

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

In the Matter of the Application of Kansas City	)	
Power & Light Company for Approval of the	)	Case No. EO-2006-0094
Accrual and Funding of Wolf Creek Generation	)	
Station Decommissioning Costs at Current Levels	)	

**STAFF RESPONSE TO COMMISSION ORDER**

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to the September 2, 2005 Order And Notice of the Missouri Public Service Commission (Commission) which directed that the parties file a procedural schedule by October 17, 2005. In response, the Staff requests, with the concurrence of the Office of the Public Counsel (OPC) and Kansas City Power & Light Company (KCPL), until November 18, 2005 to file a Stipulation And Agreement, a Staff Recommendation, including a jointly proposed procedural schedule, or a Status Report stating when a Staff recommendation, including a jointly proposed procedural schedule, will be filed. In support thereof, the Staff states as follows:

1. The September 2, 2005 Order And Notice of the Commission was in response to the Application Of Kansas City Power & Light Company For Approval Of The Accrual And Funding Of Wolf Creek Generating Station Decommissioning Costs At Current Levels filed on August 30, 2005.

2. On July 28, 2005 the Commission issued a Report And Order in Case No. EO-2005-0329 in which the Commission approved the KCPL Experimental Regulatory Plan. As part of that Experimental Regulatory Plan, KCPL is to file rate schedules on February 1, 2006, initiating a general rate proceeding, with the rate schedules having an effective date of January 1, 2007.

3. Sections III.B.1.m. and III.B.1.n. of the KCPL Experimental Regulatory Plan state as indicated below. The “Rate Filing #1” referred to in Section III.B.1.m. below is the February 1, 2006 filing of rate schedules referred to in the KCPL Regulatory Plan:

**m. Wolf Creek Depreciation Reserve**

KCPL agrees to determine the effect on the depreciation reserve related to the difference in depreciation rates for the Wolf Creek Nuclear Generating Station resulting from the depreciation rates approved in Missouri and Kansas prior to this Agreement. KCPL further agrees to include this information in its filing related to Rate Filing #1 required in this Agreement for review by the Signatory Parties and Commission approval. The identified amount of depreciation reserve resulting for Missouri operations shall be identified and be assigned specifically to Missouri jurisdictional operations in Rate Filing #1 and all subsequent cases involving KCPL or its successors. It is the intent of this requirement to ensure Missouri rate payers receive credit (via the rate base deduction afforded depreciation reserve funds) for providing additional depreciation expense to KCPL and eliminating the possibility of these funds being allocated in future cases to the Kansas jurisdiction or other jurisdictions that did not provide the funds.

**n. Wolf Creek Depreciation**

Upon the effective date of this Agreement, KCPL will begin recording depreciation expense for the Wolf Creek Nuclear Generating Station based on a 60-year life span. The signatory Parties agree the Commission should authorize KCPL to use depreciation rates for the various nuclear plant accounts, as contained in Appendix G “Depreciation & Amortization Rates, Missouri Jurisdictional”.

4. The Commission’s Report And Order states as follows at page 30 in the “Other Findings of Fact” section:

The Commission further finds and concludes that the competent and substantial evidence in the whole record supports the approval of the additional provisions of the Stipulation, including the following specific approvals: . . . (5) KCPL is authorized to begin recording depreciation expense for the Wolf Creek Nuclear Generating Station based upon a 60-year life span, and KCPL is authorized to use depreciation rates for the various nuclear plant accounts, as detailed in Section III.B.1.n (Stipulation, p. 24) . . .

The Commission’s Report And Order states as follows at pages 34-35 in the “Conclusions Of Law” section:

Approval of the Stipulation, however, does include Commission approval of the following items: (5) KCPL is authorized to begin recording depreciation expense for the Wolf Creek Nuclear Generating Station based upon a 60-year life span, and KCPL is authorized to use depreciation rates for the various nuclear plant accounts, as detailed in Section III.B.1.n (Stipulation, p. 24) . . .

If the Staff, OPC or KCPL would recommend that there should be a change in the amount of funding of the Wolf Creek decommissioning trust fund and a change in rates to reflect this change, the Staff, OPC or KCPL would do so in the context of the rate case that will be filed by KCPL on February 1, 2006. In fact, KCPL notes this approach in its Application filed on August 30, 2005, wherein it states at page 3, in part, as follows:

KCPL notes that pursuant to the terms of the Stipulation and Agreement approved by the MPSC in Case No. EO-2005-0329, KCPL must file its next general rate case by February 1, 2006. The effective date of the rates set in that case will be January 1, 2007. The level of KCPL's annual Wolf Creek decommissioning cost accrual can be reviewed at that time in the context of the entirety of KCPL's rates.

5. As the Commission is well aware, Union Electric Company, d/b/a AmerenUE filed in Case No. EO-2006-0098, on August 31, 2005, an Application For Approval Of Decommissioning Cost Estimate For Callaway Plant And Funding Level Of Nuclear Decommissioning Trust Fund. The Staff filed a Status Report in that proceeding in which it stated that it will file either a stipulation and agreement or recommendation along with a proposed procedural schedule on or before November 18, 2005. The Commission in an Order Directing Filing issued in Case No. EO-2005-0098, on October 6, 2005, directed that the Staff file a Stipulation And Agreement, a Recommendation, including a proposed procedural schedule, or a Status Report stating when it plans to file its recommendation, no later than November 18, 2005.

6. Generally the members of the Staff that are assigned to the instant case are the same members of the Staff that are assigned to Case No. EO-2006-0098. The Wolf Creek decommissioning cost analysis filed in the instant case and the Callaway decommissioning cost

analysis filed in Case No. EO-2006-0098 were both performed by TLG Services, Inc., Bridgewater, CT.

7. Counsel for OPC and counsel for KCPL have authorized undersigned counsel for the Staff to indicate that OPC and KCPL have no objection to what is proposed in the instant pleading.

Wherefore the Staff requests, with the concurrence of OPC and KCPL, until November 18, 2005 to file a Stipulation And Agreement, a Staff Recommendation, including a jointly proposed procedural schedule, or a Status Report stating when a Staff recommendation, including a jointly proposed procedural schedule, will be filed.

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 17th day of October 2005.

/s/ Steven Dottheim