# Exhibit No. 213

Staff – Exhibit 213
Order from EO-94-199
File No. EO-2024-0002

Ex 213
rejected
[illegible] 1/31/24

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 3rd day of July, 1996.

| | | |
|---|---|---|
| In the Matter of the Customer Class Cost of Service and Comprehensive Rate Design Investigation of Kansas City Power & Light Company. | ) ) ) ) | Case No. EO-94-199 |

## ORDER APPROVING STIPULATION AND AGREEMENT

On May 28, 1996, a Stipulation And Agreement was filed in this case signed by the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (OPC), Kansas City Power & Light Company (KCPL), the Attorney General's Office of the State of Missouri, the United States Department of Energy, the Missouri Retailers Association, the City of Kansas City, Missouri, and Trigen-Kansas City Energy Corporation. The Stipulation And Agreement, if approved by this Commission, will affect the rates charged by KCPL. The Stipulation And Agreement requires a reduction in KCPL's revenue requirement in addition to a reallocation of revenue sources among customer classes.

The rate reductions agreed upon by the parties will occur in two phases. Under Phase I, KCPL will reduce annual Missouri electric revenues by $9 million for electric service provided on and after July 9, 1996. Under Phase II, KCPL will reduce annual Missouri electric revenues by an additional $11 million. The Phase II rate reduction will take place on the later of (1) the effective date of the Commission's Report And Order in Case No. EM-96-248, or (2) January 1, 1997; but, in any event, the Phase II rate reduction will take place no later than May 1, 1997.

The Stipulation And Agreement, without appendices, and a schedule showing the depreciation rates agreed upon by parties are attached to this order and designated as Attachment A.

The $9 million revenue reduction achieved under Phase I is allocated primarily to General Service customers with a small allocation to Large Power Service customers. The $11 million revenue reduction achieved under Phase II will be allocated to Residential, General Service, Large Power Service, and Lighting customers.

The Commission has considered the modification to the rate design reflected in the Stipulation And Agreement, the results of the class cost of service studies, and the Stipulation And Agreement and attached appendices. The Commission notes that the OPC, as representative of the Residential class of customers, has concurred in the Stipulation And Agreement, and regards the agreement as reasonable, with full knowledge that the new pricing structure may result in increased costs for some residential customers, depending on the customer's usage. While the Commission makes no finding and establishes no policy as to the methodology and principles surrounding the class cost of service studies and proposals, the Commission finds the resulting Stipulation just and reasonable.

The Commission has considered the depreciation rates proposed by the parties. The Commission finds that the modifications proposed by the parties are reasonable because they recognize the changes over the life of KCPL's physical assets. Thus, the Commission will approve the depreciation rates agreed upon by the parties.

The Commission has substantial concerns regarding the extremely limited time frame given the Commission in which to analyze and approve or reject the proposed Stipulation And Agreement. In the future, the Commission would strongly advise the parties which appear before it to allow the Commission adequate time for the proper and thorough study of the issues, particularly those which might involve far-reaching policy matters.

The Commission will order KCPL to send the attached notices to its customers. The following sentences should be added to the attached residential customer notice as a separate paragraph: "The new pricing structure may result in increased costs for some residential customers, depending on the customer's usage."

The Commission has jurisdiction over the matter pursuant to Chapters 386 and 393, R.S.Mo. 1986, as amended. The standard for Commission approval of the Stipulation And Agreement is whether it is just and reasonable.

The Commission has found the Stipulation And Agreement to be just and reasonable and, therefore, it should be approved. The Commission further concludes that KCPL should file tariffs in compliance with this order on July 5, 1996. The Commission will approve the tariff to be effective on July 9, 1996, since KCPL has waived the ten-day period and assumes the risks of the shortened period.

**IT IS THEREFORE ORDERED:**

1. That the Stipulation And Agreement filed in this case on May 28, 1996, be, and is hereby, approved and adopted for electric service provided by Kansas City Power & Light Company on and after July 9, 1996.

2. That the depreciation rates shown in the Stipulation And Agreement are hereby approved.

3. That the attached customer notice will be sent to all residential customers of Kansas City Power & Light Company with the additional sentence as set out above.

4. That the proposed tariff sheets attached to the joint Stipulation And Agreement as Appendix F shall be filed with the Commission

on or before July 5, 1996, to become effective for service rendered on and after July 9, 1996.

5. That the proposed tariff sheets attached to the Stipulation And Agreement as Appendix G shall be filed with the Commission at least ten (10) days prior to their proposed effective date, with the understanding that the Phase II rate reduction will take place on or before May 1, 1997.

6. That this order shall become effective on the 9th day of July, 1996.

BY THE COMMISSION

David L Rauch

David L. Rauch
Executive Secretary

( S E A L )

Zobrist, Chm., McClure, Kincheloe and Drainer, CC., concur.
Crumpton, C., dissents, with dissenting opinion to follow.

ALJ: Derque.

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

| | | |
|---|---|---|
| In the matter of the Customer Class Cost of Service and Comprehensive Rate Design Investigation of Kansas City Power and Light Company. | ) ) ) ) | Case No. EO-94-199 |

## STIPULATION AND AGREEMENT

As a result of discussions among the parties hereto, said signatories hereby submit to the Commission for its consideration and approval the following, including actions to be taken by Kansas City Power and Light Company (KCPL) and other parties in settlement of this case and of an earnings monitoring[1] by the Commission Staff and Office of the Public Counsel:

1. **Phase One**

   A. Commencing with electric service provided on and after July 9, 1996, KCPL shall reduce its annual Missouri electric revenues by $9.0 million (exclusive of license, occupation, franchise, gross receipts, or other similar fees or taxes). However, in the event that KCPL's billing system is capable of billing customers under the Phase One rates prior to July 9, 1996, KCPL will file tariff sheets with effective dates that correspond to the date KCPL's billing system will be operational for billing Phase One rates.

[1]This monitoring commenced in the latter part of 1995 and included, among other things, review of KCPL's cost of capital, examination of KCPL's financial books and records, study of KCPL's fuel costs, and review of a depreciation study submitted by KCPL in 1995 pursuant to 4 CSR 240-20.030(6).

B. This rate reduction (Phase One) shall be allocated to the General Service customers as shown on Appendix C. Summaries of various parties' class cost of service studies are attached as Appendix B and reflect the need for a reduction to the General Service customers. Sample tariff sheets to effectuate the $9 million rate reduction are attached as Appendix F. Tariff sheets in conformance with these tariff sheets will be filed by KCPL to implement the rate changes in Phase One.

C. KCPL shall be authorized to book the depreciation rates shown on Appendix E, commencing with the effective date of the Commission's order approving this Stipulation and Agreement. These rates increase KCPL's annual Missouri jurisdictional depreciation expense by approximately $5.5 million. Furthermore, KCPL will book an amortization totaling $3.5 million annually upon approval of this Stipulation and Agreement, which amortization shall continue until the Commission approves a change either: (1) upon agreement of the parties made with due regard to KCPL's then-existing earnings situation, or (2) in the course of a general rate proceeding. This does not preclude KCPL from requesting that this amortization be directed toward specific plant accounts or from requesting additional changes in depreciation rates that may result from depreciation studies.

2. **Phase Two**

A. KCPL shall reduce its annual Missouri electric revenues by an additional $11.0 million (exclusive of license, occupation, franchise, gross receipts, or other similar fees or taxes). This rate reduction shall take place on the later of the following dates: (1) the effective date of the Commission's Report and Order in Case No. EM-96-248, or

(2) January 1, 1997. In any event, the Phase Two rate reduction will take place no later than May 1, 1997.

B. This rate reduction (Phase Two) shall be allocated to the various customer classes as shown on Appendix D. Sample tariff sheets to effectuate the $11 million rate reduction are attached as Appendix G. Tariff sheets in conformance with these tariff sheets will be filed by KCPL to implement the rate changes in Phase Two.

C. The parties agree that the rates contained in Appendices F and G are just and reasonable for electric service on and after the effective dates of the respective tariff sheets. The parties agree not to request further reductions in or refunds of KCPL's rates in Case No. EM-96-248. This commitment does not prohibit parties from addressing the appropriateness or reasonableness of proposed alternative regulation plans in that docket. Furthermore, this commitment does not bind the parties after the conclusion of Case No. EM-96-248 with regard to the reasonableness of rates. This commitment also does not modify or change the current understanding between KCPL and the City of Kansas City concerning the absence of any requests for altering street light charges assessed against the City. Except for the implementation of Phase 2, this Stipulation and Agreement does not address the issue of charges for street lights within Kanas City, Missouri.

D. The parties recognize that the above mentioned rate reductions are in lieu of the two percent (2%) rate reduction for KCPL customers proposed by the Joint Applicants in Case No. EM-96-248.

3. Rate Design

The parties agree that the rate designs and rate structures[2] contained in Appendices F and G are just and reasonable and should be approved by the Commission. The parties also agree that KCPL's Optional Two-Part Time-of-Use Rate Schedule should be approved to be effective on November 1, 1996.[3]

4. KCPL agrees to file tariff sheets related to Standby Service and Special Contracts within thirty (30) days of the effective date of the Commission's Order Approving Stipulation and Agreement. The existing Standby or Breakdown Service (Frozen) (Tariff Sheet No. 30, Schedule 1-SA) will remain in effect.

5. The parties agree that, based upon the review of KCPL's earnings that has occurred, it is unnecessary for KCPL to provide an annual cost of service report for 1995, as provided for in Case Nos. EO-85-185, EO-85-224 and EO-93-143.

6. The parties respectfully request that the Commission approve this Stipulation and Agreement no later than Friday, June 28, 1996, or as soon thereafter as practicable.

7. Accounting Matters

A. The rate levels agreed to in this Stipulation and Agreement reflect an estimate of outage costs for the Wolf Creek Generating Station. Because the refueling outages at Wolf Creek have occurred at 18 month intervals, the rate levels agreed to herein reflect 12/18 of these estimated outage costs.

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[2]A summary of Rate Design Changes is attached as Appendix A. This summary is intended as the Commission Staff's and KCPL's explanation of the various rate design changes and is not necessarily agreed to by other parties to this proceeding.

[3]This is a new optional rate that presently serves no customers. It will be necessary to take additional time to program KCPL's computer to implement and bill this rate. No customers will be affected by this later effective date.

B. KCPL settled a contract dispute in 1989 with Pittsburgh and Midway Coal Mining Company. Subsequently, in Case No. EO-90-126, the Commission authorized KCPL to defer the costs related to that settlement. In this Stipulation and Agreement, both the unamortized portion of these costs and their amortization are reflected in the rate levels to which the parties have agreed.

C. The rate levels agreed to in the Stipulation and Agreement reflect the amortization, under the Average Rate Assumption Method (ARAM), of excess deferred income tax credits.

8. **Commission Rights**

Nothing in this Stipulation and Agreement is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right of access to information, and any statutory obligation.

9. **Staff Rights**

If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of the Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement.

The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

10. No Acquiescence

None of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any question of Commission authority, cost of capital methodology, capital structure determination, ratemaking principle, valuation methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation, cost recovery, or prudence, that may underlie this Stipulation and Agreement, or for which provision is made in this Stipulation and Agreement.

11. **Negotiated Settlement**

This Stipulation and Agreement represents a negotiated settlement. Except as specified herein, the signatories to this Stipulation and Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation and Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the

Commission decide not to approve this Stipulation and Agreement in the instant proceeding, or in any way condition approval of same.

**12. Provisions are Interdependent**

The provisions of this Stipulation and Agreement have resulted from negotiations among the signatories and are interdependent. In the event that the Commission does not approve and adopt the terms of this Stipulation and Agreement in total, it shall be void and no party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof.

**13. Waive Rights to Cross Examination, etc.**

In the event the Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights to cross-examine witnesses; their respective rights to present oral argument and written briefs pursuant to Section 536.080.1, RSMo 1994; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 1994; and their respective rights to judicial review pursuant to Section 386.510, RSMo 1994. This waiver applies only to a Commission Report and Order issued in this proceeding, and does not apply to any matters raised in any subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation and Agreement.

WHEREFORE, the signatories respectfully request that the Commission issue its Order approving this Stipulation and Agreement and directing Kansas City Power and Light Company to file tariff sheets substantially identical to those attached hereto.

Respectfully submitted,

STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION

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## CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing Stipulation and Agreement have been hand-delivered or mailed, postage prepaid, to all counsel of record this 28th day of May, 1996.

James M. Fischer

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# IMPORTANT INFORMATION ON NEW PRICING

Following months of joint analysis with the Missouri Public Service Commission, Kansas City Power & Light announces its new pricing structure, which will result in KCPL reducing its Missouri revenue by $20 million annually. The new pricing structure reflects more closely the actual cost to serve our customers.

There will be separate summer and winter prices for our Missouri residential customers. Because our costs to serve customers are higher in the four summer months, prices will be higher during that season. However, prices will be correspondingly lower in the remaining eight months to reflect lower costs of service in that period.

The new pricing will be implemented in two phases: Phase I will be effective no later than July 9, 1996, while Phase II will be effective no later than May 1, 1997.

If you have any questions or need more information about the new pricing structure, please call (816) 471-KCPL.

KCPL.

# IMPORTANT INFORMATION ON NEW PRICING

Following months of joint analysis with the Missouri Public Service Commission, Kansas City Power & Light announces its new pricing structure, which will result in KCPL reducing its Missouri revenue by $20 million annually. The new pricing structure reflects more closely the actual cost to serve our customers.

There will be separate summer and winter prices for our Missouri commercial and industrial customers. Because our costs to serve customers are higher in the four summer months, prices will be higher during that season. However, prices will be correspondingly lower in the remaining eight months to reflect lower costs of service in that period.

Effective with the current bill statement, you will be placed on the new rate schedule expected to give you the lowest annual bill based on your recent electricity usage pattern. During the course of the next year, we will analyze again whether or not you are on the rate which best fits your usage pattern. If this follow-up analysis determines that you could have saved money on a rate schedule other than the one we assigned you, we will switch you to the more economical rate and credit your bill for the amount you would have saved.

The new pricing will be implemented in two phases: PHASE I will be effective no later than July 9, 1996, while PHASE II will be effective no later than May 1, 1997.

If you have any questions or need more information about the new pricing structure, please call (816) 471-KCPL.

KCPL.

Schedule 1

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

| | | |
|---|---|---|
| In the matter of the Customer Class Cost of Service and Comprehensive Rate Design Investigation of Kansas City Power and Light Company. | ) | Case No. EO-94-199 |

STIPULATION AND AGREEMENT

Appendix A
Appendix B
Appendix C
Appendix D
Appendix E-1
Appendix E-2
Appendix F
Appendix G

Appendix A

# KANSAS CITY POWER & LIGHT COMPANY CASE NO. EO-94-199
# GENERAL FEATURES OF THE STIPULATED RATE DESIGN

## CLASS REVENUE REQUIREMENTS ARE BEING MOVED TOWARD COST OF SERVICE LEVELS

The results of the class cost of service studies exchanged by the parties and shown in Appendix B indicate that substantial decreases to the Small General Service, Medium General Service, and Large General Service customer classes are warranted.

This rate design is based on a two-phase reduction in KCPL's revenues. Phase I rates were designed with the residential, large power, lighting, and miscellaneous classes remaining at current revenue levels and the three general service classes (Small GS, Medium GS, and Large GS) receiving a combined decrease of $9,000,000.

Phase II rates were designed to provide an additional decrease of $11,000,000 in rate revenues. The residential, large power, lighting, and miscellaneous classes will each receive a 2.00% reduction from Phase I revenue levels. The remainder of the decrease will be shared by the three general service classes. This results in an additional 3.27% decrease to those classes.

Customers currently served on Special Contracts will remain at current revenue levels during both Phases I and II.

## STATUS OF CURRENT TARIFFS AND RIDERS

The intent of this stipulation is to replace most of KCPL's current Missouri general application tariffs with the tariffs shown in Appendix F, to eliminate certain special use tariffs, to implement an optional two-part time-of-use rate schedule for non-residential customers, and to leave selected tariffs unchanged.

The current tariffs which will be replaced are:

| | |
|---|---|
| Residence & Rural Residence (R) | Residential Time of Day Service (RTDE) |
| General Service-Small (1-GS,3-GS) | General Service-All Electric (GA) |
| General Service-Large (1-GL,3-GL) | Primary Service-Large (PL) |

The current tariffs which will be eliminated are:

| | |
|---|---|
| Residence Demand Service (RDS) | Residential Time of Day Service (RTDD) |
| Schools & Churches (1-SC,3-SC) | Seasonal Recreational (1-SR,3-SR) |
| Water & Sewer Pumping (1-WS,3-WS) | Summer Amusement Parks (1-SP) |
| School Trailers with Space Heat | |

KCPL's current lighting tariffs and traffic signal tariffs will be retained with the current rate structure and language. The rate levels on these tariffs will remain at current levels until the implementation of Phase II rates. These tariffs are:

- Municipal Street Lighting (1-ML, 3-ML)
- Private Unmetered Protective Lighting (AL)
- Commercial Street Lighting (1-CL)
- Municipal Traffic Control Signal (1-TR)
- Standby or Breakdown (SA)

The only change to KCPL's current tariff riders is an expansion of the off-peak hours in the Off-Peak Service Option.

## CUSTOMER CHOICE OF NEW TARIFFS

Customers may choose to be served on any new tariff for which the customer qualifies. However, customers will initially be placed on whichever new tariff appears to be the most advantageous given the customer's size, load characteristics, and end use.

In addition, non-residential customers will now have the option of choosing to be served on a time-of-use rate.

## FEATURES OF THE NEW RESIDENTIAL TARIFFS

A single general application tariff and an optional time-of-day tariff have been designed for residential customers. They will be designated as Residential Service (R) and Residential Time of Day Service (RTOD).

Customer charges are being increased to better reflect the costs associated with service drops, meters, meter reading, billing, and customer assistance.

Geographic distinctions (urban vs rural) in the level of the customer charge will be eliminated.

Customers with separately metered space heat will continue to pay a higher monthly customer charge than standard customers to account for the additional meter.

The new residential tariff increases the summer/winter rate differential to better reflect KCPL's seasonal costs.

Declining block energy charges in the summer, which result in a customer's average cost per kWh declining with additional electricity use, are being replaced with a uniform summer energy rate. This rate structure will send customers a more appropriate price signal.

Special pricing of water heat kWh will be eliminated.

## GENERAL DESCRIPTION OF THE NEW COMMERCIAL & INDUSTRIAL TARIFFS

Four general application tariffs and three all-electric tariffs for commercial and industrial customers have been designed. The general application tariffs are designated as Small General Service, Medium General Service, Large General Service, and Large Power Service. Each is intended to serve customers with similar size and load factor characteristics. Both commercial and industrial customers will be served on each tariff. The all-electric tariffs mirror the Small GS, Medium GS, and Large GS general application tariffs in terms of size and rate structure but they require the customer to use electricity as the sole means of providing space heating, cooling, and water heating. The Large Power general application tariff has no companion all-electric tariff.

Small General Service: This tariff was designed for the very small (under 25 kW) commercial and industrial customer. These customers typically have fairly low load factors.

Medium General Service: This tariff was designed for the medium size (25 - 200 kW) customer with a moderate load factor. Customers must have, or be willing to assume, a 25 kW minimum demand for service on this tariff.

Large General Service: This tariff was designed for the large size (200 - 1000 kW) customer with a higher load factor. Customers must have, or be willing to assume, a 200 kW minimum demand for service on this tariff.

Large Power Service: This tariff was designed for the largest size (1000+ kW) customer with a very high load factor. Customers must have, or be willing to assume, a 1000 kW minimum demand for service on this tariff.

Rate structures and rate levels on the new commercial & industrial tariffs have been synchronized in such a way that there is little difference in the annual bill of a customer near the boundary of two tariffs. This rate continuity allows for an orderly transition from one tariff to another as the customer grows.

The Small GS, Medium GS, and Large GS general application tariffs each contain a provision for pricing separately metered space heat kWh at the tail block (lowest price) energy rate in the winter.

Customer bills on each of the all-electric tariffs will be identical in the summer to those on the companion general application tariff, but winter bills will be lower.

Special pricing of separately metered water heat kWh will be eliminated. Energy and demands from this meter will be combined with energy and demands from the general use meter prior to billing.

## FEATURES OF THE NEW COMMERCIAL & INDUSTRIAL TARIFFS

### UNBUNDLED CHARGES

Charges on the new tariffs have been unbundled to better match the way in which costs are incurred with the way in which costs are recovered.

Customer charges, which recover the costs associated with meter reading, billing, customer assistance, and facilities on the customers' premises, will be implemented for all customers. These charges will be specific to both the tariff and the customer's size.

Facilities charges, which recover the costs associated with lines and transformers, will be implemented for all customers in excess of 25 kW. This charge will be based on each customer's annual maximum demand.

Demand charges will be implemented for all but Small General Service customers.

All tariffs will have energy charges based on the customer's hours use (monthly load factor). These charges, which recover time-of-use costs, provide price incentives to customers to improve their load factor.

### SEASONAL CHARGES

Each new tariff contains seasonally differentiated rates (summer rates higher than winter rates) to better reflect KCPL's seasonal costs.

Energy charges on all tariffs are seasonally differentiated.

The Medium GS, Large GS, and Large Power tariffs also contain seasonally differentiated demand charges.

### VOLTAGE LEVEL DISTINCTIONS

The General Service and Large Power tariffs recognize voltage level differences between customers.

The levels of the facilities charge account for customer ownership of specific distribution equipment.

The levels of the demand and energy charges reflect the differences in losses at various delivery voltage levels.

If the customer's metering voltage differs from the delivery voltage, the metered demand and energy will be adjusted to reflect losses between the two voltage levels.

Comparison of Class COSs
Submitted on January 22, 1996 - Except MCM 1 & 2
(MCM 1 & 2 Submitted on March 29, 1996)
KCPL Rate Design Case
Docket No. EO-94-199

APPENDIX B

REVENUE CHANGE (000's)

| | RES | SGS | MGS | LGS | LPS | |
|---|---|---|---|---|---|---|
| KCPL - Embedded 4 CP | $ 25,465 | $ (3,544) | $ (3,480) | $ (7,669) | $ (10,771) | |
| KCPL - MCM 1 Proportional (Mar. COS) | 27,100 | 544 | (9,792) | (10,629) | (7,220) | |
| KCPL - MCM 2 Peaker (Mar. COS) | 27,100 | 326 | (10,383) | (10,774) | (5,998) | |
| MPSC Staff | 12,720 | (5,594) | (7,899) | (3,774) | 4,546 | |
| Public Counsel | 8,338 | (6,871) | (5,927) | (1,741) | 6,200 | |
| DOE | 28,423 | (3,860) | (4,179) | (8,580) | (13,466) | +1662 for SL & Other |
| Current Revenue | 149,721 | 36,255 | 65,717 | 72,307 | 111,072 | MO Total=435,072 |

PERCENT REVENUE CHANGE

| | RES | SGS | MGS | LGS | LPS |
|---|---|---|---|---|---|
| KCPL - Embedded | 17.01% | -9.78% | -5.30% | -10.61% | -9.70% |
| KCPL - MCM 1 Proportional (Mar. COS) | 18.10% | 1.50% | -14.90% | -14.70% | -6.50% |
| KCPL - MCM 2 Peaker (Mar. COS) | 18.10% | 0.90% | -15.80% | -14.90% | -5.40% |
| MPSC Staff | 8.50% | -15.43% | -12.02% | -5.22% | 4.09% |
| Public Counsel | 5.57% | -18.95% | -9.02% | -2.41% | 5.58% |
| DOE | 18.98% | -10.65% | -6.36% | -11.87% | -12.12% |

APPENDIX C

## REVENUE IMPACTS OF KCPL'S PHASE ONE RATE CHANGES - WEATHER NORMALIZED
## TWELVE MONTHS ENDED MARCH 31, 1995

| | Revenue on Current Rates | Revenue on Phase One Rates | Change in Revenue | Percent Change in Revenue |
|---|---|---|---|---|
| Residential | $ 149,721,293 | $ 149,717,857 | $ (3,436) | 0.0% |
| General Service - Small | $ 36,255,476 | $ 33,630,677 | $ (2,624,799) | -7.2% |
| General Service - Medium | $ 65,716,997 | $ 61,526,679 | $ (4,190,318) | -6.4% |
| General Service - Large | $ 72,110,309 | $ 70,110,334 | $ (1,999,975) | -2.8% |
| Large Power Service | $ 109,858,572 | $ 109,663,109 | $ (195,463) | -0.2% |
| Lighting and Miscellaneous | $ 10,784,804 | $ 10,784,804 | $ - | 0.0% |
| Total Missouri Jurisdiction Electric Tariff Revenues | $ 444,447,451 | $ 435,433,459 | $ (9,013,992) | -2.0% |

APPENDIX D

REVENUE IMPACTS OF KCPL'S PHASE TWO RATE CHANGES - WEATHER NORMALIZED
TWELVE MONTHS ENDED MARCH 31, 1995

| | Revenue on Phase One Rates | Revenue on Phase Two Rates | Change in Revenue | Percent Change in Revenue |
|---|---|---|---|---|
| Residential | $ 149,717,857 | $ 146,721,868 | $ (2,995,989) | -2.0% |
| General Service - Small | $ 33,630,677 | $ 32,534,881 | $ (1,095,796) | -3.3% |
| General Service - Medium | $ 61,526,679 | $ 59,511,564 | $ (2,015,115) | -3.3% |
| General Service - Large | $ 70,110,334 | $ 67,828,319 | $ (2,282,015) | -3.3% |
| Large Power Service | $ 109,663,109 | $ 107,266,010 | $ (2,397,100) | -2.2% |
| Lighting and Miscellaneous | $ 10,784,804 | $ 10,569,108 | $ (215,696) | -2.0% |
| Total Missouri Jurisdiction Electric Tariff Revenues | $ 435,433,459 | $ 424,431,749 | $ (11,001,710) | -2.5% |

# Kansas City Power & Light Company
## Depreciation Rates
## Case No. EO-94-199

| Account | Acct No. | Existing Rates | Average Service Life | Net Salvage | Depreciation Rate |
|---|---|---|---|---|---|
| Total Steam Production | | | | | |
| Structures & Improvements | 311 | 3.31% | 30.5 | -1.0% | 3.31% |
| Boiler Plant Equipment (excl Trains) | 312 | 3.63% | 28.6 | -4.0% | 3.63% |
| Turbogenerator Units | 314 | 3.13% | 32.3 | -1.0% | 3.13% |
| Accessory Electric Equipment | 315 | 3.23% | 31.3 | -1.0% | 3.23% |
| Miscellaneous Power Plant Equipment | 316 | 3.50% | 28.0 | 2.0% | 3.50% |
| Total Nuclear Production (Note) | | | | | |
| ***Structures & Improvements*** | ***321*** | ***2.60%*** | ***33.1*** | ***-2.0%*** | ***3.08%*** |
| ***Reactor Plant Equipment*** | ***322*** | ***2.60%*** | ***33.0*** | ***-2.0%*** | ***3.09%*** |
| ***Turbogenerator Units*** | ***323*** | ***2.60%*** | ***33.1*** | ***-3.0%*** | ***3.11%*** |
| ***Accessory Electric Equipment*** | ***324*** | ***2.60%*** | ***33.0*** | ***0.0%*** | ***3.03%*** |
| ***Miscellaneous Power Plant Equipment*** | ***325*** | ***2.60%*** | ***32.5*** | ***0.0%*** | ***3.08%*** |
| ***Nuclear Plant Write-Off*** | ***328*** | ***2.60%*** | ***33.0*** | ***0.0%*** | ***3.03%*** |
| Total Combustion Turbines | | | | | |
| Fuel Holders, Producers, & Acc. | 342 | 4.12% | 24.3 | 0.0% | 4.12% |
| Generators | 344 | 4.12% | 24.3 | 0.0% | 4.12% |
| Accessory Electric Equipment | 345 | 4.12% | 24.3 | 0.0% | 4.12% |
| Total Transmission Plant | | | | | |
| Structures & Improvements | 352 | 1.36% | 73.5 | 0.0% | 1.36% |
| ***Station Equipment*** | ***353*** | ***2.58%*** | ***42.0*** | ***6.0%*** | 2.24% |
| Towers & Fixtures | 354 | 2.00% | 50.0 | 0.0% | 2.00% |
| ***Poles & Fixtures*** | ***355*** | ***1.87%*** | ***39.0*** | ***-40.0%*** | ***3.59%*** |
| ***Overhead Conductors & Devices*** | ***356*** | ***1.22%*** | ***48.0*** | ***-49.0%*** | ***3.10%*** |
| Underground Conduit | 357 | 1.32% | 75.5 | 0.0% | 1.32% |
| Underground Conductors & Dev. | 358 | 2.55% | 39.2 | 0.0% | 2.55% |

Note: Bold/Italicized accounts are those with revised depreciation rates.
Shaded column represents current MoPSC authorized rates per Depreciation Authority Order No. 148, dated 9 Jun 86.
Nuclear Production rates are based on a 40 year lifespan.

| Account | Acct No. | Existing Rates | Average Service Life | Net Salvage | Depreciation Rate |
|---|---|---|---|---|---|
| Total Distribution Plant | | | | | |
| Structures & Improvements | 361 | 2.96% | 33.8 | 0.0% | 2.96% |
| ***Station Equipment*** | ***362*** | ***2.18%*** | ***45.0*** | ***10.0%*** | ***2.00%*** |
| ***Poles, Towers, & Fixtures*** | ***364*** | ***2.86%*** | ***32.0*** | ***-31.0%*** | ***4.09%*** |
| ***Overhead Conductors & Devices*** | ***365*** | ***2.46%*** | ***41.0*** | ***17.0%*** | ***2.02%*** |
| Underground Conduit | 366 | 1.33% | 75.3 | 0.0% | 1.33% |
| ***Underground Conductors & Dev*** | ***367*** | ***2.20%*** | ***65.0*** | ***20.0%*** | ***1.23%*** |
| ***Line Transformers*** | ***368*** | ***2.91%*** | ***30.0*** | ***7.0%*** | ***3.10%*** |
| Services | 369 | 3.14% | 33.8 | -6.0% | 3.14% |
| Meters | 370 | 4.31% | 23.6 | -2.0% | 4.31% |
| Install on Customers' Premises | 371 | 9.51% | 10.9 | -4.0% | 9.51% |
| Street Lighting & Signal Systems | 373 | 3.69% | 24.4 | 10.0% | 3.69% |
| Total General Plant | | | | | |
| Structures & Improvements | 390 | 2.54% | 39.4 | 0.0% | 2.54% |
| Office Furniture and Equipment | 391 | 5.40% | 18.4 | 1.0% | 5.40% |
| Transportation Equipment | 392 | 5.43% | 13.3 | 28.0% | 5.43% |
| Stores Equipment | 393 | 3.58% | 27.1 | 3.0% | 3.58% |
| Tools, Shop & Garage Equipment | 394 | 2.61% | 37.5 | 2.0% | 2.61% |
| Laboratory Equipment | 395 | 3.37% | 29.4 | 1.0% | 3.37% |
| Power Operated Equipment | 396 | 5.55% | 16.2 | 10.0% | 5.55% |
| Communication Equipment | 397 | 2.50% | 38.8 | 3.0% | 2.50% |
| Miscellaneous Equipment | 398 | 3.16% | 31.3 | 1.0% | 3.16% |

Note: Bold/Italicized accounts are those with revised depreciation rates.

Shaded column represents current MoPSC authorized rates per Depreciation Authority Order No. 148, dated 9 Jun 86.

# KANSAS CITY POWER & LIGHT COMPANY CASE NO. EO-94-199
# THE CUMULATIVE IMPACTS OF THE STIPULATED RATE DESIGN AND $20 MILLION RATE REDUCTION

FILED

JUN 1 9 1996

MISSOURI
PUBLIC SERVICE COMMISSION

## RESIDENTIAL

Overall residential revenues will be 2% lower than current revenue levels.

The revenue impact will vary by residential end use group. The revenues which will be collected from most of the end use groups will be lower than current revenue levels. The exception is those groups with electric water heating, in which case revenues will increase as a result of eliminating the special pricing of water heat energy.

The impact on any individual residential customer's annual electricity bill will depend upon the customer's specific pattern of energy use during the year.

The stipulated residential rates will result in 43% of residential general use customers experiencing a decrease in their annual electricity bill. Over 90% of all residential customers are in the general use end use group.

The stipulated residential rates will result in 57% of residential general use customers experiencing an increase in their annual electricity bill.

- 91% of the customers who will experience an increase will experience an average increase of $1.00 or less per month.
- 99% of the customers who will experience an increase will experience an average increase of $2.00 or less per month.
- No customer will experience an average monthly increase greater than $4.00 per month.

## COMMERCIAL & INDUSTRIAL

Each of the newly designed tariffs will collect less revenue than the customers on those tariffs pay, in aggregate, on current rates.

- Small General Service tariff revenues will be 10.15% lower than current revenues.
- Medium General Service tariff revenues will be 9.69% lower than current revenues.
- Large General Service tariff revenues will be 5.76% lower than current revenues.
- Large Power Service tariff revenues will be 2.08% lower than current revenues.

The impact on any individual commercial or industrial customer's annual bill will depend upon the customer's size and load characteristics and on the current tariff on which he is served.

## OTHER TARIFFS

Customers currently served on the Municipal Street Lighting, Private Unmetered Protective Lighting, Commercial Street Lighting, Municipal Traffic Control Signal, and Standby or Breakdown tariffs will each experience a 2% decrease in their annual electricity bill.

Rates for customers currently served on Special Contracts will remain unchanged.

## THE REVENUE IMPACT OF STIPULATED RATES ON CUSTOMERS
## RESIDENTIAL

### PHASE ONE

| End Use Group | Standard Tariff | | Single Meter Tariff | | Two Meter Tariff | | Total Residential | |
|---|---|---|---|---|---|---|---|---|
| | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs |
| Residential General Use | -0.43% | 198,092 | | | | | -0.43% | 198,092 |
| Residential w/ Water Heat | 2.56% | 4,858 | | | | | 2.56% | 4,858 |
| Residential w/ Space Heat | | | -0.02% | 1,305 | -0.77% | 2,275 | -0.50% | 3,580 |
| Residential w/ Space & Water Heat | | | 0.44% | 3,251 | 4.93% | 8,969 | 3.93% | 12,220 |
| Total | -0.34% | 202,950 | 0.33% | 4,556 | 4.09% | 11,244 | 0.00% | 218,750 |

### PHASE TWO

| End Use Group | Standard Tariff | | Single Meter Tariff | | Two Meter Tariff | | Total Residential | |
|---|---|---|---|---|---|---|---|---|
| | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs |
| Residential General Use | -2.42% | 198,092 | | | | | -2.42% | 198,092 |
| Residential w/ Water Heat | 0.47% | 4,858 | | | | | 0.47% | 4,858 |
| Residential w/ Space Heat | | | -2.02% | 1,305 | -2.66% | 2,275 | -2.43% | 3,580 |
| Residential w/ Space & Water Heat | | | -1.62% | 3,251 | 2.83% | 8,969 | 1.84% | 12,220 |
| Total | -2.33% | 202,950 | -1.72% | 4,556 | 2.02% | 11,244 | -2.00% | 218,750 |

Note: Calculations labeled as Phase Two display impacts which have been calculated from current rate levels and thus represent the cumulative effect of implementing both the rate design and the $20 million rate reduction.

Rvcd 6/27/96

# THE DISTRIBUTION OF CUSTOMER IMPACTS - PHASE ONE
## RESIDENTIAL GENERAL USE

### THE PROPORTION OF CUSTOMERS WHO WILL RECEIVE INCREASES

| % Change | Dollar Increase in Monthly Bill | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| In Annual Bill | $0-$1 | $1-$2 | $2-$3 | $3-$4 | $4-$5 | $5-$6 | $6-$10 | $10-$15 | $15-$20 | Over $20 | Total |
| 0% - 1% | 5.53% | 0.00% | | | | | | | | | 5.53% |
| 1% - 2% | 4.40% | 2.61% | 0.01% | | | | | | | | 7.02% |
| 2% - 3% | 2.21% | 10.59% | 0.45% | 0.00% | | | | | | | 13.25% |
| 3% - 4% | 5.42% | 18.89% | 3.29% | 0.06% | 0.00% | | | | | | 27.67% |
| 4% - 5% | 3.58% | 4.18% | 3.18% | 0.29% | 0.01% | | | | | | 11.24% |
| 5% - 6% | 1.78% | 0.16% | 0.25% | 0.19% | 0.03% | 0.00% | | | | | 2.42% |
| 6% - 7% | 0.83% | 0.01% | 0.00% | 0.01% | 0.01% | 0.00% | | | | | 0.87% |
| 7% - 8% | 0.39% | 0.00% | 0.00% | | | | | | | | 0.40% |
| 8% - 9% | 0.26% | | | | | | | | | | 0.26% |
| 9% - 10% | 0.17% | | | | | | | | | | 0.17% |
| 10% - 11% | 0.15% | 0.00% | | | | | | | | | 0.15% |
| 11% - 12% | 0.12% | | | | | | | | | | 0.12% |
| 12% - 13% | 0.11% | | | | | | | | | | 0.11% |
| 13% - 14% | 0.11% | | | | | | | | | | 0.11% |
| 14% - 15% | 0.11% | | | | | | | | | | 0.11% |
| 15% - 16% | 0.17% | | | | | | | | | | 0.17% |
| 16% - 17% | 0.50% | | | | | | | | | | 0.50% |
| > 17% | | | | | | | | | | | |
| Total | 25.92% | 36.46% | 7.19% | 0.55% | 0.05% | 0.00% | | | | | 70.18% |

### THE PROPORTION OF CUSTOMERS WHO WILL RECEIVE DECREASES

| % Change | Dollar Decrease in Monthly Bill | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| In Annual Bill | $0-$1 | $1-$2 | $2-$3 | $3-$4 | $4-$5 | $5-$6 | $6-$10 | $10-$15 | $15-$20 | Over $20 | Total |
| 0% - 1% | 5.08% | 0.02% | | | | | | | | | 5.10% |
| 1% - 2% | 1.76% | 2.71% | 0.06% | 0.00% | | | | | | | 4.53% |
| 2% - 3% | 0.05% | 2.14% | 1.73% | 0.13% | 0.01% | 0.00% | | | | | 4.06% |
| 3% - 4% | 0.00% | 0.22% | 1.74% | 1.37% | 0.25% | 0.04% | 0.01% | | | | 3.62% |
| 4% - 5% | | 0.02% | 0.39% | 1.26% | 1.12% | 0.36% | 0.10% | | | | 3.24% |
| 5% - 6% | | 0.01% | 0.05% | 0.35% | 0.82% | 0.79% | 0.56% | 0.01% | | | 2.58% |
| 6% - 7% | | 0.00% | 0.01% | 0.07% | 0.28% | 0.46% | 1.11% | 0.07% | 0.00% | | 2.01% |
| 7% - 8% | | | 0.00% | 0.02% | 0.06% | 0.17% | 1.07% | 0.20% | 0.01% | 0.00% | 1.54% |
| 8% - 9% | | 0.00% | 0.00% | 0.01% | 0.03% | 0.06% | 0.57% | 0.32% | 0.04% | 0.01% | 1.04% |
| 9% - 10% | | | | 0.00% | 0.01% | 0.02% | 0.28% | 0.30% | 0.07% | 0.02% | 0.69% |
| 10% - 11% | | | | | 0.00% | 0.01% | 0.12% | 0.23% | 0.08% | 0.04% | 0.47% |
| 11% - 12% | | | | 0.00% | 0.00% | 0.00% | 0.06% | 0.13% | 0.07% | 0.03% | 0.29% |
| 12% - 13% | | | 0.00% | | | 0.00% | 0.03% | 0.08% | 0.05% | 0.04% | 0.20% |
| 13% - 14% | | | | | | 0.00% | 0.01% | 0.06% | 0.03% | 0.04% | 0.14% |
| 14% - 15% | | | | | | | 0.01% | 0.02% | 0.03% | 0.03% | 0.09% |
| 15% - 16% | | | | | | | 0.00% | 0.02% | 0.02% | 0.02% | 0.06% |
| 16% - 17% | | | | | | | | 0.01% | 0.01% | 0.02% | 0.04% |
| > 17% | | | | | | | | 0.01% | 0.03% | 0.07% | 0.11% |
| Total | 6.89% | 5.12% | 3.98% | 3.20% | 2.56% | 1.92% | 3.93% | 1.44% | 0.43% | 0.33% | 29.82% |

## THE DISTRIBUTION OF CUSTOMER IMPACTS - PHASE TWO (CUMULATIVE EFFECT)
## RESIDENTIAL GENERAL USE

### THE PROPORTION OF CUSTOMERS WHO WILL RECEIVE INCREASES

| % Change In Annual Bill | Dollar Increase in Monthly Bill | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $0-$1 | $1-$2 | $2-$3 | $3-$4 | $4-$5 | $5-$6 | $6-$10 | $10-$15 | $15-$20 | Over $20 | Total |
| 0% - 1% | 12.88% | | | | | | | | | | 12.88% |
| 1% - 2% | 25.23% | 1.43% | | | | | | | | | 26.66% |
| 2% - 3% | 7.78% | 3.52% | 0.06% | 0.00% | | | | | | | 11.36% |
| 3% - 4% | 2.18% | 0.29% | 0.10% | 0.01% | | | | | | | 2.57% |
| 4% - 5% | 1.10% | 0.01% | 0.01% | | | | | | | | 1.12% |
| 5% - 6% | 0.56% | 0.00% | | | | | | | | | 0.56% |
| 6% - 7% | 0.32% | 0.00% | | | | | | | | | 0.32% |
| 7% - 8% | 0.21% | | | | | | | | | | 0.21% |
| 8% - 9% | 0.15% | | | | | | | | | | 0.15% |
| 9% - 10% | 0.12% | | | | | | | | | | 0.12% |
| 10% - 11% | 0.12% | | | | | | | | | | 0.12% |
| 11% - 12% | 0.10% | | | | | | | | | | 0.10% |
| 12% - 13% | 0.09% | | | | | | | | | | 0.09% |
| 13% - 14% | 0.10% | | | | | | | | | | 0.10% |
| 14% - 15% | 0.10% | | | | | | | | | | 0.10% |
| 15% - 16% | 0.16% | | | | | | | | | | 0.16% |
| 16% - 17% | 0.55% | | | | | | | | | | 0.55% |
| > 17% | | | | | | | | | | | |
| Total | 51.76% | 5.25% | 0.16% | 0.01% | | | | | | | 57.17% |

### THE PROPORTION OF CUSTOMERS WHO WILL RECEIVE DECREASES

| % Change In Annual Bill | Dollar Decrease in Monthly Bill | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $0-$1 | $1-$2 | $2-$3 | $3-$4 | $4-$5 | $5-$6 | $6-$10 | $10-$15 | $15-$20 | Over $20 | Total |
| 0% - 1% | 7.21% | 0.00% | | | | | | | | | 7.22% |
| 1% - 2% | 3.05% | 2.54% | 0.02% | | | | | | | | 5.61% |
| 2% - 3% | 0.11% | 3.59% | 1.36% | 0.05% | 0.00% | | | | | | 5.11% |
| 3% - 4% | 0.01% | 0.55% | 2.90% | 1.08% | 0.09% | 0.01% | 0.00% | | | | 4.64% |
| 4% - 5% | | 0.06% | 0.87% | 2.01% | 0.94% | 0.18% | 0.03% | | | | 4.10% |
| 5% - 6% | | 0.01% | 0.12% | 0.80% | 1.47% | 0.91% | 0.38% | 0.00% | | | 3.69% |
| 6% - 7% | | 0.00% | 0.02% | 0.20% | 0.60% | 1.09% | 1.34% | 0.03% | | | 3.29% |
| 7% - 8% | | 0.00% | 0.01% | 0.03% | 0.18% | 0.44% | 1.81% | 0.13% | 0.00% | | 2.61% |
| 8% - 9% | | 0.00% | | 0.01% | 0.04% | 0.14% | 1.39% | 0.39% | 0.03% | 0.00% | 2.00% |
| 9% - 10% | | 0.00% | 0.00% | 0.00% | 0.01% | 0.04% | 0.76% | 0.66% | 0.06% | 0.01% | 1.55% |
| 10% - 11% | | | | 0.00% | 0.01% | 0.02% | 0.34% | 0.48% | 0.12% | 0.03% | 1.00% |
| 11% - 12% | | | | | 0.00% | 0.01% | 0.14% | 0.35% | 0.16% | 0.05% | 0.70% |
| 12% - 13% | | | | | 0.00% | 0.00% | 0.05% | 0.19% | 0.13% | 0.08% | 0.45% |
| 13% - 14% | | | 0.00% | | | 0.00% | 0.02% | 0.11% | 0.08% | 0.07% | 0.28% |
| 14% - 15% | | | | | | 0.00% | 0.01% | 0.06% | 0.05% | 0.06% | 0.19% |
| 15% - 16% | | | | | | | 0.01% | 0.04% | 0.04% | 0.05% | 0.14% |
| 16% - 17% | | | | | | | 0.00% | 0.02% | 0.03% | 0.04% | 0.08% |
| > 17% | | | | | | | 0.00% | 0.02% | 0.05% | 0.13% | 0.20% |
| Total | 10.37% | 6.76% | 5.30% | 4.19% | 3.35% | 2.84% | 6.28% | 2.47% | 0.74% | 0.52% | 42.83% |

## THE IMPACT OF STIPULATED RATES ON A RESIDENTIAL CUSTOMER WITH AVERAGE MONTHLY USAGE OF 700 KWH

### CURRENT

| | Summer Average | Winter Average | Annual Average |
|---|---|---|---|
| Monthly Use (kWh) * | 952 | 574 | 700 |
| Monthly Bill on Current Rates | $76.77 | $45.67 | $56.04 |

### PHASE ONE

| | Summer Average | Winter Average | Annual Average |
|---|---|---|---|
| Monthly Bill on Phase One Rates | $80.79 | $46.24 | $57.76 |
| Dollar Change from Current | $4.02 | $0.56 | $1.72 |
| Percent Change from Current | 5.24% | 1.24% | 3.06% |

### PHASE TWO (CUMULATIVE EFFECT)

| | Summer Average | Winter Average | Annual Average |
|---|---|---|---|
| Monthly Bill on Phase Two Rates | $79.08 | $45.35 | $56.59 |
| Dollar Change from Current | $2.31 | ($0.33) | $0.55 |
| Percent Change from Current | 3.01% | -0.71% | 0.99% |

* These calculations are based on monthly usage equal to average usage per customer.

## THE REVENUE IMPACT OF STIPULATED RATES ON CUSTOMERS
## COMMERCIAL & INDUSTRIAL

### PHASE ONE

| KCPL Current Tariff * | Small GS Tariff | | Medium GS Tariff | | Large GS Tariff | | Large Power Tariff | |
|---|---|---|---|---|---|---|---|---|
| | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs |
| General Service-Small | -7.84% | 14,527 | -14.21% | 222 | | | | |
| General Service-Large | -7.73% | 2,223 | -7.16% | 2,654 | -3.13% | 489 | -3.82% | 35 |
| General Service-All Electric | -2.85% | 131 | 4.80% | 156 | -0.52% | 92 | | |
| Primary Service-Large | -49.50% | 1 | 27.49% | 6 | -2.05% | 52 | 0.57% | 75 |
| Schools & Churches | -1.48% | 776 | -13.97% | 163 | 15.11% | 2 | | |
| Water & Sewer Pumping | -2.43% | 68 | -15.49% | 13 | -2.12% | 1 | | |
| School Trailers w/ Space Heat | 35.32% | 25 | | | | | | |
| Seasonal Recreational | 56.54% | 24 | | | | | | |
| Summer Amusement Parks | -4.86% | 2 | 11.21% | 2 | -28.47% | 1 | | |
| Total by Tariff ** | -7.11% | | -6.63% | | -2.58% | | -0.08% | |

### PHASE TWO

| KCPL Current Tariff * | Small GS Tariff | | Medium GS Tariff | | Large GS Tariff | | Large Power Tariff | |
|---|---|---|---|---|---|---|---|---|
| | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs | % Change | No.of Custs |
| General Service-Small | -10.73% | 14,527 | -16.83% | 222 | | | | |
| General Service-Large | -11.01% | 2,223 | -10.23% | 2,654 | -6.30% | 489 | -5.69% | 35 |
| General Service-All Electric | -5.98% | 131 | 1.43% | 156 | -3.78% | 92 | | |
| Primary Service-Large | -51.33% | 1 | 24.18% | 6 | -5.25% | 52 | -1.45% | 75 |
| Schools & Churches | -4.55% | 776 | -16.70% | 163 | 11.76% | 2 | | |
| Water & Sewer Pumping | -5.35% | 68 | -18.10% | 13 | -5.14% | 1 | | |
| School Trailers w/ Space Heat | 30.81% | 25 | | | | | | |
| Seasonal Recreational | 54.06% | 24 | | | | | | |
| Summer Amusement Parks | -7.38% | 2 | 8.35% | 2 | -30.70% | 1 | | |
| Total by Tariff ** | -10.15% | | -9.69% | | -5.76% | | -2.08% | |

Note: Calculations labeled as Phase Two display impacts which have been calculated from current rate levels and thus represent the cumulative effect of implementing both the rate design and the $20 million rate reduction.

* All customers with full histories during the test year have been included in this analysis on their best tariff.
** Totals include all customers

| Account | Acct No. | Existing Rates | Average Service Life | Net Salvage | Depreciation Rate |
|---|---|---|---|---|---|
| Total Distribution Plant | | | | | |
| Structures & Improvements | 361 | 2.96% | 33.8 | 0.0% | 2.96% |
| ***Station Equipment*** | ***362*** | 2.18% | ***45.0*** | ***10.0%*** | ***2.00%*** |
| ***Poles, Towers, & Fixtures*** | ***364*** | 2.86% | ***32.0*** | ***-31.0%*** | ***4.09%*** |
| ***Overhead Conductors & Devices*** | ***365*** | 2.46% | ***41.0*** | ***17.0%*** | ***2.02%*** |
| Underground Conduit | 366 | 1.33% | 75.3 | 0.0% | 1.33% |
| ***Underground Conductors & Dev*** | ***367*** | 2.20% | ***65.0*** | ***20.0%*** | ***1.23%*** |
| ***Line Transformers*** | ***368*** | 2.91% | ***30.0*** | ***7.0%*** | ***3.10%*** |
| Services | 369 | 3.14% | 33.8 | -6.0% | 3.14% |
| Meters | 370 | 4.31% | 23.6 | -2.0% | 4.31% |
| Install on Customers' Premises | 371 | 9.51% | 10.9 | -4.0% | 9.51% |
| Street Lighting & Signal Systems | 373 | 3.69% | 24.4 | 10.0% | 3.69% |
| Total General Plant | | | | | |
| Structures & Improvements | 390 | 2.54% | 39.4 | 0.0% | 2.54% |
| Office Furniture and Equipment | 391 | 5.40% | 18.4 | 1.0% | 5.40% |
| Transportation Equipment | 392 | 5.43% | 13.3 | 28.0% | 5.43% |
| Stores Equipment | 393 | 3.58% | 27.1 | 3.0% | 3.58% |
| Tools, Shop & Garage Equipment | 394 | 2.61% | 37.5 | 2.0% | 2.61% |
| Laboratory Equipment | 395 | 3.37% | 29.4 | 1.0% | 3.37% |
| Power Operated Equipment | 396 | 5.55% | 16.2 | 10.0% | 5.55% |
| Communication Equipment | 397 | 2.50% | 38.8 | 3.0% | 2.50% |
| Miscellaneous Equipment | 398 | 3.16% | 31.3 | 1.0% | 3.16% |

Note: Bold/Italicized accounts are those with revised depreciation rates.
Shaded column represents current MoPSC authorized rates per Depreciation Authority Order No. 148, dated 9 Jun 86.

Appendix E-2

| Account | Acct No. | Existing Rates | Average Service Life | Net Salvage | Depreciation Rate |
|---|---|---|---|---|---|
| Total Distribution Plant | | | | | |
| Structures & Improvements | 361 | 2.96% | 33.8 | 0.0% | 2.96% |
| ***Station Equipment*** | ***362*** | ***2.18%*** | ***45.0*** | ***10.0%*** | ***2.00%*** |
| ***Poles, Towers, & Fixtures*** | ***364*** | ***2.86%*** | ***32.0*** | ***-31.0%*** | ***4.09%*** |
| ***Overhead Conductors & Devices*** | ***365*** | ***2.46%*** | ***41.0*** | ***17.0%*** | ***2.02%*** |
| Underground Conduit | 366 | 1.33% | 75.3 | 0.0% | 1.33% |
| ***Underground Conductors & Dev*** | ***367*** | ***2.20%*** | ***65.0*** | ***20.0%*** | ***1.23%*** |
| ***Line Transformers*** | ***368*** | ***2.91%*** | ***30.0*** | ***7.0%*** | ***3.10%*** |
| Services | 369 | 3.14% | 33.8 | -6.0% | 3.14% |
| Meters | 370 | 4.31% | 23.6 | -2.0% | 4.31% |
| Install on Customers' Premises | 371 | 9.51% | 10.9 | -4.0% | 9.51% |
| Street Lighting & Signal Systems | 373 | 3.69% | 24.4 | 10.0% | 3.69% |
| Total General Plant | | | | | |
| Structures & Improvements | 390 | 2.54% | 39.4 | 0.0% | 2.54% |
| Office Furniture and Equipment | 391 | 5.40% | 18.4 | 1.0% | 5.40% |
| Transportation Equipment | 392 | 5.43% | 13.3 | 28.0% | 5.43% |
| Stores Equipment | 393 | 3.58% | 27.1 | 3.0% | 3.58% |
| Tools, Shop & Garage Equipment | 394 | 2.61% | 37.5 | 2.0% | 2.61% |
| Laboratory Equipment | 395 | 3.37% | 29.4 | 1.0% | 3.37% |
| Power Operated Equipment | 396 | 5.55% | 16.2 | 10.0% | 5.55% |
| Communication Equipment | 397 | 2.50% | 38.8 | 3.0% | 2.50% |
| Miscellaneous Equipment | 398 | 3.16% | 31.3 | 1.0% | 3.16% |

Note: Bold/Italicized accounts are those with revised depreciation rates.
Shaded column represents current MoPSC authorized rates per Depreciation Authority Order No. 148, dated 9 Jun 86.

Appendix E-2

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

| | | |
|---|---|---|
| In the matter of the Customer Class Cost of Service and Comprehensive Rate Design Investigation of Kansas City Power & Light Company. | ) ) ) | Case No. EO-94-199 |

## Dissenting Opinion of Commissioner Crumpton

The Commission once again has found itself in a position where its only alternative to approving the Stipulation and Agreement is to significantly delay rate reductions to the utility's customers. The majority has taken the action necessary to implement the rate reduction as soon as practicable by approving the Stipulation and Agreement. However, the majority of the Commission has approved a settlement that will cause an approximate $116 million cumulative reduction in the Company's profits, including $80 million in rate savings to the customers of Kansas City Power & Light Company (KCPL or Company) over the next four years with neither public review nor public comment on the rate reduction. This proceeding began as a case involving a redesign of the rates for this Company, and without public comment or notice, the rate reduction issue was recently included.

The majority of the Commission has yielded to the perceived pressure and urgency created by KCPL and joined in by the Office of the Public Counsel and the Commission Staff. What a familiar tune. The score is always the same:

A. Company must change its tariffs immediately for the rate reduction to take effect.

B. There is a risk of losing the agreement if the Commission does not act immediately.

This tune has been played to me so often that I am embarrassed. I am embarrassed because the conductor is the Company and all of the musicians are from either the Commission Staff or the Office of the Public Counsel.

When I reviewed the transcript, I noted the following issues that caused me to vote "no":

1. Inadequate or no notice of the rate reduction
2. Creative funding for certain unspecified contingencies
3. Lack of public review and comment on the settlement
4. Timing of the full affect of the rate design on the residential rate payers

Under Missouri law and the conduct historically of the Commission, Commission Orders have been generally immune to successful attack in the courts. However, it seems to me that where persons are materially affected by a Commission decision and have no meaningful opportunity to participate either through intervention or through public comment, a court may very well be persuaded to enjoin and eventually overturn the Commission's Order. In this case, KCPL's customers were not notified of potential rate impacts. Those customers had no reasonable opportunity to intervene or otherwise voice their concerns. In my view, the process used in this case is seriously flawed.

On a related matter, comments made by parties to this case at the hearing suggest that some parties believe that a stranded cost fund may have been created. Counsel for one party stated that he had not previously been made aware of the potential use of revenue to offset stranded costs. The parties did not have a uniform stance on whether Commission approval of specific stranded cost funding activities is required. This is one example of the type of subject matter upon which a decision maker must be fully informed. This matter has serious public policy implications, namely, the provision of funds for unforeseen contingencies. The notion of using ratepayer funds to compensate for stranded costs would be an exception to the fundamental regulatory principle of recovery of costs of "fully operational and used for service"/ "used and useful" utility plant. This is a matter which requires thorough discourse and deliberation.

The Commission and also the Commission Staff, the Office of the Public Counsel and KCPL, might have benefited by hearing customer comments on the alleged stranded cost funding part of the Stipulation and Agreement, as well as other facets of that document. As this settlement was presented to the Commission, the Commission had no chance to even consider whether public comment was needed much less whether to establish local public hearings.

The problem lies in the process. Under the auspices of a rate design investigation a significant rate reduction with important customer impacts will be implemented.

The solution is for the Staff to properly engage the Commission, once the Staff has determined that a utility is achieving returns so far above its authorized return that a reduction in the utility's revenue requirement is needed. Then, the Commission will have an appropriate opportunity to determine a proper procedure, the public can be given due notice and an opportunity to participate, and the Commission can be accorded an adequate amount of time to consider the parties' proposed resolution of the matter.

Harold Crumpton

Harold Crumpton, Commissioner

Dated at Jefferson City, Missouri on this 12th day of July, 1996.