

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

In the Matter of the Application of Ameren Transmission)
Company of Illinois for Other Relief or, in the Alternative,)
a Certificate of Public Convenience and Necessity)
Authorizing it to Construct, Install, Own, Operate,) File No. EA-2015-0146
Maintain and Otherwise Control and Manage a)
345,000-volt Electric Transmission Line from Palmyra,)
Missouri, to the Iowa Border and Associated Substation)
Near Kirksville, Missouri.¹)

**RESPONSE TO THE STAFF’S MOTION THE COMMISSION
TAKE NOTICE OF PORTIONS OF CASE NO. 16,734**

COMES NOW Ameren Transmission Company of Illinois (ATXI) and, pursuant to 4
CSR 240-2.080(13), files its response to the above-referenced Staff motion, as follows:

1. As made clear in their respective initial and reply post-hearing briefs, ATXI and
the Staff disagree on the application of the franchise/municipal consent provisions of subsection
2 of section 393.170, RSMo to the facts of this case.² A review of those briefs and the
Commission decisions cited in them demonstrate that over the past 100-plus years, the
Commission itself has been inconsistent in its own application of the provisions at issue.

2. The Staff, in an effort to prove that its view of the statutory requirements applied
to the facts of the present case is correct, cited to 19 Commission decisions in its initial brief and,
by the present motion and its citation to another decision, has now cited to 20 Commission
decisions that it would argue support its views on the application of section 393.170 to this case.
There is nothing particularly new about the decision that is the subject of the Staff’s motion,
given that the Staff had already cited five Commission decisions (identified in footnote 180 on
page 46 of ATXI’s Reply Brief) where a Missouri electrical corporation that served retail end-

¹ The project for which the CCN is sought in this case also includes a 161,000-volt line connecting to the associated
substation to allow interconnection with the existing transmission system in the area.

² All statutory references herein are to the Revised Statutes of Missouri (2000), unless otherwise noted.

use customers had constructed transmission lines that did not directly serve those retail end-use customers, and when the companies obtained CCN's for the specific transmission line at issue, there was evidence in the files that assents from the affected counties had been obtained.³ As ATXI stated before: the existence of those five decisions (and now a sixth decision) "does not mean they were *required as a matter of law* to have franchises for the particular transmission lines involved in those cases as a prerequisite to obtaining CCN's for those lines. Rather, it just so happened that they did."⁴

3. While what the Commission has done in the past on various sets of facts does not itself establish what the statute does or does not require, it is undisputed that there have been only two prior CCN cases in the Commission's history on facts that were highly similar to the facts in the present case, and it is undisputed that CCNs were issued in those cases without requiring (before or after issuance) that county assents be obtained. More specifically, both of those cases involved a transmission-only company owning and operating an interstate transmission line (part of which was located in Missouri) that has no Missouri retail end-use customers and no certificated service territory, and both of those cases involved transmission lines that crossed county roads.⁵ If the Commission acts differently in the present case, it will do something it has never done before – require county assents or franchises for a *transmission-only company* like ATXI.⁶

4. The Staff has also cited cases where the Commission has disagreed with the position the Staff is taking, including the *Grand River*, *Midstate* and *Central Missouri Gas* cases.

³ It is not clear in all cases that specific assents for the specific line had been obtained as opposed to assents obtained in the county at issue at a different time, probably when the utility at issue was commencing service to retail end-use customers in the county at issue.

⁴ ATXI Reply Brief at 56 [footnotes omitted].

⁵ See the discussion of the *Transource* and *IES Utilities* decisions in both ATXI's initial and reply briefs.

⁶ As pointed out in ATXI's Reply Brief, there is a third case involving an interstate gas pipeline that crossed roads in two counties where county assents/franchises were not required. See *Central Missouri Gas*, discussed at pages 52-53 of ATXI's Reply Brief.

While these cases did not involve transmission only companies, assents were not required before or after issuance of the CCN and the CCNs were granted for some or all of the municipalities involved without conditions related to assents.⁷

5. Staff's citation in its motion to Case No. 16,734, decided in 1969 and involving St. Joseph Light & Power Company ("SJLP"), warrants additional mention of another SJLP decision decided in 1991.⁸ In this 1991 decision, SJPL and Kansas City Power & Light Company ("KCPL") filed an application seeking a CCN for their participation in the Missouri segment of an interstate transmission line that would run from near St. Joseph into Nebraska (about 104 miles in Missouri). Associated Electric Cooperative, Inc. was to be the actual, physical "constructor" and title-owner of the transmission line, but the facts were such that it was clear that SJPL and KCPL were effectively paying to construct their share based on their expected usage. As the case progressed, SJPL and KCPL filed an amended application asserting that since 393.170 only applied if a regulated electrical corporation were constructing such a line, and they were not, the statute did not apply. The transmission line was being constructed using private easements (not along public roads) and the original application, making note of that fact, specifically stated that "no consents by counties or cities are required for the Missouri segment" of the line.⁹ However, it is clear that the line crossed roads in multiple counties along its 104-mile route in Missouri.¹⁰ The Commission rejected SJPL's and KCPL's argument that section 393.170 did not apply, finding that they were engaged in construction within the meaning of

⁷ Staff would likely argue that in *Grand River* it is not clear from the case file what happened, but what is clear is that the case file shows no evidence of franchises for some of the municipalities at issue before the CCN was unconditionally granted.

⁸ Case No. EA-90-252, on which Kansas City Power & Light Co. was a joint applicant, decided by *Report and Order* granting a CCN on August 29, 1991.

⁹ Copies of the Commission's Order and both the original and amended applications are attached hereto as Exhibits A, B and C, respectively (not all attachments to the applications are included as they are voluminous and not pertinent to the issue under debate here). The quoted statement appears in paragraph 11 of Exhibit B.

¹⁰ The map attached to the original application as Appendix 3 shows the line running through portions of Dekalb, Gentry, Andrew, Nodawaym Holt and Atchison counties in Missouri.

section 393.170 and that they must therefore obtain CCNs. The Commission issued the CCNs. The CCNs were not in any way conditioned on the receipt of assents (franchises) from any county. If the Staff's view of the law is correct, then the Commission should not have granted the CCN.

6. The specific request before the Commission on the Staff's present motion is that the Commission "take notice" of those portions of its file in Case No. 16,734. ATXI assumes that by "take notice" the Staff intends to ask the Commission to take official notice of a fact¹¹ as authorized by section 536.070(6), RSMo. (Cum. Supp. 2013).¹² Although there is a question about the propriety of the Commission taking official notice of a separate case or parts of it involving different parties and that is not interwoven or interdependent with the present case,¹³ ATXI has no objection to the Staff's request made in its motion *so long as* the Commission also takes official notice of the following facts revealed by the Commission's case files in *Transource*¹⁴, *IES Utilities*¹⁵, *SJLP & KCPL*,¹⁶ *Grand River*¹⁷, *Midstate*¹⁸ and *Central Missouri Gas*¹⁹:

- a. the fact that in *Transource* and *IES Utilities*, neither company had submitted evidence that they possessed an assent (or franchise) from the counties

¹¹ Presumably that fact is that there was evidence of an assent from Atchison County in the case file when the Commission issued the CCN in Case No. 16,734.

¹² Section 536.070(6) provides: "Agencies shall take official notice of all matters of which the courts take judicial notice."

¹³ Notice is proper when the facts in the other cases of which notice is requested are "so closely interwoven, or so clearly interdependent [with the case at bar] as to invoke a rule of judicial notice in one suit of the proceedings of another suit." *Smitty's Super Mkts., Inc. v. Retail Store Employees Local 322*, 637 S.W.2d 148, 151 (Mo. App. S.D. 1982), quoting *Knorp v. Thompson*, 175 S.W.2d 889, 894 (Mo. 1943). For an order or decision in an unrelated matter to be "so closely interwoven or so clearly interdependent" that notice can be taken, the case must involve the same parties and same subject matter. See *Smitty's*, 637 S.W.2d. at 148. Obviously the parties are not the same here and it is not clear that the "same" subject matter is involved.

¹⁴ Case No. EA-2013-0098 (*Report & Order* August 7, 2013).

¹⁵ Case No. EA-2002-296 (*Report & Order* April 18, 2002).

¹⁶ Case No. EA-90-252; 1 Mo. P.S.C.3d 44 (*Report & Order* August 28, 1991).

¹⁷ Case No. 13,972; 8 Mo. P.S.C. (N.S.), 407 (*Report & Order* 1959) and 315 (*Report & Order* 1958).

¹⁸ Case No. 14,835; 10 Mo. P.S.C. (N.S.), 454, 456 (*Report & Order* 1962).

¹⁹ Case No. 13,976; 8 Mo. P.S.C.(N.S.) 340 (*Report & Order* 1958).

through which the lines were to be built, that the lines crossed roads in those counties and that the Commission issued CCNs to those companies for the transmission lines at issue, the effectiveness of which were not conditioned on obtaining or providing an assent (or franchise), either before or after the CCNs were issued;

- b. That in *SJPL & KCPL*, SJPL and KCPL the Commission determined that the two companies were constructing a transmission line within the meaning of section 393.170 and that they must therefore obtain a CCN before construction, the transmission line crossed roads in some or all of those counties, neither SJPL nor KCPL submitted, pre- or post-granting the CCN, evidence that assents (franchises) were obtained allowing the road crossings (and affirmatively stated that the same were not required) and the Commission granted the CCN without any condition relating to assents (franchises);
- c. the fact that in *Grand River*, there is no evidence in the case file that assents (franchises) had been obtained for three of the municipalities for which an unconditional CCN (to provide service in those municipalities) was issued;
- d. the fact that in *Midstate*, the Commission's order affirmatively shows that the Commission issued a CCN for the municipalities of Brazito, Centertown and Schubert without requiring (pre- or post-CCN issuance) evidence of franchises; and
- e. the fact that in *Central Missouri Gas*, a CCN to build the lateral from the interstate gas pipeline in Iowa through Schuyler and Adair counties was issued without requiring, pre- or post-granting the CCN, that an assent

(franchise) from those counties had been obtained, and that the pipeline crossed roads in those counties.

WHEREFORE, ATXI prays that the Commission, if it is to take official notice of the facts from Case No. 16,734 as requested by the Staff, also take official notice of the facts outlined in subparagraphs a through e of paragraph 6 above.

Respectfully submitted,

/s/ James B. Lowery

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing has been e-mailed, this 5th day of April, 2016, to counsel for all parties of record.

/s/ James B. Lowery

An Attorney for Ameren Transmission
Company of Illinois

1991 Mo. PSC LEXIS 35; 1 Mo. P.S.C. 3d 44

Public Service Commission of the State of Missouri

August 28, 1991

Case No. EA-90-252

Reporter

1991 Mo. PSC LEXIS 35; 1 Mo. P.S.C. 3d 44

In the matter of the joint application of St. Joseph Light & Power Company and Kansas City Power & Light Company for (1) authority to participate in the construction and operation of a 345,000 volt electric transmission line from Cooper, Nebraska to St. Joseph, Missouri, in accordance with the terms of a Coordinating Agreement governing same, and all other documents related thereto; (2) for each to enter into and perform under a Facilities Use Agreement related thereto; (3) for a determination that a Construction and Financing Agreement to be entered into by each pursuant to the terms of the Coordinating Agreement does not constitute evidence of indebtedness under Chapter 393, RSMo; and (4) for approval of the accounting treatment to be afforded both relative to their financial participation in construction and operation of said transmission line. *

Core Terms

electric, milligauss, lease, ratemaking, staff, evidence of indebtedness, certificate, intervenor, foot, convenience and necessity, transmission line, voltage line, estimate, siting, plant, load

Counsel

APPEARANCES: *Gary W. Duffy*, Brydon, Swearingen & England, P.O. Box 456, Jefferson City, Missouri 65102

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* The Commission, in an order adopted December 10, 1991 denied a motion for modification.

James B. Lowery

EXHIBIT A

Don Hageman, Cosby, Missouri 64436

HEARING EXAMINER: Michael F. Pfaff

Panel: [*1] Steinmeier, Chm., Mueller, Rauch, McClure, Perkins, CC.

Opinion

REPORT AND ORDER

PROCEDURAL HISTORY

On March 22, 1990, St. Joseph Light & Power (SJLP) and Kansas City Power & Light Company (KCPL), (Applicants), applied pursuant to Sections 393.170 and 393.190¹ for authority to participate in the construction of a 101 mile 345,000 volt electric transmission line from Northeastern Nebraska to SJLP's substation near St. Joseph, Missouri. Known as the Cooper-Fairport St. Joseph Interconnection (CFSI), the line will be constructed and owned by Associated Electric [*2] Cooperative, Inc.

On October 16, 1990, the Commission issued an Order and Notice, establishing an intervention deadline of November, 1990. Interventions were granted to the following landowners, all of whom oppose the proposed line: Darrell Falk, Charles Sillers, Marion Oswald, Jay Smith, Linda Elder, Dean Bolten, Marcia Symanski, David Sly, Julia Bennington, Richard Oswald, Fred Heller, Dennis Ford, Paul Kunz, Betty Sly, Joe Boatright, Kenneth Nold, Roger Henderks, Dan Hageman and Larry Lewis. Subsequently, several of those above named withdrew as intervenors.

On February 22, 1991, Applicants amended their petition, to exclude the request that the Commission authorize the CFSI under Section 393.170. Applicants now state that Section 393.170 has no application, and that since Applicants will neither construct nor own the line they require no certificate of convenience and necessity. By their amended petition, Applicants continue to request the Commission's approval under Section 393.190 of one part of a series of Agreements relating to the CFSI. Applicants request that the Facilities Use [*3] Agreement, described infra, be authorized under Section 393.190. Applicants also seek a declaration from the Commission that their participation in the CFSI, and the agreements and leases connected therewith, do not constitute "evidences of indebtedness" under Sections 393.180 and 393.200. In addition, Applicants request language in this order which specifies ratemaking treatment of certain lease payments, explained in greater detail below.

Pursuant to its procedural schedule ordered on February 8, 1991, the Commission conducted public hearings in St. Joseph, Missouri, on April 18, 1991, at which Randall Wyckoff, Cheryl Wyckoff and Bruce Hill presented testimony.

Following the submission of prepared direct and rebuttal testimony, the Commission conducted an evidentiary hearing on May 22, 1991, wherein Applicants, Staff, Public Counsel and Landowner intervenors made presentations. Initial and Reply Briefs having been filed, this matter is duly before the Commission for determination.

