

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 1st day of
May, 2012.

In the Matter of Application of Kansas City Power	)	
& Light Company for Approval of the Accrual and	)	<u>File No. EO-2012-0068</u>
Funding of Wolf Creek Generating Station	)	
Decommissioning Costs at Current Levels.	)	

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: May 1, 2012

Effective Date: May 11, 2012

This order approves the stipulation and agreement between the Kansas City Power & Light Company (KCP&L) and the Staff of the Commission regarding KCP&L's funding for the decommissioning of its Wolf Creek Generating Station.

Commission rule 4 CSR 240-3.185 (3) states, in part:

On or before September 1, 1990, and every three years after that, utilities with decommissioning trust funds shall perform and file with the commission cost studies detailing the utilities' latest cost estimates for decommissioning their nuclear generating unit(s) along with the funding levels necessary to defray these decommissioning costs. These studies shall be filed along with appropriate tariff(s) effectuating the change in rates necessary to accomplish the funding required.

On August 31, 2011, KCP&L filed an application pertaining to Wolf Creek asking the Commission to: (a) find that the 2011 cost study satisfies the requirements of 4 CSR 240-3.185(3); (b) approve the 2011 decommissioning cost estimate of \$630,135,000; (c) approve the continuation of the annual accrual at the current level of \$1,281,264; and (d) find that the Wolf Creek decommissioning costs are included in KCP&L's current cost of service and are reflected in current rates for ratemaking purposes.

Staff and KCP&L filed a non-unanimous stipulation and agreement on April 16, 2012. Commission rule 4 CSR 240-2.115 provides that if no party objects to a non-unanimous stipulation and agreement within seven days of its filing, the Commission will treat the stipulation and agreement as unanimous. The Office of the Public Counsel, the only other party, did not sign the stipulation and agreement, but has not opposed the agreement. Therefore, the Commission will treat the stipulation and agreement as unanimous.

The stipulation and agreement asks the Commission to:

- Approve the stipulation and agreement;
- Receive into evidence the stipulation and agreement and the 2011 cost study;
- Find that KCP&L's 2011 cost study satisfies the requirements of 4 CSR 240-3.185(3);
- Find that KCP&L's Missouri retail jurisdiction annual decommissioning expense accruals and trust fund payments shall continue at the current level of \$1,281,264;
- Find that the annual decommissioning costs are included in KCP&L's current Missouri cost of service and are reflected in its current Missouri retail rates for ratemaking purposes; and
- Authorize KCP&L to continue to record and preserve Wolf Creek asset retirement obligation costs, as agreed to by the Staff, Public Counsel, and KCP&L, and authorized by the Commission in Case No. EU-2004-0294.

Having considered the August 2011 decommissioning cost study for the Wolf Creek Generating Station and the stipulation and agreement, both of which are received into evidence, the Commission determines that the stipulation and agreement should be approved. In doing so, the Commission finds that KCP&L's 2011 cost study satisfies the requirements of 4 CSR 240-3.185(3). In addition, the Commission finds that KCP&L's Missouri retail jurisdiction annual decommissioning expense accruals and trust fund

payments shall continue at the current level of \$1,281,264. The Commission also finds that the current decommissioning costs for Wolf Creek are included in KCP&L's current Missouri cost of service and are reflected in its current Missouri retail rates for ratemaking purposes.

THE COMMISSION ORDERS THAT:

1. The stipulation and agreement filed by the Kansas City Power & Light Company and the Staff of the Missouri Public Service Commission on April 16, 2012, is approved.

2. The signatories shall comply with the terms of the stipulation and agreement.

3. Kansas City Power & Light Company's retail jurisdiction annual decommissioning expense accruals and trust fund payments shall continue at the current level of \$1,281,264.

4. The current decommissioning costs for Wolf Creek are included in Kansas City Power & Light Company's current Missouri cost of service and are reflected in its current Missouri retail rates for ratemaking purposes.

5. Kansas City Power & Light Company is authorized to continue to record and preserve Wolf Creek asset retirement obligation costs, as agreed by the Commission Staff, the Office of the Public Counsel, and KCP&L and authorized by the Commission in Case No. EU-2004-0294.

6. This order shall become effective on May 11, 2012.

7. This file shall be closed on May 12, 2012.

BY THE COMMISSION

(S E A L)

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name and title.

Steven C. Reed
Secretary

Gunn, Chm., Jarrett and Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge