

October 12, 2006

BY HAND DELIVERY

Ms. Cully Dale
 Secretary/Chief Regulatory Law Judge
 Missouri Public Service Commission
 Governor Office Building
 200 Madison Street
 Jefferson City, Missouri 65101

Re: Case No. ER-2006-0314

Dear Ms. Dale:

Attached for filing in the above-referenced case are an original and eight (8) copies of Ford Motor Company's Prehearing Brief.

Thank you for your assistance in bringing this filing to the attention of the Commission, and please call me if you have any questions.

Very truly yours,

Diana Vuylsteke

Diana M. Vuylsteke
 DMV:rms

Attachments (9)
 cc: All Parties

FILED²

OCT 12 2006

**Missouri Public
 Service Commission**

Bryan Cave LLP

Riverview Office Center
 221 Bolivar Street
 Jefferson City, MO 65101-1574
 Tel (573) 556 6620
 Fax (573) 556 6630
 www.bryancave.com

Hong Kong
 Rome
 Jefferson City
 Kansas City
 Kuwait
 Los Angeles
 New York
 Overland Park
 Phoenix
 Riyadh
 Shanghai
 St. Louis
 United Arab Emirates
 Abu Dhabi
 Dubai
 Washington, DC

*In Association With
 Bryan Cave (Illinois)
 Chicago*

*and Bryan Cave
 A Multinational
 Partnership
 London*

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
OCT 12 2006

Missouri Public
Service Commission

In the Matter of the Application of Kansas City)
Power & Light Company for Approval to Make)
Certain Changes in its Charges for Electric)
Service to Begin the Implementation of Its)
Regulatory Plan)

Case No. ER-2006-0314

PREHEARING BRIEF OF FORD MOTOR COMPANY

COMES NOW Ford Motor Company ("Ford") and submits its Prehearing Brief on issues set forth below. Although Ford only addresses certain issues in this Prehearing Brief, it reserves the right to address other issues in this case.

CLASS COST-OF-SERVICE

Issue: On what basis should distribution costs be allocated to classes? Should the allocation of primary distribution costs include any customer-related component? What type of demand should be used to allocate the cost of distribution substations and distribution lines?

Position: The primary portion of the distribution system clearly includes both customer-related and demand-related components. The methodology used by KCPL to classify these costs between demand-related and energy-related is appropriate. Distribution substation costs and the demand-related portion of the primary network should be allocated using class peak demands, and the demand-related portion of the secondary network should be allocated using individual customer peak demands.

Issue: On what basis should production capacity and transmission costs be allocated to classes?

Position: The fixed costs associated with production and transmission should be allocated to classes using a method which recognizes the summer peaking nature of the KCPL system. This would be either the average and excess - three non-coincident peak

method or a summer coincident peak method using one to four summer system peak demands. The methods applied by KCPL, Commission Staff and OPC give far too much weighting to energy consumption and to demands in off-peak months, and should be rejected.

Issue: Do KCPL's computation of coincident peak demands and class peak demands properly recognize line losses?

Position: KCPL's demands do appropriately include recognition of line losses.

Issue: To what extent, if any, are current rates for each customer class generating revenues that are greater or less than the cost of service for that customer class?

Position: The residential class is producing returns significantly below costs, while other classes are producing returns significantly above costs. See Schedule 4 attached to the Direct Testimony of Maurice Brubaker for the specific cost of service results.

Issue: What is the appropriate basis for allocating Administrative and General Expense Account Numbers 920, 922, 923, 930.2, and 931 among Missouri retail customer classes?

Position: These A&G expense categories should be allocated among customer classes using salaries and wages. Allocation on an energy basis, as used by KCPL, is not related to cost-causation and should be rejected.

Issue: Should revenue adjustments among classes be implemented in order to better align class revenues to class cost-of-service? If so, what percentage increase or decrease should be assigned to each customer class?

Position: This is the case in which to begin alignment of revenues with costs. The two primary factors to consider are differences from cost and impact on customer classes. See Schedule 9 attached to the Direct Testimony of Maurice Brubaker for the recommended spread of the revenue increase found appropriate by the Commission.

Issue: Should class revenue adjustments be implemented even if no increase or decrease in revenue requirement is granted?

Position: Yes, regardless of whether rates are increased or decreased, or how much increased, now is the time to begin moving rates closer to costs.

Issue: Should revenue adjustments be phased-in over multiple years?

Position: The Commission should deal, in this case, with just this case and not attempt to establish guidelines for future cases.

Issue: Should revenue adjustments among the non-residential classes be applied uniformly or non-uniformly?

Position: There is logic to maintaining the same percentage increase to the Small, Medium and Large General Service customer classes. However, the increase to the Large Power class can be smaller than the increase to the General Service classes.

Issue: How should any increase in the revenue requirement be implemented?

Position: See Positions regarding preceding issues.

RATE DESIGN

Issue: Should a comprehensive analysis of KCPL's class cost-of-service issues and rate design be conducted after the conclusion of the regulatory plan and the in-service date of Iatan 2? Should the cost-basis of general service all-electric rates be included in this analysis?

Position: A comprehensive review and analysis of class cost of service issues has taken place in this proceeding and the results should be utilized to develop interclass revenue allocations.

Respectfully submitted,

BRYAN CAVE, LLP

By: Diana Vuylsteke
Diana M. Vuylsteke, #42419
One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, MO 63102
Telephone: (314) 259-2543
Facsimile: (314) 259-2020
dmvuylsteke@bryancave.com

Attorney for Ford Motor Company

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been sent to all counsel of record this 12th day of October, 2006.

Diana Vuylsteke