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Kansas Corporation Commission
/S/ Patrice Petersen-Klein

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

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by
State Corporation Commission
of Kansas

DIRECT TESTIMONY OF

DARRIN R. IVES

**ON BEHALF OF
KANSAS CITY POWER & LIGHT COMPANY**

**IN THE MATTER OF THE APPLICATION OF
KANSAS CITY POWER & LIGHT COMPANY
TO MAKE CERTAIN CHANGES IN
ITS CHARGES FOR ELECTRIC SERVICE**

DOCKET NO. 12-KCPE-764-RTS

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Kansas City Power & Light Company ("KCP&L" or the "Company") as Senior Director – Regulatory Affairs.

Q: What are your responsibilities?

A: My responsibilities include oversight of the Company's Regulatory Affairs Department, as well as all aspects of regulatory activities including cost of service, rate design, revenue requirements, regulatory reporting and tariff administration.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to provide an overview and summary of this case including the Company's proposed rate increase and a description of the major drivers and components of the case necessitating a rate increase. Development of the case necessarily requires review of additional items which can affect the amount of the increase sought. I also outline certain requests for rulings from the Commission being sought by the Company in this proceeding, including (among others) authorization to use an abbreviated rate case mechanism following this case, as set forth in K.A.R. 82-1-231(b)(3), for a limited issue. I will explain this request in more detail later in my testimony.

Q: Please describe your education, experience and employment history.

A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business Administration with majors in Accounting and Marketing. I received my Master of Business Administration degree from the University of Missouri-Kansas City in 2001. I am a Certified Public Accountant licensed in Kansas and Missouri. From 1992 to 1996, I performed audit services for the public accounting firm Coopers & Lybrand L.L.P. I was first employed by KCP&L in 1996 and have held positions of progressive responsibility in Accounting Services and was named Assistant Controller in 2007. I served as Assistant Controller until I was named Senior Director – Regulatory Affairs in April 2011.

Q: Have you previously testified in a proceeding before the Kansas Corporation Commission ("Commission" or "KCC") or before any other utility regulatory agency?

A: I have not previously testified before the KCC. I have testified a number of times before the Missouri Public Service Commission.

II. CASE OVERVIEW

Q: Please briefly summarize the Company's reasons for seeking a rate increase.

A: The five primary reasons for this rate increase request are identified in the Direct Testimony of KCP&L witness Terry Bassham. Notably, the costs associated with complying with mandatory regulations and Commission orders are a significant factor in the timing of this rate case. My testimony will provide a closer look at these factors and direct the Commission to the appropriate Company witnesses who support each issue.

Since completion of the Company's Comprehensive Energy Plan and the Company's last rate case, Docket No. 10-KCPE-415-RTS (the "415 Docket"), filed in December 2009, nearly 2 ½ years ago, the Company has invested significant capital resources in new facilities and equipment necessary to comply with regulations and to continue to provide reliable and efficient service to its customers. Investments included renewable energy facilities to meet the Kansas Renewable Energy Standards Act, environmental controls for existing plants to meet Environmental Protection Agency ("EPA") and Kansas Department of Health and Environment ("KDHE") requirements, infrastructure improvements to the Company's transmission and distribution ("T&D") systems, and normal plant investment. In this case, KCP&L is seeking recovery of these capital additions from customers. Continued focus on our ability to reliably serve our customers also is reflected in KCP&L's requested increase in operations and maintenance expenses including funding needed to address the increasing technology associated with our T&D systems. Additionally, even with active cost management and the cost control measures KCP&L has implemented, the Company's operational expenses have increased while customer growth in kilowatt-hour ("kWh") sales has declined, even on a weather-normalized basis. This drop in sales is reflected in this case and reduces incoming revenue that was expected when rates were set to meet the Company's revenue requirement in our last rate case.

III. CURRENT RATE INCREASE REQUEST

Q: Please explain how KCP&L developed its rate case.

A: The Company's cost of service and revenue in this case is based on a historical test year ended December 31, 2011, using actual data for all twelve months. The test year data was then annualized and normalized where appropriate and adjustments were made for known and measurable changes for certain items as of June 30, 2012. In order to state the cost of service on a Kansas jurisdictional basis, the adjustments were allocated between the Federal Energy Regulatory Commission ("FERC"), Kansas and Missouri jurisdictions. The production allocation was made on the basis of four coincident month peaks.

The Direct Testimony of Company witness Mr. John P. Weisensee supports the cost of service and revenue requirement determination, which is included in his Schedules JPW-1 through JPW-3.

Q: What revenue requirement increase is the Company requesting in this case?

A: The Company is requesting an increase of $63.55 million or 12.9 percent, based on a current Kansas jurisdictional base revenue requirement of $492.1 million. The increase includes rebased property tax, meaning that the property tax currently being collected under the Company's Property Tax Surcharge (PTS) Rider of $3.7 million will be built into base rates effective with the date of new rates in this case. This rebasing process is required by K.S.A. 66-117(f). This simply represents a shift in where this incremental property tax shows on a customer's bill, base rates vs. PTS, once the PTS rider is set reflecting the new base determined by the Commission in this case.

Q: What are the key drivers underlying KCP&L's proposed rate increase?

A: There are five primary drivers in this case: (1) capital costs associated with the La Cygne Environmental Project that was the subject of a predetermination docket before this Commission last summer in Docket No. 11-KCPE-581-PRE (the "581 Docket"); (2) capital costs to construct KCP&L's Spearville 2 Wind Facility, a 48 MW renewable energy project that was placed into service in December 2010; (3) a proposed change to the allocation of capacity-related costs from a 12 monthly coincident peak demand ("12CP") basis to a 4 monthly coincident peak demand ("4CP") basis; (4) proposed changes to depreciation rates; and (5) compliance with the rate design requirements of the Commission's Order in the 415 Docket. I will discuss each of these in turn below.

Q: You noted earlier that there are other issues besides these key drivers in this case that affect the Company's revenue requirement and the requested increase. What other issues is the Company addressing in this case?

A: Infrastructure investments and continued focus on our ability to reliably serve our customers are also reflected in KCP&L's requested increase. Other issues in this case include amortization of Wolf Creek's outage cost incurred during their most recent refueling outage, inclusion of the Wolf Creek decommissioning trust fund annual accrual recommendation associated with Docket No. 12-WCNE-136-GIE which addressed the new 2011 decommissioning cost study for Wolf Creek, payroll and other employee-related costs including KCP&L's Organizational Realignment and Voluntary Separation ("ORVS") Program, Return on Equity ("ROE") and capital structure, and decreased weather-normalized kWh sales. While I will touch on each of these issues later in my testimony, following is a list of the Company's witnesses in this case and the topics each address.

Darrin R. Ives	Overview and Summary of Rate Case
Terry Bassham	Overview of Company and General Policy Issues
Samuel C. Hadaway	ROE, Cost of Capital, Cost of Debt, Capital Structure, and Overall Rate of Return
John P. Weisensee	Cost of Service Model, Revenue Requirement, Accounting Adjustments including Construction Work in Progress ("CWIP") for the La Cygne Environmental Project
Gregg N. Clizer	Wolf Creek Decommissioning Trust Funding Levels
Melissa K. Hardesty	Income Taxes
C. Kenneth Vogl	Pension Funding Status
Wm. Edward Blunk	Fuel Inventory (Rate Base)
Larry W. Loos	Allocation of Capacity-Related Costs

Dane A. Watson	Depreciation Study
Christopher R. Rogers	Plant Retirement/Dismantlement Study
Robert N. Bell	La Cygne Environmental Project and Spearville 2
William P. Herdegen	Distribution Field Intelligence and Tech Support ("DFITS")
Kelly R. Murphy	Organizational Realignment and Voluntary Separation ("ORVS") Program
George M. McCollister	Weather Normalization
Paul M. Normand	Class Cost of Service ("CCOS") Study
Bradley D. Lutz	Minimum Filing Requirements, Revenues, Rate Design and Tariffs

Q: What are KCP&L's expectations for future rate cases?

A: As I will discuss in more detail later in my testimony, KCP&L is requesting the opportunity to file an abbreviated rate case within 12 months of the issuance of the Commission's final order in this rate case. We are requesting an abbreviated case to address additional CWIP costs related to the La Cygne Environmental Project. That Project is expected to be completed and the environmental equipment placed in service in June 2015. Given our current view of rate case timing, KCP&L would expect to file a full rate case in early 2015 to incorporate the final costs of that Project into retail rates.

