

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

In The Matter of the Application of KCP&L )  
Greater Missouri Operations Company for )  
Permission and Approval and a Certificate of )  
Public Convenience and Necessity )  
Authorizing it to Acquire, Construct, Install, )  
Own, Operate, Maintain, and otherwise )  
Control and Manage Electrical Production )  
and Related Facilities in Certain Areas of )  
Buchanan County, Missouri Near the City of )  
St. Joseph. )

Case No. \_\_\_\_\_

**APPLICATION**

KCP&L Greater Missouri Operations Company (“GMO” or “Company”), pursuant to Sections 393.170 and 393.171, Mo. Rev. Stat.,<sup>1</sup> as well as 4 CSR 240-2.060 and 4 CSR 240-3.105(1)(B), states the following for its application to the Missouri Public Service Commission (“Commission”) for a certificate of public convenience and necessity (“CCN”) authorizing it to acquire, construct, install, own, operate, maintain and otherwise control and manage electrical production and related facilities in or near St. Joseph, Missouri (“City”). In support of this Application, GMO states:

**Information about Applicant**

1. Applicant is a Delaware corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. Applicant is primarily engaged in providing electric and steam utility service in Missouri to the public in its certificated areas. Applicant is an “electrical corporation” and a “public utility” subject to the jurisdiction, supervision and control of the Commission under Chapters 386 and 393. A Certificate of Authority for a foreign

---

<sup>1</sup> All statutory references are to the Missouri Revised Statutes (2000), as amended, unless otherwise indicated.

corporation to do business in the State of Missouri, evidencing the Company's authority under the law to conduct business in the State of Missouri, was filed with the Commission in Case No. EU-2002-1053 and is incorporated herein by reference in accordance with 4 CSR 240-2.060(1)(G). GMO's fictitious name registration was filed in Case No. EN-2009-0015 and is incorporated herein by reference.

2. Applicant has one pending action<sup>2</sup> against it from any state or federal agency or court that involves customer service or rates, which has occurred within three years of the date of this Application. No annual report or assessment fees are overdue.

3. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to the undersigned counsel and:

Tim Rush  
Director, Regulatory Affairs  
Kansas City Power & Light Company  
1200 Main Street  
Kansas City, Missouri 64105  
Phone: (816) 654-1763  
Fax: (816) 556-2110  
E-mail: tim.rush@kcpl.com

#### **Project Description**

4. This Application is for a CCN for a new electrical production facility ("the Project") to be built near St. Joseph, Missouri and which will be fueled with a renewable source of energy, specifically, landfill gas from the City of St. Joseph Landfill (the "Landfill") located at 9431 50<sup>th</sup> Road Southeast, St. Joseph, Missouri. The Project is a collaborative effort with the City to create a beneficial use of the landfill gas (largely methane, said gas herein also "LFG") emitted by the Landfill by creating electricity from the gas as opposed to flaring the gas as is

---

<sup>2</sup> *Ag Processing, Inc. a Cooperative v. KCP&L Greater Missouri Operations Company, Mo.*  
P.S.C. File No. HC-2010-0235.

current practice. A copy of the City's Special Ordinance No. 8110 effective November 29, 2010 approving the agreement with the Company is attached as **Attachment A** and incorporated by reference. A copy of the agreement with the City is attached as **Attachment B (HC)** and incorporated by reference. The Project will be an eligible renewable resource and each renewable energy credit generated from the facility will be eligible for 1.25 renewable energy credits ("RECS") under Section 393.1030 of the Missouri Renewable Energy Standard. The Project will also generate carbon offset credits which are anticipated to be required under future Federal climate change legislation. GMO will keep 100% of the carbon offset credits through December 31, 2016 where upon GMO will share carbon offset credits with the City from that point forward on a 50/50 basis.

5. The proposed electrical production facility will be located on a tract of land an approximately one-half acre in size (the "Project Site") adjacent to the Landfill pursuant to a ground lease with the City. A copy of the Facility Site Lease, the legal description of the Project Site and other relevant documents are found in **Attachment B**.

6. The proposed electrical production facility will consist, initially, of one gas fired internal combustion generator unit, with a nameplate capacity of approximately 1.6 megawatts (MW) for a total plant capacity of approximately 1.6 MWs. The on-site facility will have switchgear that will be connected to the distribution line at the landfill.

