

132 FERC ¶ 61,162  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Marc Spitzer, Philip D. Moeller,  
John R. Norris, and Cheryl A. LaFleur.

KCP&L Greater Missouri Operations Company

Docket No. OA08-18-001

ORDER ON COMPLIANCE FILING

(Issued August 24, 2010)

1. On June 1, 2009, KCP&L Greater Missouri Operations Company (KCP&L-GMO) filed revisions to Attachment L of its Open Access Transmission Tariff (OATT) to comply with the February 17, 2009 order in this proceeding,<sup>1</sup> which addressed the transmission planning compliance filing submitted by Aquila, Inc. (Aquila)<sup>2</sup> on December 6, 2007 to comply with Order No. 890.<sup>3</sup> In this order, the Commission accepts KCP&L-GMO's tariff sheets, effective December 7, 2007, as modified, subject to a further compliance filing, as discussed below.

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<sup>1</sup> *Aquila, Inc.*, 126 FERC ¶ 61,128 (2009) (Aquila Planning Order).

<sup>2</sup> After the Aquila Planning Order was issued, the name "Aquila, Inc." was changed to "KCP&L-GMO" as part of a transaction, authorized by the Commission in Docket Nos. EC07-99-000 and EL07-75-000, wherein Great Plains Energy, Inc., the parent company of Kansas City Power & Light Company (KCP&L) acquired Aquila, Inc. and its electric utility operations in Missouri. See *Great Plains Energy Inc.* 121 FERC ¶ 61,069 (2007) (*Great Plains Energy*).

<sup>3</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

## I. Background

2. In Order No. 890, the Commission reformed the *pro forma* OATT to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. One of the Commission's primary reforms was designed to address the lack of specificity regarding how customers and other stakeholders should be treated in the transmission planning process. To remedy the potential for undue discrimination in planning activities, the Commission directed each transmission provider to develop a transmission planning process that satisfies nine principles and to clearly describe that process in a new attachment to its OATT (Attachment K).

3. The Commission in Order No. 890 directed each transmission provider to address in its Attachment K planning process the following nine planning principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability;<sup>4</sup> (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission also directed transmission providers to address the recovery of planning-related costs. The Commission explained that it adopted a principles-based reform to allow for flexibility in implementation of and to build on transmission planning efforts and processes already underway in many regions of the country. The Commission also explained, however, that although Order No. 890 allows for flexibility, each transmission provider has a clear obligation to address each of the nine principles in its transmission planning process and that all of these principles must be fully addressed in the tariff language filed with the Commission. The Commission emphasized that tariff rules, as supplemented with web-posted business practices when appropriate,<sup>5</sup> must be specific and clear to facilitate compliance by transmission providers and place customers on notice of their rights and obligations.

4. In its December 6, 2007 compliance filing, Aquila submitted an attachment to its OATT<sup>6</sup> with a transmission planning process applicable to its two Missouri operating

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<sup>4</sup> In Order No. 890-A, the Commission clarified that the comparability principle requires each transmission provider to identify, as part of its Attachment K planning process, how it will treat resources on a comparable basis and, therefore, how it will determine comparability for purposes of transmission planning. *See* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216.

<sup>5</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649-55.

<sup>6</sup> Aquila labeled its transmission planning process as "Attachment L." This was permitted by the Commission in Order No. 890. *See* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 437 n.246.

divisions—Aquila Networks-MPS (MPS) and Aquila Networks-L&P (L&P).<sup>7</sup> In the Aquila Planning Order, the Commission found that Aquila’s Attachment L transmission planning process, with certain modifications, complied with each of the nine planning principles and other requirements of Order No. 890. The Commission accepted Aquila’s filing, effective December 7, 2007, subject to a further compliance filing. Specifically, the Commission directed Aquila to submit, within 90 days of the issuance of the Aquila Planning Order, an additional compliance filing to address issues related to coordination, openness, information exchange, comparability, dispute resolution, economic planning studies, and recovery of planning costs. Subsequently, as noted above, Great Plains Energy acquired Aquila and its Missouri utility operations and renamed the company “KCP&L-GMO.”

