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September 15, 2011

Chairman Mark Sievers, Esq.
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, Kansas 66604-4027

RE: Possible Joint Investigation into ratemaking treatment for off-system sales by
Kansas City Power & Light Company, Missouri Public Service Commission File
No. EO-2012-0020

Dear Chairman Sievers:

I am writing you on behalf of the Missouri Commission to inquire whether the Kansas Corporation Commission would be interested in a joint investigation into the non-firm off-system sales ratemaking treatment our jurisdictions have for Kansas City Power & Light. It has come to the Missouri Commission's attention that due to the differing treatment of those sales in our respective jurisdictions, KCP&L may suffer a disincentive to make non-firm off-system sales, and may also not be able to earn its authorized rate of return.

Section 386.210.7 RSMo allows the Missouri Commission to make joint investigations with other state utility commissions. Is the Kansas Corporation Commission interested in working with the Missouri Commission to investigate? If so, what issues would you like to investigate? Some issues the Missouri Commission might wish to investigate are:

- Whether Kansas and Missouri's allocation methods of KCP&L's cost of service result in the over-allocation of off-system sales margins and an under-allocation of demand related costs.
- Whether the Kansas or Missouri Commissions should change the method used to allocate off-system sales margins.

- Whether the Kansas or Missouri Commissions should change the method used to allocate capacity-related power supply costs and related production operations costs.
- Whether any stipulations KCP&L has entered into before the Kansas Commission may prevent changes in the method the Kansas Commission treats off-system sales margins.

I have referenced the Public Service Commission's case number for your convenience. You may view the docket entries by going to www.psc.mo.gov, clicking on EFIS/Electronic Filing, clicking on Docket Sheet, and then entering the above-referenced case number.

Thank you for your attention to this matter. I look forward to hearing from you. Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

Kevin Gunn
Chairman
Missouri Public Service Commission