

Exhibit No.:
Issues: Document Review and Marketing
Witness/Type of Exhibit: Haskamp,
Direct
Sponsoring Party: Missouri Public
Service Commission
Company: Kansas City Power
and Light Company
Case No.: HO-86-139

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY DIVISION

DIRECT TESTIMONY

OF

KEITH A. HASKAMP

Jefferson City, Missouri
February, 1987

OFFICIAL CASE FILE
MISSOURI PUBLIC SERVICE COMMISSION

Exhibit No. 42
Date 4/9/87 Case No. HO-86-139
Reporter TWENY

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the investigation)
of steam service rendered by)
Kansas City Power & Light Company.) Case No. HO-86-139

AFFIDAVIT OF KEITH A. HASKAMP

STATE OF MISSOURI)
)
COUNTY OF COLE) ss

Keith A. Haskamp, of lawful age, on his oath states: That he has participated in the preparation of the attached written testimony and attached appendices/schedules in question and answer form, consisting of 27 pages of testimony to be presented in the above case, that the answers in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Keith A. Haskamp
Keith A. Haskamp

Subscribed and sworn to before me this 23rd day of February, 1987.

Quay Fritsch
Quay Fritsch Notary Public
NOTARY PUBLIC STATE OF MISSOURI
COLE CO.
MY COMMISSION EXP. JULY 31, 1989
ISSUED THRU MISSOURI NOTARY ASSOC.

My Commission expires _____

1 PREPARED TESTIMONY

2 OF

3 KEITH A. HASKAMP

4 KANSAS CITY POWER & LIGHT COMPANY

5 CASE NO. HO-86-136

6 Q. Please state your name and business address.

7 A. Keith A. Haskamp, 700 East Eighth Street, University Towers
8 II, Kansas City, MO 64106.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission
11 (Commission) as a Regulatory Auditor.

12 Q. Please describe your educational background.

13 A. I attended Longview Community College in Lee's Summit,
14 Missouri, from which I received an Associate of Arts degree with an
15 accounting emphasis in December, 1978. I received my Bachelor of Science
16 in Business Administration with a major in accounting from Rockhurst
17 College in Kansas City, Missouri, in December, 1981.

18 Q. What has been the nature of your duties while employed by
19 the Missouri Public Service Commission?

20 A. Under the direction of the Chief Accountant, I have assisted
21 with the audits and examinations of the books and records of public
22 utilities with regard to proposed rate increases and compliance with
23 Commission orders.

24 Q. Have you previously filed testimony before this Commission?

25 A. Yes. Schedule 1 lists the cases in which I have submitted
26 testimony before this Commission.

27 Q. With reference to Case No. HO-86-139, have you examined the
28 books and records of Kansas City Power & Light Company (KCPL or Company)?

1 A. Yes, I have, with the assistance of other Staff members.

2 Q. Mr. Haskamp, what were your areas of responsibility in this
3 case?

4 A. My areas of responsibility included participating in a
5 document review of Company personnel steam utility files and an
6 examination of Kansas City Power & Light Company's steam utility marketing
7 program respecting the downtown district heating system.

8 Q. Did you review the Company's steam utility marketing program
9 outside of the downtown steam loop?

10 A. No. Staff witness Mark L. Oligschlaeger, in his prefiled
11 direct testimony, addresses the Company's efforts in regard to Corn
12 Products Corporation, and National Starch.

13 DOCUMENT REVIEW

14 Q. What was the purpose of Staff's document review of Company
15 personnel steam utility files?

16 A. The purpose of Staff's document review was to discover and
17 examine both the type and flow of data available on the Company's steam
18 utility system in order to develop an understanding of the management and
19 decision making process relating to KCPL's steam utility operations.
20 Because KCPL is proposing to phase-out and discontinue its district
21 heating system, it was necessary to examine the documents to gain an
22 understanding of how KCPL operated the steam utility and to determine the
23 condition of the system. Staff reviewed as much information as was
24 available to make a proper determination upon which to base a
25 recommendation concerning the future of downtown district heating.

26 Q. What Company personnel steam utility files were reviewed by
27 Staff?

1 A. Under Staff Data Information Request Nos. 195, 436, 519,
2 581, and 609, documents were obtained from Messrs. Arthur Doyle, President
3 & CEO; Bernard Beaudoin, Vice President, Finance; Robert Graham, Director
4 of Missouri Customer Service Operations; Michael Mandacina, Senior
5 Director Customer Relations; Phillip Cacioppo, Rate Engineer; J. A.
6 Mayberry, Vice President Commercial Operations; J. R. Miller, Senior Vice
7 President T&D (Transmission and Distribution) Operations; W. Wiehe,
8 Director T&D Operations; L. T. Pettus, Manager T&D Construction &
9 Maintenance; Ray Huttshell, Manager T&D Construction & Maintenance
10 (Manchester); and Stan Jameson, Vice-President T&D System Operations.
11 Staff requested from each of these individuals all documents related to
12 the Company's steam utility system or service. Staff reviewed all
13 documents provided by Company in response to the above referenced data
14 requests and obtained copies of certain of those documents which are being
15 used by Staff in the present case.

16 Q. Why were the Company individuals previously listed chosen by
17 Staff to be a part of this document review?

18 A. Staff chose each of these individuals because of their
19 direct or indirect involvement in the Company's steam utility system both
20 at the present time as well as in the past.

21 Q. Were there additional steam utility files reviewed by Staff
22 which are being used in this case?

23 A. Yes. The Company response to Staff Data Information Request
24 No. 187, included as Schedule 2, states on page 2 that there were "job
25 files" provided. Staff has reviewed and utilized these files in this
26 case.

27 Q. What are job files?
28

A. The Company's job files are comprised of various documents such as internal Company correspondence, documents concerning service to a current or prospective steam utility customer or his agent, and other general information such as energy studies or rate analyses done for a current or prospective steam utility customer or his agent.

Q. What job files were provided to Staff?

A. A list of the job files provided for Staff's review is included on Schedule 3-2.

Q. How did Staff become aware of the job files?

A. As evidenced on Schedule 2-1, Staff learned of the existence of these files during a November 3, 1986 meeting held with Mr. Robert Graham, Director of Missouri Customer Service Operations. Mr. Graham informed the Staff that the job files contained all correspondence between the Company and any prospective downtown steam utility customers. Staff was interested in discovering what, if any, marketing was undertaken by the Company to sell steam utility service to new customers. Staff was also interested in reviewing all correspondence and studies performed which related to the steam utility system and its customers.

Q. Did Staff rely on any other documents during the course of its investigation and review of KCPL's proposal presented in this case?

A. Yes. There were some documents that were requested under Data Information Request No. 104 in the EO-84-147 docket which were reviewed by the Staff in this case.

