

**KANSAS CITY POWER & LIGHT COMPANY**

(Name of Issuing Utility)

Replacing Schedule \_\_\_\_\_ Sheet \_\_\_\_\_

Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed \_\_\_\_\_

No supplement or separate understanding shall modify the tariff as shown hereon. Sheet 1 of 3 Sheets

ENERGY COST ADJUSTMENT  
Schedule ECA

**APPLICABILITY:**

This Energy Cost Adjustment (ECA) Schedule shall be applicable to all Kansas Retail Rate Schedules for KCPL.

**BASIS:**

Energy costs will be measured and applied to a customer's bill using an ECA factor. The ECA factor is applied on a kilowatt-hour basis (\$/kWh). Retail customer charges for energy costs are determined by multiplying the kilowatt-hours of electricity during any calendar month by the corresponding ECA factor for that calendar month.

**ENERGY COST ADJUSTMENT:**

Prior to January 1 of each ECA year, an ECA factor (ECA<sub>P</sub>) will be calculated for each calendar month of the ECA year as follows:

$$ECA_P = \frac{(F_P + P_P + E_P + T_P)}{S_P} - \frac{OSS_{PY}}{S_{PY}} - \frac{TRUE_A}{S_{TRUE}}$$

**Where:**

- F<sub>P</sub> = Projected cost of nuclear and fossil fuel to be consumed for the generation of electricity during the month in which the ECA is in effect for all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers, to be recorded in Account 501, Account 518 and Account 547, excluding any KCPL internal labor cost.
- P<sub>P</sub> = Projected cost of purchased power during the month in which the ECA is in effect for all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers, to be recorded in Account 555, and KCPL's projected charges or credits incurred due to participation in markets associated with Regional Transmission Organizations (RTOs).
- E<sub>P</sub> = Projected cost of emission allowances during the month in which the ECA is in effect for all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers, to be recorded In Account 509.
- T<sub>P</sub> = Projected transmission costs, to be recorded in Account 565, and RTO, FERC and NERC fees, to be recorded in Account 560 and Account 928, during the month in which the ECA is in effect for all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers.
- S<sub>P</sub> = Projected kWhs to be delivered to all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers during the month in which the ECA is in effect.
- OSS<sub>PY</sub> = Projected annual asset-based Off-System Sales (OSS) Margin from Short-term Bulk Power Sales at the 25<sup>th</sup> percentile for the effective ECA year.
- S<sub>PY</sub> = Projected annual kWhs to be delivered to all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers during the effective ECA year.
- S<sub>TRUE</sub> = Projected kWhs for Kansas Retail customers for the twelve-month period beginning in April of the year following the ECA year.

<p>Issued: <u>March 1, 2007</u>  <div style="text-align: center; font-size: small;">Month Day Year</div> </p> <p>Effective: _____  <div style="text-align: center; font-size: small;">Month Day Year</div> </p> <p>By: <u>Chris Giles</u> <u>Vice President</u>  <div style="text-align: center; font-size: x-small;">Title</div> </p>	<p><b>FILED</b></p> <p><b>THE STATE CORPORATION COMMISSION OF KANSAS</b></p> <p>By: _____  <div style="text-align: right; font-size: x-small;">Secretary</div> </p>
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TRUE<sub>A</sub> = The annual true-up amount for an ECA year, to be calculated by March 1 of the year following the ECA year and to be applied for a twelve-month period beginning April 1 of the year following the ECA year. The true-up amount will reflect any difference between the total ECA revenue for the Retail sales during the ECA year and the actual costs incurred to achieve those Retail sales less the credits applied for Off-System Sales Margin for the ECA year. Such true-up amount may be positive or negative. Any remaining balances from prior true-up periods will be added.

$$TRUE_A = ECAREV_A - [(F_A + P_A + E_A + T_A - STBPC_A - OSS_A) \times \frac{S_{AK}}{S_{AT}}] + TRUE_{PRIOR}$$

Where:

ECAREV<sub>A</sub> = Actual ECA revenue for Kansas Retail sales during the ECA year.

