

Citizens' Utility Ratepayer Board

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CONSUMER ALERT PRESS RELEASE

KCPL \$63.55 MILLION RATE INCREASE REQUEST EXCESSIVE: CURB REVIEW CONCLUDES KCPL ENTITLED TO ONLY \$4.9 MILLION

TOPEKA, Kansas, August 22, 2012. The Citizen's Utility Ratepayer Board (CURB) today issued the following press release concerning KCPL's request for a \$63.55 million rate increase:

Consultants for CURB filed testimony today indicating KCPL is entitled to a rate increase of only \$4.9 million, far less than the \$63.55 million requested by the Company. The \$4.9 million increase supported by CURB's consultants includes the following recommendations:

- The Commission should determine the Company has a cost of equity of 8.50%, far below the 10.4% cost of equity sought by KCPL. The cost of equity is the level of shareholder profit allowed in rates.
- The Commission should reject the new jurisdictional allocation methodology proposed by KCPL, which unreasonably shifts \$10.4 million in capacity-related costs from Missouri to Kansas ratepayers.
- The Commission should reject the Company's request to revise its depreciation rates for generation plant and general plant accounts, which increase the Company's depreciation expense by an additional \$10 million per year.

"KCPL is seeking far more than it is entitled to receive from ratepayers," said David Springe, Consumer Counsel for CURB. "During the most difficult economic conditions in decades, KCPL continues to ask for excessive returns for its shareholders, unfairly attempts to shift costs from Missouri to Kansas, and inflates its depreciation rates at the expense of Kansas ratepayers."

"The residential bill paid by KCPL customers in July this year, assuming 1500 kWh usage, were **60.6% higher** than the same bill in 2007," said Springe. "KCPL's rate increase, if approved, will make that same 1500 kWh bill **77.5% higher** than the same bill paid in 2007."

"The economic hardship these unprecedented rate increases are causing ratepayers cannot be understated," said Springe, "What other products or services have increased 60-77% since 2007? We look forward to taking our case to the Commissioners."

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KCPL Rate Summary

Kansas City Power & Light has had four general rate increases in the last five years. The four rate cases are related to KCPL's Comprehensive Resource Plan (CRP), approved by the Kansas Corporation Commission in docket 04-KCPE-1025-GIE. The CRP included environmental upgrades to the Iatan I coal plant and portions of the Lacygne coal plant, the construction of the Iatan II coal plant, upgrades to KCPL's transmission and distribution system, adding wind energy, and certain energy efficiency and low income programs.

KCPL Rate Increases	
KCC Docket No.	Increase
06-KCPE-828-RTS	\$29,000,000
07-KCPE-905-RTS	\$28,000,000
09-KCPE-246-RTS	\$59,000,000
10-KCPE-415-RTS	\$21,846,202
12-KCPE-764-RTS (Proposed)	\$63,550,000
Total	\$201,396,202

KCPL Residential *base* rates 2007-2012 (Does not include ECA fuel charge)

		2007 Rates	2008 Rates	2009 Rates	2010 Rates	2011 Rates	Proposed Rates
CUSTOMER CHARGE							
One Meter		5.78	7.25	7.93	9.07	9.83	11.09
ENERGY CHARGE							
Summer Rate							
0-1000		0.0736	0.0791	0.07779	0.08899	0.09469	0.01069
1000+		0.0736	0.0791	0.07779	0.08899	0.09469	0.01069
Winter Rates							
<u>General Use (RESA)</u>	-						
0-1000		0.0651	0.0699	0.07026	0.08037	0.07312	0.08256
1000+		0.0651	0.0696	0.06996	0.08003	0.07312	0.08256

KCPL Residential Bill (assuming a 1500 July Kwh summer bill)

Note: Monthly impact will vary depending on actual Energy Cost Adjustment and volume of use. Actual July ECA values are used in example below.

	2007 Rates	2008 Rates	2009 Rates	2010 Rates	2011 Rates	2012 Rates	2012 Proposed Rates
KWH's	1500	1500	1500	1500	1500	1500	1500
CC	\$5.78	\$7.25	\$7.93	\$9.07	\$9.83	\$9.83	\$11.09
0-1000	\$73.60	\$79.10	\$77.79	\$88.99	\$94.69	\$94.69	\$106.93
1000+	\$36.80	\$39.55	\$38.90	\$44.50	\$47.35	\$47.35	\$53.47
Fuel	\$0.00	\$0.00	\$20.15	\$21.51	\$27.80	\$32.10	\$32.10
EE Rider						\$1.79	\$1.79
Prop. Tax						\$0.86	\$0.86
	\$116.18	\$125.90	\$144.76	\$164.07	\$179.66	\$186.61	\$206.23
	Percent increase 2007-2011				54.64%		
	Percent increase 2007-2012				60.62%		
	Percent increase 2007-Proposed 2012				77.50%		