MARKETING

Q. Did you make use of any of these previously described documents in your review of the Company's steam marketing effort within the downtown steam loop?

A. Yes, I did.

1 Q. What insight did Staff gain into the Company's steam
2 marketing program for the downtown customers and what conclusions has
3 Staff arrived at in its review of various Company documents and the
4 Company's profiled direct testimony and exhibits filed in this case?

5 A. From what Staff has examined, there was little if any
6 attention ever paid to the marketing or promotion of steam utility service
7 on the Company's downtown steam loop. Although there were various efforts
8 undertaken during the 1980's to improve the condition of the Company's
9 steam system, the Company's position toward the marketing of steam did not
10 change because the Company, as a matter of policy, began actively pursuing
11 off-peak electric load at the same time. As a result, electric heat was
12 marketed as the first priority with steam heat being marketed as a
13 secondary alternative if electric heat was not chosen by the customer. By
14 marketing steam service only as an alternative to electric service in a
15 period of growth and revitalization in downtown Kansas City, the Company
16 passed up opportunities to add steam customers to the system. These
17 opportunities were missed because the Company had no long term marketing
18 strategies in place to address this renaissance. In addition to this, the
19 Company made a decision sometime prior to August 3, 1984, to no longer
20 connect new customers to the system. Furthermore, the Company's proposal
21 in the present case to raise the utility steam rates over 120% has the
22 effect of demarketing. All these actions had the effect of discouraging
23 new customers from taking steam service. Finally, in Staff's view, the
24 Company's proposed steam conversion plan appears to be an electric
25 marketing plan and promotional in nature.

26 Q. Did other members of the Staff address the importance of
27 KCPL's marketing of utility steam service?
28

1 A. Yes. Staff witness Deborah A. Bernsen and Staff consultant
2 witness Derick O. Dahlen each discuss the importance of having an
3 aggressive marketing policy directed toward the utility steam service.
4 With utility steam service being one of three energy alternatives
5 available in the downtown area, it is essential that the marketing of
6 utility steam service be as aggressive as the marketing of electric and
7 gas service. This aggressive marketing would help to ensure that the
8 customer is afforded a choice between three energy options, not just two,
9 by injecting competition into the marketplace. For the Company this
10 marketing effort would help to promote the success of and maintain the
11 viability of utility steam service within downtown Kansas City, enabling
12 KCPL to continue to serve its utility steam customers as it has for many
13 years.

14 Q. How much attention was paid to the marketing of steam by
15 management?

16 A. There was very little if any management attention ever paid
17 to the marketing of steam. The Company's response to Staff Data
18 Information Request No. 491, included as Schedule 4, indicates that there
19 was no formal unified Steam Department prior to 1982. Staff witnesses
20 Oligschlaeger and Bernsen further address the Steam Department's
21 organization in their prefiled direct testimony. In addition to this, the
22 Company's response to Staff Data Information Request No. 493, included as
23 Schedule 5, states on page 2 that "there has never been a marketing
24 department dedicated solely to the task of marketing steam" (emphasis
25 added).

26 Q. If there was never a department dedicated solely to the task
27 of marketing steam, then what type of structure existed to assist current
28

1 or potential customers in evaluating utility steam service as an energy
2 alternative?

3 A. The Company used the same people who marketed electric
4 service to market utility steam service. On Schedule 5-2, it is stated
5 that:

6 We have always had an engineer or market rep
7 [representative] trained and available to work with
8 customers in making their heat selection. We have always
9 had sufficient staff involved in marketing steam to answer
10 all the questions and make any analysis that was deemed
11 necessary, either by the Company or the customers.

12 If it was necessary to answer questions or perform analyses
13 regarding utility steam services, then one or two Company personnel who
14 were charged with the dual responsibility of marketing both steam and
15 electric services would be available. Apparently, the Company thought
16 that little effort was necessary to market utility steam service to
17 potential customers.

18 Q. Does the same type of marketing structure still exist today
19 in regard to the utility steam system?

20 A. Yes. As stated on Schedule 5-2:

21 [t]here are two engineers assigned to take care of the
22 steam service work and coordinating the energy audits.
23 Both of these engineers have other duties, but are
24 available at all times to answer questions that steam
25 customers might have.

26 Q. What "steam service work" are these two engineers involved
27 in with regard to the marketing of utility steam service to prospective
28 customers?

29 A. The engineers "steam service work" consists of answering
30 questions and performing any requested analyses for the customers or the
31 Company. As stated in Company's response to Staff Data Information
32 Request No. 191:

1 In all cases, KCPL provided rate schedules and, in some
2 cases, actually did the rate calculation on whatever
3 sources were being considered. In some cases the owner or
4 his representative would want a comparison made of steam
versus electric. In other cases the owner or his
consultant would have pretty much made up their mind before
we had an opportunity to have any input.

5 (Schedule 6-2.)

6 This does not appear to Staff to be active marketing of steam
7 service. By merely providing the customer with its rate structure and an
8 occasional comparison between steam and electric, the Company was not
9 trying to further the growth of the steam system. There was little if any
10 effort expended to sell and promote the Company's steam utility service.
11 The absence of a steam marketing department dedicated to customer
12 expansion and growth in the downtown loop further supports a lack of
13 attention to the marketing of steam utility service. It appears as though
14 the Company's only marketing effort was little more than presenting their
15 steam tariffs to the customer if requested to do so. If the customer had
16 already arrived at a decision in regard to energy alternatives, then it
17 was not pursued any further.

18 Q. Were any other documents reviewed which indicated that very
19 little attention was paid to the steam system overall?

20 A. Yes. Schedule 7 is a letter dated January 20, 1984 to Mr.
21 A. J. Doyle, President and CEO, from Mr. J. R. Miller, Senior Vice
22 President, T&D, which states that "[t]he system is operated and maintained
23 with care and enthusiasm now rather than treated as a step child to the
24 electrical business as we had seen previously" (emphasis added). In
25 contrast to this change in attitude toward steam operations, the marketing
26 of steam continued to be operated as a step child to the electrical
27 business.
28

1 Q. What was the earliest date Staff noted that the Company
2 appeared less than dedicated to the marketing of the utility steam service
3 and more concerned about the marketing of electric service?

4 A. In a June 28, 1972 memorandum regarding service to the new
5 Mercantile Bank building, Mr. Robert Graham stated that:

6 During the week of June 12th . . . [w]e sent all the
7 various rates on both steam and electric to this consulting
8 firm [MN&T]. We also advised them that steam might not be
9 available for this project and that they should very
10 seriously consider going total electric.

11 [Emphasis added.]

12 (Schedule 8-2).

13 This is the earliest date the Staff found evidence to support
14 the conclusion that the Company discouraged the hook-up of potential steam
15 customers. The Company's marketing efforts were directed more toward
16 electric service with little attention being paid to the marketing of
17 steam service. Staff would assume that the decision to demarket steam
18 service was made prior to this date.

19 Staff received this document on February 20, 1987 in response to
20 Staff Data Information Request No. 632. Subsequent to this time, the
21 Staff has submitted further data information requests concerning this
22 subject and if the need arises, will file supplemental prefiled direct
23 testimony.

24 Q. Did Staff review other more recent documents which would
25 indicate that little attention was paid to the marketing of steam?

26 A. Yes. Two letters dated January 21, 1981 and January 23,
27 1981 were obtained from the files of Mr. J. A. Mayberry and are included
28 in Schedule 9. In the first letter to J. R. Miller, Vice President
Administration, from J. M. Evans, Director, System Planning, it appears
that the Company's steam service was certainly not being marketed.

1 Q. What leads you to believe this?

2 A. The first subject of this letter is the question of whether
3 or not to serve the steam requirements of the new Jackson County Jail. In
4 this regard it is stated that

5 [b]ecause the Company has a filed rate and the
6 building is adjacent to the existing steam system, in
7 accordance with Section 3.01 of KCPL's Rules and
8 Regulations, I do not believe service can be refused.
9 This has been discussed with the Law Department and
10 the Rates Department, and both concur with this
11 opinion.

12 (Schedule 9-1) [emphasis added]

13 It appears that the Company seriously considered refusing steam service to
14 the Jackson County Jail. Mr. Evans went on to state that

15 [t]he customer should be advised that due to the age
16 of Grand Avenue and the steam system, the future cost
17 of steam will be rather high. If the electric portion
18 of Grand Avenue is retired in 1990, as planned, or if
19 an alternate facility for steam becomes necessary, the
20 steam customer will bear full cost responsibility in
21 the future.

22 (Schedule 9-1)

23 This type of dialogue is not indicative of a company interested in
24 marketing its product to ensure the steam utility business is viable in
25 the downtown loop. Thus, the Company's marketing efforts were definitely
26 not directed toward selling steam heat within the downtown steam loop
27 during this period. This approach could actually be characterized as
28 demarketing.

29 Q. Upon further review of Schedule 9, the subject of steam
30 service to Corn Products Corporation (CPC) was discussed. What were Mr.
31 Evans' recommendations on supplying this large industrial base load
32 customer?

33 A. As stated by Mr. Evans on Schedule 9-2, "[i]n view of the
34 uncertain future of Grand Avenue and the aging steam system, the system

1 should not be extended beyond the existing 'downtown' boundary. New
2 market penetration, together with this obligation to serve, should be
3 discouraged at this time."

4 This letter definitely shows that not only did the Company
5 consider denying service to the Jackson County Jail, a customer within its
6 service territory, but it was also reluctant to extend its service
7 territory to serve a large base load steam user, one which surely would
8 have improved the load factor of the steam utility system.

9 Q. Are there other instances which would indicate that the
10 Company was reluctant to supply steam utility service to a customer?

11 A. Yes. Mr. Michael Reiter, Service Engineer, in a letter
12 dated February 4, 1980, to Mr. Jim Hogan, Manager Electrical Engineering,
13 requested that a determination be made as to whether the "steam capacity
14 will be available for service" to the new Vista Hotel. This letter is
15 included on Schedule 10-1.

16 Q. What was the reply to Mr. Reiter's inquiry?

17 A. Mr. Lynn Freeman, Superintendent Electrical Engineering,
18 responded to Mr. Reiter on February 15, 1980 by stating that:

19 We have the capability of delivering a steam demand of
20 35,000 lbs./hr. to the hotel from our 185# high pressure
21 transmission line; but, the production of steam at Grand
22 Avenue Station could be a problem in the not too distant
23 future. We have referred this problem to Leon Royce and he
24 has indicated that an executive policy decision will be
25 necessary before any commitments can be made.

26 [Emphasis added.]

27 (Schedule 10-3)

28 Although it is stated here that the Company does have the
capability to serve this new load, it is also stated that an executive
policy decision must be made before making any commitments. If an
executive policy decision was necessary before making a commitment to sell

1 steam to a new customer, then it seems fairly clear that there was
2 consideration given to denying this customer steam service.

3 Q. What did Mr. Boyce recommend be done in regard to the
4 Company serving the Vista Hotel?

5 A. Schedule 10-2 contains a letter from Mr. Boyce to Mr. Donald
6 McPhee, Vice President-System Power Operations, dated February 11, 1980.
7 Mr. Boyce's letter informed Mr. McPhee that "we would propose to answer
8 that we do not have firm capability to serve this load" [emphasis added].
9 However, Mr. McPhee's handwritten note appearing on that same page reads,
10 "Review and let's discuss."

11 Q. Was this situation reviewed by Messrs. McPhee and Boyce?

12 A. Yes. On Schedule 10-4 there are meeting notes dated
13 February 21, 1980 on the subject of "Grand Avenue Steam Supply For
14 District Heating System". It is stated that "[a] review of the capability
15 of Grand Avenue Station boilers was made, and it was agreed that capacity
16 is available to serve an additional 35,000 lb./hr. load" [emphasis added].

17 Q. With the determination made that there was available
18 capacity to serve the Vista, was an executive policy decision made to
19 service this new customer?

20 A. Yes. On Schedule 10-4, Mr. Graham states that "[o]n 2/25/80
21 J. A. Mayberry discussed this project with Art Doyle. It was decided that
22 KCP&L would serve the proposed hotel with steam. A study will be made to
23 determine if any addition[al] customers will be served."

24 In looking at the entire history surrounding service to the
25 Vista Hotel, and the Jackson County Jail, it can be seen that even though
26 capacity was available the Company considered not serving either of these
27 customers.
28

1 Q. Would the Company characterize their actions in these
2 instances as demarketing or discouraging potential steam customers?

3 A. Mr. Graham, in response to Staff Data Information Request
4 No. 711, states that:

5 I have not been able to find any documentation of KCPL
6 refusing steam service to any customer. Neither have I
7 found any documentation of us discouraging customers from
8 receiving service, unless giving the customers the rate
9 sheets and making an analysis could be construed as
10 discouragement to taking steam service.

11 (Schedule 11-2)

12 Staff would assume from this response that the Company does not
13 believe that it has discouraged customers from connecting to the utility
14 steam system.

15 Q. With the Company's attitude toward discouraging new steam
16 customers, were rumors started and circulated among the Company's downtown
17 steam utility customers concerning the future of the downtown steam
18 utility service?

19 A. Yes. As a matter of fact, as evidenced in Schedule 12, KCPL
20 was aware of the existence of these rumors. In an effort to quell such
21 rumors the Company sent a letter to each of its steam customers concerning
22 the validity of these unconfirmed reports. The letter is dated May 5,
23 1982 and was written by J. A. Mayberry, Vice-President Commercial
24 Operations. In this letter Mr. Mayberry writes:

25 Contrary to some rumors, KCPL has no plans to abandon or
26 terminate its Downtown utility steam service. In fact,
27 quite the opposite is true. Witness our recent commitments
28 to supply utility steam service to the new Vista Hotel, as
well as the new Jackson County Jail.

[Emphasis added.]

(Schedule 12-1)

Staff finds it interesting that the Company would point to these two customers in 1982 to silence rumors regarding the future of the steam system when in fact the Company considered not serving these two customers in 1980 and 1981.

Q. Would these rumors have possibly contributed in any way to the large decline in the customer base from 1980 onward?

A. It's possible that these rumors could have contributed to a decline in the customer base. The customers' perceptions of the steam system and its viability would definitely affect their decision to stay on as customers of the steam system. The Company should have developed some kind of marketing strategy to aggressively combat not only the rumors and any negative customer perceptions, but also the large declines in the customer base. Giving assurances to the customer that steam service is readily available and pursuing an active marketing plan, which would demonstrate that it will be available in the future, would help to instill customer confidence and satisfaction with the Company's utility steam service.

Q. Weren't the early 1980's the beginning of a revival for downtown Kansas City?

A. Yes. As stated on Schedule 12-1, "KCPL intends to continue its utility steam service in the downtown area as an attractive and economical source of heat and energy in support of the revitalization of Downtown Kansas City." However, the Company did not follow up on this intention. With no long-range marketing strategy in place to prepare for and react to this renaissance of downtown, the Company was not prepared to attract new steam customers or to keep their current customers.

Q. You stated previously that during the early 1980's time frame various efforts were undertaken to improve the Company's steam

1 utility system. Are there Company documents which you reviewed that would
2 describe these actions?

3 A. Yes. Schedule 7, which was previously referenced, states
4 that "[m]uch improvement has been accomplished in operation and management
5 of our downtown steam system since (1) M. C. Mandacina was named Manager
6 February 1, 1982, and (2) a steam department was formed April 19, 1982,
7 and set up to report to J. L. Stracke and R. A. Timm in Internal
8 Services." A more in-depth analysis of the history and present status of
9 the steam utility system and organization is being addressed by Staff
10 witness Oligschlaeger.

11 Q. Did the Company also change its policy toward marketing of
12 steam service within the downtown steam loop during this timeframe?

13 A. No. At the time the Company was providing more management
14 attention to the steam utility operation, it did not devote more attention
15 to the marketing of steam within the downtown steam loop. As earlier
16 referenced in Schedule 6, the Company's marketing efforts consisted of
17 providing rate schedules for steam service. In some cases, the Company
18 did perform comparisons of steam rates versus electric rates if requested
19 as stated in Company's response to Staff Data Information Request No. 578,
20 which is included as Schedule 13. Also included on Schedule 13-2 is the
21 statement that "[a]s steam from the distribution [system] lost its
22 competitive position . . . the emphasis on marketing turned to electric
23 heat." Therefore, there was a further deterioration of the Company's
24 already lackluster steam utility marketing effort.

25 Q. Is there any indication of when "the emphasis on marketing
26 turned to electric heat"?

27 A. In Company response to Staff Data Information Request No.
28 531, included as Schedule 14, it is stated on Schedule 14-3 that "[f]or a

1 few years prior to January 1983, electric heat was marketed before steam
2 heat in most cases." However, Staff would contend that as early as 1972
3 the Company emphasized electric heat over steam heat. This is evidenced
4 on Schedule 8-2 where MN&T, a consulting firm who participated in the
5 construction of the Mercantile Bank, was advised that steam might not be
6 available and that serious consideration should be given to going total
7 electric.

8 Also included in Schedule 14 is the "Year-end Status Report -
9 Utility Steam Operations" for 1982, dated January 14, 1983 and prepared by
10 Mr. Mandacina, who at the time was Manager Utility Steam Operations. This
11 report was distributed to Mr. Doyle and Mr. Miller.

12 Q. What was stated in this 1982 Year-end Status Report
13 regarding the future marketing potential of utility steam service?

14 A. Mr. Mandacina believed that by connecting CPC the Company
15 could:

16 project the continuation of steam heat as a heat source
17 competitive to gas, and a supplemental choice to electric
18 for both renovations and new construction in the Downtown
19 area We anticipate an active effort beginning in
20 1983 to re-acquire the customers that have recently
21 disconnected their steam service and switched to gas fired
22 boilers, as well as selling steam to the newly planned
23 buildings that do not install electric heat.

24 [Emphasis added.]

25 (Schedule 14-4)

26 This would further indicate that off-peak electric heat was the
27 Company's priority with steam heat being marketed as a secondary product.

28 Q. Did Staff find other evidence of off-peak marketing of
29 electric energy which would possibly conflict with the marketing of steam?

30 A. Yes. Selected portions of the Company's response to Staff
Data Information Request No. 24, Case No. EO-84-147, included as Schedule

1 15, are taken from the "Marketing Dimensions Report - Heating" which was
2 released in February, 1983. It was stated on Schedule 15-3 that the
3 Company desired to "[i]mplement strong and well directed marketing
4 programs which will improve customer awareness and build off-peak electric
5 heating sales in a timely and cost effective manner."

6 Q. What else was noted in the "Marketing Dimensions Report -
7 Heating"?

8 A. It is stated on Schedule 15-4 that:

9 Additional use of electric space heating would be a major
10 contributor to the increase in off-peak kilowatt-hour
11 sales. The efficient use of electricity for space heating,
12 given the improvements in technology and the recent and
13 forecasted increases in the price of competitive fuels,
14 will contribute to the improvement of the Company's system
15 load factor. To accomplish this, a total marketing program
16 must be developed to reach the general public, equipment
17 dealers and manufacturers, and Company employees.

18 [Emphasis added.]

19 Q. Was the above message communicated to customers, builders
20 and contractors?

21 A. Yes. On Schedule 15-7 it is stated that "Commercial
22 Operations personnel are trained and will sell electric heating during all
23 their contacts with builders, contractors, designers and, of course, with
24 individual customers."

25 Q. Were there other documents which indicated that steam was
26 marketed more as an alternative to electric heating?

27 A. Yes. A handwritten memorandum dated June 30, 1983 was found
28 in the "Twelve Wyandotte Plaza" job file and is included as Schedule 16.
The first page of the memorandum discusses the contractor's use of gas
boilers for heating in the newly planned building. The anonymous author
of the memorandum continues discussing the contractor and points out that
they "did investigate electric boiler cost and found the cost to be much

1 higher than the gas boilers." Furthermore, on page two it is stated that
2 "[o]ne of the bottom line reasons for not going with electric boilers is
3 the uncertainty centered around the impact of Wolf Creek on the future
4 electric heat rate and whether the heat rate would be removed from the
5 future available rates." Toward the bottom of the second page is the
6 phrase "Pitch steam".

7 It is obvious here that the marketing or "pitching" of steam was
8 an alternative or a second choice after electric heat in an effort to
9 prevent the project from going with gas heat. Consequently, the Company's
10 primary marketing effort was electrically produced heat, not steam heat.

11 Q. Was a steam utility progress report similar to the one
12 issued in 1982 also issued in 1983?

13 A. Yes. Oligschlaeger's Schedule 5 is a copy of the "Utility
14 Steam Operations 1983 Progress Report".

15 Q. What was stated in this report in regard to the marketing of
16 the Company's steam utility service?

17 A. On Schedule 5-10, it is stated that "the achievements of
18 1983 will enable us to proceed with a marketing effort of sorts in 1984"
19 [emphasis added].

20 Q. What kind of a marketing effort was this and what was the
21 goal?

22 A. As further stated on Schedule 5-10, "The goal of this
23 marketing effort is to retain as many present steam customers as possible
24 and maximize steam sales on the existing network within existing
25 production limitations" [emphasis added]. The thrust of this marketing
26 effort was only to preserve the Company's customer base and to sell as
27 much steam to these customers as possible. Nothing was mentioned in terms
28

1 of expanding the system or trying to attract new customers through the
2 implementation of an ambitious or aggressive marketing program.

3 Q. Were there documents reviewed which would indicate that in
4 1984, as in 1983, steam was marketed as an alternative to electric heat?

5 A. Yes. A February 16, 1984 memorandum written by Mr. Jack
6 Jester, Director of Energy Management Services, was obtained from the
7 "AT&T" job file and is included as Schedule 17. On Schedule 17-2 it is
8 stated that:

9 We discussed various loads and it is indicated that the
10 building presently is designed, or is being designed, with
11 electric heating; but they might have to consider something
12 else for the two older buildings that are remaining because
13 of the high heat loss. They also mentioned that they might
14 have to put in a gas line for some of the kitchens because
15 one whole level will be restaurants. We explained to them
16 that KCPL is extremely interested in renovation of downtown
17 Kansas City, and that we are willing to work with them.
18 They knew, as we did, that there was a meeting being held
19 between the owners and our executives about moving steam
20 lines. I tried to impress on them the importance that KCPL
places on this project and our interest in ensuring that it
uses electric heating. I did, toward the end of the
meeting, point out though that steam service is
available--especially with primary [electric] service--and
that it could be made available for water heating, for
cooking, and for heating the two older buildings. We
explained what we have done to improve the quality of our
service, and the fact that we are buying cheaper coal which
should keep the rates under control. We strongly
encouraged them to consider steam as an alternative to
electric heat.

21 [Emphasis added.]

22 It is once again evident that KCPL marketed electric heating
23 before steam heating. Also, as in this case, if it appears as though
24 electric heat will not work out for various reasons and may be in
25 competition with gas, the Company would market steam service.

26 It was also discussed later on Schedule 17-2 and Schedule 17-3
27 that:
28

1 Several times during the meeting, we hinted that we would
2 like to reopen the Tower Properties or Commerce Trust
3 Company building design for either steam or electric
4 heating. I pointed out that, at the time it was designed,
5 primary [electric] service was not available, but that it
6 would be under our new Company policy. I also pointed out
7 that we are firming up for our steam service, that it was a
8 good alternative, and that we had been advised through one
9 of our executives that they were willing to reconsider
10 steam. We did not get any firm commitment that they would
11 reconsider, but I think there is at least an opening that
12 we can pursue later.

13 The Company here again speaks of steam heating in terms of it
14 being a "good alternative" to electric heating. If the Commerce Trust
15 Company building did not go with electric heat, possibly on the new
16 primary rate, then steam would be marketed as an alternative.

17 Q. Did Staff review other documents pertaining to the status of
18 the marketing of steam service in 1984?

19 A. Yes. As stated in the "Utility Steam Operations 1984
20 Progress Report" dated March 1985, "[w]ith word that future sale of steam
21 across the Missouri River was uncertain, the decision to no longer connect
22 new customers to the system was implemented" [emphasis added]
23 (Oligschlaeger Schedule 6-7). The Company in 1984 decided to no longer
24 connect customers to the utility steam system, leaving off-peak electric
25 heating as their only alternative to offer the customers. There was no
26 longer any reason to pursue new utility steam customers because the
27 Company had decided to eliminate this energy alternative. The only energy
28 alternative the Company would emphasize or market would be electric
service.

Q. Is Staff aware of a more precise date when the Company
decided to no longer connect new steam customers to the system?

A. Yes. As contained in Oligschlaeger Schedule 22, dated
August 3, 1984, "ECPL will no longer encourage the connection of 'new'

1 steam customers to the downtown network." This indicates that prior to
2 August 3, 1984, the decision was made to discourage the connection of new
3 steam customers to the utility steam system.

4 Q. Were there any other documents which indicated that the
5 Company's marketing emphasis turned to electric heat in the early and mid
6 1980's?

7 A. Yes. A portion of the Company's response to Staff Data
8 Information Request No. 20 from Case No. EO-84-147, included as Schedule
9 18, contains copies of portions of the KCPLAN and Revision One to this
10 plan, released in 1981 and 1984, respectively.

11 Q. What was stated in the KCPLAN in regard to the Company's
12 approach to electrical heating and off-peak electric usage?

13 A. On Schedule 18-4 the purpose of the KCPLAN is outlined. The
14 development of this plan was "guided" by two strategies listed therein.
15 The second of these strategies was to "[d]evise programs for encouraging
16 off-peak electrical usage while discouraging on-peak usage." This same
17 fundamental goal appeared in Revision One of the KCPLAN and can be seen on
18 Schedule 18-6 where it is stated that KCPL plans "[t]o devise programs to
19 encourage off-peak electrical usage and thus use existing capacity more
20 efficiently." This increased emphasis on marketing off-peak electric load
21 was in direct conflict with the marketing of steam in the downtown area.

22 Specific goals or objectives relating to the marketing of steam
23 are noticeably absent from any formal Company planning document.
24 Moreover, the department responsible for this did not include the
25 marketing of steam as one of the goals or objectives within their
26 Functional Plans until the 1985-1986 planning year. However, when the
27 marketing of steam was mentioned in the 1985-1986 Functional Plan, one of
28

1 the goals of this department was to convert the maximum number of steam
2 customers to electric heat.

