

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 12th day
of April, 2007.

In the Matter of the Resource Plan of)
Kansas City Power & Light Company)
Pursuant to 4 CSR 240-22.)

Case No. EO-2007-0008

**ORDER APPROVING STIPULATION AND AGREEMENT
AND ACCEPTING 2006 INTEGRATED RESOURCE PLAN**

Issue Date: April 12, 2007

Effective Date: April 22, 2007

Kansas City Power & Light Company (KCPL) filed its integrated resource plan (IRP), as required by 4 CSR 240 – Chapter 22, on July 5, 2006. On February 13, 2007, after extensive negotiations, KCPL, the Staff of the Commission, the Office of the Public Counsel, and the Missouri Department of Natural Resources filed a non-unanimous stipulation and agreement that purports to resolve all alleged deficiencies in KCPL's 2006 IRP filing.

The stipulation and agreement is identified as non-unanimous because one party, Praxair, Inc., did not sign. However, Commission Rule 4 CSR 240-2.115 provides that if no party objects to a non-unanimous stipulation and agreement within seven days of its filing, the stipulation and agreement may be treated as unanimous. Since no party has filed a timely objection to the stipulation and agreement, it will be treated as a unanimous agreement. On March 28, 2007, the Commission held a hearing to receive additional information about the stipulation and agreement.

The purpose of the Commission's integrated resource planning rule is to require Missouri's electric utilities to undertake an adequate planning process to ensure that the

public interest in a reasonably priced, reliable, and efficient energy supply is protected. The stipulation and agreement promotes that policy by establishing a participatory process that will involve interested parties in KCPL's planning for its next IRP filing, due August 5, 2008. In particular, the agreement requires the signatory parties to hold semi-annual resource planning meetings until the 2008 IRP is filed. Furthermore, the stipulation and agreement specifies particular information that KCPL will be required to compile and include in its 2008 IRP filing.

Commission Rule 4 CSR 240-22.080(13) requires that after considering an electric utility's IRP filing, the Commission issue an order containing findings that the filing "either does or does not demonstrate compliance with the requirements of this chapter, and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 4 CSR 240-22.010(2)(A)-(C)."¹ Furthermore, 4 CSR 240-22.010(1) provides that a Commission finding that a utility is in compliance with these rules is not to be construed

¹ 4 CSR 240-22.010(2) provides as follows:

(2) The fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe reliable and efficient, at just and reasonable rates, in a manner that serves the public interest. This objective requires that the utility shall –

(A) Consider and analyze demand-side efficiency and energy management measures on an equivalent basis with supply-side alternatives in the resource planning process;

(B) Use minimization of the present worth of long-run utility costs as the primary selection criterion in choosing the preferred resource plan; and

(C) Explicitly identify and, where possible, quantitatively analyze any other considerations which are critical to meeting the fundamental objective of the resource planning process, but which may constrain or limit the minimization of the present worth of expected utility costs. The utility shall document the process and rationale used by decision makers to assess the tradeoffs and determine the appropriate balance between minimization of expected utility costs and these other considerations in selecting the preferred resource plan and developing contingency options. These considerations shall include, but are not necessarily limited to, mitigations of –

1. Risks associated with critical uncertain factors that will affect the actual costs associated with alternative resource plans;

2. Risks associated with new or more stringent environmental laws or regulations that may be imposed at some point within the planning horizon; and

3. Rate increases associated with alternative resource plans.

as Commission approval of the utility's resource plans, resource acquisition strategies or investment decisions.

Based on the unopposed stipulation and agreement and the additional testimony provided at the stipulation hearing, the Commission finds that KCPL's 2006 IRP filing, as modified and clarified by the stipulation and agreement, demonstrates compliance with the requirements of Commission Rule 4 CSR 240-22. Furthermore, the Commission finds that KCPL's resource acquisition strategy described in its 2006 IRP filing meets the requirements stated in Commission Rule 4 CSR 240-22.010(2)(A)-(C). Finally, the Commission finds that the stipulation and agreement filed by the parties is consistent with the public interest and shall be approved.

IT IS ORDERED THAT:

1. The Stipulation and Agreement filed on February 13, 2007, is approved and the signatory parties are ordered to comply with its terms.
2. Kansas City Power & Light Company's 2006 integrated resource plan is accepted as being in compliance with Commission Rule 4 CSR 240 – Chapter 22.
3. The Commission's acceptance of Kansas City Power & Light Company's 2006 integrated resource plan does not indicate Commission approval of the utility's resource plan, resource acquisition strategies or investment decisions.

4. This order shall become effective on April 22, 2007.
5. This case shall be closed on April 23, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge