

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Transource)
Missouri, LLC for a Certificate of Convenience)
and Necessity Authorizing It to Construct,) File No. EA-2013-0098
Finance, Own, Operate, and Maintain the)
Iatan-Nashua and Sibley-Nebraska City)
Electric Transmission Projects)

ORDER TO FILE PROPOSED AMENDED PROCEDURAL SCHEDULE

Issue Date: April 29, 2013

Effective Date: April 29, 2013

The Missouri Public Service Commission is directing each party to file a proposed amended procedural schedule (“schedule”).¹ Each schedule shall set forth how the parties propose:

- Generally, to show that the Applicants have met their burden of proof on the applications,² and
- Specifically, to address the Commission inquiries set forth in the Appendix, as to whether the pending *Non-Unanimous Stipulation and Agreement*³ operates in the public interest.

A schedule may include, without limitation, an amended stipulation and agreement, further hearing, briefing, and a proposed report and order. The parties may file any schedule jointly or separately.

¹ This action is consolidated with the application in File No. EO-2012-0367, *In The Matter Of The Application Of Kansas City Power & Light Company And KCP&L Greater Missouri Operations Company Regarding Arrangements For Approval To Transfer Certain Transmission Property To Transource Missouri, L.L.C. And For Other Related Determinations.*

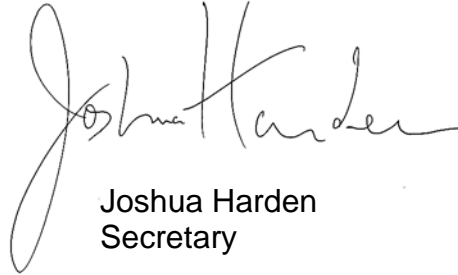
² This action is consolidated with the application in File No. EO-2012-0367, *In The Matter Of The Application Of Kansas City Power & Light Company And KCP&L Greater Missouri Operations Company Regarding Arrangements For Approval To Transfer Certain Transmission Property To Transource Missouri, L.L.C. And For Other Related Determinations.*

³ EFIS No. 54.

THE COMMISSION ORDERS THAT:

1. The parties shall file a proposed amended procedural schedule as described in the body of this order no later than May 6, 2013.
2. This order shall become effective immediately upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Joshua Harden". The signature is written in a cursive style with a large initial "J".

Joshua Harden
Secretary

Daniel Jordan, Senior Regulatory Law Judge,
by delegation of authority under
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 29th day of April, 2013.

APPENDIX

1. **Relief.** What relief do the parties seek as to any:
 - a. Application, and
 - b. Asset related to any project?
2. **Jurisdiction.** What is the Commission's jurisdiction over:
 - a. Transource Missouri LLC and its related entities as described in the applications, and
 - b. The projects?
3. **Waivers of Regulations.**
 - a. Which regulations do the parties want the Commission to waive?
 - b. How does each waiver contribute to safe and adequate service at just and reasonable rates?
4. **Transactions.**
 - a. Generally.
 - i. Who funds the projects?
 - ii. Whose employees build the projects?
 - iii. How will Missouri ratepayers be made whole?
 - b. Non-Project Costs. *Non-Unanimous Stipulation and Agreement*, paragraph 6 provides that Transource Missouri, LLC and related entities will pay KCPL and GMO for non-project goods and services at fully distributed cost plus a 20% markup. As between ratepayers and shareholders, who receives the payment for the:
 - i. Actual costs?

- ii. 20% markup?
- c. Project Costs. *Non-Unanimous Stipulation and Agreement*, paragraph 5 provides that Transource Missouri, LLC and related entities will pay KCPL and GMO for project goods and services at fully distributed cost with no mention of a 20% markup. Does this mean that the regulated utilities provide materials and services (paid for by ratepayers) to Transource at cost?
 - i. If not, please explain.
 - ii. If so, how is it in the public interest to have the regulated utilities provide materials and services (paid for by ratepayers) to Transource at cost?
- d. Timing of Payments. As to both the *Non-Unanimous Stipulation and Agreement*, paragraphs 5 and 6, when will these costs be paid?
 - i. Before they are incurred,
 - ii. When they are incurred, or
 - iii. After they are incurred? If after, how is it in the public interest to have the regulated utilities pay the bills up front and get reimbursed later?

5. Resources.

- a. Generally.
 - i. How will the FERC-approved rate affect Missouri rates?
 - ii. What Missouri rate treatment do applicants contemplate for FERC incentives related to:

1. FERC-approved return on equity,
 2. Abandoned plant, and
 3. Other incentives?
- iii. In *Non-Unanimous Stipulation and Agreement*, paragraph 24, GMO agrees to establish a regulatory liability reflecting the amount collected in retail customer rates for the transferred property. Why just GMO and not KCP&L?
- iv. Is *Non-Unanimous Stipulation and Agreement*, paragraph 7 limited to physical transmission assets or are there other transmission assets?
- b. Comparatively. The parties shall address the inquiries in this subsection under each of the following scenarios. (A) The Commission grants the applications, and the transactions proceed as described in the applications, as modified by the stipulation and agreement. (B) The Commission denies the applications, the transactions described in applications do not occur, and Applicants KCPL and GMO operate the projects themselves.
- i. Does *Non-Unanimous Stipulation and Agreement*, paragraph 2 keep rates the same for Missouri ratepayers?
 - ii. Does the *Non-Unanimous Stipulation and Agreement* provide that profits from operating the projects benefit ratepayers of KCPL and GMO by offsetting rates or otherwise? Would the answer be

different if Transource built and operated the projects without KCPL and GMO?

- iii. How do dollars, personnel, and other resources flow among:
 1. Applicants,
 2. Applicants':
 - a. Related entities listed in the applications,
 - b. Investors,
 - c. Transmission customers,
 - d. Retail customers,
 3. Southwest Power Pool ("SPP"),
 4. SPP's:
 - a. Members, and
 - b. Customers?