

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

In the Matter of the Application of Kansas City )  
Power & Light Company for Approval to )  
Make Certain Changes in its Charges for )  
Electric Service to Implement its Regulatory )  
Plan. )

**File No. ER-2010-0355**  
Tariff No. JE-2010-0692

**NON-UNANIMOUS STIPULATION AND AGREEMENT  
AS TO MGE RATE DESIGN ISSUE**

COME NOW Kansas City Power & Light Company (“KCPL”), the Staff of the Missouri Public Service Commission (“Staff”), and Southern Union Company d/b/a Missouri Gas Energy (“MGE”) (collectively “Signatories”) and, for their Non-Unanimous Stipulation and Agreement (“Stipulation”) to resolve a MGE rate design issue in this case, states as follows to the Missouri Public Service Commission (“Commission”):

1. The Signatories agree to settle their disputes in this case regarding the following issues (because the parties were unable to reach a Joint Statement of the Issues, the relevant portions of the Issues Lists of both Staff and KCPL are included):

Staff Issue 13. Should KCPL’s discounted residential electric rates, specifically, Rate B – Residential General Use and Space Heat – One Meter; Rate C – Residential General Use and Space Heat – 2 Meters; and Rate D (applicable to electric space and water heating) — be eliminated? (MGE’s issue)

KCPL Only Issue 11e. Should the Commission adopt MGE’s proposal to eliminate residential space heating rates?

2. The Signatories agree that the first winter season energy charge block rate of KCPL's Schedule R Rate B -- General Use and Space Heat – One Meter will be increased 6% prior to any other increase in residential energy charges being applied. Thereafter, the remaining energy related residential increase in this case shall be applied on an equal percentage basis to all

residential energy charges, including Schedule R Rate B—General Use and Space Heat—One Meter.

3. The Signatories further agree that MGE will withdraw the following issue related to KCPL's line extension tariff.

Staff Issue 74. Facility extension practices: Should KCPL/GMO be allowed to offer discounts or refunds to customers or developers in exchange for agreeing to install heat pumps?

4. If this Stipulation is approved by the Commission, MGE states that it will not oppose, and will not request a hearing in regard to, the Non-Unanimous Stipulation and Agreement as to Class Cost of Service /Rate Design filed on February 4, 2011.

#### **GENERAL PROVISIONS OF STIPULATION**

5. This Stipulation is being entered into solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, regardless of whether this Stipulation is approved.

6. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same.

7. This Stipulation has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

8. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

9. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

10. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues of the issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the

Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

**WHEREFORE**, for the foregoing reasons, the Signatories respectfully request that the Commission issue an Order approving the terms and conditions of this non-unanimous stipulation and agreement.

Respectfully submitted,

STAFF OF THE MISSOURI PUBLIC  
SERVICE COMMISSION

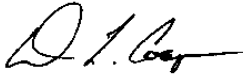
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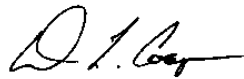
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ATTORNEYS FOR MISSOURI GAS  
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### CERTIFICATE OF SERVICE

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 4<sup>th</sup> day of February, 2011.



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