3 Q. Which department within the Company is responsible for the
4 marketing of steam?

5 A. According to the Company's response to Staff Data
6 Information Request No. 677, included on Schedule 19-2, the Commercial
7 District Operations Department is responsible for the marketing of steam.

8 Q. What are Functional Plans?

9 A. As defined in the Company's Corporate Planning Guide,
10 provided in response to Staff Data Information Request No. 567, a
11 Functional Plan is:

12 [a] course (or courses) of action intended to achieve
13 group, division, or department objectives, encompassing the
14 implementation of the Company's plans and the conduct of
15 routine operations. The term of a functional plan is
16 usually two years.

17 (Schedule 20-6)

18 Q. How are these Functional Plans prepared?

19 A. On Schedule 20-4 are some brief instructions on how the
20 Functional Plans are prepared. Also included on Schedules 20-6 through
21 20-8 is a glossary of terms used in the Corporate Planning Guide and in
22 the Functional Plans.

23 Q. You indicated previously that the marketing of steam was not
24 mentioned in any of the Commercial District Operations Department's
25 Functional Plans until the 1985-1986 planning year. What exactly was
26 stated?

27 A. On Schedule 21-4, it is stated that one of the "issues" was
28 to "[c]onvert [the] maximum number [of] steam customers to electric heat"
(emphasis added). Staff finds it interesting to note that the marketing
of steam was not mentioned in any of the Commercial District Operations

1 Functional Plans until the time when the Company decided to get out of the
2 steam business and the decision was made to convert the steam customers to
3 electric, thus selling off-peak electric energy instead of peak steam.

4 Q. You indicated previously that within the body of the KCPLAN,
5 one of the major strategies guiding the long range planning efforts of the
6 Company was the development of programs to encourage off-peak electrical
7 usage. Did the 1985-1986 Functional Plan also emphasize this off-peak
8 electrical usage?

9 A. Yes. The first item, listed within the "mission" statement
10 found on Schedule 21-4, is to "[s]ell off-peak KWH's." Of course, the
11 issue addressed earlier which dealt with converting steam customers to
12 electric heat would further implement the corporate strategy of marketing
13 off-peak electric usage. Further goals and objectives that were outlined
14 to implement the mission and issues facing the steam conversion are listed
15 on Schedules 21-7 through 21-9.

16 Q. Did Staff examine the 1986-1987 Commercial District
17 Operations Functional Plan?

18 A. Yes.

19 Q. Were the same issues and objectives also addressed in the
20 1986-1987 Commercial District Operations Functional Plan as were addressed
21 in the 1985-1986 Functional Plan?

22 A. Yes. On Schedule 21-11 once again the first point within
23 the "mission" statement is to "[s]ell off-peak KWH's."

24 Issue 5 on that same page addresses the retention of steam
25 customers "by use of on-site steam generation." The objectives and
26 strategies to be implemented in addressing issue 5 are listed on Schedule
27 21-14 and Schedule 21-15. It appears that KCPL derived little value from
28 the steam customers to warrant any marketing attention until they were

1 perceived as having value to the electric operations. When KCPL decided
2 to convert the steam customers to electric, the Company then started to
3 aggressively market the electric product to the steam customers. Up until
4 that time the steam customers were largely ignored by the Commercial
5 Operations Department. Marketing steam did not fit into KCPL's overall
6 corporate strategy which was to increase its off-peak electric sales.

7 Q. Did Staff review more recent documents which indicated that
8 the Company was engaged in further negative marketing of steam?

9 A. Yes. Schedule 22 is a copy of a letter dated June 17, 1986
10 to Messrs. R. H. Graham, Director of Missouri Customer Service Operations,
11 and H. A. Kent, Staff Engineer, from Ms. Diane Bechmann, Staff Engineer.
12 This letter was written in reference to Jackson County's alternatives to
13 downtown steam service and the cost of these alternatives. "Faced with
14 the possibility of four increases in steam rates at 22 percent per
15 increase compounded, Charlie [Flint of Jackson County] does not feel that
16 a steam boiler alone is one of the county's alternatives" (Schedule 22).
17 This is evidence that the Company's plan to raise the steam rate with four
18 increases of 22% is a potential demarketing factor which could have the
19 effect of driving customers off of the steam system. This would tend to
20 exacerbate an already prevalent and steady decline in the number of
21 utility steam customers.

22 Q. Were the Company's already dwindling number of steam
23 customers confronted with further demarketing activities related to the
24 steam system?

25 A. Yes. In response to Staff Data Information Request No. 605,
26 the Company provided copies of press releases dealing with the operation,
27 retirement, and future plans for Grand Avenue Station. Included with this
28 response were various news articles dealing with future plans for Grand

1 Avenue Station as an aquarium. Staff also obtained additional press
2 releases and statements which dealt with the aquarium plans and the future
3 of Grand Avenue from the Wednesday, December 3, 1986 Kansas City Times.

4 Q. What was stated in the December 3, 1986 article?

5 A. On Schedule 23-6 it is stated that:

6 Arthur J. Doyle, chairman of the board and president of the
7 Kansas City Power & Light Co., announced at a news
8 conference Tuesday on the River Market project that the
9 utility plans to donate its Grand Avenue steam plant for
10 conversion into a world class aquarium.

11 Q. What was the reaction of the Company's steam customers to
12 the announcement that KCPL may donate Grand Avenue Station for use as an
13 aquarium?

14 A. The news article reported that:

15 Steam customers of the Kansas City Power & Light Co.
16 had mixed reactions Tuesday when they were told that
17 KCP&L had said it would support converting its aging
18 Grand Avenue Station into an aquarium. Those
19 customers are already concerned about the utility's
20 plans to stop selling them steam produced at the
21 plant, at Second Street and Grand.

22 [emphasis added]

23 (Schedule 23-7)

24 The Company's steam customers were already concerned that
25 centrally-supplied steam was no longer going to be available to them from
26 Grand Avenue Station. If there were any doubts that the Company was
27 intent upon abandoning Grand Avenue Station and no longer providing
28 central steam service, this announcement eliminated any such doubts and
served as a powerful steam demarketing statement.

Q. Are there other parts of the Company's steam conversion plan
which must be discussed in terms of negative marketing or demarketing?

A. Yes. A portion of Company's responses to Staff Data
Information Request Nos. 42 and 494 is included as Schedule 24. Most of

1 this documentation consists of correspondence between the Company and
2 Energy Masters Corporation (EMC).

3 Q. Who is Energy Masters Corporation?

4 A. Energy Masters Corporation refers to itself as an
5 engineering consulting firm which emphasizes reduced energy usage in
6 existing buildings while at the same time improving the performance of
7 energy consuming systems. EMC was hired by KCPL to perform energy audits
8 for the Company's steam customers. These energy audits were proposed at
9 no cost to the customer and were paid for by the Company. Staff witness
10 Sharon K. White addresses the costs of the energy audits further in her
11 prefiled direct testimony.

