

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 6th day
of October, 2010.

In the Matter of the Application of Kansas City)
Power & Light Company for Authority to)
Encumber Certain SmartGrid Equipment)

File No. EO-2011-0088

**ORDER GRANTING APPLICATION AND
REQUEST FOR EXPEDITED TREATMENT**

Issue Date: October 6, 2010

Effective Date: October 12, 2010

On September 24, 2010, Kansas City Power & Light Company (hereafter “KCP&L”), submitted an Application and Request for Expedited Treatment. KCP&L would like the Commission to approve an encumbrance of certain SmartGrid equipment by October 12, 2010.

KCP&L is asking for permission to encumber certain SmartGrid equipment to be acquired with funding from the U.S. Department of Energy (“DOE”). Per federal regulation, title to the SmartGrid equipment purchased with DOE funds is subject to conditions that limit the buyer’s ability to use the equipment, and its ability to dispose of the equipment.¹

KCP&L and DOE have signed an Assistance Agreement, which would allow KCP&L to purchase equipment to be used in KCP&L’s Green Impact Zone. A description of the property to be encumbered is listed in Attachment 2 of KCP&L’s application.

¹ 10 C.F.R. § 600.321.

To get the DOE grant money, KCP&L must sign a second Assistance Agreement, which it plans to do should the Commission approve the pending application. A delay in Commission approval could delay the purchase of the SmartGrid equipment; thus, KCP&L asks for expedited treatment.

On October 5, Staff filed its Recommendation. Staff advises the Commission to approve KCP&L's application and indicates no objection to approving that application expeditiously. Staff explains that because granting KCP&L's application would not result in the encumbrance of KCP&L's general plant and equipment, the requested encumbrance should not diminish KCP&L's ability to raise debt capital under its existing Financing Authority. Staff's only condition on its recommendation of approval is that the Commission include a standard paragraph in its order indicating that the Commission is not making any finding of the value of the transaction for rate making purposes. The Commission will do so.

The Commission may approve an application to encumber assets if the encumbrance would not be detrimental to the public interest.² Upon review of the application and Staff's Recommendation, which are admitted into evidence, the Commission finds that the encumbrance would not be detrimental to the public interest. The Commission will approve the application.

KCP&L further asks for waiver of a Commission Rule; specifically, the rule that requires a utility to give 60 days' notice before filing a contested case.³ The Commission may waive that rule for good cause.⁴

² Commission Rule 4 CSR 240-3.110(1)(D).

³ Commission Rule 4 CSR 240-4.020(2).

⁴ Id.

The Commission finds good cause to waive the 60 day notice requirement of Commission Rule 4 CSR 240-4.020(2), as KCP&L did not know that it would be filing the instant application 60 days prior to the date it was filed.

THE COMMISSION ORDERS THAT:

1. The Application and Request for Expedited Treatment are granted.
2. Kansas City Power & Light Company may allow the United States Department of Energy to encumber the assets listed in Attachment 2 of the September 24, 2010 application.
3. Nothing in this order shall be considered a finding by the Commission of the value of this transaction for ratemaking purposes. The Commission reserves the right to consider the ratemaking treatment to be afforded this transaction in any future proceeding.
4. Commission Rule 4 CSR 240-4.020(2) is waived.
5. This order shall become effective on October 12, 2010.
6. This case shall be closed on October 13, 2010.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
Gunn, and Kenney, CC., concur.

Pridgin, Senior Regulatory Law Judge