

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

In the Matter of the Application of Kansas City)
Power and Light Company for Approval to)
Make Certain Changes in its Charges for)
Electric Service to Begin the Implementation)
of its Regulatory Plan.)

Case No. ER-2006-0314

**STAFF'S RESPONSE TO KANSAS CITY POWER & LIGHT COMPANY'S
MOTION FOR EXPEDITED CONSIDERATION AND APPROVAL OF TARIFF
SHEETS FILED ON LESS THAN THIRTY DAYS' NOTICE AND STAFF'S
RECOMMENDATION TO APPROVE TARIFF SHEETS**

Comes now the Staff of the Missouri Public Service Commission, by counsel, and for its response to Kansas City Power & Light Company's motion for expedited consideration and approval of tariff sheet filed on less than thirty days' notice and the Staff's recommendation to approve tariff sheets, to become effective January 1, 2007, for good cause shown pursuant to §393.140(11) RSMo, states:

1. On December 21, 2006, the Commission issued its Report and Order in this case in which it both approved four separate nonunanimous stipulations and agreements and resolved contested issues. The four separate nonunanimous stipulations and agreements addressed separate issues and, after no party objected to them, the Commission treated them as unanimous agreements as permitted by Commission Rule 4 CSR 240-2.115(2).

2. In ordered paragraph 7 of its Report and Order the Commission stated, "Kansas City Power & Light Company may file tariffs that comport with this Report and Order."

3. In response, on December 27, 2006, Kansas City Power & Light Company filed tariff sheets bearing effective dates of January 1, 2007. On December 28, 2006, Kansas City Power & Light Company withdrew those tariff sheets because they bear issuance dates of

December 27, 1996, and effective dates of January 1, 2007, in violation of Section 393.140(11)

RSMo 2000, which, in part, provides:

Unless the commission otherwise orders, no change shall be made in any rate or charge, or in any form of contract or agreement, or any rule or regulation relating to any rate, charge or service, or in any general privilege or facility, which shall have been filed and published by a gas corporation, electrical corporation, water corporation, or sewer corporation in compliance with an order or decision of the commission, except after thirty days' notice to the commission and publication for thirty days as required by order of the commission, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the change will go into effect. The commission for good cause shown may allow changes without requiring the thirty days' notice under such conditions as it may prescribe.

4. In the same pleading withdrawing the tariff sheets Kansas City Power & Light Company, in the last sentence of the first paragraph, erroneously states, "Among other things, the *Report and Order* directs KCPL to file, revised tariff sheets that comport with the *Report and Order*. (*Report and Order*, Ordered Paragraph 7, p. 92)" and in the second sentence of paragraph 3 of its pleading Kansas City Power & Light Company states, "Specifically, KCPL requests an effective date of January 1, 2007, **as contemplated in the *Report and Order*.**" (Emphasis added.) The Commission stated in that ordered paragraph the following: "Kansas City Power & Light Company *may* file tariffs that comport with this Report and Order." (Emphasis added.) The Staff has reviewed the Commission's Report and Order and found nothing to support that the Commission expressly contemplated a January 1, 2007 effective date for tariff sheets that comport with the Report and Order.

5. In paragraph six of its pleading, Kansas City Power & Light Company states:

KCPL initiated this rate proceeding on February 1, 2006, by the filing of tariff sheets that bore a proposed effective date of March 3, 2006. The Commission suspended the effectiveness of those tariff sheets until January 1, 2007, the full suspension period permitted under the law. Accordingly, unless the Commission approves the revised tariff sheets filed by KCPL to be effective on January 1, 2007, the Commission will violate Section 393.150.

The Staff disagrees with Kansas City Power & Light Company's assertion that "unless the Commission approves the revised tariff sheets filed by KCPL to be effective on January 1, 2007, the Commission will violate Section 393.150." Section 393.150 RSMo 2000 requires that the Commission act on proposed tariff provisions within no later than 120 days plus six months of when they are filed, or they go into effect. The Commission acted within that timeframe here and, in ordered paragraph 2 of its Report and Order, specifically rejected the proposed tariff provisions as follows: "The proposed tariff sheets filed by Kansas City Power & Light Company on February 1, 2006, Tariff No. YE-2006-0594, are rejected."

6. Kansas City Power & Light Company further states in paragraph eight of its pleading the following:

Should the Commission deny this motion and delay the effectiveness of the revised tariff sheets KCPL has filed in compliance with the *Report and Order* beyond January 1, 2007, (the operation of law date pursuant to Section 393.150), KCPL will be denied recovery of a certain portion of the rate relief to which the Commission has already found KCPL to be entitled. This would be unlawful, unjust, unreasonable, confiscatory and, in KCPL's opinion, a result not intended by the Commission. There will be no negative effect on KCPL's customers or the general public if the Commission grants this motion and approves the tariff sheets to be effective on and after January 1, 2007.

The Staff disagrees that it would be unlawful, unjust, unreasonable or confiscatory for the Commission not to allow tariff sheets submitted before January 1, 2007, that comport with the Commission's Report and Order in this case to go into effect on or before January 1, 2007. However, as explained below, the Staff believes the Commission's Report and Order would establish good cause to allow such comporting tariff sheets to go into effect on less than 30 days' notice.

7. The Staff has reviewed the filed tariff sheets to determine if they comport with the Commission's Report and Order. The Staff concludes they do. In the attached Memorandum

(Appendix A), the Staff recommends the Commission issue an Order that both (1) approves the electric tariff sheets listed in Appendix A, as filed on December 27, 2006, to become effective January 1, 2007 and (2) cancels Kansas City Power & Light Company's present electric tariff sheets listed to be canceled in Appendix A.

8. With regard to the revenue requirement Kansas City Power & Light Company presented in this case, the Commission's Report and Order in this case, and the operation of the amortization that is part of Kansas City Power & Light Company's Experimental Regulatory Plan approved and ordered by the Commission in Case No. EO-2005-0329, the Staff notes the following:

KCPL's filed case revenue requirement electric rate schedules were designed to increase KCPL's annual electric revenues by		\$55,800,000
Additional traditional revenue requirement per 12/21/06 Report and Order		\$28,937,577
Amortization resulting from KCPL's Experimental Regulatory Plan – total amortization		\$21,679,061
Total additional revenue requirement per 12/21/06 Report and Order, which will be reflected in rates		\$50,616,638

The Staff recommends the Commission specifically include in its Order approving KCPL's tariff sheets the above analysis and that KCPL's additional traditional revenue requirement per the Commission's December 21, 2006 Report and Order is \$28,937,577 and additional revenue requirement per the KCPL Experimental Regulatory Plan amortization is \$21,679,061.

9. Section 393.140(11) RSMo 2000 requires proposed changes to tariffs not go into effect with less than thirty (30) days' notice, unless the Commission determines otherwise for "good cause shown." Given that the Commission's Report and Order inescapably leads to the conclusion the Commission has found Kansas City Power & Light Company's existing tariff does not generate sufficient revenues and the Commission has authorized Kansas City Power &

Light Company to file tariff sheets that "comport with [the Commission's] Report and Order," the purpose of the thirty (30) days' notice requirement of section 393.140(11) RSMo 2000 has been accomplished. The Staff recommends the Commission grant Kansas City Power & Light Company's motion for expedited treatment and order the tariff sheets to become effective January 1, 2007.

10. While the Staff recommends the Commission allow the tariff sheets to become effective January 1, 2007, Public Counsel has pleaded that he has not been served with the tariffs and this morning informed the undersigned counsel that he still had not been served with them. Section 386.710.2, RSMo 2000, provides: "The public counsel shall be served with all *proposed tariffs*, initial pleadings, and applications, in all proceedings before the public service commission, and shall be served with a copy of all orders of the commission." (Emphasis added.) If Public Counsel is not served with these tariff sheets the failure may constitute reversible error.

WHEREFORE, the Staff recommends that the Commission issue an order that (1) grants Kansas City Power & Light Company's motion for expedited treatment to permit the tariff sheets filed December 27, 2006 to go into effect January 1, 2007, (2) approves the electric tariff sheets listed in Appendix A, as filed on December 27, 2006, to become effective January 1, 2006 and (3) cancels Kansas City Power & Light Company's present electric tariff sheets listed to be canceled in Appendix A.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy General Counsel
Missouri Bar No. 35512

Attorney for the Staff of the
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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 29th day of December 2006.

