

**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 to Begin the Implementation)
of Its Regulatory Plan)

Case No. ER-2006-0314

STAFF RESPONSE TO SECOND ORDER DIRECTING SCENARIOS

Comes now the Staff of the Missouri Public Service Commission (Staff) and files the attached one page showing the quantification of the eight (8) Scenarios on pages 3 and 4 of the Commission's December 18, 2006 Second Order Directing Scenarios. As with the Commission's December 12, 2006 Order Directing Scenarios, the Second Order Directing Scenarios required a not inconsequential task given in this instance the jurisdictional allocations component. Jurisdictional allocations affect all other components of the revenue requirement determination. In an effort to expedite matters, the Staff has endeavored to stay in contact with Kansas City Power & Light Company (KCPL), providing KCPL the Staff's analysis for KCPL to verify and for KCPL's own use.

Based on the Commission's request for a one page sheet substantially similar to Appendix A of KCPL's December 14, 2006 response to the Commission's Order Directing Scenarios, the Staff was left with the impression that the Commission was interested in the level of detail similar to KCPL's filing, rather than in the level of detail in the Staff's filing on December 14, 2006. The Staff is responding accordingly. A more detailed narrative description can be provided regarding the scenarios if the Commission deems that necessary or advisable. The Staff was concerned with providing this document as soon as possible given the need to file these documents expeditiously.

Regarding off-system sales, the Commission's December 18, 2006 Second Order Directing Scenarios states at page 3 as an assumption common to all scenarios "[o]ff-system sales shall be resolved in favor of KCPL" The Staff interpreted this statement as indicating that the Staff should use KCPL's trued-up September 30, 2006 numbers for off-system sales. In the past when identifying the Office of the Public Counsel's (Public Counsel) position on off-system sales, the Staff has utilized Public Counsel's position on the numbers which reflect what Public Counsel asserts its position is. The Staff proceeds in this manner when depicting a party's position in a reconciliation / reconciliation unless the Commission provides express direction otherwise. Since the Commission has directed that "[o]ff-system sales shall be resolved in favor of KCPL," that is how the Staff has proceeded regarding the selection of the numbers involved in the calculations.

Finally, the Staff notes the phrase at the beginning of the second paragraph on page 1 of the Commission's December 18, 2006 Second Order Directing Scenarios: "The scenario responses may include any supplemental pleadings the parties wish to include" The Commission's December 18, 2006 Second Order Directing Scenarios raises a number of questions for the Staff not related to the numbers that the Commission has asked the Staff to generate. The Staff does not view the aforementioned phrase in the Commission's Order as an open invitation to raise those questions without the benefit of a Commission Report And Order. The Staff will wait until the Commission issues its Report And Order, and if upon reading the Report And Order, the Staff believes a Motion For Clarification is appropriate or necessary, the Staff will file a Motion For Clarification.

Wherefore the Staff hereby submits this Staff response to the Commission's
December 18, 2006 Second Order Directing Scenarios.

Respectfully submitted,

/s/ Steven Dottheim

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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 on this 19th day of December, 2006.

/s/ Steven Dottheim

Summary of Staff Response to MPSC 2nd Scenario Order

Case No. ER-2006-0314

December 19, 2006

Scenario Variables

	1	2	3	4	5	6	7	8
Jurisdictional Allocations	KCPL	STAFF	KCPL	KCPL	STAFF	STAFF	KCPL	STAFF
Severance Costs	KCPL	KCPL	STAFF	KCPL	STAFF	KCPL	STAFF	STAFF
Weather Normalization	KCPL	KCPL	KCPL	STAFF	KCPL	STAFF	STAFF	STAFF
Traditional Rev Requirement	\$ 28,868,111	\$ 27,019,338	\$ 28,384,715	\$ 28,511,385	\$ 26,535,942	\$ 26,662,612	\$ 28,027,989	\$ 26,179,216
Additional Amortization	24,275,880	24,374,547	24,275,880	24,275,880	24,374,547	24,374,547	24,275,880	24,374,547
Total Revenue Requirement	\$ 53,143,991	\$ 51,393,885	\$ 52,660,595	\$ 52,787,265	\$ 50,910,489	\$ 51,037,159	\$ 52,303,869	\$ 50,553,763
Issue Values - Staff Position								
Jurisdictional Allocations	NA	\$ (1,828,391)	NA	NA	\$ (1,828,391)	\$ (1,828,391)	NA	\$ (1,828,391)
Severance Costs	NA	NA	\$ (483,396)	NA	\$ (483,396)	NA	\$ (483,396)	\$ (483,396)
Weather Normalization	NA	NA	NA	\$ (356,727)	NA	\$ (356,727)	\$ (356,727)	\$ (356,727)
Note: Off-System Sales is Reflected at the 25th Percentile at September 30, 2006								