12 Q. What type of negative marketing information is included in
13 Schedule 24 in regard to the Company's steam system?

14 A. Beginning on Schedule 24-3 is EMC's proposal for
15 professional services in the "study of energy requirements for steam heat
16 customers of Kansas City Power & Light Company," dated August 5, 1985. In
17 this proposal, beginning on Schedule 24-4 and continuing to Schedule 24-5,
18 there is a list of services to be provided by EMC. It is obvious from the
19 list that EMC only evaluated a conversion of central service steam to on
20 site electrically produced steam and other means of converting to electric
21 energy for use in heating, cooking or domestic hot water, all this being
22 conditional upon the termination of centrally produced and supplied steam
23 to the customers. Undoubtedly, this reinforced in the steam customer's
24 mind the idea that there would no longer be central steam service after a
25 certain point in time and that an alternative energy form was going to be
26 necessary.

27 Q. Were the steam customers directly informed of this?
28

1 A. Yes. On Schedule 24-10 EMC states that their objective
2 "will be to eliminate the requirement for purchased steam . . . ", while
3 on Schedule 24-12 in a letter to a steam customer EMC states that "[a] new
4 heating source must be provided because of the scheduled termination of
5 steam service in the central business district." This certainly, in the
6 most direct manner, informs the customer that steam service will no longer
7 be available.

8 Q. You indicated previously that EMC only evaluated conversions
9 from central steam service to on-site electrically produced steam or other
10 means of converting to electrical energy. Is Staff aware of any reason
11 why EMC only evaluated a conversion to electrically produced steam from
12 central steam service and no other energy alternatives?

13 A. Yes. In Company's response to Staff Data Information
14 Request No. 622, included as Schedule 25, it is stated that "the intent of
15 the Steam Conversion Plan was to retain all steam customers as heat
16 customers. This could not be accomplished by furnishing gas boilers.
17 Energy Masters was instructed to study electric alternatives only"
18 (emphasis added).

19 Therefore, Energy Masters was conducting each energy audit with
20 instructions from the Company that only electrical alternatives were to be
21 examined for replacing the customer's centrally supplied steam which was
22 to be terminated by the Company. This essentially promotes only the use
23 of electric alternatives to steam.

24 Q. Are there any other documents relating to the conversion
25 plan of the Company which support the conclusion that the plan appears
26 promotional in nature?

27 A. Yes. Schedule 26 consists of a letter and study dated
28 August 28, 1984 to Messrs. J. R. Miller and J. A. Mayberry from Mr. Graham

1 in reference to the conversion of the downtown steam utility system. It
2 is stated on Schedule 26-2 that "[t]he removal of electrical generation
3 from the Grand Avenue plant, and the necessary related increase, would
4 drive the cost of steam even further above the competitive price. These
5 facts make it apparent that we must find an alternate method of selling
6 heat to these customers, or lose business to the Gas Service Company over
7 the long run." The Company obviously realized that if the customer must
8 choose an alternative form of heating, other than steam, that the Company
9 must compete with the KPL-Gas Service Company.

10 Q. Does the Company believe that they can equally compete with
11 the Gas Service Company?

12 A. Obviously not. On Schedule 26-2 and Schedule 26-3 the
13 following observations are made:

14 It does not appear that we would be competitive in this
15 market if the customer has to sustain any of the conversion
costs and could overcome the stack problems.

16 [Emphasis added.]

17

18 Any increases in steam rates would make steam even less
19 competitive with gas-fired boilers than it presently is.
20 If we are to convert our present steam customers to the
electric system, we must retain them as steam customers for
the present time.

21 [Emphasis added.]

22 The Company realized that it had to take steps to stay
23 competitive with the KPL-Gas Service Company so as to keep their present
24 steam customers and to convert those same customers over to alternative
25 electric heating.

26 Q. What did the Company decide to do in order to stay
27 competitive with gas while at the same time converting their steam
28 customers to alternative electric heating?

1 A. On Schedule 27-2 and Schedule 27-3, which consists of the
2 minutes of the steam meeting of August 31, 1984, it is stated that:

3 The report of the Steam Committee on the Conversion of
4 Downtown Steam System dated August 24, 1984 was reviewed
5 and discussed. It was decided that we should pursue a plan
6 to convert the downtown steam system to steam and heat
7 supplied by electricity.

8 [Emphasis added.]

9

10 After discussing the probability of success with various
11 marketing approaches, it was agreed that the market plan
12 would include an arrangement wherein the company would
13 supply and install all of the equipment at each customer
14 location necessary to provide the heating or steam service.
15 This concept allows the customer to be told that we are
16 abandoning the steam distribution system, but continuing to
17 supply steam service with company-supplied equipment. This
18 plan would have to include a provision wherein the customer
19 would be responsible for operating and maintaining the
20 system, and would eventually take ownership of the
21 equipment and be an electric heating customer rather than a
22 steam customer.

23 [Emphasis added.]

24 The entire basis of the conversion plan is to convert the steam
25 customers to electric heating by providing electric heating equipment to
26 the customers at KCPL's initial expense.

27 Q. In view of Staff's conclusion that the Company's steam
28 conversion plan is actually an electric marketing plan, does Staff believe
the plan to be promotional in nature and in violation of the promotional
practices rules and regulations?

A. Staff witness Mr. James Ketter addresses the question of
whether the Company's steam conversion plan and the provision of the
energy audits is in violation of the promotional practices rules and
regulations.

Q. Does this conclude your testimony?

A. Yes, it does.

LIST OF CASES FILED
BY
KEITH A HASKAMP

<u>COMPANY NAME</u>	<u>CASE NUMBER</u>
Missouri Power and Light Company	HR-82-179
Missouri Power and Light Company	ER-82-180
Missouri Power and Light Company	CK-82-181
Missouri Utilities Company	ER-82-246
Missouri Utilities Company	GR-82-247
Missouri Utilities Company	WR-82-248
Missouri Public Service Company	ER-83-40
The Gas Service Company	GR-83-225
Missouri Water Company-Independence	WR-83-352
Kansas City Power and Light Company	ER-85-128
Arkansas Power and Light Company	ER-85-265
KPL-Gas Service Company	GR-86-76

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: STEVE CATRON / BOB GRAHAM
 Date Requested: NOVEMBER 3, 1986
 Information Requested: RE: NOVEMBER 3 MEETING BETWEEN BOB GRAHAM, STEVE CATRON AND STAFF.

(1) PROVIDE STAFF ACCESS TO ALL "JOB FILES" FOR PURPOSES OF REVIEW FROM 1980 AND FORWARD. THESE SHOULD ALSO INCLUDE THE JOB FILES FOR THE VISTA HOTEL AND THE JACKSON COUNTY JAIL.

