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December 21, 2000

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DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. EO-2001-240

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of the **STAFF'S SUGGESTIONS IN SUPPORT OF UNANIMOUS STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Eric W. Anderson
Assistant General Counsel
(573) 751-7485
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EWA/lb
Enclosure
cc: Counsel of Record

FILED²
DEC 21 2000

Missouri Public
Service Commission

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

FILED²
DEC 21 2000

In the Matter of the Joint Application of Kansas)
City Power & Light Company and the City of) Case No. EO-2001-240
Marshall for an Order Approving a Territorial)
Agreement)

Missouri Public
Service Commission

**STAFF'S SUGGESTIONS IN SUPPORT OF
UNANIMOUS STIPULATION AND AGREEMENT**

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and for its Suggestions in Support of Unanimous Stipulation and Agreement, respectfully states as follows:

1. On October 11, 2000, Kansas City Power & Light Company ("KCPL"), a Commission regulated utility, and the City of Marshall ("City"), a Third-Class City in the State of Missouri, hereinafter collectively known as "the Applicants," filed a Joint Application requesting Commission approval of a proposed Territorial Agreement between the two parties.

2. The Applicants, the Office of the Public Counsel ("Public Counsel") and the Staff (collectively, "the Parties") reached an agreement in this matter, and on December 20, 2000, filed a Unanimous Stipulation and Agreement ("Stipulation and Agreement") in settlement of all outstanding issues.

3. The Unanimous Stipulation and Agreement is consistent with the Joint Application and Territorial Agreement as filed.

4. Staff has reviewed the Joint Application, investigated the electrical facilities of each utility serving the area covered by the Territorial Agreement and conducted a field inspection. The area covered by this Territorial Agreement includes electric service territory of KCPL and area served by City. The proposed boundaries of the service area for each utility are

crafted to allow the utility in the exclusive areas to utilize their existing facilities more efficiently. This will allow each utility to better plan for future needs for the areas where there is an exclusive provider of electric service and will also serve to minimize duplication of electric facilities.

5. The Staff finds that the City has adequate electric facilities in the areas designated as its exclusive service area. Under the terms of the Territorial Agreement, the City will serve all new customers within its designated area, which includes areas A through F, as described in Exhibit 2 of the Territorial Agreement. Conversely, KCPL will serve all new customers requesting electric service in the area identified as the exclusive territory of KCPL, which includes the area of the service center, which is described in Exhibit 1 of the Territorial Agreement. This will allow each utility to focus its resources in areas where it is better able to provide reliable electric service.

6. The Territorial Agreement also provides that five metered locations within KCPL's current service area will now be serviced by the City and that these customers will not be allowed to switch providers without permission of the Commission. A customer list is provided in paragraph 4 of the Joint Application, and Attachment 3 to the Joint Application contains affidavits from each customer indicating that they have been informed of the proposed change and have no objection to the change in electric service providers. The change in electric service providers is in the public interest for a reason other than a rate differential as discussed in paragraph 3(e) of the Joint Application and therefore should be approved under 393.106 RSMo 1994.

7. The Staff supports this Joint Application and is of the opinion that approval of the Territorial Agreement is in the public interest.


8. KCPL agrees in the Stipulation and Agreement that within 30 days of the effective date of an Order approving the Territorial Agreement, KCPL will file for review and approval revised tariff sheets for KCPL's service area in Saline County, which will state the effect of the Territorial Agreement on the rights and obligations of KCPL to provide service and state the effect of the Territorial Agreement on the service area.

9. None of the Parties to the Stipulation and Agreement are to be deemed to have approved or acquiesced in any rate-making principle or any method of cost determination or cost allocation underlying or allegedly underlying the Stipulation and Agreement, except as the Commission finds that the Territorial Agreement is in the public interest. Further, the parties recommend that the Commission reserve the right to consider the rate-making treatment to be afforded this transaction in any future rate-making proceeding.

WHEREFORE, the Staff respectfully submits its Suggestions in Support of the Unanimous Stipulation and Agreement entered into by KCPL, City, Staff and Public Counsel, and filed in the instant case on December 20, 2000.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Eric William Anderson, Mo. Bar No. 47253
Assistant General Counsel

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 21st day of December 2000.



**Service List for
Case No. EO-2001-240
December 20, 2000 (lb)**

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