5. On May 8, 2009, KCP&L-GMO filed a motion for extension of time to submit its compliance filing and on May 12, 2009, the Commission granted KCP&L-GMO an extension until June 1, 2009.<sup>8</sup> On September 4, 2009, in Docket No. ER09-1678-000, KCP&L-GMO submitted a filing to terminate the L&P OATT, to amend the MPS OATT to make it applicable to service over all of KCP&L-GMO’s transmission facilities, including the facilities previously under the L&P OATT, and to redesignate the OATT with the “KCP&L-GMO” name. KCP&L-GMO’s September 4, 2009 submittal was accepted for filing on October 28, 2009.<sup>9</sup> Consequently, services under the former L&P and MPS OATT are now provided under one KCP&L-GMO OATT.

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<sup>7</sup> Aquila also submitted a transmission planning attachment for Aquila Networks-WPC, which was its Colorado operating division at the time. Black Hills Corporation (Black Hills) acquired Aquila Networks-WPC as part of the transaction authorized by the Commission in *Great Plains Energy*. Accordingly, Black Hills is responsible for complying with the Commission’s directives in the Aquila Planning Order regarding Aquila Networks-WPC. On June 15, 2009, in Docket No. OA08-18-002, Black Hills submitted revisions to the Aquila Networks-WPC transmission planning attachment to comply with the Aquila Planning Order. The revisions to the Aquila Networks-WPC transmission planning attachment will be addressed by separate order in Docket No. OA08-18-002.

<sup>8</sup> *Aquila, Inc.*, Notice of Extension of Time, Docket No. OA08-18-001 (May 12, 2009).

<sup>9</sup> *KCP&L Greater Missouri Operating Companies*, Docket No. ER09-1678-000 (Oct. 28, 2009) (unpublished letter order).

## II. KCP&L-GMO's Filing

6. KCP&L-GMO states that there have been several developments relevant to the Commission's consideration of the proposed revisions to KCP&L-GMO's transmission planning procedures. First, KCP&L-GMO states, as a result of Great Plains Energy's acquisition of Aquila, KCP&L-GMO's transmission planning group has been consolidated with the transmission planning group of KCP&L, the other public utility subsidiary of Great Plains. Second, KCP&L-GMO states that it has completed the full integration of its transmission facilities into the Southwest Power Pool, Inc. (SPP) and has terminated its relationships with the Midwest Independent Transmission System Operator, Inc. pursuant to a Commission order issued on May 1, 2009.<sup>10</sup> Third, KCP&L-GMO states that on April 15, 2009, as amended on April 22, 2009, SPP filed a Network Integration Service Agreement under the SPP OATT providing for Network Services with KCP&L-GMO as the Network Customer.<sup>11</sup> KCP&L-GMO states that these changes are reflected in the revised Attachment L language.

## III. Notice of Filing and Responsive Pleadings

7. Notice of KCP&L-GMO's filing was published in the *Federal Register*, 74 Fed. Reg. 27,311 (2009), with interventions and protests due on or before June 22, 2009. None were filed.

## IV. Discussion

8. We find that KCP&L-GMO's revised Attachment L transmission planning process, with certain modifications, complies with the Aquila Planning Order. Accordingly, we will accept KCP&L-GMO's compliance filing, as modified, to be effective June 12, 2009. We direct KCP&L-GMO to file, within 60 days of the date of this order, a further compliance filing as discussed below.

9. As noted above, subsequent to the June 1, 2009 filing in this docket, KCP&L-GMO terminated the L&P OATT and revised the MPS OATT to consolidate the services under the former L&P OATT and MPS OATT under one KCP&L-GMO OATT. Accordingly, the tariff sheets KCP&L-GMO submitted under the former L&P OATT are moot. Thus, we will address the merits of the revised MPS (now KCP&L-GMO) OATT.

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<sup>10</sup> KCP&L-GMO Filing at 3 (citing *Aquila Inc.*, 127 FERC ¶ 61,102 (2009)).

<sup>11</sup> The Commission accepted SPP's filing on June 18, 2009. See *Southwest Power Pool, Inc.*, 127 FERC ¶ 61, 247 (2009).

