

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 12<sup>th</sup> day of July, 2023.

In the Matter of the Application of Kansas City )  
Power & Light Company for Authority to Extend )  
The Transfer of Functional Control of Certain ) **File No. EO-2012-0135**  
Transmission Assets to the Southwest Power )  
Pool, Inc. )

**ORDER GRANTING MOTION TO MODIFY  
STIPULATION AND AGREEMENT REQUIREMENTS**

Issue Date: July 12, 2023

Effective Date: August 11, 2023

On June 27, 2023, Evergy Metro, Inc. d/b/a Evergy Missouri Metro, and Evergy Missouri West Inc. d/b/a Evergy Missouri West (collectively, “Evergy”), the Staff of the Commission, and Dogwood Energy, LLC, jointly filed a motion to modify the requirements in the May 16, 2013 stipulation and agreement<sup>1</sup> approved in this case. Specifically, the movants ask the Commission to modify the stipulation and agreement to grant Evergy indefinite permission to participate in Southwest Power Pool (SPP) with the condition that the Commission retains the authority to open further proceedings regarding Evergy’s SPP participation.

Evergy states that changing the default participation from a fixed term to an indefinite term, but with ongoing Commission authority, is supported by an existing condition to SPP participation added by the Commission in its 2020 Order.<sup>2</sup> The 2020

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<sup>1</sup> The Commission approved the May 16, 2013 stipulation and agreement on June 19, 2013.

<sup>2</sup> *Order Granting Motion to Modify Stipulation and Agreement Requirements* (issued September 30, 2020).

Order requires Evergy to meet with Stakeholders should an event(s) or circumstance(s) occur in the SPP footprint that Evergy believes significantly affects its position within SPP. Also, a Stakeholder can request such a meeting for the same reason, with mechanisms to make further filings, and for the Commission to provide for further proceedings, if it believes it should do so.

Commission Rule 20 CSR 4240-2.080(13) allows parties ten days to respond to pleadings. More than ten days have elapsed since the motion was filed, and no party has objected.

After considering the proposed modification to the May 16, 2013 stipulation and agreement, the Commission finds that the modification is reasonable. The Commission will grant the unopposed motion.

**THE COMMISSION ORDERS THAT:**

1. The *Joint Motion of Evergy Missouri Metro, Evergy Missouri West, Staff of the Missouri Public Service Commission, and Dogwood Energy, LLC to Modify Stipulations* is granted.

2. Evergy's authority to continue the transfer of functional control of its transmission system to SPP is granted, subject to the following conditions:

A. The Commission approves Evergy's continued RTO participation in SPP. The extended permission granted in this order is also subject to the provisions of subparagraphs J and K of ordered paragraph two of this order.

B. Evergy shall acknowledge that the Service Agreement's primary function is to ensure that the Commission continues to set the transmission component of Evergy's rates to serve its Missouri Bundled Retail Load. To the extent that FERC offers incentive "adders" for participation in an RTO or in an ICT to the rate of return allowed for providing Transmission Service, as defined in the SPP Open Access Transmission

Tariff (“OATT”), to wholesale customers within the Evergy zone, such incentive adders shall not apply to the transmission component of rates set for Missouri Bundled Retail Load by the Commission.

C. Currently, FERC requires Bundled Retail Load served by SPP Transmission Owners to take Transmission Service under the SPP’s OATT. If, at some point, Evergy is not required to take Transmission Service for Missouri Bundled Retail Load under the OATT, the Service Agreement shall be terminated concurrently with the point in time when Evergy is no longer required to take Transmission Service for Missouri Bundled Retail Load under the OATT. Termination of the Service Agreement under this provision shall not affect Evergy’s membership participation status in the SPP and the Commission shall continue to have jurisdiction over the transmission component of the rates set for Missouri Bundled Retail Load. As a participant in the SPP, Evergy may remain subject to charges from the SPP for Bundled Retail Load under the OATT that are assessed ratably to all load-serving utilities who are participants in the SPP, but who are not taking Transmission Service for their Bundled Retail Load under the OATT. No ratemaking treatment has been adopted for these changes.

D. The Service Agreement (unless it is terminated pursuant to its terms) shall continue in its current form; provided that the Commission may rescind its approval of Evergy’s participation in the SPP and may require Evergy to withdraw from participation in the SPP if the Commission determines withdrawal is in the public interest for reasons that include, but are not limited to, the following:

(i) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on SPP, that has the effect of precluding the Commission from continuing to set the transmission component of Evergy’s rates to serve its Missouri Bundled Retail Load; or

(ii) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on Evergy, that has the effect of amending, modifying, changing, or abrogating in any material respect, any term or condition of the Service Agreement previously approved by the Commission and by FERC.

(iii) Evergy shall immediately notify the Stakeholders if Evergy becomes aware of the issuance of any order, rule, or regulation amending, modifying, changing, or abrogating any term or condition of the Service Agreement. Any stakeholder is free to make a filing with the Commission as a result of an action by FERC, as described in this provision.

