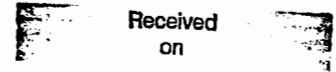


THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Petition of Kansas City)
Power & Light Company (“KCP&L”) for) Docket No. 11-KCPE-581-PRE
Determination of the Ratemaking Principles)
and Treatment that Will Apply to Recovery)
in Rates of the Cost to be Incurred by)
KCP&L for Certain Electric Generation)
Facilities Under K.S.A. 66-1239.)



JUL 01 2011

by
State Corporation Commission
of Kansas

CURB’S LIST OF CONTESTED ISSUES

COMES NOW, the Citizens’ Utility Ratepayer Board (“CURB”) and submits CURB’s List of Contested Issues pursuant to the Commission’s June 3, 2011, Order as set forth below.

I. CONTESTED ISSUES

A. Upgrading La Cygne Units vs. Other Alternatives

1. KCPL seeks Commission preapproval of KCPL’s plan to install environmental upgrades on La Cygne Units 1 and 2 (La Cygne Environmental Project). KCPL contends its plan to install the proposed environmental upgrades at La Cygne is a reasonable, reliable and efficient plan for meeting KCPL’s legal and service requirements.

2. CURB contends KCPL has not met its burden of demonstrating the La Cygne Environmental Project is the least cost alternative, that KCPL acted imprudently by failing to conduct a reasonable, unbiased, and complete analysis of the alternatives to its proposed plan. CURB also contends that pre-determination of the La Cygne project is not necessary and will shift risk from shareholders to ratepayers. CURB also contends that approval of the Petition will reduce

the Company's incentive to meet environmental regulations in the most efficient manner and could lock ratepayers into an environmental program that may not be optimal.

B. Preapproval of an Amount as Prudent

3. KCPL seeks preapproval of the costs of the proposed La Cygne Environmental Project. KCPL seeks Commission consideration of both the (1) the reasonableness of the \$1.23 billion estimated cost to complete the project, and (2) the ratemaking treatment of any amounts that may ultimately be incurred by KCPL to build the project that are in excess of that estimate.

4. CURB urges the Commission to deny the request for predetermination of the ratemaking treatment of the \$1.23 billion definitive estimate, and instead recommends that traditional ratemaking principles should be applied to the Project. If the Commission grants preapproval, CURB makes the following two alternative recommendations with respect to any costs in excess of the \$1.23 billion estimate:

- a. Costs exceeding the estimate should be presumed imprudent, with KCPL bearing the burden of overcoming that presumption and proving the cost overruns were prudent; and
- b. Costs exceeding the estimate should be borne exclusively by KCPL shareholders.

C. ECRR for Cost Recovery

5. KCPL requests predetermination of the method by which KCPL will recover the investment in its rates. The Company proposes the use of an Environmental Cost Recovery Rider (ECRR) for purposes of recovering the costs of the La Cygne Environmental Project investments in its rates. KCPL has withdrawn its initial request to include operating costs in the ECRR.

6. CURB opposes KCPL's ECRR proposal and contends the Commission has ruled on this issue in Docket 10-KCPE-415-RTS. Instead, CURB advocates for the recovery of these costs through a standard rate case.

D. Return On Equity (ROE)

7. KCPL requests that in future ratemaking proceedings for KCPL, the ROE to be applied to the portion of its rate base representing its un-depreciated investment in the La Cygne Environmental Project be the same as the overall ROE the Commission adopts in such future rate cases for the Company.

8. CURB recommends that a 100 basis point reduction to the ROE to be applied to the portion of KCPL's rate base representing its un-depreciated investment in the La Cygne Environmental Project.

E. Depreciation – withdrawn

9. KCPL requested a finding in this docket that the initial depreciable life for the La Cygne Environmental Project is 22 years, consistent with the remaining depreciable life of the La Cygne Station recently approved in KCPL's 2010 rate case. In response to Staff's and CURB's objection to this aspect of KCPL's Petition, KCPL agreed in its rebuttal testimony that the Commission did not need to determine depreciation issues as part of this predetermination proceeding.


10. CURB objected to KCPL's request to find that the initial depreciable life for the La Cygne Environmental Project is 22 years, stating that there is no need for the Commission to determine a depreciation rate at this time. In the event the Commission decided to determine the

depreciation rate at this time, CURB asked that the Commission make it clear that the initial rate could be changed in future years.

II. CONCLUSION

11. CURB submits its List of Contested Issues as set forth above.

Respectfully submitted,



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CERTIFICATE OF SERVICE

11-KCPE-581-PRE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 1st day of July, 2011, to the following:

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A handwritten signature in black ink, appearing to read "Della Smith", written over a horizontal line.

Della Smith
Administrative Specialist