/s/ Nathan Williams

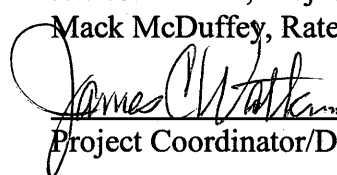
Nathan Williams

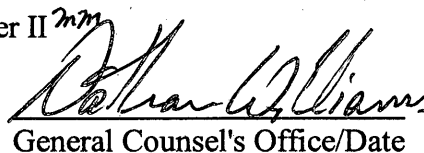
MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2006-0314
File No. YE-2007-0450 (rates)
File No. YE-2007-0451 (rules)
Kansas City Power & Light Company

FROM: James Watkins, Project Coordinator

Mack McDuffey, Rate & Tariff Examiner II ^{nm}

 12/29/06
Project Coordinator/Date

 12/29/06
General Counsel's Office/Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheets Filed To Comply With The Commission's December 21, 2006 Report and Order

DATE: December 29, 2006

On December 28, 2006, Kansas City Power & Light Company (KCPL) filed with the Commission sixty-one (61) rate tariff sheets and thirteen (13) rules and regulations tariff sheets with an issue date of December 28, 2006, and a proposed effective date of January 29, 2007. KCPL also filed its Motion For Expedited Consideration And Approval Of Tariff Sheets Filed In Compliance With Commission Order On Less Than Thirty Days' Notice. These tariff sheets are designed to comply with the Commission's December 21, 2006 Report and Order (Order), as authorized in Ordered Paragraph 7. states, "Kansas City Power & Light Company may file tariffs that comport with this Report and Order."

The Missouri Public Service Commission Energy Department Staff (Staff) has reviewed the filed tariff sheets and is of the opinion that they are in compliance with the Commission's Order as related in the General Counsel's Office cover pleading. Staff therefore recommends that the Commission issue an order **approving** the following proposed tariff sheets, as filed on December 28, 2006, to become effective on January 1, 2007:

Kansas City Power & Light Company, PSC Mo. No. 7, Electric Rates

3rd Revised Sheet No. 5A, canceling 2nd Revised Sheet No. 5A
3rd Revised Sheet No. 5B, canceling 2nd Revised Sheet No. 5B
3rd Revised Sheet No. 8, canceling 2nd Revised Sheet No. 8
2nd Revised Sheet No. 8A, canceling 1st Revised Sheet No. 8A
2nd Revised Sheet No. 9, canceling 1st Revised Sheet No. 9
3rd Revised Sheet No. 9A, canceling 2nd Revised Sheet No. 9A
3rd Revised Sheet No. 9B, canceling 2nd Revised Sheet No. 9B
2nd Revised Sheet No. 9C, canceling 1st Revised Sheet No. 9C
1st Revised Sheet No. 9E, canceling Original Sheet No. 9E
2nd Revised Sheet No. 10, canceling 1st Revised Sheet No. 10

3rd Revised Sheet No. 10A, canceling 2nd Revised Sheet No. 10A
3rd Revised Sheet No. 10B, canceling 2nd Revised Sheet No. 10B
3rd Revised Sheet No. 10C, canceling 2nd Revised Sheet No. 10C
1st Revised Sheet No. 10E, canceling Original Sheet No. 10E
2nd Revised Sheet No. 11, canceling 1st Revised Sheet No. 11
3rd Revised Sheet No. 11A, canceling 2nd Revised Sheet No. 11A
3rd Revised Sheet No. 11B, canceling 2nd Revised Sheet No. 11B
3rd Revised Sheet No. 11C, canceling 2nd Revised Sheet No. 11C
1st Revised Sheet No. 11E, canceling Original Sheet No. 11E
3rd Revised Sheet No. 14A, canceling 2nd Revised Sheet No. 14A
3rd Revised Sheet No. 14B, canceling 2nd Revised Sheet No. 14B
3rd Revised Sheet No. 14C, canceling 2nd Revised Sheet No. 14C
1st Revised Sheet No. 14E, canceling Original Sheet No. 14E
2nd Revised Sheet No. 17, canceling 1st Revised Sheet No. 17
3rd Revised Sheet No. 17A, canceling 2nd Revised Sheet No. 17A
1st Revised Sheet No. 17D, canceling Original Sheet No. 17D
2nd Revised Sheet No. 18, canceling 1st Revised Sheet No. 18
3rd Revised Sheet No. 18A, canceling 2nd Revised Sheet No. 18A
3rd Revised Sheet No. 18B, canceling 2nd Revised Sheet No. 18B
3rd Revised Sheet No. 18C, canceling 2nd Revised Sheet No. 18C
1st Revised Sheet No. 18E, canceling Original Sheet No. 18E
2nd Revised Sheet No. 19, canceling 1st Revised Sheet No. 19
3rd Revised Sheet No. 19A, canceling 2nd Revised Sheet No. 19A
3rd Revised Sheet No. 19B, canceling 2nd Revised Sheet No. 19B
3rd Revised Sheet No. 19C, canceling 2nd Revised Sheet No. 19C
1st Revised Sheet No. 19D, canceling Original Sheet No. 19D
3rd Revised Sheet No. 20C, canceling 2nd Revised Sheet No. 20C
2nd Revised Sheet No. 20D, canceling 1st Revised Sheet No. 20D
2nd Revised Sheet No. 28B, canceling 1st Revised Sheet No. 28B
3rd Revised Sheet No. 30, canceling 2nd Revised Sheet No. 30
3rd Revised Sheet No. 33, canceling 2nd Revised Sheet No. 33
1st Revised Sheet No. 33A, canceling Original Sheet No. 33A
1st Revised Sheet No. 33B, canceling Original Sheet No. 33B
3rd Revised Sheet No. 35, canceling 2nd Revised Sheet No. 35
3rd Revised Sheet No. 35A, canceling 2nd Revised Sheet No. 35A
3rd Revised Sheet No. 35B, canceling 2nd Revised Sheet No. 35B
3rd Revised Sheet No. 35C, canceling 2nd Revised Sheet No. 35C
3rd Revised Sheet No. 35D, canceling 2nd Revised Sheet No. 35D
3rd Revised Sheet No. 36, canceling 2nd Revised Sheet No. 36
3rd Revised Sheet No. 36A, canceling 2nd Revised Sheet No. 36A
3rd Revised Sheet No. 36B, canceling 2nd Revised Sheet No. 36B
3rd Revised Sheet No. 37, canceling 2nd Revised Sheet No. 37
3rd Revised Sheet No. 37A, canceling 2nd Revised Sheet No. 37A
3rd Revised Sheet No. 37B, canceling 2nd Revised Sheet No. 37B
3rd Revised Sheet No. 37C, canceling 2nd Revised Sheet No. 37C