IV. THE LA CYGNE ENVIRONMENTAL PROJECT

Q: Please discuss the La Cygne Environmental Project.

A: KCP&L already has state-of-the-art air quality control equipment on its Hawthorn Unit 5, Iatan Unit 1 and Iatan Unit 2 coal-fired units. KCP&L is continuing its initiatives for compliance with state and federal environmental regulations and requirements with the installation of similar environmental equipment on its La Cygne Unit 1 and La Cygne Unit 2 coal-fired units. A selective catalytic reduction ("SCR") system and low nitrous oxide (“NO_x”) burners are being added to La Cygne Unit 2 (similar controls were installed on La Cygne Unit 1 in 2007) and fabric filters (also called baghouses) are being installed for both La Cygne units. Additionally, a dual flue chimney is being installed to accommodate both units. These items together are referred to as the “La Cygne Environmental Project” which is expected to be completed in June 2015. Both the Project and the cost estimate for the Project were approved by the Commission in the 581 Docket. Including CWIP, the capital costs associated with work to date on this Project, in KCP&L’s rate base is consistent with K.S.A. 66-128 and is one of the major drivers in this rate case.

The status of the La Cygne Environmental Project is discussed in more detail in the Direct Testimony of KCP&L witness Mr. Robert N. Bell. The request for CWIP is discussed in the Direct Testimony of Mr. Weisensee (adjustment RB-21).

V. THE SPEARVILLE 2 WIND FACILITY

Q: Please discuss the Company’s Spearville 2 Wind Energy Generating Facility.

A: KCP&L placed its 100.5 MW Spearville 1 Wind Energy Generating Facility (“Spearville 1”) in service in 2006. In 2010, KCP&L increased its wind-generated power at the Facility by installing additional wind turbines. The 48 MW Spearville 2 Wind Energy Facility was constructed adjacent to KCP&L’s Spearville 1 near Dodge City, Kansas. Spearville 2 adds 32 1.5 MW General Electric SLE wind turbines to the Spearville site, increasing the total site capacity to 148.5 MW. This renewable capacity is used to help KCP&L meet the requirements of the Kansas Renewable Energy Standard Act, K.S.A 66-1256 through 66-1262. As noted above, Spearville 2 was placed into service over a year ago and has been a strong performing renewable energy asset serving

KCP&L's customers since late 2010. KCP&L is now requesting that the cost of this asset, $50.6 million (Kansas jurisdictional share), be placed into rate base and recovered through our retail rates.

This facility and the in-service criteria and test results are discussed in more detail in the Direct Testimony of KCP&L witness Mr. Bell.

VI. JURISDICTIONAL ALLOCATION OF CAPACITY-RELATED COSTS

Q: Please discuss the allocation issue raised by the Company in this case.

A: As discussed in the Direct Testimony of Company witness Mr. Larry Loos in KCP&L's last rate case, the 415 Docket, KCP&L agreed in the Stipulation and Agreement in Docket No. 04-KCPE-1025-GIE ("1025 S&A") to utilize a 12CP allocation method to allocate its capacity-related (also referred to as demand-related) costs to its Kansas and Missouri jurisdictions. The 1025 S&A has expired and KCP&L asks the Commission to revisit the appropriate allocation method to apply to the Company's capacity-related costs for jurisdictional allocation.

Q: What is KCP&L recommending as the appropriate jurisdictional allocator for capacity-related costs in this case?

A: The 4CP method allocates costs using the four highest months of demand on KCP&L's system, namely June through September, whereas the 12CP method considers an entire year, which includes the lower non-summer usage months. Because KCP&L is a summer peaking business, we are recommending the 4CP method as a more accurate allocator of these costs between the Company's Kansas and Missouri jurisdictions. Mr. Loos provides extensive testimony regarding how to discern the appropriate allocation method for a particular utility. His analysis clearly identifies the 4CP method as appropriate for KCP&L. As such, KCP&L is requesting that the Commission change the method used in recent KCP&L cases for calculating the demand allocator, the 12CP method, to a 4CP method based upon the specific parameters of KCP&L's business as a summer-peaking utility.

