

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

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| In the Matter of the Application of Kansas City Power) | |
| & Light Company for an Accounting Authority Order) | |
| Regarding Accounting for Pension Benefits Recorded) | Case No. EU-2006-0560 |
| Under Statement of Financial Accounting Standards) | |
| No. 88.) | |

STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and, in response to the Commission’s *Order Directing Filing* issued and effective August 24, 2006, makes this status report:

1. The Kansas City Power & Light Company filed its application initiating this case on June 30, 2006. As the Commission stated in its July 11, 2006, “Order Directing Notice and Establishing Time for Filing Requests to Intervene,” KCPL is seeking “an accounting authority order (AAO) authorizing KCPL to set up a regulatory asset or liability effective January 1, 2006, in Account 182.3 or 254, as appropriate, to track the difference in FAS 88 pension expense recorded for financial purposes and the level of FAS 88 pension expense built into rates.”

2. The Commission established a deadline of July 31, 2006, for the filing of intervention requests. No one has sought intervention, timely, or otherwise.

3. On August 24, 2006, the Commission issued its *Order Directing Filing* in which it ordered the Staff to “file its recommendation, or a report indicating when it expects to file a recommendation, no later than October 23, 2006.”

4. Well before initiating this case, KCPL, on February 1, 2006, filed tariff sheets designed to implement a general increase in its electric rates in Missouri that initiated Case No.

ER-2006-0314. During settlement discussions in that general rate increase case, the Staff and KCPL reached an agreement in principle that would eliminate the need for the Commission to issue a report and order in this case, Case No. EU-2006-0560, that addresses KCPL's application in this case.

5. The Staff anticipates KCPL and the Staff will be parties to a formal written Stipulation and Agreement that will be filed shortly in Case No. ER-2006-0314 and that the terms of that Stipulation and Agreement will obviate the need for the Commission to take any further action in this case, other than to close it; therefore, if KCPL does not withdraw its application in this case, the Staff currently anticipates it will make a filing in this case within a few days of when the Commission issues an order approving, or rejecting, the aforesaid Stipulation and Agreement in Case No. ER-2006-0314, and in that filing the Staff will recommend the Commission close this case.

6. If KCPL and the Staff do not file a formal written Stipulation and Agreement in Case No. ER-2006-0314 that moots KCPL's request in this case or the Commission does not approve a Stipulation and Agreement that does, the Staff plans to file its recommendation in this case within twenty (20) days of when the Staff knows the parties will not file a formal written Stipulation and Agreement in Case No. ER-2006-0314 that will moot KCPL's application in this case or the Commission rejects such a written Stipulation and Agreement in Case No. ER-2006-0314.

WHEREFORE, the Staff respectfully files this status report with the Commission.

Respectfully submitted,

/s/ Nathan Williams

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 23rd day of October 2006.

/s/ Nathan Williams

Nathan Williams