at least 12 months prior to the filing and maintains the Application in this case fulfills that obligation. KCPL also stated that it presented the requested waivers to Staff, the Office of the Public Council (OPC) and the Missouri Department of Natural Resources (DNR) and undertook its best efforts to address any comments or concerns they had prior to filing the waiver request.

The Staff agrees with KCPL that a collaborative process was used to present the requested waivers to the Staff, OPC and DNR and to address their concerns prior to KCPL’s filing of its Application for Waivers.

The Application includes fifteen waivers. Ten of the waivers are from provisions of 4 CSR 240-22.030, Load Analysis and Forecasting; one of the waivers is from provisions of 4 CSR 240-22.040 Supply-Side Resources Analysis; and four of the waivers are from provisions of Demand-Side Resource Analysis.

The ten Load Analysis and Forecasting waivers can be grouped into three general categories. Waivers (1) and (2) request a waiver from the rule's required length of historical data to be used in the analysis. Even though Staff believes that using more data is typically better, Staff also believes the quality of the data is important. Therefore, Staff recommends the Commission grant KCPL's requested Waivers (1) and (2).

In waiver (4), KCPL requested a waiver from the required collection of the stock of energy-using capital goods. KCPL plans to use DOE end-use data and a SAE model instead of the end-use survey data and analysis of use per unit modeling contemplated by the rule. These surveys consume both time and monetary resources. KCPL states that it believes that Department of Energy's information for the West Central Region is adequate for its use. Staff understands that KCPL has not collected the information for its service territory and could not gather it in time for its August 2008 filing. Staff recommends that the Commission grant a waiver from this requirement for KCPL's August 2008 filing.

KCPL's waiver requests (3), (5), (6), (7), (8), (9), and (10) ask for waivers from end-use analysis. KCPL states that it will, however, analyze heating, cooling, and other as the end-uses. Since these are the major end-uses, Staff recommends the Commission grant KCPL waivers requests (3), (5), (6), (7), (8), (9), and (10).

KCPL's Supply-Side Resources Analysis waiver is related to fuel price forecasts. The rule requires fuel price forecasts from a consultant. KCPL's plans to develop its fuel price

forecasts based on a consensus approach that considers forecasts from various sources instead of a specific firm. KCPL's consensus approach can result in reasonable forecasts if the drivers for the various forecasts are understood. Therefore, Staff recommends the Commission grant KCPL waiver request (11).

KCPL's four Demand-Side Resource Analysis waivers are related to demand-side screening and program development. Waiver (12) is related to the avoided capacity cost used in demand-side screening. Instead of the year-by-year calculations of avoided capacity costs contemplated in the rule, KCPL plans to use the levelized annual cost of a peaking unit as its avoided capacity cost. Waivers (13) and (15) are related to KCPL's plans to use a software package called DSMore and to use the results of DSMore's societal test instead analyzing the cost-effectiveness of demand-side measures and programs with probable environmental costs as required by the rule. Waiver (14) is related to the requirement that end-use measures that pass the probable environmental benefits test must be included in at least one potential demand-side program. If a measure is not included, KCPL will provide an explanation of why that measure was not appropriate. Staff believes these waivers will not preclude KCPL from screening a wide variety of programs to be passed on to the integration process. Therefore, Staff recommends that the Commission grant KCPL waiver requests (11) through (14).

If the Commission grants the requested variances, the Staff recommends that the Commission make clear that this is a one-time authorization applicable solely to KCPL and that the 4 CSR 240-Chapter 22 Rules themselves are not in any manner affected. The Staff's non-opposition is limited to this variance filing by KCPL and should not be considered as concurrence or acquiescence regarding language that might be proposed in the future in a

rulemaking to consider the 4 CSR 240-Chapter 22 Rules, or any other filing or proceeding that might occur respecting them.

Respectfully submitted,

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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 7th day of September, 2007.

/s/ Steven C. Reed