FINDINGS OF FACT

Having considered all the competent and substantial evidence upon the whole record, the Missouri Public Service Commission makes the following findings of fact:

Joint Applicants St. [*4] Joseph Light & Power Company and Kansas City Power & Light Company are investor-owned electric corporations, and are public utilities subject to the Commission's jurisdiction by virtue of Chapters 386, RSMo, 1986. Associated Electric Cooperative, Inc., (AECI) is a rural electric cooperative engaged

¹ Unless otherwise indicated, all citations to Missouri Statutes are to RSMo, 1986.

in the generation, transmission, and sale of electric energy to distribution cooperatives in Missouri and Iowa. The Commission's safety jurisdiction over AECl's proposed line is conferred by Section 394.160.

The CFSI is a 101 mile (+ or -) 345,000 volt electric transmission line from Cooper, Nebraska, to St. Joseph, Missouri. Approximately one hundred miles of the line will be in Missouri. The line will be built by AECl, an entity regulated for the most part by the Rural Electrification Administration (REA). Applicants are participating in the project on an equal-pay basis with AECl and the following regional suppliers of electrical power: The Nebraska Public Power District; the Omaha Public Power District; Iowa Power and Light Company, and the City of Lincoln, Nebraska. The collective rights and obligations of these participants are generally governed by a Coordinating Agreement, [*5] Exhibit 1, Appendix 1. Each of the six participants has also individually entered into Construction and Financing Agreements with AECl whereby, in exchange for the use of the line, they are obligated to make 437 monthly payments (36 years) to AECl. None of the parties adduced evidence which directly specified the cost of the line, or estimates thereof. In KCPL witness Catron's testimony, attached as responses to Staff data requests, the Commission discovered data which, at least inferentially, suggests that the CFSI will cost in the vicinity of \$ 28,500,000.² Whether this figure includes maintenance and operation expense is unclear.

In addition to the Coordinating Agreement signed by all seven of the participants, and the Construction and Financing Agreements between AECl and SJLP, and AECl and KCPL, Applicants have also entered into a Facilities Use Agreement, a separate contract between KCPL and SJLP. The Facilities Use Agreement provides for KCPL's use of SJLP's existing 1345 Kv line and a portion of SJLP's St. Joseph substation, the latter being designed to facilitate the interconnect between KCPL and the CFSI. Applicants request [*6] the Commission to approve only the Facilities Use Agreement pursuant to Section 393.190. Applicants do not request the Commission to approve either the Coordinating Agreement or, apparently, the Construction and Financing Agreements which each have entered into with AECl. Staff recommends that the Facilities Use Agreement be approved, but that it receive no evaluation for ratemaking purposes.

There are four issues in this case. The first is whether the Commission should, as prayed by Applicants, approve their participation in the Facilities Use Agreement and, if so, whether the Commission has authority to decide this matter pursuant to Section 393.170, or, as Applicants now claim - only under Section 393.190. The second issue is whether the Commission should find, as prayed by Applicants, that Sections 393.180 and 393.200 have no application to this case. The third issue is whether the lease payments to AECl should be characterized in this proceeding for ratemaking purposes. The last issue, raised by the Intervenor, is whether the electromagnetic field which will be generated by the proposed transmission line poses a proven danger to the intervenors, their families, livestock [*7] or livelihoods. As regards safety, an ancillary question arises regarding the Commission's statutory authority to, in this docket, address safety issues.

Application of Sections 393.170 and 393.190

Regarding the first part of the first issue, Section 393.170(1) provides:

1. No gas corporation, electrical corporation or water corporation shall begin construction of a gas plant, electric plant or water system without first having obtained the permission and approval of the commission.

Initially, Applicants applied pursuant to this statute, the source of law which traditionally comes into play when regulated electric utilities seek a certificate of convenience and necessity to authorize their construction of facilities outside their certificated service areas. The Commission finds that a portion of the CFSI lies outside the certificated areas of both KCPL and SJLP. As noted earlier, Applicants amended their application to state that AECl, not Applicants, will "own" the Missouri segment of the line; as a result, Applicants now are of the opinion that neither KCPL nor SJLP require a certificate of convenience and necessity under Section 393.170.

The Commission finds that on the facts [*8] presented in this docket, Section 393.170 requires Applicants to obtain a certificate of convenience and necessity. Section 393.170(1) does not require a utility to "own" the plant in

² Exhibit 2, Schedules SC 2-7.

question; it only requires that an electrical corporation "begin construction" of same. The Commission finds little difference between a regulated utility's "construction" of plant and Applicants' 36-year obligation to pay for the construction, operation and maintenance of plant.

Notwithstanding that Section 4.6 of the Coordinating Agreement designates AECl as the builder and owner of the CFSI, Section 4.2 of the Agreement states that KCPL and SJLP are individually responsible for 1/7 of the total cost of construction, maintenance, operation, and ad valorem taxes. Applicants and their present and future customers will therefore be obligated to pay for the CFSI for 36 years.

The Commission finds that the proposed CFSI will enable Applicants to increase load, to enter into markets previously unavailable to them, and to expand into new areas. The Commission also finds that the CFSI, which represents a large capital project and investment, must be made part of the process whereby regulated utilities [*9] obtain Commission permission and approval before expanding their systems beyond their presently certificated areas.

By amending their petition to exclude Section 393.170, Applicants now ask the Commission to approve only their participation in the Facilities Use Agreement, pursuant to Section 393.190(1). In pertinent part, 393.190(1) requires approval when one electrical corporation leases or otherwise contracts away any part of its system to another electrical corporation. Having considered Staff's recommendation that the Facilities Use Agreement be approved, the Commission hereby finds that it is in the public interest to approve said agreement pursuant to Section 393.190.

The Commission also finds that the purpose of the CFSI, and the Facilities Use Agreement, the Coordinating Agreement, and the Construction and Financing Agreements, is to promote the reliability and future growth of Applicants' systems, to make new sources of potentially low cost power available to Applicants on the grid, to permit the possible sale of electricity from Applicants' systems to others on the grid, and to add transport capacities for interexchange sales and purchases. The line is also designed to [*10] provide some redundancy in order to back up existing interconnected systems.

For the reasons stated above and pursuant to Sections 393.170 and 393.190, the Commission hereby finds that said construction project is necessary or convenient for the public service and hereby approves Applicants' participation in the Coordinating Agreement, the Construction and Financing Agreements, and the Facilities Use Agreement above described.

Are Agreements to Make Lease Payments an "Evidence of Indebtedness? "

The next issue is whether Sections 393.180 and 393.200 apply in this case. Applicants claim they do not, and pray for a Commission order "declining to assert jurisdiction" regarding the application of said statutes. The Commission Staff did not present testimony on this point; neither did they brief this issue. The statutes in question provide as follows:

393.180. Right to issue stocks, bonds, notes subject to regulation. The power of gas corporations, electrical corporations, water corporations, or sewer corporations to issue stocks, bonds, notes and other evidences of indebtedness and to create liens upon their property situated in this state is a special privilege, the right [*11] of supervision, regulation, restriction and control of which is and shall continue to be vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the commission may prescribe. (Emphasis supplied).

