BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the 2013 Kansas City Power & Light Company IRP Annual Update Report	))	File No. EO-2013-0537

KANSAS CITY POWER & LIGHT COMPANY'S
RESPONSE TO ORDER DIRECTING FILING

COMES NOW Kansas City Power & Light Company ("KCP&L" or "Company") and hereby files its Response to the Missouri Public Service Commission's ("MPSC" or "Commission") Order Directing Filing issued on August 22, 2013 ("Order Directing Filing").

1. On June 20, 2013, KCP&L filed its 2013 Integrated Resource Plan ("IRP") Annual Update ("Company's filing").

2. In its Order Directing Filing, the Commission ordered KCP&L to respond to the comments of MPSC Staff ("Staff"), Office of Public Counsel ("OPC"), Missouri Department of Economic Development – Division of Energy (formerly Missouri Department of Natural Resources) ("MDNR"), Natural Resources Defense Council ("NRDC") and Sierra Club filed on August 20 and 21, 2013.

KCP&L hereby responds as follows:

COMMENTS OF MPSC STAFF

3. The Commission Staff raised the following three areas of concern related to the KCP&L's filing: "(a) 'acknowledgment' regarding joint Company (KCP&L and KCP&L Greater Missouri Operations Company ('GMO')) planning, (b) joint Company planning, and (c) resource acquisition strategy selection process. (*See* Staff Filing, p. 2). In its Staff Report which accompanied the Staff Filing, the Staff discussed these areas of concern in more detail, but

ultimately concluded that "Staff is not asking for hearings" on these issues, but if the Commission schedules hearings, then these issues should be addressed. (Staff Report, p. 4).

4. While KCP&L disagrees with Staff's analysis regarding the three identified areas of concern, KCP&L is not seeking a hearing at this time to resolve these issues. KCP&L will be filing another IRP Annual Update in March 2014, and it is unnecessary for the Commission to use its resources or the time and resources of the other parties to delve into these issues at this time. In fact, KCP&L and GMO (collectively referred to as "Companies") filed separate, complete, and stand-alone IRP Plans in compliance with the Commission's IRP rules. Additionally, combined company (GMO and KCP&L) resource plans were developed to determine if either of the stand-alone (GMO or KCP&L) Preferred Plans should be adjusted under a joint company view. In this instance, neither the GMO nor the KCP&L Preferred Plan required adjusting as a result of this analysis. However, GMO and KCP&L believe this element of planning—planning that includes a joint company view—is an important element of resource planning for both companies. KCP&L and GMO share the unique status of being Missouri investor-owned utilities held by one holding company, Great Plains Energy. The Chapter 22 rules governing resource planning in Missouri are silent as to how planning should be conducted given this unique relationship. The Companies continue to believe that it is important and prudent for them to conduct a "joint view" or combined planning process to ensure that their resource planning is reasonable and efficient for utilization of their resources to benefit the customers of both of the Companies.

5. Staff raised the argument that this 2013 IRP Annual Update is not the appropriate proceeding to request "acknowledgment" of the Companies' joint planning process. (Staff Report, pp. 5-7). KCP&L would respectfully point out that the "acknowledgment" and joint

planning issue was "unresolved" in the Joint Filing (pp. 28-34) (Case No. EO-2013-0323) made in 2012 IRP proceeding on November 19, 2012. In its December 19, 2012 *Order Regarding 2012 Integrated Resource Plan* issued on the same day in both the KCP&L and GMO IRP cases, the Commission directed KCP&L and GMO to address the alleged deficiencies and concerns identified as unresolved in the *Joint Filing* in its 2013 Annual Update report. It is therefore appropriate that the acknowledgment and joint planning issue should be considered in KCP&L's 2013 IRP Annual Update filing.

6. Staff also "recommends that the Commission not allow GMO and KCPL to conduct joint resource planning of capacity and resources." (Staff Report, p. 9). As stated above, the Companies disagree with this recommendation since it is important and prudent for KCP&L and GMO, as sister companies under the Great Plains holding company, to conduct joint planning to ensure that the Preferred Plan is a reasonable and efficient plan for utilization of its resources to benefit the customers of both of the Companies. The Companies believe it may be shortsighted for them to ignore the resources of their sister company in the planning process.