10. Although we will accept KCP&L-GMO's compliance filing, subject to a further compliance filing to address certain discrete issues, the Commission remains interested in the development of transmission planning processes and will continue to examine the adequacy of the processes accepted to date. We reiterate the encouragement made in prior orders for further refinements and improvements to the planning processes as transmission providers, their customers, and other stakeholders gain more experience through actual implementation of the processes. As part of the Commission's ongoing evaluation of the implementation of the planning processes, the Commission in September 2009 convened three regional technical conferences to determine if further refinements to transmission planning processes are necessary. The Commission has also received comments in response to the October 8, 2009 notice that it issued in Docket No. AD09-8-000, which sought additional input on questions relating to enhancing regional transmission planning processes and allocating the cost of transmission. Lastly, on June 17, 2010, the Commission issued a Notice of Proposed Rulemaking in Docket No. RM10-23-000, proposing a number of reforms to the Order No. 890 transmission planning and cost allocation requirements.<sup>12</sup>

**A. Coordination**

**1. Compliance Requirement**

11. In the Aquila Planning Order, the Commission found that, while Attachment L indicated that KCP&L-GMO<sup>13</sup> will coordinate planning activities through SPP's planning process and that KCP&L-GMO will conduct an additional planning process at the local level to identify transmission additions or modifications not identified in the SPP planning process, sufficient detail concerning the local planning process was not provided.<sup>14</sup> The Commission found that the planning cycle and the planning horizon KCP&L-GMO uses for local planning was not identified nor was how and when customers and interested stakeholders can review information regarding the local plan and provide input into the local plan during the early stages of the planning process. Accordingly, the Commission directed KCP&L-GMO to revise its Attachment L to detail how all stages of the local planning process will be coordinated with interested parties.

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<sup>12</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 131 FERC ¶ 61,253 (2010).

<sup>13</sup> We will refer to "KCP&L-GMO" instead of "Aquila" to discuss compliance pursuant to the Aquila Planning Order.

<sup>14</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 14.

## 2. Proposal

12. KCP&L-GMO states that it performs transmission planning at the local level for reliability standards compliance for operational (real time to one year in the future), near term (one to five years in the future), and long term (five to ten years in the future) planning horizons.<sup>15</sup> The revised Attachment L indicates that planning generally involves the analysis of the transmission system under various operating conditions, the identification of any reliability standard violations, and the development of plans or actions to mitigate each violation.<sup>16</sup>

13. KCP&L-GMO also states that a retail native-load transmission customer or wholesale transmission customer can request a meeting (or meetings) in order to address transmission planning with regard to additional load requirements or new loads. A transmission customer or stakeholder may request additional meetings during the year to discuss various issues that are developed by KCP&L-GMO, stakeholders, or SPP.<sup>17</sup> However, section 3.1 provides that KCP&L-GMO will not be obligated to conduct additional meetings if, in its sole discretion, KCP&L-GMO believes that potential topics for such meetings may be adequately addressed through SPP-sponsored sub-regional planning meetings or through direct input to the SPP Transmission Expansion Plan (STEP) process.<sup>18</sup> KCP&L-GMO adds that the agenda for a meeting that it schedules in response to a request from a stakeholder will be circulated to stakeholders via e-mail no fewer than ten calendar days prior to the meeting date and posted on the KCP&L-GMO OASIS. In addition, information developed at such meetings will be incorporated into KCP&L-GMO's presentations at SPP-sponsored sub-regional planning meetings and/or forwarded to SPP for consideration in the STEP.

14. KCP&L-GMO states that it does not maintain a formal standing committee for the local transmission planning process but it may create and dissolve ad hoc committees to address specific issues, as it deems necessary at its sole discretion.

## 3. Commission Determination

15. We find that the proposed Attachment L partially complies with the Commission's directives in the Aquila Planning Order. While KCP&L-GMO has described the

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<sup>15</sup> KCP&L-GMO Attachment L, section 3.1.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

planning horizon it uses for local planning, it has not provided a description of the planning cycle with associated timelines and schedules to enable customers and other stakeholders to provide timely and meaningful input regarding the development of transmission plans and allow customers and other stakeholders to participate in the early stages of development. If KCP&L-GMO, as a member of SPP, plans to align its local planning cycle to SPP's sub-regional planning meetings, it should revise its Attachment L to make that clear so that interested stakeholders will be aware of the specific timelines and schedules associated with the KCP&L-GMO local transmission plan.

16. Accordingly, we direct KCP&L-GMO to submit a compliance filing, within 60 days of the issuance of this order, revising its Attachment L to provide a description of its planning cycle with associated timelines and schedules.