Without more, the Commission does not understand how it is to "decline jurisdiction" regarding the application of this statute to the facts in this case.

Applicants apparently desire the Commission to find that their participation in a 36 year lease involving millions of dollars does not constitute an "evidence of indebtedness." Applicant's brief so indicates. The Commission will

make no such finding in this docket. Given the scanty evidence regarding the cost of the CFSI, the Commission cannot make such a finding. To do so may have a negative effect on the interests of those who will pay for the CFSI, including the captive ratepayers of KCPL and SJLP.

Applicants also seek a similar declaration regarding the application of Section 393.200, which in pertinent part requires Commission approval of stocks, bonds, notes or "other evidences of indebtedness." Again, Applicants state that the 36 year lease is not an "evidence of indebtedness" [*12] and urge the Commission to so find. Again, and for the same reasons stated above, the Commission declines to make such a finding.

Should the Commission evaluate the lease payments for ratemaking purposes?

Applicants' next request is that the Commission's order establish that for ratemaking, the lease is an operating, not a capital, lease, and that Applicants should be authorized to "charge the monthly payments . . . to the appropriate expense or clearing accounts."

Staff states that "it is premature at this point to evaluate the lease for ratemaking purposes." Staff suggests that the ratemaking treatment of the lease be deferred until Applicants seek higher rates, at which time "more reliable financial data" will be available. The Commission concurs with Staff. This record does not permit the Commission to evaluate this series of complex contractual arrangements from a ratemaking standpoint. Other than the passing and indirect reference to the installed cost of these facilities discovered in KCPL's responses to Staff's data request, the Commission has not been advised how much the CFSI will cost to build or maintain. Nor has the Commission been advised of the relative value or [*13] cost of the leases contained in the Facilities Use Agreement, or of any dollars and cents potential which the CFSI may provide regarding Applicants' sale of power to others on the grid. These and other related matters are subject to audit by the Commission Staff, a process which normally accompanies rate filings, not application cases.

AECI's witness advises that this Commission's approval is not required to construct this line; he also advises that right-of-way acquisition for the line is nearly complete and that the line will be operational in June, 1992. Applicants state, belatedly, that the Commission has no jurisdiction over this Application under Section 393.170; Applicants also aver that the Commission has no safety jurisdiction in this case. Nonetheless, Applicants have sought a specie of accounting authority orders which, on this record, the Commission will not grant.

Given the legal and technical expertise available to Applicants, and their requests for advisory rulings on rate matters and the applicability of the phrase "evidence of indebtedness," the Commission is somewhat disappointed by the pleadings and record in this case. The record completely fails to lend dollars [*14] and cents support to most of what the Applicants ask the Commission to approve or waive. The only issue properly before the Commission, to judge by Applicants' briefs and testimony, is whether the Facilities Use Agreement between KCPL and SJLP should be approved under Section 393.190.

The Safety Issue

Intervenors oppose both the siting and design of the proposed transmission line, expressing their concern that the electronic and magnetic field generated by the line (EMF) will be harmful to their families, livestock, and livelihoods.

Many of the intervenors and public witnesses are engaged in farming and dairying, occupations which require them to work outside. The homes and outbuildings of some witnesses were as close as 280 feet to the edge of the 150 feet right-of-way established for the CFSI. Some witnesses will have to cross under the line daily, and their cattle, many of them of good breeding stock, will be constantly exposed to the aurora, or "field," created by the passage of current through the suspended high voltage lines. The public witnesses said they had been advised that 500 feet was the "recommended" minimum safe distance for a residence, measured from [*15] the edge of the right-of-way. The record does not disclose who so advised them. Applicants state that they did not, and AECI's witness stated that AECI made no such declaration. The Commission cannot determine the author or authors of

this statement. Applicants and AECl claim that there is no body of accepted scientific evidence which demonstrates that an EMF is itself dangerous, much less any pronouncements on a "minimum" safe distance for the siting of lines which produce such fields. The Commission finds that no such minimum "safe distance" has been prescribed in the National Electric Safety Code, a code which provides construction, siting, safety, and other standards regarding the installation and maintenance of such lines. AECl states, and the Commission believes, that AECl intends to construct the line according to the standards contained in the National Electric Safety Code. At present, these standards do not include any design or siting parameters which have been driven specifically by EMF considerations.

This Commission has full statutory authority to oversee, from a safety standpoint, the construction and operation of any high voltage line in the State of Missouri. [*16] This Commission also has the authority, on presentation of probative evidence, to make safety-related findings regarding EMF phenomena and, if supported by the evidence, to prescribe safety measures and standards relating thereto, either on a case-by-case basis, as would apply here, or in a rulemaking proceeding. Applicants' assertions that the REA has somehow "preempted" the Commission, and that the REA's findings or determinations regarding EMF estop this Commission from exercising its safety jurisdiction are incorrect. In matters touching public safety, the siting, construction, and operation of high voltage powerlines in the State of Missouri is squarely within the purview of this Commission, regardless of whether such lines are "owned" by an electric coop, a consortium of electric producers, a city, or an investor-owned utility.

The Commission Staff advises that current scientific research does not reveal an EMF induced public safety problem. Staff also states that they have no "personal knowledge" of EMF problems. AECl and Applicants assure the Commission to the same effect, viz, that there are no established or reasonably ascertainable negative biological effects which [*17] result from the exposure of living things to either the electronic or magnetic fields which surround a "hot" high voltage line. At hearing, the Commission heard anecdotal evidence suggesting that EM "fields" exist in profusion; they exist in shopping malls, on the street, and in and around any operating electrical appliance. AECl witness Fulks stated that milligauss readings recently taken at the edge of the 150 foot right-of-way of the Co-op's Flint Creek 345 Kv line measured 6 milligauss. This measurement was made when the line was carrying 150 megawatts; at the same load, the measurement directly beneath the line was 15 milligauss. Anecdotally, the Commission was advised that milligauss measurements far in excess of these can be found surrounding kitchen appliances, lights, other electronic fixtures, in various public places, etc.

Intervenors remind the Commission that the ubiquitous character of EMF's should not excuse additional, or incremental, exposure from AECl's high voltage power lines. AECl's witness Fulks, who designed the CFSI, stated that AECl did not measure any milligauss levels connected with the proposed line. Indeed, the record indicates that AECl does not [*18] own the electronic device required to make such a measurement. The milligauss measurements referred to earlier, taken at the perimeter of AECl's Flint Creek 345 Kv line, were obtained by AECl through an outside contractor.

Witness Fulks sponsored Exhibit 7, which contains an estimate of various milligauss readings for the CFSI. At 300 megawatts, (the system's average anticipated load), the calculated, or estimated, milligauss production at a point 200 feet from the CFSI's center line was 4 milligauss. The same exhibit also contains a separate set of data which show both actual and estimated milligauss readings which KCPL obtained from one of its existing 345 Kv lines, the LaCygne to Stillwell line. Under a loading of 417 megawatts (700 amps), the actual milligauss readings taken on KCPL's existing line at 80 feet from the center line was 28 milligauss; at 250 feet, the milligauss reading was 3.3. The estimated milligauss production for the same line, under the same load, was 3.3 milligauss at 250 feet. The Commission finds in these data an indication that calculated or projected milligauss readings seem to be reasonably reliable indicators of what actual milligauss [*19] readings will prove to be. What is lacking in this case is any evidentiary indication that a milligauss reading of, say, 6 is any more or less harmful than a milligauss reading of 4, 2, 10, 15, or 20.

On the basis of the evidence now before it, the Commission cannot conclude that electromagnetic fields pose any palpable danger to human life, health, or to the breeding potentials of dairy herds. Neither can the Commission

rightfully conclude that EMF emanations are harmless. Although the Commission appreciates the concerns voiced by intervenors, it is also mindful of its responsibility to render decisions supported by the evidence. As indicated above, no scientific studies, expert testimony, or other body of reliable evidence has been presented to this Commission which establishes a causative link between EM fields and negative health or biologic effects. Failing the presentation of such evidence, the Commission cannot order Applicants or AECl to adopt preventative or palliative measures to combat a phenomena which, on the basis of the information now before the Commission, may be relatively benign. The Commission notes that scientific studies are presently underway regarding [*20] EMFs, at least one of which is currently being undertaken by the Electric Power Research Institute.

CONCLUSIONS OF LAW

The Commission arrives at the following conclusions: The Commission has jurisdiction over the subject matter of this proceeding by virtue of Sections 393.170 and 393.190. Pursuant to the grant of authority conferred by these statutes, the Commission has found, supra, that the CFSI, the Coordinating Agreement, the Construction and Financing Agreements, and the Facilities Use Agreement promote the public interest and that said construction is necessary or convenient for the public service; as a result, the Commission has authorized Applicants to enter into said Agreements pursuant to the statutes above cited. The Commission also concludes that Applicants' proposed long term participation in the CFSI, whereby each Applicant is to pay 1/7 of all construction, operations, maintenance and property tax expense is, by its very nature, a construction project requiring this Commission's permission and authorization pursuant to Section 393.170.

The Commission also concludes that it has safety jurisdiction over any and all high-power voltage lines constructed in the State of [*21] Missouri pursuant to Sections 394.160 and 386.310.

Regarding the safety issue raised by Intervenor, the Commission concludes that the evidentiary record in this case does not support any findings on the EMF phenomena other than those made above. Although the Commission has jurisdiction to act, it would not be appropriate to do so in this case.

The Commission further concludes it would be inappropriate to either find or conclude, as prayed by Applicants, that the phrase "evidence of indebtedness," in Sections 393.180 and 393.200 does not include the series of contractual arrangements through which Applicants (and their ratepayers) have, or will soon become, obligated to make monthly payments to AECl for 36 years. The Commission also concludes that Applicants' request for a Commission order specifying specific ratemaking treatment for the CFSI disbursements is premature. The Commission will issue no such "blank check" in this docket, especially given the pleadings and record upon which this matter has gone forward.

IT IS THEREFORE ORDERED:

1. That Kansas City Power & Light and St. Joseph Light & Power are hereby authorized, pursuant to Sections 393.170 and 393.190, to enter into [*22] and to perform under the terms of the Coordinating Agreement, the Construction and Financing Agreement and Facilities Use Agreement, identified above.
2. That Kansas City Power & Light and St. Joseph Light & Power are hereby granted certificates of convenience and necessity pursuant to Section 393.170 authorizing their participation in the construction of the CFSI as above described; Applicants are directed hereby to submit tariffs which reflect the issuance of the certificates of convenience and necessity herein granted and which contain concise route descriptions of the Cooper-Fairport St. Joseph Interconnection.
3. That nothing contained in this Report and Order shall be considered as a finding by the Commission of the reasonableness of any expenditures herein involved, nor as an acquiescence in the value placed upon any properties, leases, contracts, or the value or costs of any rights or obligations contained in said leases and contracts. The Commission specifically reserves for future proceedings the right to consider the ratemaking and

accounting treatment to be afforded to the Coordinating Agreement, the Construction and Financing Agreements, and the Facilities Use Agreement. [*23]

4. That this order shall become effective on September 10, 1991.

Steinmeier, Chm., Mueller, Rauch, McClure and Perkins, CC., Concur.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

MAR 22 1990

PUBLIC SERVICE COMMISSION

In the matter of the joint application)
of St. Joseph Light & Power Company and)
Kansas City Power & Light Company for)
(1) authority to participate in the)
construction and operation of a 345,000)
volt electric transmission line from)
Cooper, Nebraska to St. Joseph, Missouri)
in accordance with the terms of a)
Coordinating Agreement governing same,)
and all other documents related thereto;)
(2) for each to enter into and perform)
under a Facilities Use Agreement related)
thereto; (3) for a determination that a)
Construction and Financing Agreement to)
be entered into by each pursuant to the)
terms of the Coordinating Agreement does)
not constitute evidence of indebtedness)
under Chapter 393 RSMo; and (4) for)
approval of the accounting treatment to)
be afforded both relative to their)
financial participation in construction)
and operation of the said transmission)
line.)

Case No. EA-90-252

APPLICATION

Come now St. Joseph Light & Power Company, and Kansas City Power & Light Company, by and through their counsel, and for their application pursuant to Sections 393.170 and 393.190 RSMo 1986, respectfully state as follows:

1. That St. Joseph Light & Power Company (hereinafter "SJLP") is a Missouri corporation, in good standing, with its office and principal place of business located at 520 Francis Street, St. Joseph, Missouri; that it is engaged as a public utility, subject to the jurisdiction of the Commission, in providing gas, steam and electric service to customers in portions of northwest Missouri.

2. That the articles of incorporation and certificate of

EXHIBIT B - 1

incorporation of SJLP have been previously filed with the Commission, most recently in Case No. EA-89-80, and are incorporated by reference here.

3. That Kansas City Power & Light Company (hereinafter "KCPL") is a Missouri corporation, in good standing, with its office and principal place of business located at 1330 Baltimore Avenue, Kansas City Missouri; that it is engaged as a public utility, subject to the jurisdiction of the Commission, in providing steam and electric service to customers in the Kansas City metropolitan area and portions of northwest Missouri.

4. That the articles of consolidation and certificate of incorporation of KCPL have been previously filed with the Commission and are incorporated by reference here.

5. That all communications, notices, orders and decisions in regard to this application and proceeding should be addressed to:

Gary W. Duffy, Attorney at Law
Hawkins, Brydon, Swaarengen & England, P.C.
P.O. Box 456
Jefferson City, Missouri 65102-0456

Gary Myers, General Counsel
St. Joseph Light & Power Company
520 Francis Street
St. Joseph, Missouri 64502

Mark Sholander, General Counsel
Kansas City Power & Light Company
P.O. Box 418679
Kansas City, Missouri 64141-9679

6. That this application concerns the construction, maintenance and operation of a 345,000 volt transmission line (hereinafter "the Cooper-Fairport St. Joseph 345 Kilovolt

Interconnection", or "CFSI") by Associated Electric Cooperative, Inc. (hereinafter "AECI"); KCPL; SJLP; Nebraska Public Power District ("NPPD"), a public corporation and political subdivision of the state of Nebraska; the Omaha Public Power District ("OPPD"), a public corporation and political subdivision of the state of Nebraska; Iowa Power and Light Company ("Iowa Power"), an Iowa corporation; and the City of Lincoln, Nebraska, a Nebraska municipal corporation operating the Lincoln Electric System. It also concerns a separate proposed agreement between KCPL and SJLP relating to the use by KCPL of an existing 345,000 volt transmission line between the St. Joseph 345 kv substation and the Iatan substation, and the use of a portion of the St. Joseph 345 kv substation, for KCPL's access to the CFSI. Neither KCPL nor SJLP consider that the financing arrangements negotiated for construction of the CFSI constitute "evidences of indebtedness" as specified in Sections 393.180 and 393.200 RSMo, and therefore the applicants request an order from the Commission declining to assert jurisdiction over the construction and financing agreements each will be required to enter into to be a participant in the CFSI. Finally, the application seeks authority from the Commission for KCPL and SJLP to treat the financing arrangements for the construction of the CFSI as an operating lease for ratemaking purposes.