7. A cost estimate for the Project has been prepared by Burns & McDonnell Engineering Company, Inc., the design engineer for the facility. The total estimated cost for the facility including the LFG collection grid and electric production facility is less than \$8 million (pre applicable tax grants and credits). Pursuant to 4 CSR 240-3.105(2), GMO will submit the Project plans as soon as they are available.

8. A copy of Buchanan County, Missouri's Order acknowledging that the Project is covered by the City of St. Joseph's Conditional Use Permit for the landfill is attached as **Attachment C**.

9. The distribution line potentially affected by this project is Ajax 68.

10. The Project will be financed using general GMO funds and it is anticipated that the Project will qualify for one of the three federal tax credits under Section 45 or Section 48 of the Internal Revenue Code or Section 1603 of the American Recovery and Reinvestment Act of 2009. In addition, the Project has been granted \$450,000 of funding through an Energize Missouri Biogas Energy Subgrant administered by the Missouri Department of Natural Resources.

#### **Public Convenience and Necessity**

11. The certificate sought by GMO must be granted if the proposed construction is "necessary or convenient for the public service." Section 393.170.3, RSMo. As used in the Public Service Commission Law, necessity means the improvement is "highly important to the public convenience and desirable for the public welfare..." State ex rel. Missouri Kansas and Oklahoma Coach Lines, Inc., et al. v. Public Service Commission, 179 S.W.2d 132, 136 (Mo. App. 1944). Necessity does not require that the improvement be "essential or absolutely indispensable." Id. Moreover, if the granting of the authorization serves a genuine and reasonable public interest in promptness and economy of service, then the public 'convenience and necessity' or 'public need' is served. In the Matter of Applications of: Churchill Truck Lines, Inc., et al., 27 Mo.P.S.C. (N.S.) 430 (June 20, 1985), (citing State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d 216, 219 (Mo. App. 1973)). The Commission has stated its preference for company-owned generation instead of heavy reliance on PPAs to meet Missouri

load requirements and to protect Missouri customers. This statement is consistent with GMO's experience in which the Staff has encouraged utilities to reduce their reliance on PPAs in favor of power plant ownership when justified.

12. Construction of the Project would be an additional renewable energy resource in GMO's generation portfolio. It is estimated that GMO will be required to obtain renewable generation resources per Rule 4 CSR 240-20.100 from the State of Missouri's Department of Economic Development. Construction of the Project would provide a portion of these renewable energy needs. The Project is anticipated to have a capacity of 1.6 MW and a 94% capacity factor. In addition to adding renewable energy to GMO's generating portfolio, GMO will be obtaining CO<sub>2</sub> credits from the Project. The CO<sub>2</sub> credits obtained from the capture and collection of the landfill gas are estimated to on a cost per ton basis that is below the current mid-case GMO forecast for CO<sub>2</sub>. Assuming a modest value for the CO<sub>2</sub> offsets projected from this project, the project is a cost effective method for meeting a portion of GMO's renewable requirements.

13. The location of the Project is desirable because it will provide environmental benefits as well as providing a diversified energy resource to serve the community.

#### **Waiver of 4 CSR 240-4.020**

14. GMO requests a waiver for good cause of the recently enacted 4 CSR 240-4.020 (Ex Parte and Extra Records Communications Rule). Section 2 of the rule requires a notice to be filed with the Commission 60 days prior to filing a contested case. GMO requests a waiver of the 60-day notice requirement as it needs Commission approval in 60 days so it can begin construction of the Project on a timely basis. GMO does not believe Staff or OPC will be prejudiced by the granting of this waiver.

**Requested Action from the Commission**

WHEREFORE, GMO respectfully requests that the Commission issue its order by February 8, 2011:

- a. Granting the Company permission and approval and a certificate of public convenience and necessity to construct, install, own, operate, maintain, and otherwise control and manage electrical power production and related facilities at the Project Site consisting of, initially, one landfill gas-fired combustion turbine as well as all facilities, structures, fixtures, transformers, breakers, installations, and equipment related thereto now existing or to be constructed for the production and transmission of electrical power and energy at the Project Site;
- b. Finding that the granting of the authority requested by this application is required by the public convenience and necessity; and
- c. Making such other orders and findings as are appropriate in the circumstances.

