

the Wire

A Newsletter for Energy Customers | Spring 2010

Transforming today's energy marketplace

A discussion with Mike Chesser, Chairman and Chief Executive Officer, Great Plains Energy and KCP&L



Mike Chesser

In addition to his leadership at Great Plains Energy and KCP&L, Mike has taken a national role in energy technologies through his chairmanship of the Electric Power Research Institute's Board of Directors. He is also a member of the executive committee of the Edison Electric Institute and chair of the Energy Efficiency Task Force, which is looking for ways to make energy efficiency a viable alternative for utilities around the country.

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Q. *As you think about the transformation going on in the energy industry and look ahead 10 years, what do you see?*

A. Traditionally, utilities have been focused one-way, from the generator to the meter. Going forward, it's going to become a two-way, integrated network with distributed forms of generation – solar, plug-in hybrid electric vehicles, control panels in customers' homes that allow them to manage energy usage – and a lot of two-way communication with the customer. Our biggest concern is that we don't go so fast that we're on the "bleeding edge" of that technology. But we also need to be competitive with other players in the marketplace.

Q. *What challenges are you facing as you energize your leadership team to stay ahead of the curve (but not too far ahead of it)?*

A. There are two major obstacles to having us get to this future state. The first is working with external stakehold-

ers, such as regulators, politicians and legislators, to get them accustomed to the idea that we need a business model where we can invest in our customers and help them defer energy use while still being able to make a return on that investment, just as we make a return on our capital investments.

The second obstacle is that we need to get employees thinking of a two-way network that partners more intimately with customers. We need to get to know our customers' needs the way retail companies like Proctor & Gamble, Pepsi Cola and others do. We also have to be willing to take some risks without having absolute certainty that customers' energy will respond the way we hope it will. We have to plan for such contingencies in the way we operate the system.

So that's a culture change. Some of that will happen with new people coming into our company, people who might not have wanted to work at a utility company in the past. But we also can't lose sight of the traditional assets of our company. As far

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Weathering the storms and staying safe

As anyone in the Midwest knows, weather can and does happen. In our service territory, severe storms are most likely to occur April through July. This includes thunderstorms which may cause significant damage to our system, causing a power outage. KCP&L wants to help prepare your home for storm season by providing you with tips and information on weathering a storm.

Proactive steps:

- Create an emergency contact list. To help speed the restoration process, include **1-888-LIGHTKC (1-888-544-4852)** to report an outage. Your phone call is the best way for us to know you are without power and allow us to better determine the full extent of damage in your neighborhood.

- If you are homebound and rely on medical- or life-support equipment that isn't supported by back-up power supplies, register with KCP&L as a Medical Customer. As a KCP&L Medical Customer, there is an annual enrollment process that must be completed each year. Call **(816) 471-5275** to sign up or re-enroll.
- Assemble a storm kit that contains a battery-powered radio or TV, flashlights, blankets and other essential items. Keep it centrally located.

If a storm threatens in your area, keep the local news on for weather updates. If the power goes out at your home, contact KCP&L immediately. Disconnect or shut off appliances that will automatically come on when the power is restored such as your washer and dryer,

air conditioner and television. If all of your appliances come on at once, it may overload your circuits.

For the most up-to-date information about power outages and restoration, view our PowerWatch map on www.kcpl.com.

When an outage occurs, KCP&L does everything possible to quickly and safely restore your power. KCP&L is a leader in the Midwest for storm response and recognized nationally for system reliability. In fact, KCP&L recently received PA Consulting Group's 2009 Plains Region ReliabilityOne™ award, for the third consecutive year. This award recognized KCP&L as a leading utility in the Plains Region for delivering reliable electric service to its customers. ■

Protecting your electronics



Electrical spikes or surges can be caused by any number of actions that cause electrical disturbances, including severe weather, birds, car accidents, tree limbs, vandalism and other appliances and electronics or equipment failure.