7. The portion of the CFSI to be located in Nebraska is approximately one mile in length, extending from the Cooper Substation to the point at which the line would cross the Nebraska-

Missouri border. The portion of the CFSI to be located in Missouri is approximately 104 miles in length, extending from the point at which it crosses the Nebraska-Missouri border as aforesaid, to the Fairport Substation, and continuing to the St. Joseph Substation, located northeast of St. Joseph, all as described in the Coordinating Agreement, which is attached hereto, identified as Appendix 1, and incorporated by reference herein.

8. The plans and specifications for the complete installation and estimated cost of the CFSI are not yet fully developed. When appropriate, they will be contained in a document to be identified as Appendix 2, and incorporated by reference herein, as a late-filed exhibit. Appendix 2 will also contain the plans for financing the CFSI as that relates to the two jurisdictional entities involved here, namely KCPL and SJLP.

9. A map generally describing the anticipated route of construction within Missouri is identified as Appendix 3 and is attached hereto. The applicants request a waiver of 4 CSR 240-2.060(2)7. with regard to a plat of the line. A list of all electric and telephone lines of regulated and non-regulated utilities, railroad tracks, or any underground facility as defined in section 319.015 RSMo 1986, which the proposed construction of the CFSI will cross in Missouri, will be prepared later and when available will be contained in a document to be attached hereto to be identified as Appendix 4.

10. Since the proposed route of construction is anticipated to be on private right of way, for which the appropriate approval

has been or will be obtained, no consents by counties or cities are required for the Missouri segment of the CFSI.

11. The construction and operation of the CFSI is necessary for the public convenience and necessity in order to provide increased capability to interchange power between various entities in the three state region, which in turn can provide additional economical sources and avenues of power transmission, and to also increase the electrical reliability aspects in certain portions of SJLP's and KCPL's certificated territory in Missouri.

12. Attached hereto, identified as Appendix 5, and incorporated by reference herein, is a "Facilities Use Agreement" between KCPL and SJLP relating to the use by KCPL of the existing 345,000 volt transmission line owned by SJLP between the St. Joseph 345 kv substation and the Iatan substation, and the use by KCPL of a portion of the St. Joseph 345 kv substation owned by SJLP, which is designed for the purpose of providing KCPL contract access to the CFSI. Because of the provisions of section 393.190 RSMo 1986, the Commission may determine that SJLP's granting of use rights to KCPL over facilities owned by SJLP which are necessary and useful in the performance by SJLP of its duties to the public, requires the prior approval of the Commission.

13. Attached hereto, identified as Appendix 6, and incorporated by reference herein, is a copy of a "Construction and Financing Agreement By and Between Associated Electric Cooperative, Inc. and St. Joseph Light & Power Company" (hereinafter "the Construction and Financing Agreement") for the CFSI. A copy of a

similar document entered into by KCPL is attached hereto, identified as Appendix 7, and incorporated by reference herein. These two documents set out the financial responsibilities for a participant in the CFSI whereby AECI will finance, construct and have title to the portions of the CFSI for which KCPL and SJLP would otherwise have financial responsibility under the terms of the Coordinating Agreement. Although AECI would have title to the Missouri Segment of the CFSI, KCPL and SJLP, as all the other participants, will have rights to utilize the CFSI as set out in more detail in the Coordinating Agreement. In brief, these documents make AECI the owner of record of the Missouri Segment of the CFSI and through the document, both KCPL and SJLP commit to make monthly payments to AECI for a period of 437 months to cover their respective financial responsibility for the construction of the CFSI. KCPL and SJLP will not take title to the CFSI and by the Construction and Financing Agreement are not placing a lien upon any of their assets in Missouri. As a result, neither KCPL nor SJLP consider that the financing arrangements constitute "evidences of indebtedness" in the sense that they meet the definition of "stocks, bonds, notes or other evidences of indebtedness" as specified in Sections 393.180 and 393.200 RSMo, and therefore the applicants request an order from the Commission declining to assert jurisdiction over the construction and financing agreements each has been required to enter into to be a participant in the CFSI.

14. Although the payments to be made by KCPL and SJLP under the terms of the "Construction and Financing Agreement" will

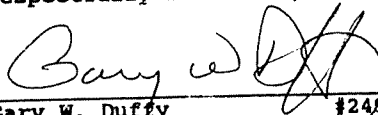
constitute a "capital lease" under general financial accounting standards, KCPL and SJLP request authority from the Commission to authorize each of them to account for this financing arrangement for book income statement and ratemaking purposes as an operating lease and to charge the monthly payments made under the Construction and Financing Agreement to the appropriate expense or clearing accounts.

15. The granting of the rights to KCPL specified in the "Facilities Use Agreement", as the same may be approved by the Commission, will have no impact upon the tax revenues of the political subdivisions in which the St. Joseph Substation or the St. Joseph - Iatan 345 kv transmission line are located. SJLP will continue to be responsible to the appropriate taxing authorities for all taxes which may become due that relate to such properties.

WHEREFORE, KCPL and SJLP request an order of the Commission (1) granting them each approval to construct, operate, modify, maintain, and participate in, in accordance with the terms of the Coordinating Agreement, or as the same may be changed from time to time, the proposed Cooper-Fairport, St. Joseph 345 Kilovolt Interconnection; (2) granting approval to SJLP and KCPL to enter into and perform under the terms of the proposed Facilities Use Agreement; (3) declining to assert jurisdiction over the Construction and Financing Agreements each has entered into on the grounds that it does not constitute an "evidence of indebtedness" within the intent of Sections 393.180 and 393.200 RSMo; (4) authorizing both KCPL and SJLP to account for the financing

arrangement set forth in the Construction and Financing Agreement for book income statement and ratemaking purposes as an operating lease and to charge the monthly payments made under the Construction and Financing Agreement to the appropriate expense or clearing accounts; (4) granting both KCPL and SJLP, individually and collectively, authority to enter into, execute and perform under and in accordance with all documents and agreements necessary and appropriate to consummate, accomplish and further the above-described transactions; and (5) for such further orders as may be appropriate under the circumstances.

Respectfully submitted,



Gary W. Duffy #24805
HAWKINS, BRYDON, SWEARENGEN
& ENGLAND P.C.
P. O. Box 456
312 East Capitol Avenue
Jefferson City, Missouri 65102
(314) 635-7166

Attorneys for
St. Joseph Light & Power Company
Kansas City Power & Light Company

VERIFICATION

STATE OF MISSOURI)
) ss.
COUNTY OF BUCHANAN)

On the 6th day of March, 1990, before me appeared R. B. Mayer, to me personally known, who being by me first duly sworn says that he is the Vice President-Operations of St. Joseph Light & Power Company, and acknowledged that he has read the above and foregoing document and states that the allegations therein are true and correct to the best of his information, knowledge and belief, and that the above-indicated attorneys are authorized to file such document on behalf of St. Joseph Light & Power Company.