Q: Are there other issues surrounding this allocation methodology that the Commission should consider?

A: At times, Kansas and Missouri have ordered different allocators be used in each state for a certain set of costs. This use of differing allocators to assign a single set of costs can lead to an allocation of more than or less than 100% of the costs in question. Significantly impacting the Company, and the only jurisdictional allocator difference addressed in this case, is the allocation of capital investment in facilities between the states where Kansas currently allocates these costs based upon a 12CP method and Missouri currently allocates these same costs based upon a 4CP method. The amount of cost recovery lost by the Company as a result of Kansas and Missouri utilizing these different methods has increased substantially as a result of the large capital investments the Company has made over the last few years. As explained further in the testimony of Mr. Loos, the inconsistency in this particular allocation leaves KCP&L unable to recover a significant amount of its costs.

Q: Are you saying that the Commission should choose an allocation methodology simply because it matches what another jurisdiction's commission determined?

A: No, absolutely not. The Commission is charged with balancing the interests of customers and utilities. In determining the appropriate allocation methodology, the Commission should rely on the facts and theory supporting how such methods should be fairly and appropriately applied to a utility. Just as the Commission should not be forced to choose a methodology solely based on the choice of another jurisdiction commission's decision, neither should the Commission choose a methodology solely because it benefits either the customer or the utility. The basis for the choice of allocator should be the appropriate theory surrounding such allocation and the specific facts and nature of the utility's business. The most appropriate methodology on this issue is the 4CP method as established by the direct testimony of Mr. Loos.

VII. DEPRECIATION RATES

Q: The Commission addressed depreciation expense in the Company's last rate case. Why is KCP&L raising the issue again in this case?

A: One primary reason is that the depreciation study used to set rates in the 415 Docket was based on 2008 data. Since that time, KCP&L's plant in service has increased by approximately $900 million. A new depreciation study is warranted when there has been such a large change in the underlying data. A substantial portion of the increase in depreciation expense requested in this case is attributable to the increased capital investment occurring since the study used to set depreciation rates in our last case. Depreciation expense for new investments since the audit cut-off in our last case is included in our request in the case. The additional investments occurring since the study used to set depreciation rates in our last case also are a driver in the increase in certain depreciation rates, particularly in the production asset class.

Additionally, in the 415 Docket, the Company's depreciation study supported a decrease of over $12 million to its depreciation expense (which translates directly to its revenue requirement), and KCP&L proposed that decrease in its application in that case.

Staff opposed certain aspects of KCP&L's depreciation study upon which Staff indicated the study lacked support. Staff requested the Commission decrease KCP&L's depreciation expense by an additional $13 million for a total decrease in depreciation expense of $25 million per year. The Commission accepted Staff's position and KCP&L believes that this resulted in depreciation rates that, in certain cases, do not fairly or accurately assign asset costs to the proper generation of customers who benefit from the use of those assets.

KCP&L's new depreciation study and supporting plant decommissioning study presented in this case address several of the issues Staff claimed were unsupported in the last case, including retirement and dismantling of certain KCP&L power plants. KCP&L is submitting these new studies with additional information and is requesting the Commission use these new studies in setting rates for the Company.

The depreciation study is presented by Mr. Dane A. Watson of Alliance Group on behalf of the Company. The underlying retirement closure and dismantlement cost study is presented by Mr. Chris Rogers of Sega, Inc. on behalf of KCP&L. While KCP&L is requesting recovery of retirement closure costs for production plant based on the Sega, Inc. study, KCP&L is not seeking recovery of dismantlement costs at this time.

KCP&L is not recommending any change to the currently-approved depreciation rates for transmission and distribution plant. The depreciation rates for these accounts are affected by the issue of third party reimbursements which is a topic set for debate and resolution in the Commission's generic depreciation docket, Docket No. 08-GIMX-1142-GIV (the "1142 Docket"). KCP&L is aware that several Kansas utilities, including Westar, Inc. and Kansas Gas Service, have expressed interest and concern regarding this issue. KCP&L does not agree with the policy previously advocated by Staff as it relates to third party reimbursements; however, consistent with the reasons for initiating the 1142 Docket, we believe that this issue is better addressed in a generic docket where all parties affected have an opportunity to participate rather than having it addressed in a company-specific case.

