

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

Joint Application of Kansas City Power & Light	)	
Company, KCP&L Greater Missouri Operations	)	
Company and The Empire District Electric Company for	)	Case No. EO-2012-0015
Authority to Enter Into Certain Leases and Agreements	)	
Regarding Existing Common Facilities at the	)	
Iatan Generating Station.	)	

**JOINT APPLICATION OF KANSAS CITY POWER & LIGHT COMPANY,  
KCP&L GREATER MISSOURI OPERATIONS COMPANY AND  
THE EMPIRE DISTRICT ELECTRIC COMPANY**

Pursuant to 4 CSR 240-2.060 and 4 CSR 240-3.110, Kansas City Power & Light Company (“KCP&L”), KCP&L Greater Missouri Operations Company (“GMO”) and The Empire District Electric Company (“Empire”) (collectively, “Applicants”) respectfully submit this application (“Application”) for approval to enter into the Iatan Station Unit 2 Site Ground Lease, Nower Property Ground Lease and Easement Agreement (“Lease”).

In support of its Application, Applicants state as follows:

**I. APPLICANTS**

1. KCP&L is a Missouri corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. KCP&L is primarily engaged in the business of generating, transmitting, distributing, and selling electric energy in portions of eastern Kansas and western Missouri. KCP&L is an electrical corporation and public utility as defined in Section 386.020, Mo. Rev. Stat. (2000), as amended.<sup>1</sup> KCP&L provided its Certificate of Good Standing in Case No. EF-2002-315 which is incorporated herein by reference.

2. GMO is a Delaware corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. GMO is primarily engaged in the business of

---

<sup>1</sup> All statutory references are to the Missouri Revised Statutes (2000), as amended to date.

providing electric and steam utility service in Missouri to the public in its certificated areas. GMO is an electrical corporation and public utility as defined in Section 386.020 (2000), as amended. *Id.* A Certificate of Authority for a foreign corporation to do business in the State of Missouri, evidencing the Company's authority under the law to conduct business in the State of Missouri, was filed with the Commission in Case No. EU-2002-1053 and is incorporated herein by reference in accordance with 4 CSR 240-2.060(1)(G). GMO's fictitious name registration was filed in Case No. EN-2009-0015 and is incorporated herein by reference.

3. Empire is a Kansas corporation with its principal office and place of business at 602 South Joplin Avenue, Joplin, Missouri 64802. Empire is qualified to conduct business and is conducting business in Kansas as well as in the states of Missouri, Arkansas and Oklahoma. Empire is engaged, generally, in the business of generating, purchasing, transmitting, distributing and selling electric energy in portions of said states. Empire also provides water service in Missouri. Natural gas distribution service in Missouri is provided by Empire's subsidiary, The Empire District Gas Company. Empire's Missouri operations are subject to the jurisdiction of Commission as provided by law.

4. KCP&L holds Certificates of Convenience and Necessity from the Commission to transact business as an electric public utility in certain areas of the State of Missouri and is principally engaged in the generation, transmission, distribution and sale of electric power and energy. KCP&L has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involves customer service or rates, which has occurred within three years of the date of this Application other than the following pending action: *Briarcliff Development Company v. Kansas City Power & Light Company*, Case No. EC-2011-0383. No annual report or assessment fees are overdue.

5. GMO holds Certificates of Convenience and Necessity from the Commission to transact business as an electric public utility in certain areas of the State of Missouri and is principally engaged in the generation, transmission, distribution and sale of electric power and energy. GMO has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which has occurred within three years of the date of this Application other than the following pending action: *Ag Processing, Inc. a Cooperative v. KCP&L Greater Missouri Operations Company*, Case No. HC-2012-0259 and *Eddie Shepherd v. Kansas City Power & Light Company*, Case No. EC-2011-0373. In addition, no annual report or assessment fees are overdue.

6. A certified copy of Empire's Restated Articles of Incorporation, as amended, as filed in Case No. EF-94-39, is incorporated herein by reference in accordance with Commission rule 4 CSR 240-2.060(1)(G). A certificate from the Missouri Secretary of State that Empire, a foreign corporation, is authorized to do business in Missouri was filed with the Commission in Case No. EM-2000-369 and is incorporated by reference in accordance with Commission rule 4 CSR 240-2.060(1)(G). This information is current and correct. Empire has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates other than the following pending action: *Karen J. Brooks et al. v. The Empire District Electric Company*, Jasper County Case No. 11AO-CC00385. Empire's annual report and assessment fees are not overdue.

