



April 9, 2012

Mr. Lanny Nickell
Vice President, Engineering
Southwest Power Pool, Inc.
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020

RE: Notification to Construct (“NTC”) SPP-NTC-20042

Dear Mr. Nickell,

This letter is in regards to the Notification to Construct approved Balanced Portfolio Network Upgrades (SPP-NTC-20042), dated June 19, 2009 (“NTC”) issued by Southwest Power Pool, Inc. (“SPP”) to Kansas City Power & Light Company (“KCP&L”). KCP&L accepted the obligation to build the upgrades associated with the NTC by letter dated September 15, 2009. For ease of reference, both letters are attached hereto.

The NTC issued by SPP pursuant to Section 3.3 of the SPP Membership Agreement and Attachment O, Section VI¹, of the SPP Open Access Transmission Tariff (“OATT”) directed KCP&L to construct certain approved Balanced Portfolio 3E-“adjusted” network upgrades. The upgrade at issue is the Iatan-Nashua 345 kV line, identified in the NTC as Project ID #703 and Network Upgrade IDs #'s 10935 and 10945 (the “Project”). KCP&L accepted the obligation to construct the Project on behalf of itself as the designated owner of Nashua facility, and as the owner-operator of the Iatan substation.² While the Iatan substation is operated by KCP&L, it is physically located in GMO’s service territory. As a result, the Project will traverse through GMO’s service territory to connect with KCP&L’s Nashua substation.

Pursuant to SPP’s Membership Agreement §3.3(b) and the OATT Attachment O §VI(4) “[i]f the project forms a connection with facilities owned by *multiple* Transmission Owners, the applicable Transmission Owners will be designated to provide their respective new facilities. If there is more than one Transmission Owner designated to construct a project, the Designated Transmission Owners will agree among themselves which part of the project will be provided by each entity.” As the Project forms a connection between facilities owned by multiple parties, the parties should be

¹ The NTC referenced Attachment O, Section VIII, which was correct at the time it was issued. In the current OATT, the section that governs notifications to construct SPP-approved upgrades is Attachment O, Section VI.

² The owners of Iatan Station own the Iatan substation as tenants in common, each with an undivided ownership interest. The owners of Iatan Station are KCP&L, KCP&L Greater Missouri Operations Company (“GMO”), Empire District Electric Company (“Empire”), Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) and Kansas Electric Power Cooperative, Inc. (“KEPCo”). KCP&L is the exclusive Operator responsible for the actual design, permitting, development, procurement, construction, operation and maintenance of Iatan Station, including the Iatan substation, subject to the direction of the Management Committee.

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permitted to determine which part of the Project will be constructed by each entity. As a tenant in common in the Iatan substation with KCP&L, GMO holds a common, undivided ownership interest in the substation. Because the substation is located in GMO's service territory and because the substation is owned by both KCP&L and GMO, KCPL requests that SPP also issue the NTC to GMO to allow both KCPL and GMO to determine how the Project will be constructed.³ Doing so would allow all parties to fulfill their obligations consistently with the requirements of the Membership Agreement and the OATT, as explained herein.

Please feel free to contact me directly if you have any questions or comments regarding KCP&L's request contained herein.



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³ Although the other tenants in common have an undivided interest in the Iatan Substation, because the facility is located *entirely* within GMO's territory and the Project has only two points of interconnection that practically allow no more than two owner-operators of the Project, it would not be inconsistent with the Membership Agreement or the OATT to only issue the additional NTC to GMO.