Respectfully submitted,

/s/ Roger W. Steiner  
Roger W. Steiner, MBN 39586  
Kansas City Power & Light Company  
1200 Main Street, 16<sup>th</sup> Floor  
Kansas City, MO 64105  
Telephone: (816) 556-2314  
Facsimile: (816) 556-2787  
email: roger.steiner@kcpl.com

James M. Fischer, MBN 27543  
email: [jfischerpc@aol.com](mailto:jfischerpc@aol.com)  
Fischer & Dority, P.C.  
101 Madison Street, Suite 400  
Jefferson City, MO 65101  
Telephone: (573) 636-6758  
Facsimile: (573) 636-0383  
**Attorneys for KCP&L Greater Missouri  
Operations Company**

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on this 7th day of December, 2010 to the following:

General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102-0360

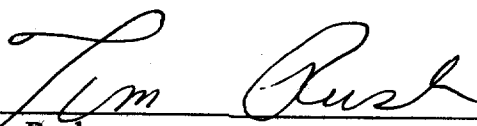
Office of the Public Counsel  
Governor Office Building  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102-2230

/s/ Roger W. Steiner

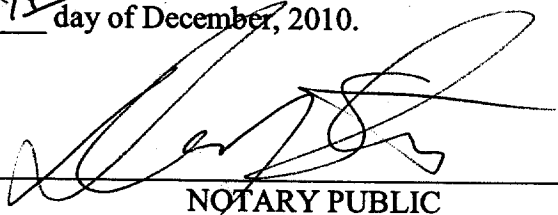
# AFFIDAVIT

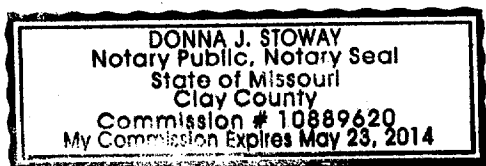
State of Missouri     )  
                                  ) ss  
County of Jackson    )

I, Tim Rush, having been duly sworn upon my oath, state that I am the Director of Regulatory Affairs of Kansas City Power & Light Company ("KCPL"), that I am duly authorized to make this affidavit on behalf of the Applicant, and that the matters and things stated in the foregoing pleading are true and correct to the best of my information, knowledge and belief.

  
\_\_\_\_\_  
Tim Rush

Subscribed and sworn before me this 9<sup>th</sup> day of December, 2010.

  
\_\_\_\_\_  
NOTARY PUBLIC





**AN ORDINANCE AUTHORIZING AN AGREEMENT WITH KANSAS CITY POWER & LIGHT GREATER MISSOURI OPERATIONS (KCP&L) FOR A LANDFILL GAS TO ENERGY PROJECT.**

WHEREAS, the City of St. Joseph, Missouri (City) owns and operates a municipal solid waste landfill. A byproduct of the decomposition of municipal solid waste is the creation of methane gas; and

WHEREAS, the City currently collects methane gas through a well collection system and destroys it through a candlestick flare; and

WHEREAS, the City wishes to reduce the impact of greenhouse gases caused by the release of methane gas at the landfill and, concurrently, increase the value of landfill operations through revenues derived from the sale of methane gas; and

WHEREAS, the City issued a request for proposals on September 2<sup>nd</sup>, 2009 which resulted in the Public Works & Transportation Department choosing Kansas City Power & Light Greater Missouri Operations (KCP&L) and their subcontractor Burns & McDonnell Engineering Company to develop a Landfill Gas to Energy project; and

WHEREAS, the City Council adopted Resolution No. 36455 on March 8<sup>th</sup>, 2010 which authorized a Memorandum of Understanding (MOU) with KCP&L for the purpose of memorializing the Parties' desire to work together on the project and to state their general understanding as to their relationship during the term of the MOU and prior to execution of a formal agreement.

WHEREAS, the attached agreement supersedes the expired MOU and fully describes the partnership between KCP&L and the City to this Landfill Gas to Energy project.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ST. JOSEPH, MISSOURI, AS FOLLOWS:**

SECTION 1. That the agreement by and between the City of St. Joseph, Missouri and Kansas City Power & Light Greater Missouri Operations (KCP&L) to work together on a Landfill Gas to Energy project be, and hereby is, approved and that a true and accurate copy of said agreement is attached hereto and incorporated herein by reference as though fully set out herein.

SECTION 2. That the City Manager be, and hereby is, authorized to execute said agreement with KCP&L by and on behalf of the City of St. Joseph, Missouri.

SECTION 3. That this ordinance shall be in full force and effect from and after date of passage.