E. Unless ordered otherwise by the Commission, any order issued by the Commission that, on a basis provided for in paragraph D(i) or D(ii), terminates the Commission's approval of Evergy's participation in the SPP shall be effective when Evergy has re-established functional control of its transmission system as a transmission provider or transfers functional control to another entity depending on further orders of the Commission and the FERC.

F. If Evergy desires to securitize the revenues associated with its transmission system, it shall obtain additional prior permission and approval from the Commission.

G. If Evergy decides to seek any fundamental change in its membership participation or membership status in the SPP, it shall seek prior approval from the Commission no later than five business days after its filing with the FERC for authorization of that change.

H. For transmission facilities located in Evergy's certificated service territory that are constructed by an Evergy affiliate and that are subject to regional cost allocation by SPP, for ratemaking purposes in Missouri, the costs allocated to Evergy by SPP shall be adjusted by an amount equal to the difference between: (i) the annual revenue requirement for such facilities that would have resulted if Evergy's Commission-authorized ROE and capital structure had been applied and there had been no construction work in progress (CWIP) (if applicable), or other FERC Transmission Rate Incentives, including Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities and 8 (ii) the annual FERC-authorized revenue requirement for such facilities. The ratemaking treatment established in this provision will, unless otherwise agreed or ordered, continue as long as Evergy's transmission system remains under SPP's functional control.

I. Evergy shall provide the Stakeholders a presentation on the current and near-term plans for Evergy and its affiliates regarding local and regional transmission construction in Missouri annually at a mutually convenient time and location.

J. Evergy shall convene a Stakeholder meeting should an event(s) or circumstance(s) occur in the SPP footprint or that of an adjacent RTO of which Evergy is aware that Evergy believes significantly affects its position in SPP. Evergy shall apprise Stakeholders by email of such events that may affect its position in SPP. Any Stakeholder can request such a meeting be convened for the same reason. If, because of such a meeting, Evergy agrees that a further filing respecting its RTO participation should be made, it may make such a filing and it may include a cost-benefit study with its filing if it believes a cost-benefit study is warranted. If because of such a meeting Evergy does not agree that such a filing should be made, or that such a filing should be made but that a cost-benefit study is not warranted, any Stakeholder can petition the Commission to enter, after hearing, its order requiring a further filing with or without a cost-benefit study.

K. Any cost-benefit study to be submitted, pursuant to a Commission order under paragraph J, will at a minimum examine continued participation in SPP versus participation in MISO or another RTO as appropriate for a range of years of not less than five (5) nor more than twenty (20) years. With respect to any such cost-benefit study, Evergy shall work with Staff and OPC and give them substantive input regarding the development of the specific methodology, inputs, outputs, and other features to be included in such a cost-benefit study. Evergy shall also advise and update SPP and MISO regarding the cost-benefit study. If any difference of opinion regarding the scope, particular details or preliminary assumptions that are necessary to and part of such a cost-benefit study arises, Evergy shall ultimately have responsibility for, and the burden of presenting a study in support of, whatever position it deems appropriate and necessary at the time of its filing, respecting its further RTO participation or operation as an ICT. Accordingly, Evergy is entitled to maintain a level of independence and control of any such cost-benefit study, while other parties retain their right to oppose Evergy's positions, or to provide alternative positions. Subject to any applicable privilege recognized by law and the provisions of the Commission's rule regarding confidential information,

Staff and OPC shall be given access to data necessary for, and used in, preparing any such cost-benefit study, and shall be given the opportunity to have meaningful input in the preparation of any such cost-benefit study. Furthermore, Evergy shall advise and update the appropriate RTO(s) regarding such a cost-benefit study. Evergy will also provide regular reports regarding the progress and, if requested, reasonable details of the study to any party to this case that requests such updates or information. To maintain its independence and control of such cost-benefit study, Evergy shall act as the project manager for such cost-benefit study and shall engage and direct the work of Evergy or consultants assigned or retained to perform the cost-benefit study.

3. This order shall become effective on August 11, 2023.
4. This case may be closed on August 12, 2023.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Nancy Dippell".

Nancy Dippell  
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeyer  
and Hahn CC., concur.

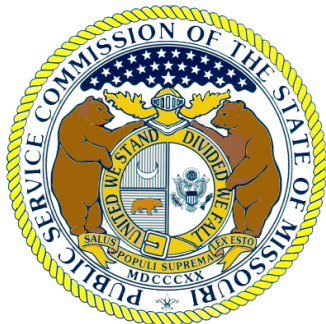
Pridgin, Deputy Chief Regulatory Law Judge

**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 12<sup>th</sup> day of July, 2023.**



*Nancy Dippell*  
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**Nancy Dippell**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**July 12, 2023**

**File/Case No. EO-2012-0135**

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**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

*Sincerely,*



**Nancy Dippell  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.