R. B. Mayer

In Witness Whereof, I have set my hand and affixed my official seal on the date first above written.

Jennifer L. McDonald
Notary Public

VERIFICATION

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

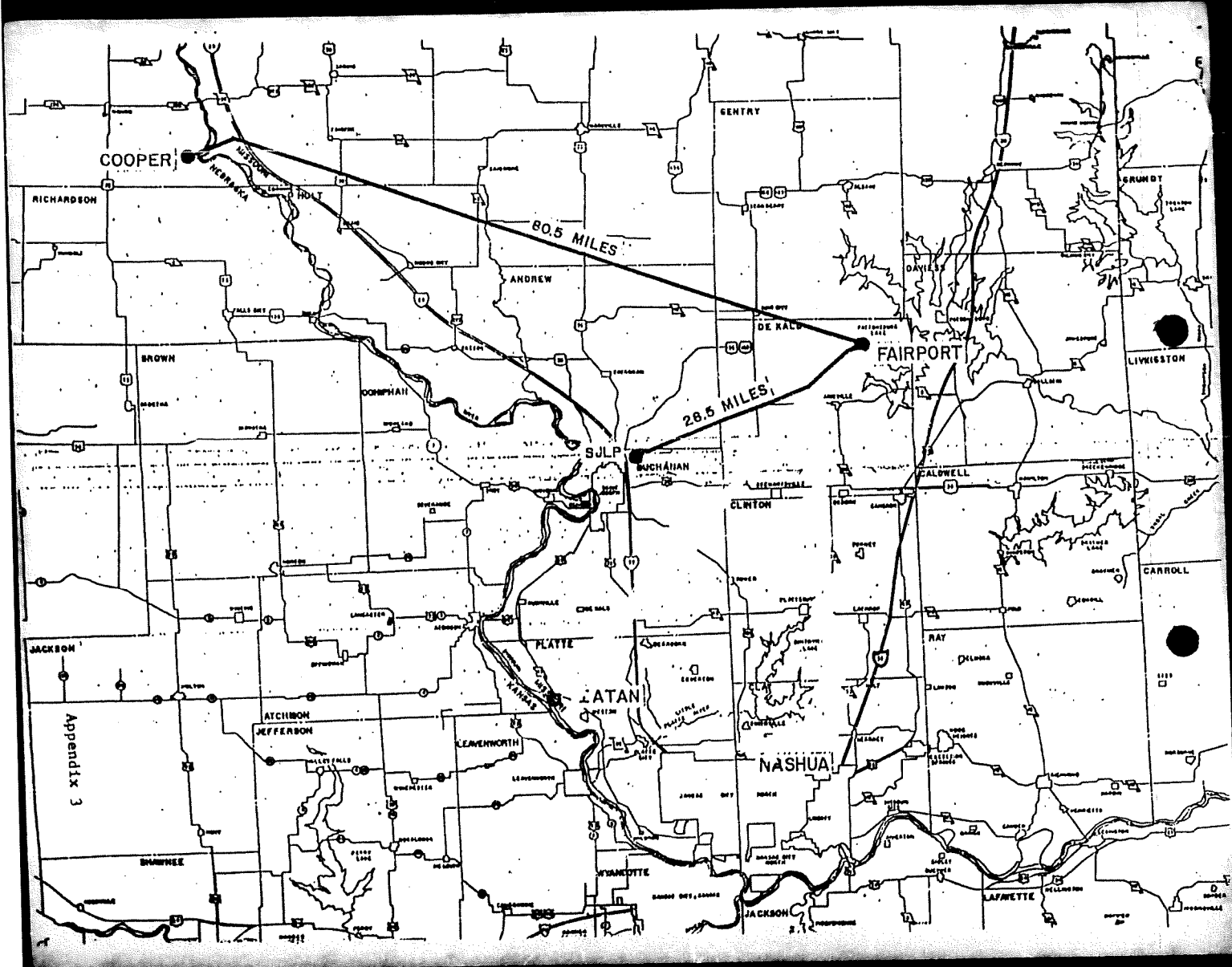
On the 12th day of March, 1990, before me appeared Frank L. Branca, to me personally known, who being by me first duly sworn says that he is the Vice President Power Supply of Kansas City Power & Light Company, and acknowledged that he has read the above and foregoing document and states that the allegations therein are true and correct to the best of his information, knowledge and belief, and that the above-indicated attorneys are authorized to file such document on behalf of Kansas City Power & Light Company.

Frank L. Branca

In Witness Whereof, I have set my hand and affixed my official seal on the date first above written.

Patricia A. Weaver
Notary Public

PATRICIA A. WEAVER
NOTARY PUBLIC STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXP. FEB. 26, 1993



Appendix 3

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the joint application)
of St. Joseph Light & Power Company and)
Kansas City Power & Light Company for)
(1) authority to participate in the)
construction and operation of a 345,000)
volt electric transmission line from)
Cooper, Nebraska to St. Joseph, Missouri)
in accordance with the terms of a)
Coordinating Agreement governing same,)
and all other documents related thereto;)
(2) for each to enter into and perform)
under a Facilities Use Agreement related)
thereto; (3) for a determination that a)
Construction and Financing Agreement to)
be entered into by each pursuant to the)
terms of the Coordinating Agreement does)
not constitute evidence of indebtedness)
under Chapter 393 RSMo; and (4) for)
approval of the accounting treatment to)
be afforded both relative to their)
financial participation in construction)
and operation of the said transmission)
line.)

Case No. EA-90-252

FILED
FEB 22 1991
PUBLIC SERVICE COMMISSION

FIRST AMENDED APPLICATION

Come now St. Joseph Light & Power Company ("SJLP"), and Kansas City Power & Light Company ("KCPL"), by and through their counsel, and for their first amended application pursuant to Section 393.190 RSMo 1986, respectfully state as follows:

1. SJLP and KCPL hereby adopt and reallege paragraphs numbered 1, 2, 3, 4, and 5, of their original application as if more fully set out herein.
2. Associated Electric Cooperative, Inc. ("AECI"), a rural electric cooperative, is in the process of constructing the

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Missouri segment of a 345,000 volt transmission line (hereinafter "the Cooper-Fairport-St. Joseph 345 Kilovolt Interconnection", or "CFSI"). The CFSI will be approximately 105 miles in length, running from the Nebraska Public Power District's ("NPPD") Cooper Substation in Nebraska to AECI's Fairport Substation and from there to SJLP's St. Joseph Substation near St. Joseph, Missouri. AECI will be the sole owner of the Missouri segment of the CFSI, which comprises all but the approximate one-mile segment terminating in Nebraska at the Cooper Substation, and will be responsible for its operation once in service. AECI presently is acquiring the right of way for the Missouri segment of the CFSI, and will begin its construction shortly.

