

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 4th day of
February, 2009.

In the Matter of the Application of KCP&L)
Greater Missouri Operations Company for)
Authority to Transfer Functional Control of)
Certain Transmission Assets to the Southwest)
Power Pool, Inc.)

Case No. EO-2009-0179

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date February 4, 2009

Effective Date: February 10, 2009

This order approves a Stipulation and Agreement facilitating KCP&L Greater Missouri Operations Company's participation in the Southwest Power Pool, Inc.

Background

On November 12, 2008, KCP&L Greater Missouri Operations Company filed an application with the Missouri Public Service Commission to transfer functional control of certain transmission assets to the Southwest Power Pool, Inc. As required,¹ the Commission issued an Order Directing Notice of Tax Impact, wherein the Commission informed the clerks of those counties included in the company's service area that there would be no tax impact. The Commission also ordered that notice of the application be properly given and that an intervention deadline be set. Upon their unopposed applications, the Commission granted interventions to Dogwood Energy, LLC, The Empire District Electric Company and Southwest Power Pool, Inc.

¹ Section 393.190.1 RSMo. 2000.

On January 27, 2009, all of the parties filed a Stipulation and Agreement with an attached Service Agreement. The signatories include; KCPL-GMO, the Staff of the Commission, the Office of the Public Counsel, Southwest Power Pool, Inc., The Empire District Electric Company and Dogwood Energy, LLC.

The Agreement

The Agreement is similar to the agreement approved by the Commission in Case No. EO-2006-0142² and is for an interim period until September 30, 2013. During the interim, the Agreement provides for ongoing scrutiny of the cost and benefits of KCPL-GMO's continued participation. Under certain conditions, the interim period may be prematurely terminated or may be extended at the discretion of the Commission.

There are a number of economic parameters associated with participation in the SPP, which include various charges for administration and upgrades, cost and revenues related to the operation of the SPP Energy Imbalance Service Market and charges for ancillary services not self-provided. The parties affirm that no future ratemaking treatment has been agreed upon for these charges.

The parties have agreed that KCPL-GMO's participation with the SPP is for a term to end on September 30, 2013. Further, KCPL-GMO has agreed to file a pleading with the Commission regarding the company's continued participation two years prior to the conclusion of the interim period. Also, the parties have acknowledged that, prior to the end of the interim period, the Commission has the jurisdiction to terminate, modify or impose further conditions on KCPL-GMO's participation with the SPP.

² In Case No. EO-2006-0142 the Commission approved KCP&L's participation in the SPP.

Conclusion

Having reviewed the Stipulation and Agreement, the Commission finds that the proposed transfer of KCPL-GMO's assets to the SPP is not detrimental to the public interest and the Agreement shall be approved.

THE COMMISSION ORDERS THAT:

1. The Stipulation and Agreement filed by the signatories is approved.
2. KCP&L Greater Missouri Operations Company is authorized to transfer to the Southwest Power Pool, Inc., conditional and interim functional control of certain transmission assets.
3. KCP&L Greater Missouri Operations Company and the Southwest Power Pool, Inc., shall comply with the Stipulation and Agreement and the attached Service Agreement.
4. KCP&L Greater Missouri Operations Company and the Southwest Power Pool, Inc., are authorized to enter into, execute and perform in accordance with the terms of all other documents, not inconsistent with the Stipulation and Agreement, which may be reasonable necessary and incidental to the performance of the transaction.
5. During KCP&L Greater Missouri Operations Company's transfer of functional control of certain transmission assets, such assets and the control thereof remains subject to the Missouri Public Service Commission's jurisdiction as specifically described in the Stipulation and Agreement.

6. This order shall become effective on February 10, 2009.
7. This case shall be closed on February 11, 2009.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

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

Jones, Senior Regulatory Law Judge