

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of the City of)
Harrisonville, Missouri and KCP&L Greater) File No. EO-2017-_____
Missouri Operations Company for Approval of a)
Territorial Agreement)

**JOINT APPLICATION FOR APPROVAL OF
TERRITORIAL AGREEMENT**

COMES NOW KCP&L Greater Missouri Operations Company (“GMO”) and the City of Harrisonville, Missouri (“City”) (collectively, the “Applicants”), by and through their respective counsel, and for their Joint Application (“Application”) to the Missouri Public Service Commission (the “Commission”), pursuant to 4 CSR 240-2.060, 4 CSR 240-3.130, and RSMo. §394.312 and §416.041, for an order approving Applicants’ Territorial Agreement, respectfully state as follows:

I. THE APPLICANTS

1. GMO is a corporation duly organized and existing under the laws of the State of Delaware. GMO is duly authorized to transact business in the State of Missouri. Its principal office and place of business is located at 1200 Main Street, Kansas City, Missouri 64105. Under operating authority granted by the Commission, GMO provides service in Missouri as an electric utility and also as a heating company. Certified copies of GMO’s Certificate of Authority to do business as a foreign corporation was filed in Case No. EU-2002-1053, and those documents are incorporated herein by reference, as allowed by 4 CSR 240-2.060(1)(G).

2. The City of Harrisonville is a political subdivision of the 4th Class organized and existing under the laws of Missouri.

3. GMO does not have any pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court, which involve customer service or

rates, which action, judgment, or decision has occurred within three years of the date of the Application, except for:

- a. EC-2016-0012, *Staff of the Missouri Public Service Commission v. KCP&L Greater Missouri Operations Company*; and
- b. EC-2016-0230, *James Dickson and Angela Dickson v. KCP&L Greater Missouri Operations Company*.

4. GMO has no annual reports or regulatory assessment fees that are overdue in Missouri.

5. Correspondence, communications, orders, and other documents and notices related to this Application should be directed to the undersigned counsels.

II. THE TERRITORIAL AGREEMENT

6. On or about October 3, 2016, the Applicants entered into a Territorial (“Agreement”). A copy of the Agreement is attached to this application as Appendix A.

7. The Agreement describes the Applicants’ electric service area boundaries and specifies that an approximately 35 acre parcel, known as the Warner Site will receive electric service from GMO even though that site is located within the City’s exclusive service area. A new industry is expected to build a new structure(s) on the Warner Site. GMO and the City both agree that allowing GMO to provide service to the Warner Site is both economical and practical. Although that alternative will require a minimal extension of GMO's facilities, it is most cost-effective because GMO's existing facilities are much closer to the new structure than are those of the City. A metes and bounds description of the City’s service area is not included as part of the Agreement as it is co-extensive with existing City limits and future additions to incorporated

limits. Any future customer connections in the City's service area will be at the discretion of the City of Harrisonville to serve them.

8. No other electric utilities serve in the area covered by the Agreement. No existing customer's utility service will be changed by the Agreement.

9. The Agreement is not detrimental to the public interest. The Agreement is in the public interest as it establishes service obligations that take best advantage of available electric facilities.

WHEREFORE, for all the reasons stated in this application, the Applicants, having shown that allowing GMO to provide service to the Warner site is in the best interests the Applicants and also is in the public interest, the Applicants respectfully request the Commission to issue an order that:

- (i) Approves the Territorial Agreement;
- (ii) Authorizes GMO to provide electric service to the Warner Site, as set forth in the Territorial Agreement;
- (iii) Authorizes the Applicants to do such other acts and things, including making, executing, and delivering any and all documents that may be necessary, advisable, or proper to consummate the agreements reflected in the Amendment and implement the authority granted by the Commission in this case; and
- (iv) Grants such other relief as the Commission deems appropriate under the circumstances.