VIII. RATE DESIGN

Q: In the 415 Order, the Commission determined that KCP&L should redesign its existing rate structure and file a rate case on that topic. What did the Commission order in the 415 Docket regarding rate design?

A: In the 415 Order issued on November 22, 2010, the Commission concluded that KCP&L's existing rate structure must be redesigned based upon certain factors. The Commission directed KCP&L to file a rate case specifically focused on rate design, after (1) the Commission's general investigation into fuel switching in Docket No. 09-GIMX-160-GIV ("160 Docket") is concluded, and (2) Christensen and Associates completes its Dynamic Pricing Study ("Christensen Study"). In addition, the Commission stated that the CCOS Study prepared for the 415 Docket should be the basis for the CCOS Study used in the new rate design docket, except for billing determinants which were to be updated and weather normalized for the new filing using KCP&L's prior methodology.

Q: Is the Company's filing in this case, intended to address the Commission's rate design directives set forth in the 415 Order?

A: Yes. The 415 Order included a variety of issues to address in what the Commission may have expected to be a stand-alone rate design case. The Commission also ordered that the CCOS Study from the 415 Docket, which was based upon data from 2008 and 2009, be the basis for the CCOS Study in the rate design case. The Order reflects an expectation at the time it was issued that the two conditions identified above would occur fairly quickly. That did not happen; in fact, the 160 Docket was closed pursuant to a Commission Order issued February 15, 2012 and the Christensen and Associates report has not yet been issued. In consideration of the fact that KCP&L was preparing to file a new rate case, KCP&L discussed with Commission Staff the timing of the Commission ordered rate design proceeding, inclusion of such rate design within the Company's upcoming rate case, and the opportunity to update the CCOS Study with more current data in this new rate case. Staff agreed with this approach, resulting in a Joint Motion requesting Commission approval of the agreed process whereby KCP&L would comply with the 415 Order by filing an updated CCOS Study and changes to its rate design as part of this rate case. That joint motion is being filed in this rate case docket simultaneously with this Application.

The updated CCOS Study is discussed in detail in the Direct Testimony of KCP&L witness Mr. Paul M. Normand and the Company's proposed rate design changes can be found in the Direct Testimony of KCP&L witness Mr. Bradley M. Lutz.

Q: Has KCP&L attempted to address the factors identified by the Commission in its 415 Order in its rate design proposed in this case?

A: Yes. Mr. Lutz explains in his testimony each of the Commission's rate design goals that KCP&L addresses in this case. Specifically, KCP&L made efforts toward simplification of its rate structure and focused on matching cost causation for each of the retail rate classes as indicated by Mr. Normand's CCOS Study. KCP&L did not move fully to match cost causation for all classes due to the impact such a change would have on customers.

Q: Please describe the changes KCP&L is proposing for its rate design.

A: KCP&L currently has six different residential rates. We are recommending consolidating these into four residential rates. For reasons explained in Mr. Lutz' testimony, further reduction was evaluated but rejected due to customer impacts and implementation concerns. KCP&L is also recommending consolidation of its Large General Service class and its Large Power class. As a result of rate changes made in Docket No. 07-KCPE-905-RTS, KCP&L saw a nearly complete shift of its Large Power customers to the Large General Service class. Only three customers remain in the Large Power class making consolidation a reasonable simplification.

KCP&L is also relying on Mr. Normand's CCOS Study to match appropriate cost causation to the various retail customer classes. This requires some redistribution of costs from the Small General Service class to the Large General Service class. Mr. Lutz explains this redistribution and other rate design issues in his testimony.

IX. OTHER COST OF SERVICE ISSUES

Q: Please discuss the other infrastructure and plant investments the Company has made since its last case.

A: Projected plant in service amounts, net of reserve for depreciation, as of the June 30, 2012 expected audit cut-off date, have increased about $54 million over KCP&L's last rate case, exclusive of the Spearville 2 Wind Facility. A substantial portion of this net increase relates to the replacement of the turbine/rotor and other components of original equipment at the Wolf Creek nuclear generating station. Other large portions of this net plant increase relate to routine replacements of transmission and distribution infrastructure. The request as a result of infrastructure investments is addressed in the testimony of Mr. Weisensee.

