

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 30th day of
July, 2014.

In the Matter of the Application of Kansas City)
Power & Light Company for Authority to)
Issue Debt Securities)

File No. EF-2014-0346

ORDER GRANTING APPLICATION

Issue Date: July 30, 2014

Effective Date: August 9, 2014

On May 15, 2014, Kansas City Power & Light Company ("KCPL") filed an application seeking authority from the Missouri Public Service Commission ("Commission") to issue up to \$350 million principal amount of debt securities through June 30, 2016, and to enter into interest rate hedging instruments in connection with such debt securities.¹ KCPL states that proceeds of the securities will be used to refinance outstanding long-term debt and short-term debt used to fund capital expenditures.

On July 15, 2014, the Staff of the Commission filed a recommendation that the Commission approve the application, subject to the following conditions:

(a) That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate-making purposes, and that the Commission reserves the right to consider the rate-making treatment to be afforded the financing transaction and its impact on cost of capital, in any future proceeding;

(b) That KCPL shall file with the Commission within ten (10) days of the issuance of any financing authorized pursuant to a Commission order in this proceeding, a report including the amount of secured indebtedness issued, date of issuance, interest rate (initial rate if variable), maturity date,

¹ KCPL's application was filed pursuant to Sections 393.180, and 393.200, RSMo 2000, and Commission Rules 4 CSR 240-2.060 and 4 CSR 240-3.120.

redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance;

(c) That the interest rate for any debt issuance covered by the application is not to exceed the greater of (i) nine percent (9%) or (ii) a rate that is consistent with similar securities of comparable credit quality and maturities issued by other issuers;

(d) That KCPL shall file with the Commission through its electronic filing and information system (EFIS) in this case any information concerning communication with credit rating agencies concerning this issuance;

(e) That KCPL shall file with the Commission as a non-case-related submission in EFIS under "Resources" - "Non-Case Related Query" - "Ordered Submission" any credit rating agency reports published on KCPL's or Great Plains Energy's (GPE) corporate credit quality or the credit quality of its securities;

(f) That the amount of secured debt KCPL can issue be limited to an amount not to exceed net additions to plant in service; construction work in progress to the extent this is intended to be added to plant in service; and refinancing of existing long-term debt; and

(g) That to the extent that any non-regulated investments made by KCPL or GPE and affiliated companies may potentially impact KCPL's credit quality and resulting credit ratings, KCPL shall notify Staff of such possibility and provide a status report to the Commission regarding the amount of financing used under this authority and the intended use of any remaining authorized but unissued funds.

On July 24, 2014, KCPL filed a reply to Staff's recommendation stating that it accepts these conditions.

Neither the governing statute² nor any other law requires a hearing before approving the unopposed application.³ Because this is a non-contested case, the Commission acts on evidence that is not formally adduced and preserved.⁴ There is no evidentiary record.⁵ Consequently, the Commission bases its decision on the parties' verified filings.

The Commission has reviewed and considered KCPL's verified application and Staff's verified recommendation. Based on the Commission's independent and impartial

² Section 393.200, RSMo. All sections are in the 2000 Revised Statutes of Missouri unless otherwise stated.

³ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

⁴ *State ex rel. Public Counsel v. Public Service Comm'n*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

⁵ *Id.* The competent and substantial evidence standard of Article V, Section 18, does not apply to administrative cases in which a hearing is not required by law." *Id.*

review, the Commission finds that it is in the public interest to grant KCPL's application. The Commission will require KCPL to comply with the conditions requested by Staff. As required by Section 393.200, RSMo, the Commission finds that the proposed issuance of debt securities is or will be reasonably required for the purposes specified in the application and that such purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income.

THE COMMISSION ORDERS THAT:

1. Kansas City Power & Light Company's application filed on May 15, 2014, is granted subject to the conditions recommended by the Commission's Staff, which are delineated in the body of this order.
2. Kansas City Power & Light Company is authorized to execute all documents and take all actions necessary for the above-described transactions.
3. Nothing in this order shall constitute an opinion of prudence on the overall structure of Kansas City Power & Light Company and that company's current credit facility.
4. This order shall become effective on August 9, 2014.
5. This file may be closed on August 10, 2013.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Bushmann, Senior Regulatory Law Judge