

Staff Attorney

(816) 556-2789 (816) 556-2787 (Fax)

February 5, 1997

Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

RE: Application to Sell Streetlighting Facilities

Dear Mr. Wright:

Enclosed for filing with the Commission in the above-referenced matter are the original and 14 copies of the Application of Kansas City Power & Light Company for authority to sell certain streetlighting facilities to the City of Kansas City, Missouri.

Please bring this filing to the attention of the Commission.

Thank you for your assistance.

Sincerely,

cc:

Susan B. Cunningham

Office of the Public Counsel

busan B. Currington

FEB 6 - 1997

MISSOURI
PURIL SERVICE COMMISSION

PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

| In the Matter of the Application of Kansas |) | |
|--|---|---------------------------|
| City Power & Light Company for authority |) | |
| to sell to the City of Kansas City, Missouri, |) | Case No. <u>EM-97-305</u> |
| certain streetlighting facilities subject to the |) | |
| jurisdiction of the Commission. |) | |

APPLICATION

COMES NOW Kansas City Power & Light Company (KCPL), and pursuant to §393.190 RSMo and 4 CSR 240-2.060, requests authority from and approval of the Commission, to the extent such authority and approval may be required, to sell to the City of Kansas City, Missouri (City) certain streetlighting facilities presently owned by KCPL. In support hereof, KCPL represents and states:

- KCPL is a corporation duly organized and existing under the laws of the 1. State of Missouri, with its principal office at 1201 Walnut, Kansas City, Missouri, 64106.
- KCPL is an electrical corporation and public utility as defined in §386.020 2. RSMo. KCPL is engaged principally in the generation, transmission, distribution and sale of electric energy.
 - Communications in this matter should be addressed to: 3.

Steven W. Cattron Vice President - Marketing and Sales Kansas City Power & Light Company P.O. Box 418679 Kansas City, MO 64141-9679 (816) 556-2726 Telephone:

(816) 556-2924 Telecopy:



Susan B. Cunningham
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- 4. Pursuant to §393.190 RSMo, KCPL seeks authority to sell to the City its existing streetlighting system located within the City.
- A description of the streetlighting system to be sold is attached hereto as
 Appendix 1.
- 6. The consideration to be received by KCPL from the City for the properties set out in Appendix 1 is \$21,500,000. This is a negotiated price which closely approximates the net book value of the properties.
- 7. A copy of the Streetlight Agreement is not required to be included in this Application as set out in §393.140(11) RSMo, which exempts state, municipal or federal contracts from Commission review.
- 8. A certified copy of a resolution by KCPL's Board of Directors authorizing the sale of streetlighting facilities to the City will be filed as a late-filed exhibit on or about February 10, 1997 and labeled Appendix 2.
- 9. The sale of KCPL's streetlighting system to the City produces a revenue neutral tax impact to the City.
- 10. The sale of the streetlighting system will not be detrimental to the public interest. The City's own evaluations indicate that this transaction is more economically advantageous in the long term than the current leasing arrangement with KCPL.

11. KCPL currently has a tariff on file with and approved by the Commission for municipal streetlighting. This tariff, however, is limited to company-owned facilities. Therefore, KCPL will file forthwith a new tariff to accommodate the streetlights being sold to the City.

WHEREFORE, KCPL respectfully requests that the Commission issue an Order authorizing and approving the sale of KCPL's streetlighting system described herein to the City.

Respectfully submitted,

Susan B. Curningham, MO #47054
1201 Walnut
P.O. Box 418679
Kansas City, Missouri 64141-9679

(816) 556-2789 (816) 556-2787 (FAX)

Attorney for Kansas City Power & Light Company

VERIFICATION

| State of Missouri |) | |
|-------------------|---|----|
| |) | Ss |
| County of Jackson |) | |

Steven W. Cattron, being first duly sworn upon his oath, deposes and states that he is Vice President - Marketing and Sales of Kansas City Power & Light Company, that he has read and is familiar with the foregoing Application and that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Steven W. Cattron

Subscribed and sworn to before me this 5% day of February 1997.

Notary Public

My Commission Expires:

CATHY CLAYPOLE
Notary Public-Natary Seal
State of Missouri
Clay County
My Commission Expires Feb 27, 2000



KANSAS CITY POWER & LIGHT COMPANY NET BOOK AS OF SEPTEMBER 30, 1996

| A STATE OF THE PROPERTY OF THE | Control of the Contro |
|--|--|
| STUDY DATE: | 96.8 |
| SIUDI MAIR | g - 40°-40°-2 |

| | | | | (a) | | |
|--------------------------|---------|-------------------------|------------|---|------------|------------|
| | | | | HISTORICAL | | |
| EQUIPMENT | FERC | VINTAGE | BOOK | DEPR | ACCUM | NET |
| DESCRIPTION | ACCOUNT | YEAR | PLANT | RATE | DEPR | BOOK |
| KCMO STREET LIGHTING SYS | 373 | 47 | • ` | 3.76% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 48 | - | 3.76% | 0 | |
| KCMO STREET LIGHTING SYS | 373 | 49 | - | 3.75% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 50 | - | 3.75% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 51 | - | 3.74% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 52 | - | 3.74% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 53 | - | 3.73% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 54 | - | 3.72% | 0 | - |
| KCMO STREET LIGHTING SYS | 373 | 55 | 14,905 | 3.72% | 14,905 | - |
| KCMO STREET LIGHTING SYS | 373 | 56 | 75,516 | 3.71% | 75,516 | - |
| KCMO STREET LIGHTING SYS | 373 | 57 | 48,983 | 3.70% | 48,983 | - |
| KCMO STREET LIGHTING SYS | 373 | 58 | 36,550 | 3.70% | 36,550 | - 1 |
| KCMO STREET LIGHTING SYS | 373 | 59 | 32,921 | 3.69% | 32,921 | - |
| KCMO STREET LIGHTING SYS | 373 | 60 | 26,190 | 3.68% | 26,190 | - |
| KCMO STREET LIGHTING SYS | 373 | 61 | 40,945 | 3.67% | 40,945 | - |
| KCMO STREET LIGHTING SYS | 373 | 62 | 57,562 | 3.66% | 57,562 | - |
| KCMO STREET LIGHTING SYS | 373 | 63 | 19,802 | 3.65% | 19,802 | - |
| KCMO STREET LIGHTING SYS | 373 | 64 | 11,241 | 3.64% | 11,241 | - |
| KCMO STREET LIGHTING SYS | 373 | 65 | 65,352 | 3.63% | 65,352 | - 1 |
| KCMO STREET LIGHTING SYS | 373 | 66 | 12,451 | 3.61% | 12,451 | - 1 |
| KCMO STREET LIGHTING SYS | 373 | 67 | 123,511 | 3.60% | 123,511 | - 1 |
| KCMO STREET LIGHTING SYS | 373 | 68 | 70,554 | 3.59% | 70,554 | - |
| KCMO STREET LIGHTING SYS | 373 | 69 | 80,252 | 3.57% | 78,115 | 2,137 |
| KCMO STREET LIGHTING SYS | 373 | 70 | 56,283 | 3.56% | 52,533 | 3,750 |
| KCMO STREET LIGHTING SYS | 373 | 71 | 55,809 | 3.54% | 49,858 | 5,951 |
| KCMO STREET LIGHTING SYS | 373 | 72 | 186,347 | 3.52% | 159,022 | 27,325 |
| KCMO STREET LIGHTING SYS | 373 | 73 | 248,766 | 3.50% | 202,338 | 46,428 |
| KCMO STREET LIGHTING SYS | 373 | 74 | 156,901 | 3.48% | 121,342 | 35,559 |
| KCMO STREET LIGHTING SYS | 373 | 75 | 335,874 | 3.45% | 246,319 | 89,555 |
| KCMO STREET LIGHTING SYS | 373 | 76 | 216,516 | 3.42% | 150,125 | 66,391 |
| KCMO STREET LIGHTING SYS | 373 | 77 | 169,135 | 3.43% | 111,725 | 57,410 |
| KCMO STREET LIGHTING SYS | 373 | 78 | 391,248 | 3.44% | 245,612 | 145,636 |
| KCMO STREET LIGHTING SYS | 373 | 79 | 717,467 | 3.45% | 426,869 | 290,598 |
| KCMO STREET LIGHTING SYS | 373 | 80 | 1,653,315 | 3.46% | 929,438 | 723,876 |
| KCMO STREET LIGHTING SYS | 373 | 81 | 1,278,296 | 3.47% | 676,687 | 601,609 |
| KCMO STREET LIGHTING SYS | 373 | 82 | 1,293,833 | 3.48% | 642,474 | 651,359 |
| KCMO STREET LIGHTING SYS | 373 | 83 | 1,716,761 | 3,50% | 796,177 | 920,585 |
| KCMO STREET LIGHTING SYS | 373 | 84 | 2,579,056 | 3.52% | 1,111,487 | 1,467,569 |
| KCMO STREET LIGHTING SYS | 373 | 85 | 1,860,490 | 3,54% | 740,785 | 1,119,705 |
| KCMO STREET LIGHTING SYS | 373 | 86 | 1,535,005 | 3.56% | 560,123 | 974,882 |
| KCMO STREET LIGHTING SYS | 373 | 87 | 2,200,949 | 3.56% | 724,773 | 1,476,177 |
| KCMO STREET LIGHTING SYS | 373 | 88 | 2,287,744 | 3.56% | 666,036 | 1,601,707 |
| KCMO STREET LIGHTING SYS | 373 | 89 | 973,088 | 3.56% | 251,154 | 721,934 |
| KCMO STREET LIGHTING SYS | 373 | 90 | 574,900 | 3.56% | 127,915 | 446,985 |
| KCMO STREET LIGHTING SYS | 373 | 91 | 1,571,402 | 3.56% | 293,695 | 1,277,707 |
| KCMO STREET LIGHTING SYS | 373 | 92 | 1,710,563 | 3.56% | 258,808 | 1,451,755 |
| KCMO STREET LIGHTING SYS | 373 | 93 | 1,024,132 | 3.56% | 118,492 | 905,640 |
| KCMO STREET LIGHTING SYS | 373 | 94 | 2,303,828 | 3.56% | 184,537 | 2,119,291 |
| KCMO STREET LIGHTING SYS | 373 | 95 | 2,774,239 | 3.56% | 123,454 | 2,650,786 |
| KCMO STREET LIGHTING SYS | 373 | 96 | 711,318 | 3.56% | 6,331 | 704,987 |
| TOTAL | | ANTONOMOR ANTONOMOR ANT | 31,280,001 | THE REPORT OF THE PARTY OF THE | 10,692,708 | 20,587,293 |

NOTES

⁽a) Weighted-average rate based on the actual depreciation rates in effect throughout the life of the equipment.

Wood Poles Final

| PLANT BALANCE | \$ 135,852,036 | 100.0% |
|----------------------|-----------------------|--------|
| DEPRECIATION RESERVE | \$ 52,993,002 | 39.0% |
| NET BOOK | \$ 82,859,035 | 61.0% |

| NET BOOK OF WOOD POLES | \$ | 579,120 |
|----------------------------------|----|----------|
| NET BOOK % | | 61.0% |
| ORIGINAL COST OF WOOD POLES | \$ | 949,500 |
| AVERAGE COST PER WOOD POLE | \$ | 211 |
| EXCLUSIVE STREETLIGHT WOOD POLES | 1 | 4,500 |
| | | TENEDON! |

| Calculation of Average Unit | Price of Poles | | | |
|-----------------------------|------------------|-----------|------------|----------|
| | | Allocated | Avg | |
| | % of All 30 Foot | Est By | System | |
| County | Poles | County | Unit Price | Est Cost |
| Jackson | 73% | 3285 | 225 | 739125 |
| Clay | 18% | 810 | 178 | 144180 |
| Platte | 9% | 405 | 162 | 65610 |
| Total | 100% | 4500 | | 948915 |

Average Unit Cost Exclusive Streetlight Wood Poles

210.87