## **B. Openness**

### **1. Compliance Requirement**

17. In the Aquila Planning Order, the Commission found that KCP&L-GMO's local planning activities were not sufficiently open to stakeholders because KCP&L-GMO did not address how interested parties can participate in the local planning studies process prior to the posting of study results on OASIS.<sup>19</sup> The Commission also found that KCP&L-GMO had not identified the process for obtaining access to confidential information and Critical Energy Infrastructure Information (CEII) used in the local transmission planning process. The Commission directed KCP&L-GMO to revise its Attachment L to address the requirements of the openness principle as applied to its local planning activities.

### **2. Proposal**

18. KCP&L-GMO has revised its Attachment L to specify that with respect to local planning projects such as those described in section 3.1 of Attachment L (Coordination), KCP&L-GMO will "actively and directly communicate with any affected transmission owner, its transmission agent or the requesting transmission customer, as needed."<sup>20</sup> KCP&L-GMO reiterates that transmission customers and stakeholders can request meetings or can submit information with regard to additional load requirements, new loads, or other interconnections. The proposed Attachment L also indicates that requirements and the types of information studied are detailed in the "Criteria

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<sup>19</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 19.

<sup>20</sup> KCP&L-GMO Attachment L, section 3.2.

Document”<sup>21</sup> posted on the KCP&L-GMO OASIS site. KCP&L-GMO also states that stakeholders seeking any information labeled “CEII” may request access to the information by submitting a written request, including required information specified by the Commission, to the FERC CEII Coordinator.<sup>22</sup>

19. KCP&L-GMO adds that it will post the results of planning studies completed for local projects on KCP&L-GMO’s OASIS so that all stakeholders have an opportunity to review the studies.<sup>23</sup>

### **3. Commission Determination**

20. We find that KCP&L-GMO has partially complied with the requirements of the Aquila Planning Order with regard to the openness principle. KCP&L-GMO states that it will post the results of planning studies completed for local projects on its OASIS so that all stakeholders have an opportunity to review the studies. However, as we found above in discussing the coordination principle, the revised Attachment L does not provide a description of the planning cycle with associated timelines and schedules. As such, it is unclear if customers and interested stakeholders can review information regarding the local plan prior to KCP&L-GMO posting results on its OASIS and prior to the inclusion of the local plan into the sub-regional transmission plan. Accordingly, the revisions directed above for KCP&L-GMO to revise Attachment L to specify the timelines and schedules associated with the KCP&L-GMO local transmission plan should be sufficiently clear to allow customers and interested stakeholders to review information regarding the local plan prior to KCP&L-GMO’s posting results on its OASIS, and prior to the inclusion of the local plan into the sub-regional transmission plan.

21. We also find that the requirement that stakeholders seeking information labeled “CEII” submit a written request to the FERC CEII Coordinator to be inconsistent with the openness principle. In Order No. 890, the Commission acknowledged its responsibility to protect CEII while also recognizing that those with a legitimate need for CEII information must be able to obtain it on a timely basis. In several places the Commission

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<sup>21</sup> This “Criteria Document” is the “Bulk Electric System Planning Criteria” document, which KCP&L-GMO states describes how it complies with North American Reliability Corporation (NERC), Commission, and SPP transmission planning criteria. See KCP&L-GMO Attachment L, section 3.3.

<sup>22</sup> *Id.* at section 3.2. KCP&L-GMO also provides a URL to the section of the SPP website that KCPL-GMO states provides information regarding requests for CEII information or other confidential or non-confidential related study materials.

<sup>23</sup> *Id.*

specified the measures transmission providers can use to protect CEII, but did not require stakeholders to receive authorization from the Commission to access CEII data. For example, in order to provide transparency and avoid undue delays in providing information to those with a legitimate need for it, the Commission required transmission providers to establish a standard disclosure procedure for CEII, noting measures such as digital certificates or passwords, additional login requirements for users to view CEII sections of the OASIS, requiring users to acknowledge that they will be viewing CEII information, and nondisclosure agreements. The Commission also noted that it will be available to resolve disputes if they arise.<sup>24</sup>