7. Pleadings, notices, orders and other correspondence and communications concerning this Application should be addressed to the following, as well as undersigned counsel:

Tim M. Rush  
Director, Regulatory Affairs  
Kansas City Power & Light Company  
1200 Main Street, 19<sup>th</sup> Floor  
Kansas City, Missouri 64105  
Phone: (816) 556-2344  
Fax: (816) 556-2110  
E-mail: [Tim.Rush@KCPL.com](mailto:Tim.Rush@KCPL.com)

Blake A. Mertens  
Vice President – Energy Supply  
The Empire District Electric Company  
602 Joplin Street  
Joplin, Missouri 64801  
Phone: (417) 625-6587  
Fax: (417) 625-5153  
E-Mail: [Bmertens@EmpireDistrict.com](mailto:Bmertens@EmpireDistrict.com)

## **II. LEASE AND EASEMENT**

8. The Unit 1 owners currently own the land initially acquired for Iatan Station (“Initial Iatan Station Site”) as tenants in common. KCP&L has a 92.5% interest, GMO has a 4.5% interest, and Empire has a 3% interest in the Initial Iatan Station Site. KCP&L subsequently acquired a tract of land (the “Nower Property”) adjacent to the Initial Iatan Station Site for future use as an ash landfill for Iatan Station and possibly other facilities.

9. To accommodate the ownership interests of the Unit 2 owners in Unit 2 and the Common Facilities, the Unit 2 and Common Facilities Ownership Agreement (“Unit 2 Agreement,” Exhibit A, provides for:

- The leasing of, and grants of easements over, portions of the Initial Iatan Station Site by the Unit 1 owners (KCP&L, GMO and Empire) to the Unit 2 owners (KCP&L, GMO, Empire, Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) and Kansas Electric Power Cooperative, Inc. (“KEPCo”)) covering Unit 2 and the Common Facilities (which are referred to in the Unit 2 Agreement as the “Unit 2 Site”); and

- The leasing of the Nower Property by KCP&L to the other Unit 1 and Unit 2 owners for the landfill portion of the Common Facilities.

10. The form of the Lease is attached hereto as Exhibit B. When the Lease has been put in place, the owners will have the following ownership and leasehold interests:

<b>Unit 2 Site Undivided Interests (Fee and Leasehold)</b>					
CLASS OF PROPERTY	GMO	Empire	MJMEUC	KEPCo	KCP&L
<b>Initial Iatan Station Site</b> (Ownership interest in real property)	4.50%	3.00%	0.00%	0.00%	92.50%
<b>Unit 2 Site</b> (Leasehold interest in real property)	18.00%	12.00%	11.76%	3.53%	54.71%

In addition to these leasehold interests, the Lease also conveys easements to the Unit 2 owners to access Unit 2 and Common Facilities.

<b>Nower Property Leasehold Shares</b>				
GMO	Empire	MJMEUC	KEPCo	Total Leasehold Interest (as a percentage of the entire Nower Property), with remaining 61.45% with KCP&L
18%	12%	6.58%	1.97%	38.55%

11. The Unit 2 Agreement provides for the following lump sum lease payments by the Unit 2 owners (other than KCP&L) to KCP&L:

<b>Unit 2 Site Lease Payments<sup>2</sup></b>			
GMO	Empire	MJMEUC	KEPCo
\$107,273.54	\$71,515.69	\$473,233.60	\$141,682.40

<b>Nower Lease Payments</b>			
GMO	Empire	MJMEUC	KEPCo
\$124,231.00	\$82,821.00	\$45,413.00	\$13,596.00

12. Each of the Unit 2 owners has the ability to elect to make annual lease payments, rather than lump sum payments. In addition to the lease payments described above, each Unit 2 owner is obligated to pay additional rental payments to cover its proportionate share of costs associated with the maintenance, reclamation, restoration, monitoring, security, control and ownership of the Iatan Unit 2 Site and the Nower Property.

