

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 25th day  
of February, 2009.

In the Matter of the Application of Kansas City	)	
Power & Light Company for Approval to Issue	)	<b><u>Case No. EO-2009-0274</u></b>
Secured Debt to Two Bond Insurers Under	)	
Existing Bond Insurance Agreements	)	

**ORDER GRANTING FINANCING APPLICATION**

Issue Date February 25, 2009

Effective Date: February 27, 2009

On January 23, 2009, Kansas City Power & Light Company filed an application seeking Commission authority to issue secured debt, up to \$196.5 million, to two bond insurers under existing municipal bond insurance agreements.<sup>1</sup> The insurers with which the company has agreements are XL Capital Assurance, Inc. and Financial Guaranty Insurance Company – of the City of Burlington, Kansas, Environmental Improvement Revenue Refunding Bonds.

The company explains that it is in the process of executing its Comprehensive Energy Plan, which includes the construction of environmental improvements and that these projects have and will require significant amounts of long-term debt. The Company further explains that the proposed encumbrance is not an issuance of new debt but will instead secure the bond insurers for the debt that is already issued and outstanding. Therefore, this issuance will have no impact on the company's balance sheet or income statement.

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<sup>1</sup> Commission cases from which this matter arises are EF-2005-0387 and EF-2008-0214.

Furthermore, KCP&L explains that because financial markets are volatile, opportunities to issue long-term debt on attractive terms may quickly arise and disappear. Hence, in order to preserve maximum flexibility, it is in the best interest of the Company and the ratepayers for the Company to be positioned to issue secured debt as soon as possible. In that regard, the company requests that the Commission approve the application no later than February 27.

On February 18, 2009, the Staff of the Commission filed its memorandum, recommending that the Commission grant to the company authority, through December 31, 2009, to issue the debt.

The Commission has reviewed the company's application and Staff's memorandum and recommendation and concludes that the application should be granted.

**THE COMMISSION ORDERS THAT:**

1. Kansas City Power & Light Company is authorized to issue, through December 31, 2009, up to \$196.5 million of first mortgage bonds to XL Capital Assurance Inc. and Financial Guaranty Insurance Company – of the City of Burlington, Kansas, Environmental Improvement Guaranty Refunding Bonds.

2. This order shall become effective on February 27, 2009.

3. This case shall be closed on February 28, 2009.

( S E A L )

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

Jones, Senior Regulatory Law Judge

**BY THE COMMISSION**



Colleen M. Dale  
Secretary