3rd Revised Sheet No. 37D, canceling 2nd Revised Sheet No. 37D
3rd Revised Sheet No. 37E, canceling 2nd Revised Sheet No. 37E
3rd Revised Sheet No. 37F, canceling 2nd Revised Sheet No. 37F
3rd Revised Sheet No. 37G, canceling 2nd Revised Sheet No. 37G
3rd Revised Sheet No. 45, canceling 2nd Revised Sheet No. 45
3rd Revised Sheet No. 45A, canceling 2nd Revised Sheet No. 45A

Kansas City Power & Light Company, PSC Mo. No. 2, Electric Rules

1st Revised Sheet No. 1.01, canceling Original Sheet No. 1.01
3rd Revised Sheet No. 1.02, canceling 2nd Revised Sheet No. 1.02
11th Revised Sheet No. 1.04, canceling 10th Revised Sheet No. 1.04
3rd Revised Sheet No. 1.07, canceling 2nd Revised Sheet No. 1.07
Original Sheet No. 1.07A
3rd Revised Sheet No. 1.08, canceling 2nd Revised Sheet No. 1.08
2nd Revised Sheet No. 1.09A, canceling 1st Revised Sheet No. 1.09A
4th Revised Sheet No. 1.11, canceling 3rd Revised Sheet No. 1.11
6th Revised Sheet No. 1.14, canceling 5th Revised Sheet No. 1.14
8th Revised Sheet No. 1.26, canceling 7th Revised Sheet No. 1.26
2nd Revised Sheet No. 1.28, canceling 1st Revised Sheet No. 1.28
4th Revised Sheet No. 1.31, canceling 3rd Revised Sheet No. 1.31
3rd Revised Sheet No. 1.32, canceling 2nd Revised Sheet No. 1.32

The Staff has verified that Kansas City Power & Light Company has filed its 2005 annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

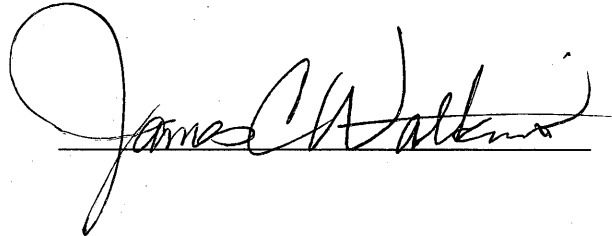
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Kansas City Power)	
and Light Company for Approval to Make Certain)	<u>Case No. ER-2006-0314</u>
Changes in its Charges for Electric Service to Begin the)	Tariff No. YE-2007-0450
Implementation of its Regulatory Plan.)	Tariff No. YE-2007-0451

AFFIDAVIT OF JAMES C. WATKINS

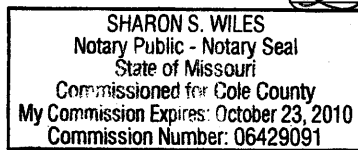
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.



Subscribed and sworn to before me this 29th day of December, 2006.


Notary Public



My commission expires _____