7. In the event that the Commission was considering approving joint planning, the Staff Report recommends the Commission include two onerous conditions. The Staff recommends that the Commission issue an order directing "1) GMO and KCPL to file a detail proposal for allocating capacity and energy between KCPL and GMO, and if GMO's MPS and L&P rate districts are not eliminated, between GMO's MPS and L&P rate districts; and 2) KCPL and GMO to file a definitive plan for merging KCPL and GMO into one electrical corporation." (Staff Report, p. 9). Both of these conditions are unnecessary to evaluate the resource planning impact of combined companies. The Companies can evaluate long-term resource plan alternatives without filing a merger plan as sharing of resources could occur without a merger.

However, a detailed proposal for allocating capacity and energy between KCP&L and GMO would be a necessary part of any actual plan to share generation resources. Once it was determined that resources would be shared, the Companies would file such a detailed proposal. Therefore, since no actual generating resources are planned to be shared during the IRP three-year implementation plan period, a specific allocation proposal would be premature.

8. With regard to the Resource Acquisition Strategy Selection Process, the Staff seems to question KCP&L's consideration of the rate impacts upon its customers if certain DSM levels were assumed as a part of the resource acquisition selection process. (Staff Report, p. 9-18). KCP&L continues to believe that it is reasonable and prudent to consider the rate impact on KCP&L's customers if very aggressive DSM plans are chosen as a part of the resource acquisition strategy selection process. However, it is unnecessary to hold a hearing to address this concern at this time, especially in light of the fact that KCP&L plans to make a DSM filing under the Missouri Energy Efficiency Investment Act (MEEIA) later this year and the resource acquisition strategy does not include making any significant generating resource decisions between now and the next IRP Annual Update to be filed in March 2014.

COMMENTS OF OPC

9. OPC raises similar concerns as Staff related to the "acknowledgment" and joint planning issue. (OPC Comments, pp. 1-6). KCP&L's response to Staff on these issues would apply equally to OPC, and will not be repeated here. OPC, however, argues that KCP&L failed to request a variance from, or waiver of, the requirement for utility to make a utility-specific Annual Update report filing pursuant to 4 CSR 240-22.080(3)(B). (OPC Comments, p. 3). This concern is totally unfounded because the Companies have performed their respective resource planning on a stand-alone company basis. The Companies do not believe that the additional analysis--the joint view--completed on a combined company basis required a waiver from the

Commission. If anything, the Companies' approach to add a "joint view" exceeds the requirements of the Commission's IRP rules. In any event, the additional arguments raised by OPC do not require a hearing at this time.

COMMENTS OF MDNR

10. In its Comments, MDNR candidly observed: "Kansas City Power & Light Company has done an adequate job in updating their 2013 IRP. The analysis provided by the Navigant report was both thorough and helpful." (MDNR Comments, p. 1). KCP&L appreciates MDNR's observation and comments.

11. Like Staff and OPC, MDNR expressed reservations about the Companies' joint planning efforts. (*Id.*) However, MDNR did not request a hearing, and the Companies do not believe that these comments rise to the level that a hearing on this issue is necessary. The Companies will be filing another Annual IRP update in March, 2014, and it is unnecessary to take time to hold a hearing on this issue at this time.

COMMENTS OF NATURAL RESOURCES DEFENSE COUNCIL ("NRDC")

NRDC requests that the Commission establish a hearing schedule to address the concerns it alleges in its filing. KCP&L responds to those concerns below and does not believe a hearing is necessary since the Company's resource acquisition strategy does not include making any significant generating resource decisions between now and the next IRP Annual Update to be filed in March 2014.

The potential study results were reviewed by NRDC.

12. On January of 2012, KCP&L and GMO engaged Navigant to conduct a demand side resource potential study ("Study"). KCP&L/GMO attempted to ensure stakeholder inclusion by creating a collaborative process for reviewing all inputs and assumptions of the DSM Potential Study and allowing stakeholders ample opportunity for feedback and explanation. The Study included an extensive stakeholder review process that spanned fourteen months in length.

13. Stakeholders involved with the review process included; KCP&L, GMO, Staff, OPC, MDNR, NRDC, Empire Electric District Company, Renew Missouri, and AmerenUE.

14. The Study review process included: eight webinars, including sample design, demand-side measure characteristics, demand-side modeling potential approach, and discussion of the results. The review process also included: distribution for review of twenty-five project files, including approach, survey instruments, measure characteristics, results, and summary of responses to stakeholder comments.

15. During this considerable review process, all stakeholders, including the NRDC, were provided many opportunities to review the potential Study modeling approach, submit comments, and ask questions.

16. A draft of the Study was distributed in April 2013. Navigant subsequently conducted several teleconferences with stakeholders, including the NRDC, to review comments and respond to questions. The review process was lengthy as Navigant conducted one-on-one discussions with several stakeholders, including the NRDC. Navigant reviewed stakeholder issues, questions and concerns, and incorporated agreed upon changes. As a result of direct requests from stakeholders to re-run some of the potential study analysis (NRDC requested this as late as May 15, 2013), Navigant made some minor changes to modeling assumptions related to residential behavioral program adoption, screw in LED lighting and fluorescent lighting and re-ran some of the Study analysis. A final report was distributed on August 21, 2013.

17. With the IRP Update due in June 2013, it was impossible to utilize the final potential study results reflecting last minute changes requested by NRDC. Instead of further delaying the IRP integrated resource analysis, KCP&L utilized the latest available draft of the Potential Study results. In a memorandum dated April 15, 2013 that included Study comments by NRDC, NRDC stated the following in regards to the Potential Study that was ultimately utilized in the IRP analysis: "Overall, we believe this study is professionally done, and has reasonable, although conservative, results when taken as a whole."

18. In regard to the specific issue noted, the methodology for modeling program adoption was extensively reviewed and discussed with all stakeholders, included NRDC. The approach is documented in a white-paper, "Incentive Scenarios in Potential Studies: A Smarter Approach" that Navigant presented at a conference conducted by the American Council for an Energy Efficient Economy ("ACEEE") and was peer reviewed..

19. NRDC suggests that the Study underestimates energy efficiency of C&I screw LED lighting and compares the potential of screw-in LED lighting to a program administered by

the State of Massachusetts. The issue was discussed with the NRDC during a teleconference subsequent to the distribution and review of the initial draft Study report. Several issues were discussed: Avoided energy and capacity costs in Massachusetts are much higher than KCP&L's and GMO's avoided costs, the amount of rebate that some Massachusetts utilities are offering for LED lamps, and the fact that the study has a significant amount of CFL lamp adoption in the initial (early) years of the Study. LED lamps offer small incremental energy savings compared to CFLs and would simply "cannibalize" CFL adoption at a significantly higher cost. (The Study does assume that the cost of LED lamps will decline and that LED lamp adoption will increase in future years.) NRDC has not presented a cost-benefit analysis of LED lamp adoption and therefore, comparison is not appropriate or applicable. This comparison would also be inappropriate for CHP for similar reasons as noted for LED above.

– The Update does consider the impact of energy efficient technologies.

a. NRDC states: "*Neither the Navigant draft potential study nor the IRP analysis fully considers the impacts of energy efficiency technologies that are reasonably expected to be available during the planning horizon relevant to the IRP.*"

20. This allegation is entirely incorrect. Both the draft Study and the final Study did consider the impact of energy efficient technologies and changes to codes, standards and measure costs. Section 2.2.4 of the Demand Side Resource Potential Study Report documents and describes the approach. The adjustments to the baseline and efficient annual energy consumption and demand can be found on the "Energy Adjustments" tab in Appendix A of the draft Study and the final Study. Cost adjustments can be found on the "Cost Adjustments" tab in the same file.

NRDC's allegation of errors is without merit.

b. NRDC states: *"This analysis appears to be based on the assumption that 2016 electric rates would recover the program costs for years 2014-2016, but only receive the fuel savings benefits from 2016. While rate impacts should not be the primary consideration for determining the amount of efficiency to pursue, it is important to understand that the rate numbers given by KCP&L in the IRP represent a situation where DSM program costs for three years are only being offset by the benefits of one year. In a more normal situation, where one year of a DSM program is offset by one year of utility fuel savings, rate impacts would be significantly lower."*

21. The rate analysis used to determine that RAP would result in a 2% increase over MEEIA/RAP is a realistic representation of what would actually happen as it reflects the regulatory lag that would occur assuming the new retail rates would not be effective until 2016. The rate impact calculation showing an increase reflects the impact of a 2015 rate case (2016 rate effective date) that would capture DSM program costs over a multi-year period. This is what the rate payers could expect to see on their bills.

c. NRDC states: *"KCP&L provides that its RAP + 2/3 MAP scenario results in higher DSM impacts than MAP"*

22. The RAP+2/3MAP scenario did not include the load impact of Opt-Outs resulting in higher net DSM impacts than the MAP scenario. It should be noted that omitting the Opt-Outs from the scenario has no impact on the Company's choice of Preferred Plan.

d. NRDC states: *"numerous workpapers provide DSM figures that do not match, as shown in Table 4, below."*

23. The data that has been placed into Table 4 is neither "inconsistent" or in "error" as NDRC alleges. Data that NRDC assumes should be consistent are not comparable for the following reasons:

Data labeled in Table 4 as "Plan/Balance files" was taken from the Capacity Forecasts charts consist of:

- Energy Efficiency programs only
- Missouri-based customers only.
- Includes Persistence from prior Energy Efficiency investments
- Reductions for customer opt-out or program useful life

Data labeled in Table 4 as "Appendix B" from the IRP Annual Update Summary Report filing consists of:

- Energy Efficiency, Demand Response, and Combined Heat and Power programs labeled as "DSM Load Alternative"
- Missouri-based customers only
- No Persistence from prior Energy Efficiency investments
- Reductions for customer opt-out or program useful life

Data labeled in Table 4 as "Appendix L" was from a draft of the Navigant Potential Study consists of:

- Energy Efficiency programs only
- Missouri and Kansas customers
- No Persistence from prior Energy Efficiency investments
- No reductions for customer opt-out or program useful life.

- The Update models a reasonable range of DSM scenarios

e. NRDC states: *"it appears the clear emphasis in the IRP was on optimizing a lower level of DSM (MEEIA scenarios) than fairly considering the DSM levels articulated in the Stipulation"*.

24. In the IRP Joint Filing made on November 19, 2012, KCP&L and GMO agreed to model the Realistic Achievable Potential (RAP), the Maximum Achievable Potential (MAP), and two additional scenarios that were 1/3 and 2/3 of the "delta" differences between RAP and MAP. As agreed, the IRP Update included plans that modeled all the agreed upon DSM scenarios.

–The Update considers the impacts of rate design on energy use.

f. NRDC states: *"KCP&L's DSM potential study failed to consider the potential from demand-side rates"*

25. This allegation is incorrect as the Potential Study did consider the impact of rate design on energy use. Section 3 of the "DEMAND-SIDE RESOURCE POTENTIAL STUDY REPORT – DEMAND RESPONSE" reviews and discusses the modeling of rate design and dynamic pricing plans. Figure 3-1 in this document presents the participation hierarchy and diagram.

