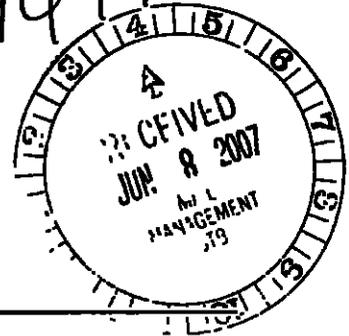


PUBLIC

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

KANSAS CITY POWER & LIGHT
COMPANY

Complainant,

v

UNION PACIFIC RAILROAD COMPANY

Defendant

Docket No 42095

ENTERED
Office of Proceedings
JUN - 8 2007
Part of
Public Record

**JOINT SUBMISSION OF URCS PHASE III
OPERATING CHARACTERISTICS**

Complainant Kansas City Power & Light Company ("KCPL") and Defendant Union Pacific Railroad Company ("UP") hereby jointly submit the URCS Phase III operating characteristics requested by the Board in its order of May 4, 2007. The required nine (9) inputs are detailed on Attachment 1. The inputs are organized by calendar quarter and origin. The parties do not believe that a staff-supervised discovery conference will be required.

Both parties are making this joint submission without prejudice to their positions in this proceeding and in the pending appeal of the Board's decision Ex Parte No. 657 (Sub-No. 1) that the Board cannot simply rely on unadjusted URCS system-average costs to calculate variable costs in maximum rate cases.

KCPL has added two (2) additional inputs to this submission. In particular, actual cycle times and tare weights for the private cars utilized in KCPL service are known. Indeed, it is KCPL's position that these two items are as fixable as cars per ton and loaded miles (two (2) of the nine (9) URCS Phase III inputs). Since the URCS program allows users to input actual cycle times and tare weights, KCPL will use them in its calculations in the interests of accuracy.

UP notes KCPL's arguments regarding the use of actual tare weights and cycle times. UP consented to KCPL's inclusion of data regarding those items in this joint submission in order to avoid unnecessary disputes at this stage of the proceedings. However, UP does not agree with KCPL's arguments that those data should be used to calculate variable costs in this proceeding. Moreover, UP has not reviewed KCPL's data and thus does not concede that they are accurate.

UP also understands the Board's decision in Ex Parte No. 657 to require that the parties calculate the variable costs for the portion of the issue movement that is handled by MNA by applying Western Region URCS system-average costs to the operating characteristics for that portion of the issue movement. Accordingly, UP agreed to include the information needed to implement that approach in this joint submission. However, UP believes that aspect of the Board's decision is legally erroneous and that the correct method of costing the MNA portion of the issue movement requires use of the fee that UP pays MNA for handling the issue traffic, among other adjustments. UP also believes that the fee it pays MNA more accurately reflects the variable costs associated

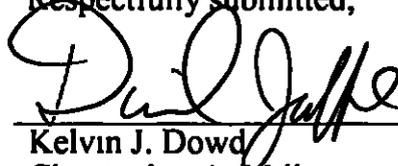
with the MNA portion of the issue movement than the use of Western Region URCS system-average costs.

KCPL does not agree with UP's proposed treatment of the revenue division paid to MNA. It is KCPL's position that the MNA receives a fixed division of the revenue from the KCPL movement in consideration of its provision of line-haul service from Kansas City to Montrose as a through route participant. It is also KCPL's position that the MNA portion of the revenue should be treated as an offset to the total revenue, consistent with established costing procedures. Thus, it is KCPL's position that the Western Region URCS system-average is the appropriate vehicle to determine variable costs associated with the MNA portion of the KCPL movement.

Both parties agree that their respective positions on issues relating to the calculation of variable costs are best addressed in the evidentiary filings and not this joint submission.

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Respectfully submitted,



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Date: June 8, 2007

ATTACHMENT 1

REDACTED