

KCP&L Greater Missouri Operations Company/Aquila		
Time-line Information		
Hedging & FAC		
Jul-04	Aquila began hedging	Recorded below-the-line
Feb-05	Began "1/3" Strategy	
Oct-05	ER-2005-0436 Staff/Intervener Direct	Staff witness Chuck Hyneman outlined Aquila's "1/3" Strategy and attached its three-page strategy document clearly describing how on-peak purchased power would be hedged with natural gas derivatives. Mr. Hyneman questioned Aquila's rigid hedge approach. Plan to monitor. No concern with hedging NG to mitigate on-peak PP risk. Staff witness Cary Featherstone states that PP costs are tied to NG costs. Proposes an IEC because of the volatility of NG and PP costs. Mr. Featherstone states the importance of including hedging impact impacts in the IEC. Intervener witness Maurice Brubaker states that the Company hedges for both NG and PP risk and the settlements should be above the line.
Mar-06	ER-2005-0436 Order	Order issued in ER-2005-0436 - Aquila authorized for accounting and ratemaking purposes to record in FERC Account 547 Account 555, as part of fuel cost and purchased power cost, hedge settlements, both positive and negative, and related costs...directly related to natural gas generation and on-peak purchases power transactions made under a formal Aquila Networks - MPS hedging plan when the hedge arrangement is settled. Aquila agrees to maintain separate accounting for these costs which it did with a separate 547 account specifically for hedge costs (both positive and negative).
Jan-07	ER-2007-0004 Staff Direct Testimony	(Featherstone) Co should include settlements in any fuel clause authorized by the Commission.
Feb-07	Rebuttal Testimony	Hyneman criticizes the rigidity of the hedging plan. No complaint about hedging purchased power risk with NG futures.
Mar-07	Surrebuttal Testimony	Hyneman describes that the hedging plan hedges risk for both NG and on-peak PP with NG futures. Hyneman criticizes the rigidity of the hedging plan. No complaint about hedging purchased power risk with NG futures.
Apr-07	Invited Staff to Kase overview as well as training.	Invited Schallenberg, Featherstone and Hyneman. Hyneman attended but did not comment.
May-07	Stip & Agreement	No recovery of 2006 hedge settlement costs. Agreement that ultimate settlement of hedges in place 3/27/07 (including those associated with peak pp NG hedges included in FAC and not subject to prudence disallowances in the future.
May-07	ER-2007-0004 Report & Order	First FAC in the state implemented. Tariff description of costs included very brief. Concurring Opinion of Chairman Davis tells Aquila to continue hedging.
May-07	Clarifying R&O ER-2007-0004	Specifically included hedge costs in the FAC
Oct-07	Implemented Kase Hedging Program	Program determines how hedges are made, not what is hedged. Hedging for both natural gas and natural gas for purchased power.
Dec-07	Filed first FAC Tariff change request	EO-2008-0216
Mar-08	FAC approval order effective	EO-2008-0216
Jun-08	Filed second FAC Tariff change request	EO-2008-0415
Jul-08	Merger Complete	GMO Kase hedge program unchanged.
Aug-08	FAC approval order effective	EO-2008-0415
Sep-08	Direct Testimony ER-2009-0090	Company states the purpose of the hedging program is to reduce impact of price volatility for NG and on-peak PP. Expected gains for electric hedges for 2009 included in Schedule HDR-4 of Rooney testimony.
Dec-08	Filed third FAC tariff change request	EO-2009-0254

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Dec-08	Staff recommendation on first FAC Audit	Period under audit 6/1/07-5/31/08. No finding of imprudence. EO-2009-0115
Mar-09	FAC approval order effective	EO-2009-0254
Apr-09	Staff Surrebuttal on how gas prices and PP prices are related	Proctor - extended discussion of the relationship (ER-2009-0090)
May-09	Commission Approves audit recommendation	EO-2009-0115
Jun-09	Stip & Agreement ER-2009-0090	Required hedge program updates
Jun-09	New FAC Tariffs	At request of Staff, detail added to account descriptions. Hedge language added to 501 (potential to hedge coal as KCP&L does) and 547 (for current GMO program which always included NG and NG for PP. New tariffs became effective September 1, 2009.
Jul-09	Filed fourth FAC tariff change request	EO-2010-0002
Aug-09	FAC approval order effective	EO-2010-0002
Dec-09	Filed fifth FAC tariff change request	EO-2010-0191
Jan-10	Hedge Documentation Filed in EFIS	Based upon the requirements in ER-2009-0090, the first change made to the GMO hedge plan since the merger was filed in EFIS. Includes discussion of on-peak purchased power.
Mar-10	FAC approval order effective	EO-2010-0191
May-10	Staff recommendation on second FAC Audit	Period under audit 6/1/08-5/31/09. No finding of imprudence. EO-2010-0167.
Jul-10	Commission Approves audit recommendation	EO-2010-0167