Respectfully submitted,

/s/ Roger W. Steiner

Robert J. Hack, #36496
Roger W. Steiner, #39586
Kansas City Power & Light Company
1200 Main Street
Kansas City, MO 64105
Phone: (816) 556-2791
Phone: (816) 556-2314
Fax: (816) 556-2110
rob.hack@kcpl.com
roger.steiner@kcpl.com

**ATTORNEYS FOR KCP&L GREATER
MISSOURI OPERATIONS COMPANY**

/s/ Steven E. Mauer

Steven E. Mauer, Esq., #37162
Zerger & Mauer LLP
1100 Main Street, Suite 2100
Kansas City, MO 64105
Phone: (816) 759-3300
Fax: (816) 759-3399
semauer@zergermauer.com

**ATTORNEY FOR CITY OF
HARRISONVILLE, MISSOURI**

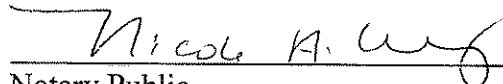
VERIFICATION

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

Lois Liechti, being first duly sworn, on her oath and in her capacity as Director of Kansas City Power and Light, states that she is authorized to execute the foregoing on behalf of KCP&L Greater Missouri Operations Company, has knowledge of the matters stated herein, and that said matters are true and correct to the best of her knowledge and belief.

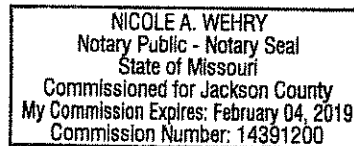

Lois Liechti

Subscribed and sworn to before me this 7th day of November, 2016.


Notary Public

My Commission Expires:

Feb. 4, 2019



CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 7th day of November, 2016.

/s/ Roger W. Steiner _____

Roger W. Steiner

TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT ("TERRITORIAL AGREEMENT"), is made and entered into this 20th day of October, 2016 ("Effective Date"), by and between the City of Harrisonville, ("CITY"), and KCP&L GREATER MISSOURI OPERATIONS COMPANY ("KCP&L-GMO").

RECITALS

WHEREAS, Section 394.312 of the Revised Statutes of Missouri provides that competition to provide retail electric service as between electric corporations and municipally-owned electric utilities may be displaced by written territorial agreements specifically designating the boundaries of each electric service supplier to said agreement;

WHEREAS, the CITY and KCP&L-GMO (collectively referred to as the "PARTIES") believe that such territorial agreement between the PARTIES would reduce duplication of facilities;

WHEREAS, the PARTIES desire to avoid wasteful duplication of services and necessary additional costs to their respective customers; and,

WHEREAS, the PARTIES desire to work together to attract high quality industrial development to Harrisonville, MO and understand that this TERRITORIAL AGREEMENT would be beneficial to new firms locating in defined areas as described within this TERRITORIAL AGREEMENT.

NOW, THEREFORE, the CITY and KCP&L-GMO in consideration of the mutual covenants and agreements herein set forth and contained, the undersigned parties incorporate the above recitals as part of this TERRITORIAL AGREEMENT and further agree as follows:

TERMS OF AGREEMENT

1. The electric service area of the CITY is described in "EXHIBIT 1" to this TERRITORIAL AGREEMENT and illustrated by the map marked "EXHIBIT 2", both of these exhibits are hereby expressly incorporated herein by reference and made a part of this TERRITORIAL AGREEMENT as fully as if set out herein verbatim.
2. The CITY shall provide electric service to all those meter locations that it presently has within its electric service area, and to all new meter locations or electric customers within its electric service area.
3. The electric service area of KCP&L-GMO immediately surrounding the CITY is all of the area as shown on "EXHIBIT 2" herein, except that portion thereof designated as the service area of the CITY.
4. KCP&L-GMO shall provide electric service to all those meter locations that it presently has within its electric service area and to all new meter locations or electric customers within its electric service area. The CITY acknowledges that KCP&L-GMO may continue to provide electric service outside of its electric service area to those meter locations to which it currently provides electric service within CITY.

5. Furthermore, both the CITY and KCP&L-GMO hereto further agree that they both desire to specifically assist new industry and related business to locate in their respective service areas. The PARTIES agree that on the Effective Date of this TERRITORIAL AGREEMENT and approval of both organizations and the Missouri Public Service Commission, that the CITY will allow KCP&L-GMO to serve electricity to unspecified new industry at a site known as THE WARNER SITE. The PARTIES agree that this effort will minimize duplication of costs and services to not only this unnamed industry but to each of their current electric service customers.