22. The Commission confirmed this approach when it emphasized that the overall development of the transmission plan and the planning process must remain open. The Commission agreed with the concerns of some commenters that safeguards must be put in place to ensure that confidentiality and CEII concerns are adequately addressed in transmission planning activities. The Commission required that transmission providers, in consultation with affected parties, develop mechanisms, such as confidentiality agreements and password-protected access to information, in order to manage confidentiality and CEII concerns.<sup>25</sup> The Commission finds that a requirement that stakeholders seeking information labeled “CEII” must receive authorization from the FERC CEII Coordinator inhibits an open planning process, and is inconsistent with the requirements of Order No. 890 and Commission precedent.<sup>26</sup>

23. KCP&L-GMO has not revised its Attachment L to identify the process for obtaining access to non-CEII confidential information used in the local transmission planning process, as required under the Aquila Planning Order. We direct KCP&L-GMO in consultation with affected parties to develop mechanisms to manage confidentiality<sup>27</sup> and CEII concerns, so that the planning process remains as open as reasonably possible,

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<sup>24</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 404.

<sup>25</sup> *Id.* P 460.

<sup>26</sup> *See, e.g., E.ON U.S., LLC*, 127 FERC ¶ 61,276, at P 48 (2009) (rejecting proposal that would require stakeholders to demonstrate that they have been authorized by the Commission to receive the CEII-protected version of Form 715 as a condition to receiving CEII information during the transmission planning process).

<sup>27</sup> For example, KCP&L-GMO could state in its tariff that commercially sensitive data will be kept confidential and that confidential data can be obtained by signing appropriate confidentiality agreements. *See Aquila Planning Order*, 126 FERC ¶ 61,128 at P 16.

and to detail these mechanisms in its tariff in a compliance filing, to be submitted within 60 days of this order.

### **C. Transparency**

24. In the Aquila Planning Order, the Commission found that the KCP&L-GMO Attachment L complied with the transparency principle of Order No. 890. However, as discussed below, KCP&L-GMO has added new language to section 3.3 (Transparency) of its Attachment L. Accordingly, we will review this revised language.

#### **1. Proposal**

25. KCP&L-GMO states that for local planning issues it has posted on its OASIS its Criteria Document describing how it complies with NERC, Commission, and SPP transmission planning criteria.<sup>28</sup> KCP&L-GMO states that the Criteria Document defines its transmission planning requirements for its local area and is posted on the public side of its OASIS site. KCP&L-GMO also states that the Criteria Document is reviewed periodically and is submitted to the Commission as part of the annual Form 715 (Annual Transmission Planning and Evaluation) report. KCP&L-GMO has also revised its Attachment L to indicate that KCP&L-GMO's transmission expansion plans primarily relate to load serving, lower-voltage expansion not overseen by SPP, and generation interconnection studies on radial transmission or distribution facilities. KCP&L-GMO adds that criteria, assumptions, and other underlying data normally will be provided in the study report for that plan or study when it is released, but requests for transmission service or for a new load interconnection generally are confidential and such project information cannot be shared with other entities until the project is publicly announced.<sup>29</sup>

#### **2. Commission Determination**

26. We find that the additional information KCP&L-GMO added to section 3.3 of its Attachment L supplements the language already found to be in compliance with the transparency principle of Order No. 890.<sup>30</sup> Further, KCP&L-GMO did not make any

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<sup>28</sup> KCP&L-GMO Attachment L, section 3.3.

<sup>29</sup> *Id.*

<sup>30</sup> *See* Aquila Planning Order, 126 FERC ¶ 61,128 at P 26 (finding that KCP&L-GMO had committed to make available on its OASIS the SPP load flow models KCP&L-GMO uses for all in-house studies as well as the in-house study results).

significant deletions that would warrant rescinding the prior acceptance of section 3.3.<sup>31</sup> Accordingly, we will accept the revisions to section 3.3 as in compliance with the transparency principle of Order No. 890, subject to KCP&L-GMO's compliance with our directive above regarding access to CEII and other confidential information.

**D. Information Exchange**

**1. Compliance Requirement**

27. In the Aquila Planning Order, the Commission found that KCP&L-GMO had not described the data it will seek from its customers for local planning study purposes nor when or how customers are to provide such information. The Commission directed KCP&L-GMO to revise its Attachment L to address the exchange of planning-related information used in its local planning studies.<sup>32</sup>

**2. Proposal**

28. While KCP&L-GMO made several revisions to the Information Exchange section of the former L&P Attachment L, which has been terminated, it did not make any revisions to the former MPS (now KCP&L-GMO) OATT to address the Commission's directive in the Aquila Planning Order regarding Information Exchange.