KCP&L's Meter-based Surge Protection* provides utility grade protection to stop external electrical surges at the source to

safeguard your appliances and electronic equipment. Installed on your electric meter, the surge protection device stops electrical surges before they enter your home's system. It's your "first line of defense" against potentially damaging spikes and surges.

Because KCP&L is so confident of the meter-based surge protection device's ability to protect your electronics, KCP&L will reimburse you up to \$750 per appliance, \$10,000 annually, as stated in the terms and conditions, in the unlikely event that an external power surge causes damage.

To learn more about this simple solution to a potentially costly problem, call **(816) 472-0432** or visit www.kcpl.com/surge. ■

*Neither the Missouri Public Service Commission nor the Kansas Corporation Commission regulate our Meter-based Surge Protection program.



Call before you dig:

Anytime you plan to dig, whether as part of a construction job or homeowner project, you are required by law in **Kansas** to call **1-800-DIG-SAFE** and in **Missouri**, **1-800-DIG-RITE**. You can also call **811**. This national one-call

hotline automatically connects you with your state service. When you report your excavation plans, a locating company will mark all underground facilities within 48 hours (two working days) after your notification is received. There is no charge for the underground location services. ■



**Know what's below.
Call before you dig.**

May is Electrical Safety Month

Keep outdoor activities from becoming a shocking experience

Spring has sprung. That means yard and garden work, home improvements, and a ton of outdoor activities. Warmer weather also brings the potential for greater electric safety risks outside the home. Accidental electrical contact can mean injury, burns or even death. KCP&L and its employees share a great concern for safety so we urge you to use extra caution and keep in mind these important outdoor safety tips.

- Always look up and around when carrying ladders or other objects to make sure you won't come in contact with an overhead power line.
- Be aware of any nearby power lines before you climb a ladder.
- Never touch an overhead line if it has been brought down by a storm, fallen tree limb or machinery.
- Don't plant trees where they might grow tall enough to interfere with overhead lines.
- Always assume any downed overhead line is "alive." Stay away from it and never touch anything it contacts.
- Keep tools, materials and all parts of your body at least 10 feet away from overhead power lines at all times.
- If a power line falls on your car as a result of an accident, stay inside and use your cell phone to call 911. If you don't have a phone, yell to someone to have them call for you. Do not attempt to leave your car until help arrives.
- Transformers for underground electric service are located in green boxes along property lines. If the boxes are opened or damaged, stay away from them and notify KCP&L immediately.
- Never fly kites or model airplanes near power lines or radio and TV antennas. Use only dry, non-metallic string or cord to fly kites or model airplanes. Never use metal when constructing any flying toy.
- Don't let children play near utility equipment, poles or transformers.



Are you interested in saving time and money?

Sign up for AccountLink® and take advantage of this free, easy, convenient and secure online service.

Join the thousands of customers who value the convenience of our AccountLink online account management system. With just the click of a mouse you get fast, secure, 24/7 access to your KCP&L account information. Functions include:

Billing information at a glance

- **Monthly bill:** View and pay your monthly bill at your convenience.
- **Compare bills:** Compare current and prior bills and track energy usage across time.
- **Transaction history:** View detailed, real-time billing and payment history.

Customize your billing options

- **Paperless billing:** Delivers your bill via e-mail, simplifying your life and is better for the environment.
- **Budget billing:** Averages your last 12 bills to make your monthly electric bills more predictable and manageable.

Payment options

- **One-time payment:** Control how much you pay each month by authorizing credit or debit charges or electronic withdrawals from your bank account.

- **Automatic monthly payment*:** Pay your bill automatically on each month's due date by authorizing recurring credit or debit charges or electronic withdrawals from your bank account.