6. THE WARNER SITE is identified by a legal description as shown in "EXHIBIT 3" which is hereby expressly incorporated herein by reference and made a part of this TERRITORIAL AGREEMENT as fully as if set out herein verbatim. This site is generally a +/- 35 acre parcel bounded by East 267th Street on the North and the Missouri and Northern Arkansas Railroad (MNA) on the East boundary. The WARNER SITE is within the current city limits of CITY.

7. The PARTIES mutually agree that either party may service its own facilities even if located within the service area of the other party, except when such service would result in duplication of current services or other wasteful duplication of facilities.

8. The PARTIES further mutually covenant and agree that if the CITY annexes areas set forth and contained within KCP&L-GMO's service territory, the provisions of paragraph 4 above notwithstanding, the CITY shall have the sole and exclusive right to service all new electrical customers within such annexed area, and KCP&L-GMO may continue to provide electric service to those meter locations to which it provided electric service prior to such annexation.

9. The initial term of this TERRITORIAL AGREEMENT shall be twenty (20) years from and after the date this TERRITORIAL AGREEMENT is approved by the Missouri Public Service Commission. Thereafter, this TERRITORIAL AGREEMENT shall automatically be renewed for successive five-year terms unless either party hereto shall notify the other party in writing of its intent to terminate this TERRITORIAL AGREEMENT at least ninety (90) days in advance of such renewal date.

10. The value of any assets or facilities to be transferred between the PARTIES hereto shall be "fair and reasonable" meaning: 1) The present-day reproduction cost, new, of the properties and facilities serving the agreed to territory, less depreciation computed on a straight-line basis; and 2) An amount equal to 25 percent of gross revenues less gross receipts taxes received by KCP&L-GMO from the twelve-month period preceding the approval of transfer by the CITY's governing body, normalized to produce a representative usage from customers in the territory.

11. This TERRITORIAL AGREEMENT shall be binding upon the PARTIES and all subsidiaries, successors in interest, and assigns of the respective PARTIES.

12. The PARTIES shall not assign this TERRITORIAL Agreement or any part thereof in any manner whatsoever or assign any of the privileges recited herein without the prior written consent of the non-assigning party. In the event of an assignment without the written consent of the non-assigning party, the assigning party shall remain liable for the remainder of the term of the Agreement

13. Each party warrants and represents that it has complied with all necessary prerequisites and approvals, has full authority to enter into this Agreement, including a vote by the respective governing bodies if required, and that the person executing this Agreement on its behalf is authorized to do so.

14. This TERRITORIAL AGREEMENT contains and represents the entire agreement and understanding between the PARTIES concerning the subject matter hereof, and supersedes and replaces all prior negotiations and proposed agreements, written and oral, concerning the subject matter hereof. Each party acknowledges that no other party or attorney of any other party has made any promise, representation or warranty whatsoever, express or implied, written or oral, not contained in this Agreement, to induce the party to execute this TERRITORIAL AGREEMENT, and acknowledges that the party is not executing this TERRITORIAL AGREEMENT in reliance on any promise, representation or warranty not contained in this TERRITORIAL AGREEMENT.

15. No waiver, modification or amendment of any term, condition or provision of this TERRITORIAL AGREEMENT shall be valid or have any force or effect unless made in writing and signed by the party affected thereby.

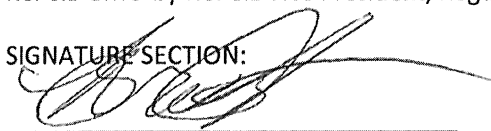
16. Nothing in this TERRITORIAL AGREEMENT shall be construed, interpreted or understood to mean that the Parties are agents, employees, contractors, or in any manner liable for the conduct of the other party.

17. This TERRITORIAL AGREEMENT shall be interpreted and enforced in accordance with the laws of the state of Missouri, notwithstanding any Missouri choice of law principles, whether or not any party is or may hereafter be a resident of another state. The exclusive venue for any dispute relating to this Agreement shall be in the state or federal courts within Cass County, Missouri.

18. Should any provision of this TERRITORIAL AGREEMENT be declared or determined to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected, and the illegal or invalid part, term, or provision shall be deemed not to be part of this TERRITORIAL AGREEMENT, and all remaining provisions shall remain valid and enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed this TERRITORIAL AGREEMENT on behalf of the CITY by ordinance duly passed and executed by its Mayor and City Clerk, and on behalf of KCP&L-GMO by KCP&L Vice President, Regulatory Affairs, all as of the day and year first written above.