Q: Please discuss the other operational expenses included in this case.

A: Other expenses have increased, including payroll and employee benefits, maintenance, and other non-fuel operations & maintenance ("O&M") expenses. These expense increases are also covered in the testimony of Mr. Weisensee.

The revenue requirement in this Application also contains offsetting cost decreases the Company has been able to accomplish. For example, the Company implemented an organizational realignment through its ORVS Program that will result in substantial ongoing savings to the Company. The voluntary separation portion of the program was used to achieve the workforce reductions identified in the realignment portion of the program. The Company is requesting recovery of the associated severance payments over a five-year period to recover the cost of the program. Company witness Ms. Kelly Murphy will address this in her Direct Testimony.

Q: Has KCP&L taken other steps to control costs during the test year for this case?

A: Absolutely. In 2010 and again in 2011, the Company held to flat non-fuel operations and maintenance budgets in all areas in which we could control the costs. Additionally, as the economy continued to lag, we completed a review of capital projects budgeted for 2011 and delayed non-critical capital projects in an effort to preserve liquidity.

In 2011, we also initiated our Supply Chain Transformation ("SCT") Program. The SCT is a significant, multi-year program that will streamline, modernize and improve upon the way KCP&L operates—both internally and with our suppliers. The SCT will help our Supply Chain organization become more forward-looking, strategic and innovative, which, in turn, will enable all areas of our Company to operate much more efficiently and cost-effectively. By improving operations and processes, the SCT program will deliver cost savings, improve stakeholder value and allow managers to focus on their core responsibilities and job functions. To date, we are on schedule to achieve our targets for the SCT program.

Also in 2011, our generation business began an intensive benchmarking process utilizing the expertise of the nationally recognized Solomon Group. The focus of this process is to utilize Solomon's national benchmarking database to be able to analyze costs in our generation organization, specifically focused on benchmarking to similar generating units and activities. We are early in this process but have already been able to realize improvements as we begin to implement best practices identified through the benchmarking process.

Additionally, since the mid-2008 acquisition of Aquila, Inc., we have been flowing synergy savings as a result of the acquisition back to customers as they are realized in test year cost of service. Our captured synergy savings have exceeded the estimates we made at the time of the acquisition.

As another example of our efforts to control costs, we have reduced our total number of executives by nine and our annual executive base labor by $2.5 million over the past three years. We have done this through managing attrition and expanding executive scopes of responsibility where appropriate.

Q: What is the return on equity ("ROE") KCP&L is requesting in this case?

A: KCP&L is requesting a ROE of 10.4 percent based upon the projected capital structure of Great Plains Energy Incorporated, KCP&L's parent holding company, as of June 30, 2012, 51.8% percent of which is comprised of common equity. The June 30, 2012 projected capital structure reflects remarketing of the subordinated notes component of Great Plains Energy's Equity Units as Senior Notes which have been included in the long-term debt component of the projected capital structure. Additionally, on June 15, 2012, the purchase contract component of the Equity Units will be settled with the issuance of common stock which has been included in the equity component of the projected capital structure. KCP&L witness Dr. Samuel Hadaway presents in his Direct Testimony his cost of capital study results and recommendations in support of the Company's requested ROE. Dr. Hadaway uses a traditional approach to estimate the underlying cost of equity capital for a group of comparable, investment-grade electric utility companies.

Q: Earlier in your testimony, you mentioned the impact in this case due to a decline in weather-normalized kWh sales. Please elaborate.

A: The weather-normalized kWh sales based on the test year in this case have declined over 2.5 percent from the weather-normalized kWh sales utilized in the development of the revenue requirement in KCP&L's last case, the 415 Docket. Simply, this means that revenues that were anticipated to be realized by KCP&L as a result of rates authorized in the 415 Docket are not being realized by the Company. This drop in sales is reflected in this case resulting in an increase in our revenue requirement in this case.

Q: Does this rate increase include fuel costs recovered under the Company's Energy Cost Adjustment ("ECA") mechanism?

A: No. While ECA revenue and expenses are included in the Company's Revenue Requirements Model, the Company's ultimate revenue requirement is not affected by these revenues and expenses because the adjusted Kansas revenue includes ECA revenue equal to the sum of all adjusted ECA expenses.

