

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

In the Matter of the Application of Kansas City)
Power & Light Company for Approval to Make)
Certain Changes in its Charges for Electric Service) **File No. ER-2010-0355**
to Continue the Implementation of Its Regulatory)
Plan.)

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company for)
Approval to Make Certain Changes in its Charges) **File No. ER-2010-0356**
for Electric Service.)

STAFF STATUS REPORT ON ADVANCED COAL TAX CREDITS

COMES NOW the Staff of the Missouri Public Service Commission and reports on the status of Kansas City Power & Light Company's ("KCPL") and KCP&L Greater Missouri Operations Company's ("GMO") actions regarding the Advanced Coal Tax Credits as follows:

1. With its *Report and Order* issued March 16, 2011, as clarified by its order issued March 30, 2011, both entered in File Nos. ER-2010-0355 and ER-2010-0356, the Commission, among other things, ordered KCPL and GMO to, by April 5, 2011, apply to the Internal Revenue Service to amend an existing memorandum of understanding to allow GMO to obtain a share of the Section 48A tax credits for Iatan 2 equal to \$26,562,500.

2. As reflected in the attached copy of a highly confidential memorandum dated June 24, 2011, ("Appendix A") that contains a timeline of events for seeking modification of the memorandum of understanding, KCPL and GMO did so on April 5, 2011. That memorandum also includes a timeline of events regarding KCPL's related pursuit of a private letter ruling regarding the ** _____

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3. A copy of KCPL's and GMO's April 5, 2011, letter applying to the Internal Revenue Service to amend the existing memorandum of understanding that Staff received on April 7, 2011, (also highly confidential) is attached as Appendix B. As reflected in Appendix A, Staff received a draft of that letter on March 24, 2011, and provided suggestions to KCPL and GMO on March 29, 2011, that they incorporated.

4. At this time, Staff understands KCPL and GMO plan to inform the IRS in discussions, not by letter, that on March 30, 2011, the Commission corrected the amount of GMO's share of the Section 48A tax credits for Iatan 2 to be sought from \$26,500,000 to \$26,562,500, but has not yet done so.

5. A copy of KCPL's highly confidential May 23, 2011, letter to the Internal Revenue Service regarding the private letter ruling is attached as Appendix C. That letter recites history relating to the Section 48A tax credits for Iatan 2 and includes in the last line of the third full paragraph on page 3 the following statement: "*** _____

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6. In response to Staff's request for a copy of the statement referenced in the preceding paragraph, KCPL and GMO provided to Staff on June 6, 2011, a copy of the highly confidential document which is attached as Appendix D.

7. Staff plans to provide further updates to the Commission regarding modification of the memorandum of understanding and the private letter ruling as events unfold.

Wherefore, Staff reports to the Commission the status of Kansas City Power & Light Company's ("KCPL") and KCP&L Greater Missouri Operations Company's ("GMO") actions regarding the Advanced Coal Tax Credits.

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 emailed to all counsel of record this 13th day of July 2011.

/s/ Nathan Williams_____