3. There are several electric suppliers that have agreed to lease portions of the transmission capacity of the CFSI from AECI once the CFSI is placed in operation by AECI. These suppliers are KCPL; SJLP; NPPD, a public corporation and political subdivision of the state of Nebraska; the Omaha Public Power District, a public corporation and political subdivision of the state of Nebraska; Iowa Power and Light Company, an Iowa corporation; and the City of Lincoln, Nebraska, a Nebraska municipal corporation operating the Lincoln Electric System. The operation of the CFSI is to be governed by a "Coordinating Agreement" to which each supplier is a party. Each supplier has also separately entered into a "Construction and Financing Agreement" with AECI. The latter documents set out the financial responsibilities for KCPL and SJLP

as lease participants in the CFSI. In brief, AECI will finance, construct and have title to the Missouri portion of the CFSI. KCPL and SJLP, as with all the other participants named above, will have rights to utilize the CFSI as set out in more detail in the Coordinating Agreement. Through their respective "Construction and Financing Agreements" both KCPL and SJLP individually commit to make monthly payments to AECI for a period of 437 months to cover their respective financial responsibilities for the CFSI and to gain the rights to utilize it as set out in the Coordinating Agreement. KCPL and SJLP will not take legal title to the CFSI and are not placing a lien upon any of their assets in Missouri as a result of these various agreements.

4. On March 22, 1990, SJLP and KCPL filed an application in this docket. An Order issued on February 8, 1991, by the Commission demonstrates that SJLP and KCPL have caused confusion over their request for approvals in this matter by making reference to Section 393.170 RSMo 1986 and including the information required for a certificate of public convenience and necessity. The purpose of this first amended application is to clarify that SJLP and KCPL are not seeking a certificate of public convenience and necessity in this matter pursuant to section 393.170 RSMo 1986 because SJLP and KCPL will not be constructing, and will not own, the CFSI. SJLP and KCPL do, however, want the Commission to be fully aware of the circumstances of their proposed participation in the line as lessees when it is placed in operation by AECI. It was in that

spirit of full disclosure that SJLP and KCPL patterned part of the original application as if it were a certificate of convenience and necessity, even though the prayer did not specifically seek such a certificate.

5. Separately from the Coordinating Agreement governing operation of the CFSI, KCPL and SJLP have entered into a "Facilities Use Agreement" between themselves. That agreement relates to the use by KCPL of an existing 345,000 volt transmission line between the St. Joseph 345 kv substation and the Iatan substation, and the use of a portion of the St. Joseph 345 kv substation, for KCPL's access to the CFSI. Because this "Facilities Use Agreement" concerns SJLP giving contractual rights to KCPL to utilize facilities which SJLP owns and uses in providing service to the public, KCPL and SJLP jointly seek Commission approval through this Application of the "Facilities Use Agreement" pursuant to section 393.190 RSMo 1986.

6. SJLP and KCPL hereby amend paragraph 6 of the original application to read as follows: Neither KCPL nor SJLP consider that the Construction and Financing Agreements they have entered into with AECI constitute "evidences of indebtedness" as specified in Sections 393.180 and 393.200 RSMo. Therefore, the Applicants request an order from the Commission declining to assert jurisdiction over their respective Construction and Financing Agreements as "evidences of indebtedness" pursuant to those sections. However, because their respective Construction and

Financing Agreements constitute a "capital lease" under general financial accounting standards, this application does seek authority from the Commission for KCPL and SJLP to each treat their respective Construction and Financing Agreement as an operating lease for book and ratemaking purposes.

7. SJLP and KCPL hereby adopt and reallege paragraphs numbered 7 and 8 of their original application as if more fully set out herein.

8. SJLP and KCPL hereby amend paragraph 9 of the original application to read as follows: A map generally describing the anticipated route of construction within Missouri is identified as Appendix 3 and has previously been filed herein. A list of all electric and telephone lines of regulated and non-regulated utilities, railroad tracks, or any underground facility as defined in section 319.015 RSMo 1986, which the CFSI will cross in Missouri, has been prepared and submitted and identified as Appendix 4.

9. SJLP and KCPL hereby amend paragraph 11 of the original application to read as follows: The leasing of transmission capacity on the CFSI by SJLP and KCPL will provide increased capability to interchange power between various entities in the three state region, which in turn can provide additional economical sources and avenues of power transmission, and will also increase the electrical reliability aspects in certain portions of SJLP's and KCPL's certificated territory in Missouri.

10. SJLP and KCPL hereby adopt and reallege paragraphs numbered 12, 13, 14, and 15 of their original application as if more fully set out herein.

WHEREFORE, KCPL and SJLP request an order of the Commission:

(1) Granting approval to SJLP and KCPL pursuant to § 393.190 RSMo to enter into and perform under the terms of the proposed Facilities Use Agreement;

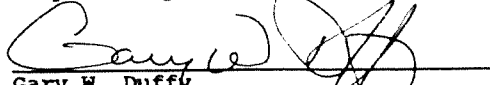
(2) Declining to assert jurisdiction over KCPL's and SJLP's participation in the CFSI as set out in the "Construction and Financing" agreements or the "Coordinating Agreement" as "evidences of indebtedness" under Sections 393.180 and 393.200 RSMo;

(3) Authorizing both KCPL and SJLP to account for the financing arrangement set forth in the Construction and Financing Agreements for book income statement and ratemaking purposes as an operating lease and to charge the monthly payments made under the Construction and Financing Agreement to the appropriate expense or clearing accounts;

(4) Granting both KCPL and SJLP, individually and collectively, authority to enter into, execute and perform under and in accordance with all documents and agreements necessary and appropriate to consummate, accomplish and further the above-described transactions; and

(5) For such further orders as may be appropriate under the circumstances.

Respectfully submitted,



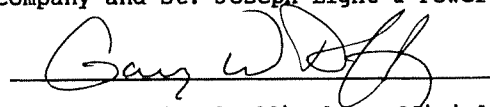
Gary W. Duffy
BRYDON, SWEARENGEN & ENGLAND P.C.
P. O. Box 456
312 East Capitol Avenue
Jefferson City, Missouri 65102
(314) 635-7166

Attorneys for
St. Joseph Light & Power Company
Kansas City Power & Light Company

VERIFICATION

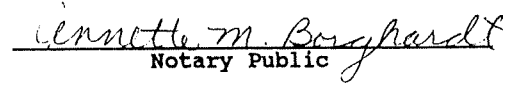
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

On the 22nd day of February, 1991, before me appeared Gary W. Duffy, to me personally known, who being by me first duly sworn, acknowledged that he has read the above and foregoing document and states that the allegations therein are true and correct to the best of his information, knowledge and belief, and that the above indicated attorneys are authorized to file such document on behalf of Kansas City Power & Light Company and St. Joseph Light & Power Company.



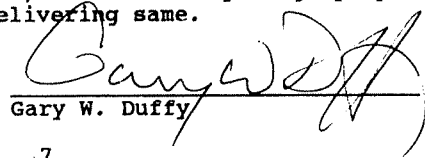
In Witness Whereof, I have set my hand and affixed my official seal on the date first above written.

ANNETTE M. BORGHARDT
Notary Public, State of Missouri
My commission expires 3-11-94


Notary Public

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing document was served on all parties of record in this proceeding this 22nd day of February, 1991, by placing a copy of same in the United States Mail, first class postage prepaid and properly addressed, or hand delivering same.


Gary W. Duffy