Q: Does this rate increase include energy efficiency program costs recovered under the Company's Energy Efficiency ("EE") rider?

A: No. As with the ECA, while EE program revenue and expenses are included in the Company's Revenue Requirements Model, the revenue requirement is not affected by these revenues and expenses because the adjusted Kansas revenue includes EE program revenue equal to the sum of all adjusted EE program expenses.

X. OTHER REQUESTS

Q: Does the Company request Commission authorization on any additional matters?

A: Yes. The Company seeks Commission approval for the option to file an abbreviated rate case following this case pursuant to K.A.R. 82-1-231(b)(3). Consistent with the requirements of the regulation, if we choose to file an abbreviated case, KCP&L will be required to file that case within 12 months of the Commission's Order issued in this case. If allowed the opportunity to file an abbreviated case, KCP&L understands it would be required to adopt all the regulatory procedures, principles, and rate of return established by the Commission in this case to be utilized in the abbreviated case.

Q: What is to be included in the abbreviated case?

A: KCP&L proposes to include additional CWIP for the La Cygne Environmental Project from the audit cut-off date in this case through the audit cut-off date in the abbreviated case.

Q: Does KCP&L anticipate any other issues will be handled in the abbreviated case?

A: No, not at this time.

Q: Does the Company have additional requests of the Commission in this filing?

A: Yes, in addition to those items discussed above, KCP&L requests Commission authorization on the following items:

- KCP&L requests that the Other Post-Employment Benefits ("OPEB") balances at June 30, 2012 for Tracker 1 and Tracker 2 be specifically identified so as to establish the beginning amount to be used in the next rate proceeding. Additionally, KCP&L requests that the OPEB expense built into rates in this case be established. Company witness Mr. Weisensee discusses these items in his Direct Testimony.
- KCP&L requests that the Pension balances at June 30, 2012 for Tracker 1 and Tracker 2 be specifically identified so as to establish the beginning amount to be used in the next rate proceeding. Additionally, KCP&L requests that the pension expense built into rates in this case be established. Mr. Weisensee discusses these items in his Direct Testimony.
- KCP&L request that the Commission adopt the Company's request for a pension funded status adjustment. Company witness C. Kenneth Vogl discusses in his Direct Testimony the necessity of this adjustment to ensure fair treatment of the

customers of each jurisdiction whose rates contributed to the level of pension funding in the combined pension plan.

- KCP&L requests that the Commission re-base property tax expense in this rate case at $73,741,413 (total KCP&L) for purposes of KCP&L's property tax surcharge rider as discussed by Mr. Weisensee in his Direct Testimony.
- KCP&L requests that the Commission authorize the Company to record to a regulatory asset all rate case costs for this current docket that are not disallowed but are not included in the rates determined in this rate case, with the disposition of those costs to be determined by the Commission in KCP&L's next general rate case, as discussed by Mr. Weisensee in his Direct Testimony.
- KCP&L requests the Commission approve the continued use of the following methods to amortize Intangible Plant: (i) Computer software – amortize over five or ten years depending on the nature of the asset; (ii) leasehold improvements – amortize over the remaining lease term; and (iii) rights to use equipment that the Company does not own – depreciate using the depreciation rate the Commission authorizes in this rate proceeding for similar equipment owned by the Company. Mr. Weisensee discusses these items in his Direct Testimony.
- KCP&L also requests to set its annual Wolf Creek Nuclear Decommissioning Trust accrual as described in the Direct Testimony of Company witness Mr. Gregg N. Clizer.
- KCP&L requests the Commission approve funding for the Company's Distribution Field Intelligence and Technical Support ("DFITS") work group, as described in the Direct Testimony of KCP&L witness William P. Herdegen, III.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of	)	
Kansas City Power & Light Company	)	Docket No.: 12-KCPE- -RTS
to Make Certain Changes in	)	
Its Charges for Electric Service	)	

AFFIDAVIT OF DARRIN R. IVES

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Darrin R. Ives, being first duly sworn on his oath, states:

1. My name is Darrin R. Ives. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Senior Director – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company consisting of twenty-two (22) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Darrin R. Ives

Subscribed and sworn before me this 18th day of April, 2012.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4, 2015

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2015
Commission Number: 11391200