

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

In the Matter of Kansas City)	
Power & Light Company's Request)	Case No. ER-2012-0174
for Authority to Implement a General)	
Rate Increase for Electric Service)	

**NON-UNANIMOUS STIPULATION AND AGREEMENT
REGARDING CLASS COST OF SERVICE / RATE DESIGN**

COME NOW the Midwest Energy Consumer's Group ("MECG"), Missouri Industrial Energy Consumers ("MIEC"), Kansas City Power & Light Company, and the Staff of the Missouri Public Service Commission (collectively, the "Signatories") and respectfully state to the Missouri Public Service Commission ("Commission") that, as a result of negotiations, they have reached the stipulations and agreements contained herein in order to settle the class cost of service allocation issues in this rate case in the event the Commission finds that KCPL's rates should be increased.

1. The Signatories agree that the Commission should increase residential true-up revenues by 1.00% in addition to any other increase implemented by the Commission with a corresponding equal-percentage revenue neutral decrease in the true-up revenues for all other non-lighting rate classes.

2. For the Large Power ("LP") rate schedule, any increase to that rate class shall be implemented as follows:

a. No increase to the current energy charge tail block rate elements – the seasonal rate elements applicable to energy charge that exceeds 360 hours use per month;

b. 75% of the class average percentage increase shall be assigned to the middle block seasonal rate elements applicable to energy usage between 180 hours and 360 hours use per month; and

c. The remaining amount of the increase shall be assigned to all remaining rate elements on an equal percentage basis.

3. For the Large General Service (“LGS”) rate schedule, any increase to that rate class shall be implemented as follows:

a. No increase to the over 360 hours use per month energy block;

b. The separately metered energy charges shall receive the LGS class average;

c. The second 180 hours use energy charge increase adjusted as needed to yield target class revenue increase, but not less than zero increase;

d. Remaining charges increase by Class average increase plus 4 percent, unless the second hours use block increase reaches zero, then the adder is reduced as needed to produce target class increase

4. The overall increase granted by the commission should be applied as an equal percentage to the base rate revenues of each class, after adjusting for the inter-class adjustments described in paragraph 1.

5. With the acceptance of this Stipulation, the following issues have been settled: Issue I.6.a including subissues i and ii; Issue I.6.b; Issue I.6.c; and Issue I.6.e. Relevant to the subissues listed in Issue I.6, the following subissues would remain for Commission determination: Issue I.6.d; Issue I.6.f and Issue I.6.g.

6. The parties agree and recommend that, as a result of this Stipulation, no class (residential, small general service, medium general service, large general service, and large power service) should receive an overall rate decrease if any other class is receiving an overall rate increase. In such a circumstance, the class that would have received that decrease will be held at its current rates with the avoided decrease being spread equally among the remaining classes.

7. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation to, any other method of cost determination or cost allocation or revenue-related methodology. Other than as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner in this or any other proceeding by the terms of this Stipulation and Agreement regardless of whether this Stipulation and Agreement is approved.

8. This Stipulation and Agreement has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

9. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

10. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the Signatories waive the following rights only as to the issues resolved herein: 1) their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; 2) their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and 3) their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a final unappealed Commission order unconditionally approving this Stipulation and Agreement issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

11. Praxair, Inc. and Midwest Energy Users Association – KC have authorized the Signatories to represent in this Stipulation that that they do not oppose this Stipulation.

WHEREFORE, for the foregoing reasons, the undersigned Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Non-Unanimous Stipulation and Agreement.

Respectfully submitted,

STAFF OF THE MISSOURI PUBLIC
SERVICE COMMISSION

/s/ Sarah Kliethermes

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

/s/ Sarah Kliethermes

Dated: October 29, 2012