**3. Commission Determination**

29. KCP&L-GMO has not addressed the Commission's directive in the Aquila Planning Order regarding Information Exchange. KCP&L-GMO must describe the data it will seek from its customers for local planning study purposes and when or how customers are to provide such information. Accordingly, we direct KCP&L-GMO to submit a compliance filing within 60 days of the date of this order revising its Attachment L to address the exchange of planning-related information used in its local planning studies.

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<sup>31</sup> For example, KCP&L-GMO replaced language indicating that with respect to local planning issues, KCP&L-GMO applies the same criteria, methodology, and process as SPP and uses the SPP load flow models for all in-house studies, with the language describing the Criteria Document.

<sup>32</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 33.

## **E. Comparability**

### **1. Compliance Requirement**

30. In the Aquila Planning Order, the Commission found that while KCP&L-GMO satisfied the comparability principle for regional planning through its participation in the SPP planning process, the proposed Attachment L did not describe how the interests of KCP&L-GMO's customers will be treated on a comparable basis during the development of local planning studies. In Order No. 890-A, the Commission provided additional guidance concerning how transmission providers can achieve compliance with the comparability principle. Specifically, the transmission provider needs to identify as part of its Attachment K planning process "how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning."<sup>33</sup> Since Order No. 890-A was issued on December 27, 2007, subsequent to KCP&L-GMO's Order No. 890 Attachment L compliance filing, the Commission found that KCP&L-GMO did not have an opportunity to demonstrate that it complied with this requirement of Order No. 890-A. The Commission therefore directed KCP&L-GMO to submit a compliance filing addressing the necessary demonstration required by Order No. 890-A.<sup>34</sup>

### **2. Proposal**

31. KCP&L-GMO states that it plans for load and generation throughout the KCP&L-GMO transmission system in a manner comparable to planning for its native loads.<sup>35</sup> KCP&L-GMO has also revised its Attachment L to indicate that all stakeholders, including sponsors of transmission, generation, and demand resources, can participate in local planning discussions through planning meetings held by KCP&L-GMO or through SPP-sponsored sub-regional transmission planning meetings.<sup>36</sup> KCP&L-GMO adds that it will consider verified demand response, if available, when evaluating transmission project alternatives in the local study planning process.

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<sup>33</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 38-39 (citing Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216; Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 479, 487, 494 and 549).

<sup>34</sup> *Id.* P 36. For example, tariff language should provide for participation throughout the transmission planning process by sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources. *Id.* P 36 & n42.

<sup>35</sup> KCP&L-GMO Attachment L, section 3.5.

<sup>36</sup> *Id.*

32. KCP&L-GMO also states that sponsors of transmission, generation, and demand resources can propose alternative transmission solutions to any needs identified by KCP&L-GMO in its transmission planning process, and may submit a request to the KCP&L-GMO transmission planning manager for a meeting to discuss proposed alternative transmission solutions. Transmission solutions will be evaluated against each other based on a comparison of their relative economics and effectiveness of performance. The Attachment L indicates that “[s]tandards to compare potential transmission solutions will be determined by KCP&L-GMO and discussed directly with specific stakeholders.”<sup>37</sup>

### **3. Commission Determination**

33. We find that KCP&L-GMO has partially met the Commission’s directive in the Aquila Planning Order regarding comparability. The revised Attachment L indicates that all stakeholders, including sponsors of transmission, generation, and demand resources, can participate in local planning discussions through planning meetings held by KCP&L-GMO or through SPP sponsored sub-regional transmission planning meetings. The revised Attachment L also provides that sponsors of transmission, generation, and demand resources can propose alternative transmission solutions. However, sponsors should be able to propose not just transmission solutions but also potential generation and demand resource solutions for consideration in the planning process.

