Exhibit No.:
Issue: Rulemaking Impacts
Witness: William P. Herdegen, III
Type of Exhibit: True-Up Direct Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2007-0291
Date Testimony Prepared: November 2, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2007-0291

TRUE-UP DIRECT TESTIMONY

OF

WILLIAM P. HERDEGEN, III

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

Kansas City, Missouri
November 2007

TRUE-UP DIRECT TESTIMONY

OF

WILLIAM P. HERDEGEN, III

Case No. ER-2007-0291

Q: Are you the same William P. Herdegen, III, who submitted Direct Testimony in this proceeding?

A: Yes.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to discuss the operational and monetary impacts to Kansas City Power & Light Company ("KCPL") to comply with recent Missouri rulemakings on Infrastructure and Vegetation Management Standards.

Q: Do you believe the Missouri Public Service Commission ("MPSC") final rulemakings in 4 CSR 240-23.020 and 4 CSR 240-23.030 will have significant annual impacts to KCPL?

A: Yes. There will be significant operational and monetary impacts on an annual basis to KCPL beginning in 2008.

Q: Please explain those impacts.

A: I'll begin my discussion with Rule 4 CSR 240-23.020 – Electrical Corporation Infrastructure Standards. The rule establishes the minimum requirements for transmission and distribution facilities regarding inspection, including maximum allowable inspection cycle lengths, condition rating, scheduling and performance of corrective action, recordkeeping and reporting in order to provide safe and adequate

electrical service. Therefore, my estimated impacts include transmission and distribution components and focus on facility inspections and repairs identified during the inspections.

The rule contains a chart entitled, "Electrical Corporation System Inspection Cycles." The chart is attached to my testimony as Schedule WPH-1. To summarize the chart, visual inspections of utility poles, wires, transformers and underground facilities will have to be conducted every four years in urban areas and every six years in rural areas. A more detailed inspection is required every eight years in urban areas and every 12 years in rural areas. Utility poles will have to undergo a thorough inspection every 12 years. The annual impacts of Infrastructure inspections and repairs associated with Schedule WPH-1 are outlined below:

Distribution Facility Inspections:	Annual Cost
Poles/Overhead Structures	$ 318,000
Overhead Circuit Components and Equipment	351,000
Pad-mounted Transformers and Equipment	85,000
Underground Structures and Network Equipment	416,000
Total	$1,170,000

Distribution Facility Repairs:	
Overhead Circuit Components and Equipment	$ 468,000
Pad-mounted Transformers and Equipment	74,000
Underground Structures and Network Equipment	788,000
Total	$1,330,000

Transmission Facility Inspections:	
Detailed Overhead Structures	$ 245,000
Intrusive Poles, Overhead Structures	70,000
Underground Structures Pipe Type Cable	5,000
Total	$ 320,000

Transmission Facility Repairs:		
Overhead Lines and Equipment	$	70,000
Underground Facilities		120,000
Total	$	190,000
TOTAL ANNUAL ESTIMATED RULE COMPLIANCE	**$**	**3,010,000**

Q: Do the impacts discussed above represent incremental expenses that KCPL will incur over and above its normal operating expenses?

A: Yes, they do.

Q: Are the impacts discussed above based on an annualized schedule? That is, do they assume that an equal amount of inspection and repairs are performed annually?

A: Yes, the impacts presented assume an equal amount of inspection and repairs are performed each year, even though actual plans may vary from an annualized schedule.

Q: Do the impacts discussed include capital repairs?

A: No. The impacts discussed above are non-capital repairs?

Q: Please discuss the new Vegetation Management Rule.

A: MPSC Rule 4 CSR 240-23.030 – "Electrical Corporation Vegetation Management Standards and Reporting Requirements," sets forth requirements that electrical corporations shall follow in managing vegetation in proximity to an energized distribution conductor and sets reporting requirements for transmission line vegetation management in order to promote a safe, efficient and reliable supply of electric power. The requirements in the rule provide the minimum standards for the vegetation management programs of electrical corporations. This rule requires aggressive tree trimming policies and will have a significant operational and monetary impact to KCPL on an annual basis.

Q: Please discuss those operational and monetary impacts.