Authenticated Copy  
of Reso., G.O. S.O. 8110  
PAULA HEYDE, City Clerk  
By [Signature] Deputy  
Date 11-30-10

Approved as to form:

[Signature]

[Signature] City Attorney

Passed November 29, 20 10

Attest: /s/Paula Heyde, CMC  
(Seal)

City Clerk

/s/Bill Falkner

Mayor

**Date:** October 20, 2010  
**Type of Bill:** Special Ordinance

CITY CLERK  
2010 OCT 22 PM 1:32

## **EXPLANATION TO COUNCIL BILL**

**ORIGINATING DEPARTMENT:** Public Works and Transportation Administration

## **PURPOSE**

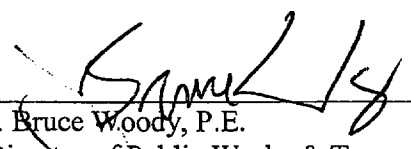
To authorize the City Manager to sign an agreement with KCP&L to work together on a Landfill Gas to Energy project.

## **REMARKS**

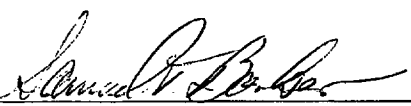
Resolution No. 36455, adopted by City Council on March 8<sup>th</sup>, 2010, authorized a Memorandum of Understanding with KCP&L to guide the initial phase of the process to enter into a formal agreement on a Landfill Gas to Energy Project. The project will expand the City's program of controlling combustion of natural gas from 12 wells to as many as 49 or more wells and converting methane gas to electricity which can produce revenue for the landfill. An additional source of revenue will come from the sale of carbon credits and renewable energy credits. These sources of revenue will pay for the capital investment of the equipment and produce revenue for the City and KCP&L.

The proposed schedule for this project is for well field construction to proceed in the construction season of 2011, with the energy conversion equipment anticipated to come online in 2011.

Submitted by:

  
J. Bruce Woody, P.E.  
Director of Public Works & Transportation

Reviewed by:

  
for Vincent J. Capell  
City Manager

## **ATTACHMENT B**

**THIS DOCUMENT CONTAINS  
CONFIDENTIAL INFORMATION NOT  
AVAILABLE TO THE PUBLIC**

**ORIGINAL FILED UNDER SEAL**

# County Commission, Buchanan County, Missouri

STATE OF MISSOURI, } ss. October TERM, 20 10  
County of Buchanan, }  
In the County Commission of said County, on the 24th day of November, 20 10  
the following, among other proceedings, were had, viz.:

Now on this 24<sup>th</sup> day of November, 2010 the Buchanan County Commission hereby orders that they are ratifying and acknowledging that the proposed Methane Gas-to Energy Project at the City's Landfill is a normal and accessory use covered by the City's Conditional Use Permit as advised by the Buchanan County Zoning Staff.

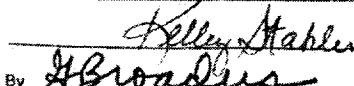
Attached are Letter's from the Missouri DNR and Kansas City Power & Light supporting the project.

It is so ordered.

  
Royal Turner  
Presiding Commissioner

  
Dan Hausman  
Eastern District Commissioner

  
Ron Hook  
Western District Commissioner

STATE OF MISSOURI, } ss. I, Kelley Stahlin, Clerk  
County of Buchanan, }  
of the County Commission and for said County, hereby certify the above and foregoing to be a true copy of the proceedings  
of said County Commission, on the day and year above written, as the same appears of record, in my office. In Testimony  
Whereof, I have hereunto set my hand and affixed the seal of said County Commission at office in the Court House in  
St. Joseph, MO. this 24th day of November, 20 10  
  
By ABroadus Clerk County Commission D.C.

ATTACHMENT C



November 22, 2010

The Honorable R. T. Turner  
Presiding Commissioner  
Buchanan County  
Buchanan County Courthouse  
411 Jules  
St. Joseph, MO 64501

Re: Case No. 381, Conditional Use Permit - St. Joseph Landfill and related operations

Dear Presiding Commissioner Turner,

We are writing in follow up to recent correspondence from the City, dated November 19, 2010, regarding the operations and maintenance of its sanitary landfill in the County. The City currently operates the sanitary landfill pursuant to the terms and conditions of, among other permits, a Conditional Use Permit authorized by Buchanan County Planning and Zoning on December 12, 1990. That existing Conditional Use Permit extends to the operation and management of the sanitary landfill operations by the City.