34. Similarly, KCP&L-GMO has explained that transmission solutions will be evaluated against each other based on a comparison of their relative economics and effectiveness of performance, but it has not explained how it will evaluate all alternative solutions on a comparable basis, whether transmission, generation, or demand resources. It is also unclear why standards to compare potential transmission solutions will be discussed with specific stakeholders rather than in a more open, transparent manner. Accordingly, we direct KCP&L-GMO to submit a compliance filing within 60 days of the date of this order revising its Attachment L to: (1) allow stakeholders to propose alternative transmission, generation, or demand resource solutions; (2) explain how all types of resources, whether transmission, generation, or demand resources, will be evaluated against each other on a comparable basis; and (3) remove language requiring KCP&L-GMO to discuss standards to compare alternative solutions only with specific stakeholders.

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<sup>37</sup> *Id.*

## **F. Dispute Resolution**

### **1. Compliance Requirement**

35. In the Aquila Planning Order, the Commission found that KCP&L-GMO did not provide for adequate dispute resolution processes to manage both procedural and substantive disputes that arise from the transmission planning process.<sup>38</sup> In response to KCP&L-GMO's proposal to use the existing dispute resolution process contained in section 12 of its OATT, the Commission found that it was unclear whether "[a]ny dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff" as defined in section 12 would include any dispute arising under the transmission planning process, for example between the transmission provider and a non-customer stakeholder.<sup>39</sup> The Commission stated that while Order No. 890 provided that transmission providers could rely on existing dispute resolution procedures, transmission providers must address how these procedures will address matters related to transmission planning. The Commission directed KCP&L-GMO to submit a further compliance filing revising its Attachment L to specifically address how its procedures will apply to matters related to transmission planning. The Commission also stated that if KCP&L-GMO desired to include a mediation step in its dispute resolution procedures, it could do so by revising its filing or including the mediation step the next time it file a revision to the transmission planning attachments.<sup>40</sup>

### **2. Proposal**

36. KCP&L-GMO has revised section 3.6 of its Attachment L to provide that disputes arising under the transmission planning process in Attachment L shall be subject to the dispute resolution procedures defined in section 12 of the KCP&L-GMO OATT.<sup>41</sup> KCP&L-GMO adds that the dispute resolution procedures may include informal

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<sup>38</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 43.

<sup>39</sup> *Id.* P 42.

<sup>40</sup> *Id.* KCP&L-GMO's initial dispute resolution procedures, under section 12 of its OATT, does not include the second step, mediation, of a three-step dispute resolution process consisting of negotiation, mediation, and arbitration. While we did not direct KCP&L-GMO to include mediation, we have found that a high percentage of disputes sent to the Commission's Dispute Resolution Service, another mediator or an Administrative Law Judge serving as a Settlement Judge, settle without adjudication. *See id.* P 43 n.48.

<sup>41</sup> KCP&L-GMO Attachment L, section 3.6.

negotiation, facilitated mediation, or arbitration. KCP&L-GMO states that all mediations and/or arbitrations arising from disputes under Attachment L shall be held in Kansas City, Missouri, unless otherwise agreed to by the parties.

### **3. Commission Determination**

37. We find that KCPL-GMO has complied with the requirements of the Aquila Planning Order. KCP&L-GMO has revised its Attachment L to provide that “disputes arising under the Transmission Planning Process in this Attachment L shall be subject to the Dispute Resolution Procedures defined in Section 12 of the KCP&L-GMO OATT.”<sup>42</sup> We find KCPL-GMO’s proposed revision is expansive enough to allow section 12 to apply to disputes concerning its local transmission planning process involving both customers and non-customers.

### **G. Economic Planning Studies**

#### **1. Compliance Requirement**

38. In the Aquila Planning Order, the Commission found that the KCP&L-GMO’s Attachment L partially complied with the economic planning studies principle stated in Order No. 890.<sup>43</sup> KCP&L-GMO’s proposed Attachment L indicated that KCP&L-GMO complies with the economic planning study principle through participation in the SPP planning process and that KCP&L-GMO provides SPP with economic data for the KCP&L-GMO transmission system for use in the economic evaluations SPP carries out as part of its transmission planning process. KCP&L-GMO also stated that for in-house studies for local transmission, planning engineers always consider the economic impact of various alternatives. However, the Commission found that KCP&L-GMO had not explained whether the SPP economic planning process could be used to submit requests for economic studies for the local facilities subject to local planning activities. The Commission stated that, if not, KCP&L-GMO must identify a process for submitting such requests, as well as a process to prioritize and/or cluster study requests. The Commission directed KCP&L-GMO to submit a compliance filing revising the KCP&L-GMO Attachment L to address the requirements of the economic planning principle as applied to local planning activities.

