

**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-2012-0174**  
Tariff No YE-2012-0404

In the Matter of the Application of KCP&L )  
Greater Missouri Operations Company for )  
Approval to Make Certain Changes in its )  
Charges for Electric Service. )

**File No. ER-2012-0175**  
Tariff No. YE-2012-0405

**PARTIAL NONUNANIMOUS STIPULATION AND AGREEMENT  
RESPECTING KANSAS CITY WATER SERVICES DEPARTMENT  
AND AIRPORT ISSUES**

COME NOW Kansas City Power & Light Company (“KCPL”), KCP&L Greater Missouri Operations Company (“GMO”), and the City of Kansas City, Missouri (“City”) and respectfully state to the Missouri Public Service Commission (“Commission”) that, as a result of extensive negotiations, the undersigned parties (“Parties”)<sup>1</sup> have reached the following stipulations and agreements (the “Stipulation”) concerning the issues pertaining to the City Water Services Department, Charles B. Wheeler Airport (“Downtown Airport”) and Kansas City International Airport (“KCI”), and only those issues,<sup>2</sup> raised by the City in the instant cases:

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<sup>1</sup> The terms “KCPL,” “GMO,” and “City” as used in this Stipulation shall be construed to include in the appropriate context an authorized representative or authorized representatives of the identified party.

<sup>2</sup> The City has also filed the testimony of Douglas Bossert on the topic of the low income weatherization program administered by the City and in which KCPL and GMO participate. This Stipulation does not resolve the issues raised in Mr. Bossert’s testimony.

## **I. BACKGROUND**

### **A. WATER SERVICES DEPARTMENT**

1. Facilities operated by the City's Water Services Department have reportedly experienced in the last twelve months repeated power or voltage fluctuations and power interruptions. The most recent outages experienced were on May 25, 2012 and July 23, 2012. The outage on May 25, 2012 affected three Water Services Department pumping facilities: East Bottoms, Turkey Creek and the Blue Ridge Pumping Stations. The outage on July 23, 2012 affected the Blue Ridge Pumping Station. KCPL, the supplier of energy to these facilities, is committed to a high quality of service to City water services and other installations. While these cases have been pending before the Commission, KCPL and the City Water Services Department formed a partnership to address electrical services at the pumping facilities above and two other sites.

2. KCPL hired P3, an energy consulting firm, to monitor four Water Services Department sites and the City hired Black & Veatch to monitor the fifth. The extensive monitoring recorded the extent of voltage sags and voltage surge events and their effect on City pumping and other equipment, and the causes of those electrical conditions were identified. The City/KCPL partnership implemented solutions for improved services and as a consequence, the City is currently satisfied with the level and adequacy of service provided by KCPL to Water Services Department facilities.

### **B. AVIATION DEPARTMENT**

#### Charles B. Wheeler Airport (Downtown Airport)

3. KCPL supplies power to Downtown Airport through the airport substation located at 11 NW Richards Road. Power from this substation energizes a 14.4 kv distribution line

(Wheeler Power Line), which is maintained and purportedly owned by the City, that serves facilities on the west side of the airport, in addition to three major structures on the east side of the airport --- buildings occupied by City tenants --- and all FAA Nav aids and airfield lighting.

4. Downtown Airport has experienced power surges and power interruptions of a momentary or sustained duration, and both undervoltage (brownout) and overvoltage situations. These have manifested themselves at one extreme as a momentary flickering of the lights, or a temporary disabling of computers and electronic equipment --- essentially knocking them off line --- to the other extreme of a sustained power interruption lasting up to several hours. The parties suspect that these events have been caused at various times both by facilities owned and operated by KCPL as well as by facilities owned and operated by the City.

5. Sensitive air conditioning equipment, known as “chillers,” that are part of the air handling system for the former terminal at Downtown Airport malfunctioned during the heat of the 2012 summer. The City believes that this occurred as a result of ongoing voltage sags or surges at that location.

6. KCPL and the City have scheduled meetings and have participated in meetings during the time these cases have been pending. The City’s heavy electrical contractor, Black & McDonald, has been involved in one or more of these meetings.

#### Kansas City International Airport (KCI)

7. In general GMO’s service to KCI is adequate and its level of responsiveness to KCI energy related issues is good. The exception is an eight hour loss of power to Terminal B – the Southwest Airlines terminal --- in the summer of 2011. KCI opened in 1972. Some of GMO’s facilities serving KCI are original installations. However, GMO, or its predecessor in title, has replaced and upgraded many of the KCI electric distribution infrastructure.

8. At the request of the City, a study is currently underway to determine the feasibility of replacing KCI's three terminal design with a single building. Preliminary findings by the retained consultants indicate that the single terminal design will provide users the ability to grow, and will provide operational savings for the City and therefore keep KCI highly attractive to the airlines it serves, present and future. Energy demand at the newly designed facility and how it is delivered will become a subject of review and evaluation as the feasibility study progresses.

## **II. CORE PROVISIONS**

9. **Withdrawal of Testimony --- Water Services Department Issue.** Upon approval of this Stipulation by the Commission, the City shall withdraw the written testimony of Mr. Michael H. Klender filed on August 2, 2012 in Case No. ER-2012-0174.

10. **Cooperative Efforts.** KCPL, GMO and the City will continue efforts to investigate and mitigate as needed any service concerns reported by the City. Those efforts are currently in progress and will continue following the Report and Order in these cases.

11. **Airport Energy Committee.** The parties agree to collaborate on solutions to specific issues involving energy service and demand at the City airports in a manner that is mutually satisfactory to both parties. KCPL, GMO and the City will organize an Airport Energy Committee (the "Committee") comprised of select representatives of each party who have authority to act for that party. Within sixty days after the effective date of the Report and Order in these cases, the parties will identify the representatives each has selected for the Committee. The general assignments for the Committee are described below:

a. **Downtown Airport.** The Parties will continue to work together to investigate, monitor and recommend means or methods to mitigate voltage fluctuations

and interruptions occurring at Downtown Airport facilities and tenancies. The Committee's assignments shall include: 1) a study of the performance of KCPL's "Harlem Feed" that provides energy to Downtown Airport, and identification of concerns or deficiencies, if any; 2) a review of future planned Downtown Airport development and an assessment of the need for additional power; 3) an analysis of equipment owned or operated by the City that is affected by voltage fluctuations and recommending means of eliminating any abnormal electrical operation of that equipment such as installation of devices that will record power variances on that equipment; 4) analysis of the power quality of the feeds to the Downtown Airport including extended voltage monitoring of the feeds to the Downtown Airport;<sup>3</sup> 5) a study of City and KCPL procedures designed to improve Downtown Airport readiness and safety; 6) identify steps by which Downtown Airport can improve energy efficiency and reduce costs; and 7) any other matters the Parties may mutually agree to assign the Committee.

b. **Wheeler Power Line.** Evaluate the overall condition of the Wheeler Power line, and identify means under or by which the condition of the Wheeler Power Line may be upgraded to a higher standard.<sup>4</sup>

c. **KCI Electric Utility Audit.** Continue ongoing collaboration between the City and GMO to inspect, survey and analyze all GMO assets serving energy demand at KCI and identify system needs in anticipation of a new airport terminal design.

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<sup>3</sup> The City acknowledges that the analysis of the power quality of the feeds to Downtown Airport including voltage monitoring precedes this Stipulation and is ongoing by KCPL.

<sup>4</sup> The City has expressed an interest in transferring functional, if not total, control of the Wheeler Power Line to KCPL in the future. In this respect, the Parties recognize that an examination by the Committee of related costs incurred by any party and rate impacts are an integral and necessary part of this and its other assignments particularly the weighing of those costs in relation to the potential benefits.

d. **Other.** KCPL, GMO and the City will follow similar cooperative protocol to address any additional matter arising from or related to these services, and will also work together on future instances that may occur with other premises owned by the City and served by KCPL and/or GMO.

12. **Reporting.** The Parties independently or through the Committee shall cooperatively prepare, or in the event a single report is impractical, each party may separately prepare, periodic reports, not more frequently than quarterly, summarizing the efforts undertaken jointly on these services. If or when these efforts are brought to a close for any specific instance, a final report(s) shall be issued. The report(s) shall be submitted to the City Manager of the City of Kansas City, or his/her designee, and the Chief Operating Officer(s) of KCPL and GMO.

13. **Exchange of Data.** Between the effective date of the Report and Order in these cases and the effective date of the Report and Order in KCPL's or GMO's next general rate case, KCPL, GMO and the City agree that pursuant to reasonable request each will provide the other the final results of any study or analysis performed by any of them respecting the age, reliability, upgrade, relocation or replacement of electric facilities serving Downtown Airport or KCI, and costs related thereto. Privileged information shall be subject to a confidentiality agreement, or alternatively, the parties may apply to the Commission for creation of a case in which the information may be exchanged under protection of 4 CSR 240-2.135. This includes an obligation to provide the disclosing party with a list of persons that will review any privileged information, as would be required by 4 CSR 240-2.135(3)(B).

### **III. MISCELLANEOUS PROVISIONS**

14. This Stipulation is being entered into solely for the purpose of settling the identified issues above. 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 method of cost determination or cost allocation or revenue related methodology, and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, whether this Stipulation is approved or not, except as otherwise expressly specified herein. Nothing in this Stipulation unless specifically referenced shall have an effect on future ratemaking.

15. This Stipulation has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve this Stipulation by the issuance date of its Report and Order in these cases, or approves this Stipulation with modifications or conditions that a signatory to these proceedings objects to prior to the effective date of the Order approving this Stipulation, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

16. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void therein, 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 §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and 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 or 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 further purpose whatsoever.

17. In the event the Commission accepts the specific terms of this Stipulation, the Signatories waive their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §386.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission Report and Order respecting this Stipulation issued in this proceeding, and does not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

WHEREFORE, for the foregoing reasons, the undersigned Signatories respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement Respecting Kansas City Water Services Department And Airport Issues.

Respectfully submitted,

*/s/ Mark W. Comley*

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 19<sup>th</sup> day of October, 2012, to all parties of record

/s/ Mark W. Comley