- KCP&L's plan selection was reasonable

g. NRDC states: *"The Update has not relied on minimizing NPVRR as the primary criteria for selecting a plan."*

26. KCP&L utilized the minimization of the present worth of long-run utility costs as the primary selection criteria; however, the final plan selection was impacted by an evaluation of the short-term customer rate impacts. As explained in its IRP Update, KCP&L developed the MEEIA/RAP alternative to reduce the short-term rate impacts that would result from the full

RAP DSM levels. Assuming KCP&L was approved for the same DSM cost recovery treatment as GMO was under its MEEIA settlement agreement, implementing the full RAP DSM plan in 2014 would increase retail rates by a projected 8.3% in 2016 (the first year new rates would be in effect under a 2013 KCP&L MEEIA filing). This increase does not reflect any other potential non-DSM related costs that would also go into effect in 2016. The MEEIA/RAP alternative reduces the rate impact to 6.3%. At this time, the Company anticipates a 2013 MEEIA filing that would further define the DSM program offerings.

COMMENTS OF SIERRA CLUB

Sierra Club requests that the Commission establish a hearing schedule to address the concerns it alleges in its filing. KCP&L addresses most of those concerns below and does not believe a hearing is necessary since the Company will be filing its IRP update in March 2014.

Sierra Club also alleges in several footnotes that KCP&L never responded to a Sierra Club letter requesting additional information. KCP&L responded to every request in the letter. However, due to the work required in responding to the requests, KCP&L, in many cases, needed the normal 20 day data request response time to provide the voluminous information. Sierra Club could have received all of the information before its August 21st filing date had it not waited until August 9th to request the information.

I. KCP&L adequately justified its Resource Plan Selection

a. Sierra Club states: "*The primary deficiency in KCP&L's IRP update filing is that the company has failed to adequately justify selecting a preferred resource plan that does not "[u]se minimization of the present worth of long-run utility costs as the primary selection criterion . . . . 4 CSR 240-22.010(2)(B)."*

28. KCP&L utilized the minimization of the present worth of long-run utility costs as the primary selection criteria; however, the final plan selection was impacted by an evaluation of the short-term customer rate impacts. As explained in its IRP Update, KCP&L developed the MEEIA/RAP alternative to reduce the short-term rate impacts that would result from the full RAP DSM levels. Assuming KCP&L was approved for the same DSM cost recovery treatment as GMO was under its MEEIA settlement agreement, implementing the full RAP DSM plan in

2014 would increase retail rates by a projected 8.3% in 2016 (the first year new rates would be in effect under a 2013 KCP&L MEEIA filing). This increase does not reflect any other potential non-DSM related costs that would also go into effect in 2016. The MEEIA/RAP alternative reduces the rate impact to 6.3%. At this time, the Company anticipates a 2013 MEEIA filing that would further define the DSM program offerings.

b. Sierra Club states: *KCP&L's comparison of the rate impacts of the RAP vs. MEEIA-RAP scenarios is misleading and falls short of IRP rule requirements for two main reasons.*

29. The estimated rate impact calculation was a stand-alone analysis to compare RAP vs. MEEIA RAP DSM only. No other rate impacts such as any retrofits cost at any generating unit, resource or transmission capital expenditures, or other expenditures that would traditionally be captured in a rate case are included in this rate impact analysis. In addition, assuming that KCP&L were to pursue the RAP level of DSM, capital expenditures would still be required at Montrose as their planned operation would remain unchanged.

c. Sierra Club states: *"Although KCP&L states in the IRP update that "[f]uture potential environmental updates have been studied by Burns and McDonnell and are incorporated into the 2013 Annual Update" (KCP&L 2013 IRP Update at 137), the Burns & McDonnell "MEGA Study" includes no analysis of the use of low-chlorine coal to comply with MATS, a fact that KCP&L itself acknowledged in its internal presentation to company decision makers."*

30. The PowerPoint "Generation Strategy: Environmental/Engineering/Resource Management" that was presented May 2013 to KCP&L Senior Management KCP&L, Slide Number 12, provided a chart titled "Environmental Regulatory Landscape". For Montrose Station, low-chlorine coal was designated as "not considered" by Burns and McDonnell simply because the coal that Montrose Station currently utilizes and will continue to utilize **is** low-

chlorine Powder River Basin (PRB) coal. Additionally, because Montrose Station already utilized low-chlorine PRB coal, no additional future operating costs are assumed based on the coal that is currently being utilized will be the future coal as well.