SIGNATURE SECTION:



Mayor, City of Harrisonville, MO
Brian Hasek



Vice President, Regulatory Affairs KCP&L



City Clerk, City of Harrisonville, MO
Kim Hubbard

EXHIBIT 1

Electric Service Area of CITY

All the area within the corporate limits of the City of Harrisonville, Missouri as of date of this agreement.

EXHIBIT 2

CITY LIMITS OF CITY OF HARRISONVILLE, MO:

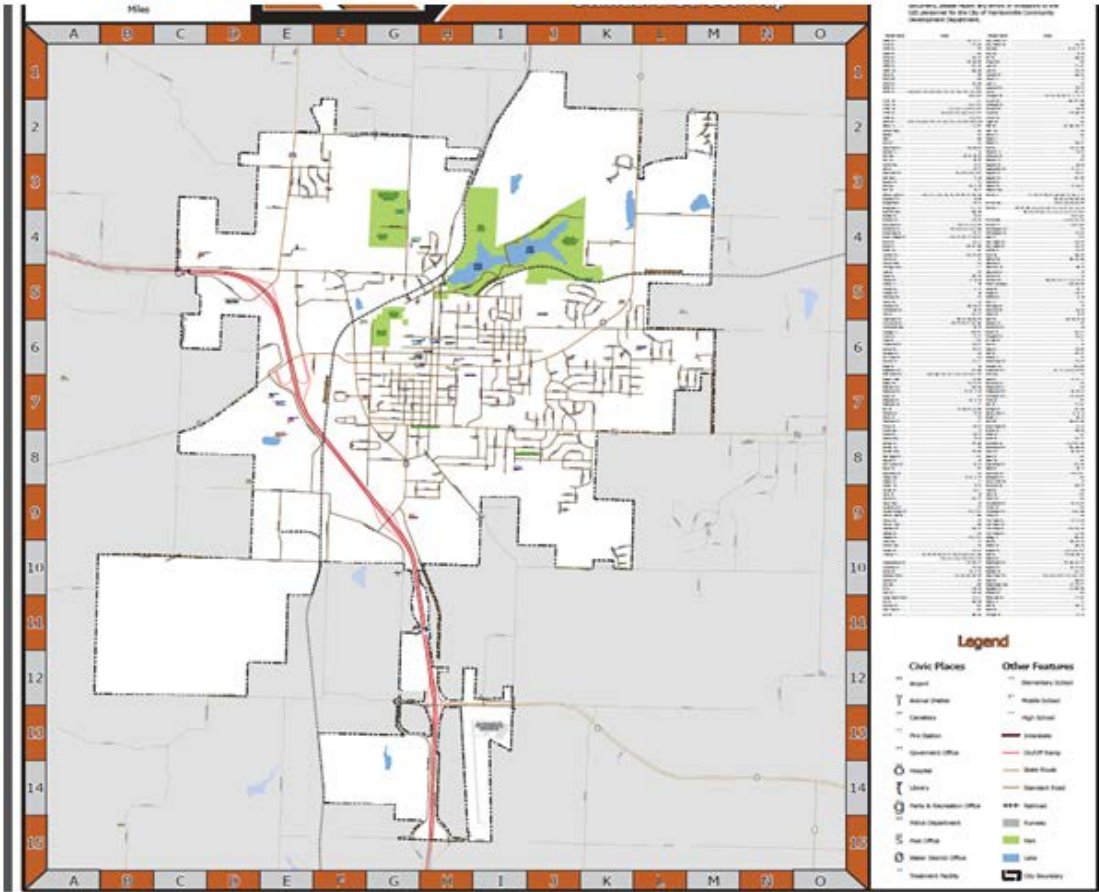


EXHIBIT 3

THE WARNER SITE LEGAL DESCRIPTION AND MAP

LEGAL DESCRIPTION:

The Northwest quarter of the northeast quarter of section 8; the northeast quarter of the northwest quarter of section 8; the north half of the southeast quarter of the northwest quarter of section 8; and the east half of the northwest quarter of the northwest quarter of section 8, all in township 44. Range 31, Cass County, Missouri.

TOWNSHIP 44N • RANGE 31W

