

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

MAY 18 2004

In the Matter of the Future Supply,)
Delivery and Pricing of the Electric)
Service Provided by Kansas City)
Power & Light Company)

Susan K. Duffy Docket Room

Case No. **04-KCPE-1025-GIE**

**APPLICATION TO ESTABLISH INVESTIGATORY DOCKET
AND INFORMAL PANEL DISCUSSION PROCESS REGARDING
KANSAS CITY POWER & LIGHT COMPANY**

COMES NOW Kansas City Power & Light Company ("KCP&L" or the "Company") and, pursuant to K.A.R. 82-1-218 and K.S.A. 66-101, K.S.A. 66-101b and K.S.A. 66-101g respectfully requests the State Corporation Commission of the State of Kansas ("KCC") to open an investigatory docket and to establish an informal panel discussion process, as more fully described below. The purpose of the investigatory docket and informal panels will be to discuss, and hopefully gain consensus on, constructive regulatory responses to emerging issues that will affect the supply, delivery and pricing of the electric service provided by KCP&L. In support of its Application, the Company states as follows:

1. KCP&L is a Missouri corporation, in good standing in all respects in Kansas, with its principal office and place of business at 1201 Walnut Street, Kansas City, Missouri 64106. KCP&L is engaged in the generation, transmission, distribution and sale of electricity in eastern Kansas, and western Missouri operating primarily in the Kansas City metropolitan area. KCP&L is an "electric public utility" and "public utility" as those terms are defined in K.S.A. 66-101a(a) and K.S.A. 66-104 and, as such, is subject to the jurisdiction of the Commission as provided by law and its Certificate of Convenience issued pursuant to K.S.A. 66-131.

2. KCP&L sells electricity at retail to approximately 224,000 customers in Kansas and 267,000 customers in Missouri. It owns 1,754 miles of high-voltage power lines and 4,041 megawatts of base, intermediate and peak load generating capacity.

3. All correspondence, pleadings, orders, decisions, and communications regarding this proceeding should be sent to:

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4. Early this year, KCP&L began a comprehensive strategic planning process that included its holding company, Great Plains Energy, and its affiliate, Strategic Energy. Cross-functional and cross-sectional employee teams were formed to develop a 10-year forward-looking view of specific topical areas, *i.e.* Winning Culture; Regulatory, Legislative and Community; Financial and Shared Services; Distribution; Generation and Wholesale, and; Retail

and Non-Regulated Services. The most visible part of the process was a series of strategic planning seminars. Each of the seminars addressed the following topical areas: Changing Community, Changing Customer, Employees as Leaders, Workforce 2014, Energy 2014, Technology Trends in Distribution, and Wall Street's View of Energy Companies. Every one of KCP&L's employees was invited to attend at least one seminar. The seminars were designed to be inclusive and collaborative. They featured divergent viewpoints. Speakers and attendees included representatives of the financial community, the political and regulatory communities, environmental organizations, community and consumer groups, manufacturers, other utility companies, academicians, industrial and trade groups, organized labor, and other energy experts. Break-out discussion sessions involving the speakers and the attendees were conducted after most of the presentations.

5. The initial activity in the strategic planning initiative culminated in April 2004 when the strategic planning teams produced reports that addressed each of the topical areas. The inclusive and collaborative nature of the process enabled the teams to identify numerous interrelated issues of importance to KCP&L and its stakeholders. For example:

- More capacity will be required to supply KCP&L's customers in the foreseeable future. That capacity need could be met by a central generation station using coal or gas as a fuel. It also, however, could be met, at least in part, by wind energy and by new technologies, including distributed generation technologies.
- KCP&L can reduce the emissions from its existing coal-fired plants, and will be required to do so in the future. The Company prefers to take a proactive environmental approach, but the costs associated with such an approach are significant.
- KCP&L and its stakeholders have a mutual interest in price stability.
- Interest exists for a renewed focus on demand-side management programs and evaluation of new technologies for energy and account management.

6. KCP&L is now prepared to continue with its strategic planning initiative. Having experienced the benefits, in the strategic planning process, of an informal, inclusive and collaborative effort (as opposed to a formal, protracted, and possibly adversarial process), the Company believes that the workshop process utilized by the Commission in the past is well-suited to this situation. The process of continuing these strategic discussions in the context of informal Commission workshops will enable all stakeholders to identify and seek agreement on a regulatory plan that addresses these dynamic issues on a prospective basis for KCP&L. That plan then would be presented to the Commission for its consideration and approval.

7. On May 6, 2004, KCP&L filed a similar Application before the Missouri Public Service Commission ("MPSC") seeking to establish a similar investigatory process utilizing the MPSC's "workshop" process among the parties.

8. Although KCP&L is unaware of this Commission utilizing a "workshop" process in a specific situation such as this, the Commission has authorized general investigations for several different purposes in which panel discussions were conducted among various interested parties in the proceedings. For instance, in Docket No. 99-GIME-321-GIE, the Commission used informal panel discussions of interested parties to discuss various issues on generating capacity. The Commission also used the informal panel discussion process for consideration of Kansas Ad Valorem Tax refunds in Docket No. 99-GIMG-068-GIG.


9. In the telecommunications industry, the informal panel discussion format has also been used more extensively to investigate issues of common interest such as unbundled network elements in Docket No. 01-GIMT-032-GIT.

10. Some of the strategic alternatives available to KCP&L, if agreed to by the other stakeholders, must be acted upon soon. Therefore, the Company respectfully requests that the

Commission open the investigatory docket and adopt the Commission's Standard Protective Order for use in this proceeding. At this time, the Company envisions one to two panel discussions per week, and KCP&L's goal for the informal panel discussions would be to reach an agreement on a regulatory plan by mid-summer.

WHEREFORE, KCP&L requests the Commission issue an order 1) opening an investigatory docket regarding the future supply and pricing of the electric service provided by Kansas City Power & Light Company; 2) authorizing the use of the Commission to establish an informal panel discussion process to address the issues set forth herein, and any other issues impacting KCP&L that may arise from discussion among the interested parties; and 3) adopting the Commission's Standard Protective Order for use in this proceeding.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 18~~th~~ day of May, 2004, to:

Mr. Don Low, Esq.
Director of Utilities
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604

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General Counsel
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William G. Riggins

VERIFICATION

State of Missouri)
) ss.
County of Jackson)

I, William H. Downey, being duly affirmed according to law, depose and say that I am authorized to make this affidavit on behalf of Kansas City Power & Light Company being the President and Chief Executive Officer, and that the facts above set forth are true and correct to the best of my knowledge, information and belief.

William H Downey

WILLIAM H. DOWNEY

Subscribed and affirmed to before me this 15th day of May, 2004.

Carol Sivils

Notary Public

My commission expires:

CAROL SIVILS
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: June 15, 2007