A: There are four sections of the rule which carry the largest impacts. Those sections deal with the following:

- Vegetation conditions that pose an imminent threat to the reliable or safe function of electrical facilities;
- More frequent and expanded maintenance cycle (visual inspections at least once every two years of all urban energized distribution conductors and once every three years of all rural energized distribution conductors, and associated tree trimming);
- Implementation requirements set forth by year with mandatory compliance of all urban distribution miles within four years and all rural distribution miles within six years;
- Removal of all overhanging limbs on backbone.

The rule addresses other vegetation management requirements as well. Those requirements include additional debris cleanup associated with scheduled maintenance; additional recordkeeping requirements; and notification of pending vegetation management activities for each county and municipality affected.

The annual estimated monetary impacts to KCPL (transmission and distribution) to comply with the Vegetation Management Rule are outlined below:

Description	Annual Cost
Danger tree threat reduction	$ 520,000
Visual inspections	27,000
Tree trimming associated with inspections	473,000
Debris cleanup requirements	80,000
Recordkeeping and Annual Report to MPSC	20,000
County and Municipal notification	20,000
Implementation requirements (timing)	530,000
Overhang elimination on backbone	475,000

TOTAL ANNUAL ESTIMATED RULE COMPLIANCE	**$2,145,000**

Q. Do the impacts discussed above represent incremental expenses that KCPL will incur over and above its normal operating expenses?

A: Yes, they do.

Q: Do you anticipate the requirements associated with the new rules will improve KCPL's reliability?

A: KCPL excels in delivering reliable electric service to its customers. Recently, KCPL received the National Reliability Excellence Award from PA Consulting Group at the 2007 ReliabilityOne™ awards. KCPL was also selected as the recipient of the ReliabilityOne™ award in the Plains Region. By maintaining exceptionally high reliability standards within its industry, KCPL is committed to delivering outstanding service and reliable power to its customers. The new rules will be over and above KCPL's current programs and commitment to achieve this goal.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Kansas City Power & Light Company to Modify Its Tariff to Continue the Implementation of Its Regulatory Plan	)))	Case No. ER-2007-0291

AFFIDAVIT OF WILLIAM P. HERDEGEN, III

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

William P. Herdegen, III, being first duly sworn on his oath, states:

1. My name is William P. Herdegen, III. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President, Customer Operations.

2. Attached hereto and made a part hereof for all purposes is my True-up Direct Testimony on behalf of Kansas City Power & Light Company consisting of five (5) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

William P. Herdegen III
WILLIAM P. HERDEGEN, III

Subscribed and sworn before me this 2nd day of November, 2007.

Nicole A. Wehry
Notary Public

My commission expires: Feb 4, 2011

" NOTARY SEAL "
Nicole A. Wehry, Notary Public
Jackson County, State of Missouri
My Commission Expires 2/4/2011
Commission Number 07391200

Electrical Corporation System Inspection Cycles
(Maximum Intervals in Years)

	Patrol		Detailed		Intrusive		Notes
	Urban	**Rural**	**Urban**	**Rural**	**Urban**	**Rural**	
Poles/Overhead Structures							
Wood	4	6	---	---	12	12	Note 1
Non-wood	4	6	12	12	---	---	Note 2
Conductors, Transformers, Reclosers, Regulators, Capacitors, Switching/Protective Devices, and Streetlighting							
Overhead	4	6	8	12	---	---	
Overhead (with real-time remote monitoring)	---	---	12	12	---	---	
Underground-direct buried and conduit	4	6	8	12	---	---	Note 3
Underground-direct buried and conduit (with real-time remote monitoring)	---	---	12	12	---	---	Note 3
Underground Networks	4	---	8	---	---	---	
Underground Networks (with real-time remote monitoring)	---	---	12	---	---	---	
Manholes, vaults, tunnels, and Other underground structures	4	6	8	12	---	---	

Note 1: No intrusive inspection required for first 12 years after installation, however, intrusive inspection required between years 12 and 18. For poles/structures greater than 12 years of age at inception of program, intrusive inspections must be completed within 12 years.

Note 2: No detailed inspection required for first 12 years after installation, however, detailed inspection required between years 12 and 18. For poles/structures greater than 12 years of age at inception of program, detailed inspections must be completed within 12 years.

Note 3: Some components of underground-direct buried and conduit distribution systems are above ground (e.g., pad-mounted transformers, pad-mounted switches, pad-mounted reclosers, etc.) The inspection intervals also apply to these above ground devices. These inspection requirements do not apply to direct-buried cable or cable installed in underground conduit.