d. Sierra Club states: *"KCP&L must perform stack testing to evaluate this a the plant" and Synapse states "it is suggested that KCP&L perform stack testing…".*

31. Stack testing has been conducted by KCP&L. It should be noted that the same PowerPoint presentation referred to by the Sierra Club and Synapse regarding low-chlorine coal, Slide Number 11 titled "MEGA Study - Phase 2 (2013)" includes the following:

- Verification Phase (2B) verification, suitability, and operations
- Stack testing (verification)

e. Sierra Club states: *"KCP&L does not include any stack test results in the IRP update filing and has not provided any stack testing results to the Sierra Club to date, nor any other indication that the company has evaluated this issue separately from the Burns & McDonnell MEGA Study."*

32. MEGA Study Phase 2 which includes stack testing at Montrose Station commenced in 1Q, 2013. Stack testing at Montrose Station was performed on May 15, May 19, and July 16-19. Results of the stack tests performed are currently being analyzed.

f. Sierra Club *states "However, KCP&L does not explain anywhere in its IRP filing how it determined that the new ELGs would require the company to convert to dry ash handling by 2021."*

33. Under the current proposed EPA rulemaking, Montrose Station would not be required to undertake any significant ash handling modifications.

g. Sierra Club states *"KCP&L also assumes that any carbon price that results from EPA greenhouse gas regulations will not go into effect until 2020."*

34. This statement is <u>incorrect</u> as the KCP&L mid and high CO_2 forecasts commence in the year 2016 and increase from that year forward. It should be noted that the low, mid and high CO_2 forecasts were provide to Parties at the Stakeholder Meeting in Jefferson City on April 11, 2013 and there was no discussion or comments from the Sierra Club regarding these forecasts at that meeting.

h. Sierra Club states: *"KCP&L does not address provide any explanation in the IRP update as to why the carbon prices it modeled are likely to reflect what EPA regulations that could be finalized as early as 2015 are likely to require."*

35. The CO_2 price forecasts that were utilized in the 2013 Annual Update file on June 20, 2013 do not reflect possible promulgation of 2015 EPA-driven regulations since this initiative was announced June 25, 2013. The six forecast sources that were used to derive the composite low, mid and high forecasts were the most current forecasts available at the time the integrated resource planning commenced in the first quarter of 2013. The dates of the six forecasts utilized ranged from October, 2012 through January, 2013.

i. Sierra Club states: *"Thus, if CSAPR is reinstated, the market for SO_2 and NO_x allowances could increase substantially, making KCP&L's preferred plan FDHKA significantly more costly and probably requiring the company to install additional air pollution controls at Montrose."*

36. Based on the most recent SO_2 and NO_x CSAPR allowance guidance provided to KCP&L by the EPA, the KCP&L Missouri generating fleet could meet CSAPR compliance with

the Separated Overfire Air (SOFA) systems that were added at Montrose Units 2 and 3 in June, 2012.

h. Sierra Club states: *"Synapse has identified a number of alternative resource plans that were not modeled by KCP&L but may result in a lower NPVRR than either the company's preferred Plan FDHKA or the least-cost plan that the company did model, Plan ADBKA."*

37. KCP&L modeled over 20 Alternative Resource Plans that were comprised of a variety of DSM, unit retirement options and timings, as well as several generation additions.

i. Sierra Club states: *"the Obama Administration intends to finalize greenhouse gas regulations for existing power plants under the Clean Air Act by 2015."*

38. See discussion item 'g" above.

j. Sierra Club states: *"The company assumes this percentage based on GMO's recent experience with opt outs, but the company does not explain why an identical percentage of KCP&L customers should be expected to opt out as GMO customers, particularly in light of the fact that KCP&L has less energy-intensive customers than GMO does."*

39. The company used GMO-related Opt-Out information that was available at the time of the filing to adjust the potential DSM from large KCP&L C&I customers. Had specific KCP&L information been available to Navigant, the Potential Study would have made that adjustment in the Commercial and Industrial sector.

k. Sierra Club states: *"off-system sales revenue that was assumed to be generated under each resource plan was not tracked or reported"*

40. This issue has been addressed by KCP&L through a data request Sierra Club_20130809, Question 2. - Revenue for Off-System Sales is presented in the attachment to

that response. These revenues reduce the Net Present Value Rate Requirement (NPVRR) and are 100% allocated to the ratepayers.

l. Sierra Club states: *"KCP&L does not appear to have fairly evaluated wind resources in its modeling"*.