**Recurring credit card payment is not yet available in all areas.*

Easy signup

All you need are about two minutes and your KCP&L account number. Simply visit www.kcpl.com, click on the "My Account" tab, and then follow the instructions to register. ■

A bright idea energy efficiency tip

This time of year, we can all use ideas for how to cool our homes more efficiently. Here's a tip that's easy and helpful. Plant trees or shrubs that will provide shade for your air conditioning unit. Just be sure they're not blocking the airflow. A unit operating in the shade uses as much as 10% less electricity. So give your air conditioner a break from the sun. You'll be more energy-efficient... and save money.

You may qualify for a rebate up to \$850.

Visit www.kcpl.com/coolhomes or call (866) 276-9303 and learn how to qualify for a Cool Homes rebate on the purchase of a new high-efficiency cooling system.



Transforming today's energy marketplace

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as I can see in the future, we're going to need our Wolf Creek nuclear plant, our coal-fired generators, and we'll need to make sure those systems are well-maintained and reliable. This is not about "either/or." It's about "and also."

Q. *What is your thinking on carbon tax and Cap and Trade?*

A. I think that the commitment to reduce carbon 80 percent by 2050 makes a lot of sense. Technologically, we're going to be able to get there.

"We're just completing the Comprehensive Energy Plan (CEP). We've built a coal plant while adding wind, retrofitting some existing plants and adding energy efficiency programs."

— Mike Chesser

But I also think the economic realities of today are going to prevent moving faster than the technology. Someday we'll need carbon capture and storage, and at some point we're going to have to be able to develop the next generation of nuclear plants. Over the next decade, those technologies will be developed, giving us real tools to deal with the carbon issue.

In the meantime, we can improve the energy efficiency and co-fire with biomass

in our existing plants. We can make an affordable impact that doesn't have a dramatic effect on our customers' costs.

But the major benefits and reductions will have to occur in 2020 and beyond. That's when the technology will become available. The political realities are such that people will align around getting a start now, but we need enough time to ramp up, so that when we really have to begin making significant reductions, the technology will be here to help us do it.

Q. *Are you saying the time to get started is now as opposed to later?*

A. Yes, I think we should start now with the low-hanging fruit that doesn't have that much cost associated with it. A program we're very excited about now is our energy-efficiency program. We're investing to help customers reduce their energy consumption, and we must be able to have that treated as an investment where we can earn a return. So we're building "negawatt's" as opposed to "megawatts." It prevents our having to add additional baseload power, so it's also cheaper.

Q. *What do you think about nuclear as part of the U.S. generation mix?*

A. Nuclear technology makes a lot of sense. Large baseload units will continue, but I'm also very hopeful that smaller, more modular nuclear installations will become more cost competitive. They're certainly a lot easier to site, they're safer and can be buried as opposed to being above ground. There are

a lot fewer political issues being managed around these kinds of units. So again, just like central and distributed generation, I think we may have both central and distributed nuclear.

Q. *In the present circumstances, how do you approach risk management with your senior leadership team?*

A. Risk management is more important than ever before. We've had a lot of active dialogue on what we do to mitigate different possibilities. We're just completing the Comprehensive Energy Plan (CEP). We've built a coal plant while adding wind, retrofitting some existing plants and adding energy efficiency programs.

When we committed to the CEP, we looked at various scenarios and considered "what if things changed?" One of the low probability scenarios that we factored in was what if natural gas prices come back down. In 2004, nobody thought there was a very high probability of that. But in structuring the CEP, we effectively said, "We're not going to build this coal plant unless we have a stipulation ahead of time with the regulators and the key interveners that this is a prudent decision." We were not going to go forward and just hope we could "sell" it in 2010. That upfront stipulation was a risk management strategy based on the low probability that the natural gas prices would come back down – the very thing we're seeing today. ■



The Wire is published quarterly for residential customers by KCP&L, a wholly owned subsidiary of Great Plains Energy. It's designed to deliver timely information about electrical service, convenience and safety. If you have any story ideas, comments or suggestions, e-mail them to thewire@kcpl.com.