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<sup>42</sup> *Id.*

<sup>43</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 58.

## 2. Proposal

39. KCP&L-GMO has revised its Attachment L to provide that if a stakeholder submits a request for an economic planning study, KCP&L-GMO will forward such request to SPP for inclusion by SPP in its economic planning studies.<sup>44</sup> Section 3.8 of the Attachment L also provides that KCP&L-GMO shall not perform any economic planning studies unless directed to do so by SPP in accordance with Attachment O of the SPP OATT (Transmission Planning Process), with the costs for such studies allocated pursuant to Attachment O of the SPP OATT.

## 3. Commission Determination

40. KCP&L-GMO has clarified that the SPP economic planning process can be used by stakeholders to submit requests for economic studies for the local facilities subject to local planning activities. Accordingly, we find that the KCP&L-GMO's revised Attachment L complies with the Aquila Planning Order.

### H. Recovery of Planning Costs

#### 1. Compliance Requirement

41. In the Aquila Planning Order, the Commission found that the Attachment L did not adequately address the recovery of planning costs because KCP&L-GMO failed to explain how costs for local planning activities pursuant to the Attachment L planning process would be recovered.<sup>45</sup> The Commission directed Aquila to submit a compliance filing revising Attachment L to explain how KCP&L-GMO intends to recover local transmission planning activity costs.

#### 2. Proposal

42. KCP&L-GMO states that the costs of any economic planning studies performed by KCP&L-GMO at the direction of SPP shall be recovered pursuant to Attachment O of the SPP OATT.<sup>46</sup> KCP&L-GMO's Attachment L also provides that "KCP&L-GMO's costs for studies on its own behalf as part of the local transmission policy are not directly assigned. Labor costs are accounted [for] through standard FERC account codes."<sup>47</sup>

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<sup>44</sup> KCP&L-GMO Attachment L, section 3.8.

<sup>45</sup> Aquila Planning Order, 126 FERC ¶ 61,128 at P 71.

<sup>46</sup> KCP&L-GMO Attachment L, section 4.0.

<sup>47</sup> *Id.* KCP&L-GMO's reference to "the local transmission policy" rather than "the local transmission plan" appears to be an error.

KCP&L-GMO also states that costs it incurs while completing a planning study at the request of a stakeholder as part of the KCP&L-GMO local transmission processes will be borne by the specific stakeholder(s). The revised Attachment L also provides that the costs for any special study requested by a stakeholder that is not an economic upgrade shall be borne by the specific stakeholder(s).

### **3. Commission Determination**

43. We find that the KCP&L-GMO Attachment L does not adequately address the recovery of planning costs. KCP&L-GMO states that the costs for any economic planning studies performed by KCPL-GMO at the direction of SPP shall be recovered pursuant to Attachment O of the SPP OATT and that cost of studies on its own behalf as part of the local transmission plan are not directly assigned. We interpret this to mean that it will recover the costs of these studies through its tariff rates. However, KCP&L-GMO fails to address how other costs associated with local planning will be recovered. In addition, KCP&L-GMO does not explain what it means by a “special study requested by a stakeholder that is not an economic upgrade.” Accordingly, we direct KCP&L-GMO to submit a compliance filing within 60 days of the date of this order clarifying what it means by “special study” and how the other costs of its local planning process, in addition to the costs of studies, will be recovered.

#### **I. Effective Dates**

44. Finally, KCP&L-GMO’s revised tariff sheets reflect a June 12, 2009 effective date, instead of the December 7, 2007 effective date required under Order No. 890. June 12, 2009 is the effective date KCP&L-GMO requested for its April 13, 2009 submittal in Docket No. ER09-304-000. In that proceeding, KCP&L-GMO revised its OATTs to reflect its succession to the Aquila OATTs, rate schedules, and service agreements, and to provide new designations for those documents, pursuant to Order No. 614.<sup>48</sup> We will accept the June 12, 2009 effective date, as requested.

#### **The Commission orders:**

(A) KCP&L-GMO’s compliance filing is hereby accepted, as modified, effective June 12, 2009, subject to a further compliance filing, as discussed in the body of this order.

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<sup>48</sup> *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000).

(B) KCP&L-GMO is hereby directed to submit a further compliance filing, within 60 days of the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.