F<sub>A</sub> = Actual total company cost of nuclear and fossil fuel consumed for the generation of electricity for the ECA year recorded in Account 501, Account 518 and Account 547, excluding any internal KCPL labor cost.

P<sub>A</sub> = Actual total company cost of purchased power incurred during the ECA year recorded in Account 555, and KCPL's actual charges or credits incurred due to participation in markets associated with Regional Transmission Organizations (RTOs).

E<sub>A</sub> = Actual total company emission allowance costs incurred during the ECA year recorded in Account 509.

T<sub>A</sub> = Actual total company transmission costs recorded in Account 565 and RTO, FERC and NERC fees recorded in Account 560 and Account 928 for the ECA year.

STBPC<sub>A</sub> = Actual total company cost for both asset-based and non-asset-based sales to Short-term Bulk Power customers during the ECA year, as reflected in F<sub>A</sub>, P<sub>A</sub>, E<sub>A</sub>, and T<sub>A</sub>.

OSS<sub>A</sub> = Actual total company asset-based Off-System Sales Margin from Short-Term Bulk Power Sales for the ECA year. The calculated cost to achieve asset-based Short-term Bulk Power Sales includes the cost of fuel and purchased power expense, emissions expense, transmission expense and variable operations and maintenance expense.

S<sub>AK</sub> = Actual kWhs delivered to KCPL's Kansas Retail customers during the ECA year.

S<sub>AT</sub> = Actual kWhs delivered to all KCPL Retail, Requirements Sales for Resale, and Long-term Bulk Power Sales customers during the ECA year.

TRUE<sub>PRIOR</sub> = Remaining true-up amounts from previous ECA years (positive or negative).

Issued: March 1, 2007  
Month Day Year

Effective: \_\_\_\_\_  
Month Day Year

By: Chris Giles Vice President  
Title

FILED

THE STATE CORPORATION COMMISSION OF  
KANSAS

By: \_\_\_\_\_  
Secretary

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ENERGY COST ADJUSTMENT

Schedule ECA

NOTES TO THE TARIFF:

1. A monthly ECA factor will be projected on a \$/kWh basis for each month of the ECA year.
2. The ECA factor will be expressed in dollars per kilowatt-hour rounded to four decimal places.
3. Each ECA year will be a calendar year, with the first year beginning January 1, 2008.
4. The ECA amount on each customer bill will be calculated such that the ECA factor for each calendar month within the billing period is applied to the estimated usage for the appropriate calendar month (i.e., prorated).
5. The references to Accounts are from the FERC uniform system of accounts.
6. KCPL will submit a report on or before the 25<sup>th</sup> day of April, July, and October of each ECA year that compares the original ECA revenue projections and the then-current ECA year-end projections on a total revenue basis. If the original projection and the then-current projection become significantly out of balance at any time during the ECA year, KCPL may elect to file for a change in the remaining monthly ECA factors to address the anticipated difference.
7. KCPL will submit a report on or before the 1<sup>st</sup> day of March each year beginning March 1, 2009 that provides the True-up reconciliation for the preceding ECA year.
8. Retail Customers are customers that receive service under one of the KCPL Retail tariffs.
9. Requirements Sales for Resale Customers are wholesale customers receiving firm service under an FERC rate schedule (Account 447).
10. Short-term Bulk Power Sales Customers are wholesale customers receiving service under Power contracts with a term of less than one year. These are Non-Requirements Sales for Resale customers (Account 447).
11. Long-term Bulk Power Sales Customers are wholesale customers receiving service under Power contracts with a term of one year or greater. These are Non-Requirements Sales for Resale customers (Account 447).
12. This tariff is subject to KCPL's Rules and Regulations as approved by the State Corporation Commission of Kansas.

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