KCPL monthly Energy Cost Adjustment summary 2008-Current (Energy Cost Adjustment includes fuel, purchased power and wind, and net revenues from off-system sales)

Electric	Kansas City Power & Light	1	2008	0.00682 kWh
Electric	Kansas City Power & Light	2	2008	0.0073 kWh
Electric	Kansas City Power & Light	3	2008	0.00917 kWh
Electric	Kansas City Power & Light	4	2008	0.00786 kWh
Electric	Kansas City Power & Light	5	2008	0.00541 kWh
Electric	Kansas City Power & Light	6	2008	0.00974 kWh
Electric	Kansas City Power & Light	7	2008	0.01916 kWh
Electric	Kansas City Power & Light	8	2008	0.01809 kWh
Electric	Kansas City Power & Light	9	2008	0.00992 kWh
Electric	Kansas City Power & Light	10	2008	0.00898 kWh
Electric	Kansas City Power & Light	11	2008	0.01106 kWh
Electric	Kansas City Power & Light	12	2008	0.01330 kWh
Electric	Kansas City Power & Light	1	2009	0.01328 kWh
Electric	Kansas City Power & Light	2	2009	0.01203 kWh
Electric	Kansas City Power & Light	3	2009	0.01067 kWh
Electric	Kansas City Power & Light	4	2009	0.01114 kWh

Electric	Kansas City Power & Light	5	2009	0.01098 kWh
Electric	Kansas City Power & Light	6	2009	0.01423 kWh
Electric	Kansas City Power & Light	7	2009	0.01343 kWh
Electric	Kansas City Power & Light	8	2009	0.01308 kWh
Electric	Kansas City Power & Light	9	2009	0.00999 kWh
Electric	Kansas City Power & Light	10	2009	0.01146 kWh
Electric	Kansas City Power & Light	11	2009	0.01130 kWh
Electric	Kansas City Power & Light	12	2009	0.01149 kWh
Electric	Kansas City Power & Light	1	2010	0.01245 kWh
Electric	Kansas City Power & Light	2	2010	0.01246 kWh
Electric	Kansas City Power & Light	3	2010	0.01334 kWh
Electric	Kansas City Power & Light	4	2010	0.00824 kWh
Electric	Kansas City Power & Light	5	2010	0.0831 kWh
Electric	Kansas City Power & Light	6	2010	0.01114 kWh
Electric	Kansas City Power & Light	7	2010	0.01434 kWh
Electric	Kansas City Power & Light	8	2010	0.01412 kWh
Electric	Kansas City Power & Light	9	2010	0.01014 kWh
Electric	Kansas City Power & Light	10	2010	0.00554 kWh
Electric	Kansas City Power & Light	11	2010	0.00620 kWh
Electric	Kansas City Power & Light	12	2010	0.00672 kWh
Electric	Kansas City Power & Light	1	2011	0.00990 kWh
Electric	Kansas City Power & Light	2	2011	0.01018 kWh
Electric	Kansas City Power & Light	3	2011	0.01226 kWh
Electric	Kansas City Power & Light	4	2011	0.01837 kWh
Electric	Kansas City Power & Light	5	2011	0.01353 kWh
Electric	Kansas City Power & Light	6	2011	0.01445 kWh
Electric	Kansas City Power & Light	7	2011	0.01853 kWh
Electric	Kansas City Power & Light	8	2011	0.01506 kWh
Electric	Kansas City Power & Light	9	2011	0.01362 kWh
Electric	Kansas City Power & Light	10	2011	0.02356 kWh
Electric	Kansas City Power & Light	11	2011	0.02366 kWh
Electric	Kansas City Power & Light	12	2011	0.02423 kWh
Electric	Kansas City Power & Light	1	2012	0.01561 kWh
Electric	Kansas City Power & Light	2	2012	0.01570 kWh
Electric	Kansas City Power & Light	3	2012	0.01537 kWh
Electric	Kansas City Power & Light	4	2012	0.01749 kWh
Electric	Kansas City Power & Light	5	2012	0.01876 kWh
Electric	Kansas City Power & Light	6	2012	0.02037 kWh
Electric	Kansas City Power & Light	7	2012	0.02140 kWh

Data compiled by:

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