13. KCP&L, GMO and Empire request Commission approval, pursuant to Section 393.190.1, to enter into the Unit 2 Site lease, and KCP&L requests Commission approval to enter into the Nower lease.

### **III. CONCLUSION**

14. The proposed transaction, including the sale and lease of the property, is not detrimental to the public interest since it will promote the continued provision of safe and adequate electric service by the Iatan Station Owners to their respective customers.

15. Pursuant to 4 CSR 240-3.110(1)(F), KCP&L and Empire believe that there will be no impact of the sale, assignment, lease or transfer of the assets on the tax revenues of the political subdivisions in which any structures, facilities or equipment are located.

---

<sup>2</sup> As GMO and Empire are co-owners of the Initial Iatan Station Site, they will receive 4.5% and 3.0%, respectively, of the Unit 2 Site lease payments made by MJMEUC and KEPCo.

WHEREFORE, for the foregoing reasons, Applicants respectfully request that the Commission grant them the authority to enter into the Iatan Station Unit 2 Site Ground Lease, Nower Property Ground Lease and Easement Agreement as more fully described herein.

Respectfully submitted,

/s/ Roger W. Steiner  
Roger W. Steiner, MBN 39586  
Corporate Counsel  
Kansas City Power & Light Company  
1200 Main Street, 16<sup>th</sup> Floor  
Kansas City, Missouri 64105  
Phone: (816) 556-2314  
Fax: (816) 556-2787  
E-mail: roger.steiner@kcpl.com

James M. Fischer, MBN 27543  
Fischer & Dority, P.C.  
101 Madison Street, Suite 400  
Jefferson City, MO 65101  
Telephone: (573) 636-6758  
Facsimile: (573) 636-0383  
email: jfischerpc@aol.com

Attorneys for Kansas City Power & Light Company  
and KC&PL Greater Missouri Operations Company

/s/ Diana C. Carter  
Diana C. Carter, MBN 50527  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, Missouri 65102  
Telephone: (573) 635-7166  
Facsimile: (573) 634-7431  
E-mail: dcarter@brydonlaw.com

Attorney for The Empire District Electric Company

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 9<sup>th</sup> day of March, 2012, to all counsel of record.

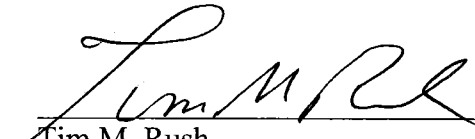
/s/ Roger W. Steiner  
\_\_\_\_\_  
Counsel of Record



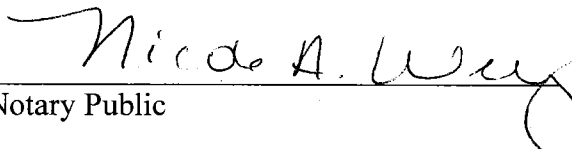
# AFFIDAVIT

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF JACKSON    )

I, Tim M. Rush, having been duly sworn upon my oath, state that I am the Director, Regulatory Affairs of Kansas City Power & Light Company ("KCP&L"), that I am duly authorized to make this affidavit on behalf of KCP&L and KCP&L Greater Missouri Operations Company, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.

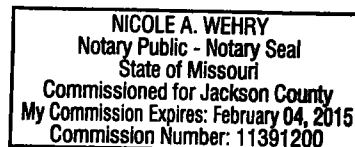
  
\_\_\_\_\_  
Tim M. Rush

Subscribed and sworn before me this 9<sup>th</sup> day of March, 2012.

  
\_\_\_\_\_  
Notary Public

My commission expires:


Feb. 4, 2015



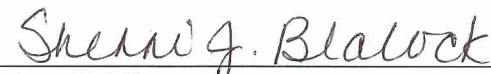
AFFIDAVIT

STATE OF MISSOURI     )  
                                      ) SS  
COUNTY OF JASPER     )

I, Blake A. Mertens, having been duly sworn upon my oath, state that I am the Vice President – Energy Supply of The Empire District Electric Company (“Empire”), that I am duly authorized to make this affidavit on behalf of Empire, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.

  
\_\_\_\_\_  
Blake A. Mertens

Subscribed and sworn before me this 6 day of March, 2012.

  
\_\_\_\_\_  
Notary Public

My commission expires:

Nov. 16, 2014

