

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners:                    Brian J. Moline, Chair  
   Robert E. Krehbiel  
   Michael C. Moffet

In the Matter of the General Investigation    )  
into Commission Policy Regarding Pension    ) Docket No. 07-GIMX-1041-GIV  
and Retirement Costs for Investor Owned    )  
Utilities    )

**ORDER INITIATING INVESTIGATION AND ASSESSING COSTS**

NOW, the above matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having examined its files and records, and being duly advised in the premises, the Commission enters this Order Initiating an Investigation and Assessing Costs.

1.        On October 17, 2006, Atmos Energy Corporation, Aquila, Inc. d/b/a Aquila Networks KGO and Aquila Networks WPK, the Empire District Electric Company, Kansas City Power & Light Company, Westar Energy, Inc., and Kansas Gas and Electric Company (collectively Joint Applicants) jointly filed an Application requesting approval of an Accounting Order related to recent changes in financial accounting standards in Docket No. 07-ATMG-387-ACT (387 Docket). The Application contained three requests relating to accounting treatment of pensions and other post-retirement and post-employment benefits.

2.        On December 22, 2006, the Commission Staff (Staff) filed a Report and Recommendation in the 387 Docket containing an analysis of the requests made by the Joint Applicants. Staff recommended that the Commission approve Request No. 2, and allow the Joint Applicants the opportunity to elect the option of establishing a regulatory asset or

adjusting other comprehensive income to absorb the impact of the reporting requirement of SFAS 158 subject to certain specified conditions. Staff additionally recommended that the Commission deny the Joint Applicants' first and third requests at this time, but consider those matters in a separate docket.

3. On December 27, 2006, the Commission issued an Order consolidating this proceeding with another separate proceeding filed by Kansas Gas Service, a Division of ONEOK, Inc. (KGS).

4. On January 24, 2007, the Commission issued an Order granting in part and denying in part the Application filed in the 387 Docket. In its Order, the Commission indicated that a general investigation docket should be opened to further consider the portions of the Application that were denied by the Commission.

5. The Commission concludes that now is the appropriate time for consideration of the additional relief requested by the Joint Applicants. A general investigation docket should be initiated at this time.

6. Pursuant to K.S.A. 66-1502, the Commission finds that expenses reasonably attributable to this investigation will exceed \$100 and hereby assesses the expenses against the utilities that are made parties to this docket. These expenses shall be assessed beginning three business days after the Commission gives the utilities notice of the assessment through service of this Order by United States Mail. These public utilities are hereby notified that they have an opportunity to request a hearing on this assessment in accordance with the provisions of the Kansas Administrative Procedures Act, K.S.A. 77-501 et. seq.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. The investigation described above is hereby initiated.

B. All parties to the 387 Docket, including KGS, are hereby made parties to this docket. Other interested parties may file petitions to intervene no later than by April 27, 2007.

C. A party may file a petition for reconsideration of this Order within fifteen (15) days from the date of service of this Order. If service is by mail, service is complete upon mailing and three (3) days shall be added to the above time frame.

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further order or orders as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Moline, Chr.; Krehbiel, Com.; Moffet, Com.

Dated:                     **MAR 29 2007**                    

**ORDER MAILED**

**MAR 29 2007**

 Executive Director

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Susan K. Duffy  
Executive Director

MRT