As you know, the City is in discussions to update and improve their methane management systems on the property identified in the CUP, in order to remain in compliance with their regulatory operating permits. In the City's November 19 letter, the City provided correspondence from Ms. Charlene Fitch, P.E., who is with the Missouri Department of Natural Resources regarding the viability of the City's proposed methane gas-to-energy project with a third party, the undersigned, KCP&L Greater Missouri Operations Company ("KCP&L-GMO"). The City and KCP&L-GMO are in the process of entering into a sustainable initiative that involves a long term agreement to appropriately capture, manage and use this byproduct of the landfill operations for a production process that converts this waste to energy, and this effort also includes the installation of an expanded extraction system, installation and operation of a flare and generator on the landfill site.

As a result, we are requesting your assurances that the existing CUP extends to permit the construction, operation and maintenance of related improvements to the methane collection and extraction system, a flare, a waste-to-energy generating unit and any operational or interconnection equipment to enable these continuing operations, including operations to further any or all of these objectives by KCP&L-GMO on the City's sanitary landfill site, since they are integral to the City's sustainable initiatives and long term operation of the landfill.

We trust you agree and ask that you please confirm the understanding that the Conditional Use Permit also extends to permit such activities through any third party agreements in any order issued pursuant to the City's request.

Sincerely

Marvin Rollison  
Vice President - Renewables and Gas Generation

cc: Files

November 19, 2010

Mr. George Murray  
Counselor for Buchanan County, MO  
507 Francis Street, Ste. 222  
St. Joseph, MO 64501

Re: Order to Buchanan County Commissioners

Dear Mr. Murray,

Pursuant to our conversation last week, please find the enclosed letter from Ms. Charlene Fitch, P.E. with the Missouri Department of Natural Resources regarding the viability of the City's proposed methane gas-to-energy project with a third party. The City currently operates a sanitary landfill pursuant to the terms and conditions of, among other permits, a Conditional Use Permit authorized by Buchanan County Planning and Zoning on December 12, 1990.

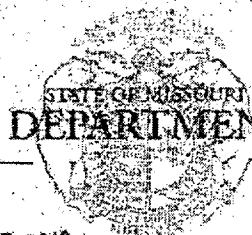
Ms. Fitch's letter is intended to show the Buchanan County Commissioners that a methane-to-electricity project, is a common practice that has become accepted as a normal operation as part of the overall operation of a sanitary landfill and would be covered as a normal operation under the terms of the City's Conditional Use Permit.

Pursuant to our conversation, the City respectfully requests that you prepare an order to be presented to the Buchanan County Commissioners that can be ratified and acknowledged that the proposed methane-to-electricity project referenced above is a normal operation as covered under the City's Conditional Use Permit. I've taken the liberty of scheduling this matter on the Commission's calendar for Wednesday, November 24, 2010 at 10:00 A.M. It is our understand that the County requires a 24 hour notice period before presenting this issue to the Commissioners, so this date should provide plenty of time on order to prepare that order. If you have any questions, please call me at 816-271-4680.

Sincerely,



Graham C. Jura  
Assistant City Attorney



Jonathan W. (Jay) Hunt, Governor • Trip A. Steyer, Acting Director

## DEPARTMENT OF NATURAL RESOURCES

www.dnr.mo.gov

NOV 19 2010

J. Bruce Woody, P.E.  
Director of Public Works & Transportation  
City of St. Joseph  
1100 Frederick Avenue  
St. Joseph, MO 64501

RE: Gas to Energy, St. Joseph Sanitary Landfill, Solid Waste Disposal Area Permit Number  
0102102, Buchanan County

Dear Mr. Woody:

This letter confirms that the City of St. Joseph has an existing landfill gas extraction well and flare system which is permitted by the Missouri Department of Natural Resources Solid Waste Management Program and the system had been in operation for several years. Such extraction systems are common at landfills throughout the state. Many landfills have expanded their extraction well systems and are now producing energy by using the landfill gas as a fuel to operate a generator(s). It is our understanding that St. Joseph is about to contract with a third party for a landfill gas to energy project which will expand its extraction system, install a new flare and install a generator. The Missouri Department of Natural Resources supports renewable energy and looks forward to reviewing any submittals for compliance with Missouri Solid Waste Law and regulations.

If you have any question or need further clarification for the City Council please let me know. I can be reached at (573)526-3940 or at PO Box 176, Jefferson City, Missouri 65102-0176.

Sincerely,

SOLID WASTE MANAGEMENT PROGRAM

A handwritten signature in cursive script, appearing to read "Charlene S. Fitch".

Charlene S. Fitch P.E.  
Chief, Engineering Section

CSF:ld

