

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 20th day of June, 2012.

Application of Kansas City Power & Light Company)
for Approval of the Transfer of Existing Common)
Facilities and Permit Interests, and Materials)
and Supplies Inventory Administration)
at the Iatan Generating Station) Case No. EO-2011-0334

ORDER GRANTING APPLICATION

Issue Date: June 20, 2012

Effective Date: June 30, 2012

The Missouri Public Service Commission is granting the Application and authorizing the transactions that are the subject of the application. Those transactions will apportion interests related to Iatan Generating Station (“Iatan”) among the owners of Iatan. Three interests are at issue: facilities common to Iatan’s Units 1 and 2 (“common facilities”), permits, and inventory.

A. Procedure

Kansas City Power & Light Company (“KCPL”) filed the application.¹ The Commission ordered notice of the application² including notice to affected political subdivisions.³ The Commission received applications to intervene from The Empire District Electric Company (“Empire”),⁴ Kansas Electric Power Cooperative, Inc.

¹ On March 9, 2012.

² Order date March 14, 2012.

³ Order dated March 26, 2012.

⁴ On March 13, 2012.

("KEPCo"),⁵ and Missouri Joint Municipal Electric Utility Commission ("MJMEUC"),⁶ all of which the Commission granted.⁷ Staff filed its recommendation⁸ in favor of the application subject to certain conditions.

The Commission received no response to the recommendation within the time set by regulation.⁹ No law requires an evidentiary hearing on the unopposed application, and no person has sought one, so¹⁰ this action is not a contested case¹¹ and the Commission need not separately set forth its findings of fact.

The application is within the Commission's jurisdiction under the following provision:

No . . . electrical corporation . . . shall hereafter . . . lease, transfer, . . . or otherwise dispose of . . . any part of its . . . works or system, necessary or useful in the performance of its duties to the public, nor by any means, direct or indirect, merge or consolidate such works or system . . . , or any part thereof, with any other corporation, person or public utility, without having first secured from the commission an order authorizing it so to do.[¹²]

The Commission will deny the application only if approval would be detrimental to the public interest.¹³

B. Merits

The transactions at issue address relationships among Iatan's owners as altered by the agreement to build Unit 2 at Iatan. Iatan includes:

⁵ On March 26, 2012.

⁶ On March 28, 2012.

⁷ Orders dated March 26 and April 12, 2012.

⁸ On June 4, 2012.

⁹ 4 CSR 240-2.080(15).

¹⁰ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Serv. Comm'n*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

¹¹ Section 536.010(4), RSMo Supp. 2010.

¹² Section 393.190.1, RSMo 2000.

¹³ *State ex rel. City of St. Louis v. Public Serv. Comm'n of Missouri*, 73 S.W.2d 393, 400 (Mo. 1934).

- Unit 1, an older unit owned by KCPL, KCP&L Greater Missouri Operations (“GMO”), and Empire (“Unit 1 owners”).
- Unit 2, a newer unit owned by KCPL, GMO, Empire, MJMEUC, and KEPCo (“Unit 2 owners”).
- Common facilities, facilities that commonly serve both Unit 1 and Unit 2, but owned only by KCPL, GMO, and Empire.

The common facilities at issue in this action are only those in existence as of May 19, 2006, when the Unit 2 owners agreed to build Unit 2 (“existing common facilities”).

1. Existing Common Facilities

KCPL, GMO, and Empire own the existing common facilities in proportion to their Unit 1 ownership, and MJMEUC and KEPCo have no ownership in the existing common facilities. KCPL, GMO, and Empire, MJMEUC, and KEPCo have agreed that all of them shall own the existing common facilities in proportion to their ownership in Units 1 and 2

2. Unit 2 Permits

KCPL secured the permits required to build Unit 2. The Unit 2 owners agreed to contribute toward the permits, and receive ownership of the permits, in proportion to their ownership of Unit 2. All Unit 2 owners have made their contributions and KCPL now asks to distribute interests in the permits to the other Unit 2 owners.

3. Inventory

In the Unit 2 accounting manual, inventories of materials and supplies for Unit 1, Unit 2, and Unit 3 are separate. In practice, the owners account for all latan inventory collectively in proportion to their ownership interests because that practice is more

economical. In case those transactions are within the statute cited above, KCPL asks permission for such transactions.

C. Ruling

The verified filings show that the transactions will cause no detriment to the public interest. Therefore, the Commission will approve the application. The unopposed resolution of this action constitutes good cause for this order's effective date to be less than 30 days from this order's issuance date.¹⁴

THE COMMISSION ORDERS THAT:

1. The *Application* is granted.
2. The transactions that are the subject of the *Application* are authorized.
3. This order shall become effective on June 30, 2012.
4. This file shall close on July 2, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Daniel Jordan, Senior Regulatory Law Judge

¹⁴ Section 386.490.2, S.B. 48, 96th Gen. Assem., 2nd Reg. Sess.