

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

In the Matter of the Verified Joint Application    )  
of Kansas City Power & Light Company            )  
and KCP&L Greater Missouri Operations            )   File No. File No. EE-2018-0108  
Company for a Variance from the                    )  
Commission’s Affiliate Transactions Rule           )  
4 CSR 240-20.015                                        )

**MOTION TO DISMISS**

**COME NOW** Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively, “Joint Applicants”) and, pursuant to 4 C.S.R. 240-2.116(1), respectfully request that the Missouri Public Service Commission (“Commission”) issue an order dismissing this case for the reasons stated below, as follows:

1. On May 18, 2018, Joint Applicants filed their *Verified Application for Variance* (“Application”) in this docket, along with supporting testimony.

2. Joint Applicants requested the variance, in part, because their affiliate, GXP Investments, Inc. (“GXPI”), owned 16.6% of the equity of Grid Assurance, LLC (“Grid Assurance”) and Joint Applicants intended to enter into a transaction to subscribe to equipment sparing service<sup>1</sup> to be provided by Grid Assurance in the future, at and after which time GXPI’s equity stake in Grid Assurance would be less than 10%. See Direct Testimony of Chris Kurtz, pp. 19, 24-25. In addition, when the Application was filed, an employee of KCP&L served as

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<sup>1</sup> As described by Mr. Kurtz on p. 8 of his Direct Testimony, Grid Assurance is designed to provide a platform for rapid mitigation of grid vulnerability in the event of a high impact, low frequency event. Grid Assurance enhances the ability of participating utilities to reduce the potentially devastating impacts of prolonged transmission outages by providing subscribers with ready access to pre-positioned and optimized inventory of critical transmission grid equipment. Grid Assurance supports the restoration of electric service after catastrophic events through a number of services, including:

- Procurement and maintenance of critical spare transformers, circuit breakers and related transmission equipment that is typically required after major disasters;
- Domestic and strategically located warehousing of inventory; and
- Delivery logistics in the event of an emergency.

the chief executive officer of Grid Assurance. Together, these facts caused Joint Applicants to believe that Grid Assurance would or could be considered an affiliated entity of Joint Applicants under the Commission's Affiliate Transactions Rule (4 CSR 240-20.015, the "Rule") when they would be taking, and paying for, sparing service from Grid Assurance. To the best of Joint Applicants' knowledge, the sparing service to be provided by Grid Assurance is unlike any other service available on the market in this country—which makes it impossible to obtain a "fair market price" for service comparable to the Grid Assurance sparing service necessary to comply with the asymmetric pricing standards under the Rule. 4 CSR 240-20.015(2)(A)1 provides that a regulated electrical corporation shall not compensate an affiliate above the lesser of fair market price or fully distributed cost to the regulated electrical corporation to provide the service to itself, therefore, Joint Applicants requested a variance from the Rule.

3. In December 2018, Joint Applicants learned that Grid Assurance no longer intends to have a KCP&L employee act in the capacity of chief executive officer effective the Fall of 2019, which is approximately six months before Joint Applicants will begin taking, and paying for, sparing service provided by Grid Assurance.

4. Because a KCP&L employee will not be chief executive officer of Grid Assurance when Joint Applicants begin taking, and paying for, sparing service from Grid Assurance around February of 2020 at and after which time GXPI's ownership stake in Grid Assurance will be less than 10%, Joint Applicants no longer believe that Grid Assurance would or could be considered an affiliated entity of Joint Applicants under the Rule at that time. Consequently, Joint Applicants do not believe a variance from the Rule is necessary in connection with sparing service they take from Grid Assurance beginning around February 2020 and request that the Commission dismiss this case.

**WHEREFORE**, Joint Applicants respectfully submit this Motion to Dismiss and request that the Commission issue an order dismissing this case.

Respectfully submitted,

*/s/ Robert J. Hack*

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**Attorneys for Kansas City Power & Light  
Company and KCP&L Greater Missouri  
Operations Company**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, First Class, postage prepaid to counsel for all parties of record this 9<sup>th</sup> day of January 2019:

*/s/ Robert J. Hack*

Robert J. Hack