41. The comparison that the Sierra Club is making between the $/MWh cost that KCP&L provided for <u>ownership</u> of a wind resource to a $/MWh cost estimate related to a <u>Power Purchase Agreement</u> (PPA) is not a valid comparison. The wind cost provided on Slide 28 of the PowerPoint presentation KCP&L made to Parties at the April 11, 2013 Stakeholder meeting was a summation of Capital Costs, Fixed O&M, and Variable O&M assuming ownership of a 100 MW wind resource in terms of $/MWh. Ownership of a generating resource is a completely different financial structure than a PPA for a generating facility. It should be noted that capital cost assumption of a wind resource was provide to Parties at the Stakeholder Meeting in Jefferson City on April 11, 2013 and there was no discussion or comments from the Sierra Club regarding this cost estimate at that meeting.

m. Sierra Club states: *"the combined company plans has greater revenue requirements than the sum of the two individual company plans"*

42. KCP&L addressed this issue in its response to Sierra Club Data Request No. 7. As described in the IRP update (KCPL - Section 6.7 & GMO – Section 6.7), the combined company alternative resource plans were developed by combining main attributes of the two stand-alone company alternative resource plans. As part of this combining process, the timing of the future resource additions (both new generation and short term capacity purchases or sales)

needed to comply with reserve margin requirements, would be subject to changes when compared to the sum of the two stand-alone cases.

43. In the combined plan FIFCA (Combining KCPL Plan FDBKA and GMO Plan AICGA); the KCPL stand-alone plan added new gas-fired combustion turbines in 2026 and 2031 and GMO stand-alone plan added a new gas-fired combustion turbine in 2031. Similarly in the combined plan, three gas-fired combustion turbines were added – however the first addition was in 2016, with the other two added in 2030 and 2032. For the individual company plans, we assumed that up to 200MW of capacity could be purchased in 2016, and FDBKA required 200MW and AICGA required 100MW of capacity purchases. On a combined company basis, we held the maximum capacity purchase constant at 200MW. As a result of that limit, the combined company capacity shortfall required the building the first combustion turbine in 2016. Shifting the construction of this first CT forward ten years results in a significant increase in the revenue requirement for those years when compared to the sum of the two stand-alone plans that do not have the earlier construction.

44. In the combined plan FIECA (Combining KCPL Plan FDHKA and GMO Plan AICGA), there is no acceleration of the first new generation resource when comparing to the sum of the two stand-alone plans. The main difference between these two combined plans (FIFCA and FIECA) is that the retirement of the 340 MW capacity of Montrose Units 2 and 3 is delayed from 2016 (in FIFCA) to 2021 (in FIECA), which eliminated the need to construct new capacity in 2016. In FIECA, the first new CT built is in 2027, a full eleven years after the first build in plan FIFCA, which results in lower revenue requirements in the interim years than in plan FIFCA.

45. In the remaining plans, there are also shifts of the resource additions and capacity purchases and sales between the sum of the two underlying stand-alone company plans and the combined company plan that would impact the annual revenue requirements. However, these shifts are not as pronounced as in the FIFCA plan.

WHEREFORE, Kansas City Power & Light Company respectfully requests that the Commission accept this pleading as its Response To The Order Directing Filing issued on August 22, 2013, and close this file without additional hearings.

Respectfully submitted,

/s/ Roger W. Steiner

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ATTORNEYS FOR
KANSAS CITY POWER & LIGHT COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, this 13th day of September, 2013 to all counsel of record in this case.

/s/ James M. Fischer

James M. Fischer