Requested By: Richard E. Haskamp

Information Provided: _____
 The answer is on the attached memo.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: Bob Graham

Date Received: _____

LGL 11-19-86



November 14, 1986

TO: Steven W. Cattron

FROM: R. H. Graham

RE: Data Request #187, Steam Rate Case No. HO-86-139

The job files provided in response to Data Request #186 would also contain the information for this data request.

A handwritten signature in cursive script, appearing to read "R. H. Graham".

R. H. Graham

RHG:gp

NOV 3 1986

No. 181a
Class Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: STEVE CATRON / BOB GRAHAM
Date Requested: NOVEMBER 3, 1986
Information Requested: RE: NOVEMBER 3, 1986 MEETING BETWEEN BOB GRAHAM,
STEVE CATRON AND STAFF.
0 PROVIDE STAFF ACCESS TO ALL "RATE ANALYSES" PERFORMED
FROM 1980 TO PRESENT. THESE SHOULD ALSO INCLUDE
THE "RATE ANALYSES" PERFORMED ON THE VISTA HOTEL
AND THE JACKSON COUNTY JAIL.

Requested By:

John E. Jackson

Information Provided:

The answer is on the attached memo.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By:

Bob Graham

Date Received:

LGC11-19-86



November 14, 1986

TO: Steven W. Cattron .

FROM: R. H. Graham

RE: Data Request #186, Steam Rate Case No. HO-86-139

Copies of any rate analyses done for the projects listed on Data Request #52 are included in the job files. These job files are being made available.



R. H. Graham

RHG:gp
Enclosures

JOB FILES FOR:

<u>Project</u>	<u>Address</u>
Research Downtown Health Care Cntr.	730 Oak
Jackson County Jail	1307 Locust
Vista Inter. Hotel (Hilton Inter.)	200 W. 10th
Wyandotte Plaza (Executive Plaza)	120 W. 12th
United Missouri Bank	1010 Grand
AT&T Pavilion	1100 Walnut
AT&T Garage	1221 Walnut
Commerce Bank (Towers Property)	1000 Walnut
Mercantile Bank & Trust	1333 Walnut
One Kansas City Place (Under Constr.)	12th & Main

DEC 22 1986

HASKAMP

No. 491

Class

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: STEVE CATTON

Date Requested: DECEMBER 22, 1986

Information Requested: RE: MEETING BETWEEN STAFF AND MR. MANDACINA
HELD DECEMBER 16, 1986.

① PRIOR TO THE FORMATION OF A FORMAL STEAM DEPARTMENT
BY MR. MANDACINA IN 1982 WAS THERE EVER A FORMAL
STEAM DEPARTMENT OR ORGANIZATION DEVELOPED AND
DEDICATED SOLELY TO STEAM.

② IF SO PLEASE DESCRIBE THIS ORGANIZATION.

③ IF NOT WHY NOT?

Requested By:

Keith Gaskamp

Information Provided:

Prior to 1982 the responsibility for steam operation was in
the Transmission and Substation department described by W. W. Wike. The repair
and of steam lines in the street was assisted by crews borrowed from
the Manchester, T. D. operation and maintenance or other crews as available.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By:

W. W. Wike 12/23/86

Date Received:

1/9/87

9-1086a

SCHEDULE 4-1

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: STEVE CATTEAL
Date Requested: DECEMBER 22, 1986
Information Requested: Q13 THERE CURRENTLY A FORMAL STEAM MARKETING
DEPARTMENT DEDICATED SOLELY TO THE TASK OF
MARKETING STEAM?
Q14 IF SO PLEASE DESCRIBE THIS ORGANIZATION GIVING
PERSONNEL NAMES AND TITLES.
Q15 IF NOT WAS THERE EVER A FORMAL STEAM MARKETING
DEPARTMENT DEDICATED SOLELY TO THE TASK OF
MARKETING STEAM? IF SO PLEASE EXPLAIN AND DESCRIBE
THIS ORGANIZATION GIVING PERSONNEL NAMES AND TITLES.
IF NOT WHY NOT?

Requested By: Keith J. Haskamp

Information Provided: _____

Please see the attached memo for the answer.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: Ph. GrahamDate Received: 1/1/87



January 5, 1987

TO: Steven W. Gattron

FROM: R. H. Graham

RE: Data Request #493, Steam Rate Case No. HO-86-139

Question #1: Is there currently a formal steam marketing department dedicated solely to the task of marketing steam?

Answer: No, there is not. There are two engineers assigned to taking care of the steam service work and coordinating the energy audits. Both of these engineers have other duties, but are available at all times to answer questions that steam customers might have.

Question #2: If so, please describe this organization giving personnel names and titles.

Answer: The two people involved in the customer steam service work are Hubert A. Kent and Diane M. Bechmann, both engineers.

Question #3: If not, was there ever a formal steam marketing department dedicated solely to the task of marketing steam? If so, please explain and describe this organization giving personnel names and titles. If not, why not?

Answer: There has never been a marketing department dedicated solely to the task of marketing steam. The market for steam has never been large enough to justify having a department dedicated solely to that effort. Over the past 10 or 15 years there has only been three to five opportunities a year to sell steam to a new customer. We have always had an engineer or market rep trained and available to work with customers in making their heat selection. We have always had sufficient staff involved in marketing steam to answer all the questions and make any analysis that was deemed necessary, either by the Company or the customer.


R. H. Graham

RHG:gp

NOV 1986

No. 191
Class Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139Requested From: STEVE CATIRON / BOB GRAHAM
Date Requested: NOVEMBER 4, 1986
Information Requested: RE NOVEMBER 3, 1986 MEETING BETWEEN BOB GRAHAM, STEVE CATIRON AND STEFF.

Q FOR COMPANIES, BUILDERS AND DEVELOPERS THAT DECIDED TO GO TOTALLY ELECTRIC AND ALL OTHER NEW CONSTRUCTION FROM 900 FORWARD (INCLUDING THE VISTA HOTEL AND THE JACKSON COUNTY JAIL) WAS THERE EVER ANY DISCUSSION BETWEEN KCPL AND THE COMPANIES, BUILDERS AND DEVELOPERS AS TO ALTERNATIVE SOURCES OF POWER (e.g. STEAM VS. ALL ELECTRIC vs. GAS)?

Q IF SO WAS THERE ANY CONSIDERATION TO GO TO STEAM VS. ELECTRIC? WHAT WAS KCPL'S INVOLVEMENT OR INPUT?

Requested By: Kevin E. [Signature]
Information Provided:

The answer is on the attached memo.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri, office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: [Signature]Date Received: 5XW 11-18-86



November 17, 1986

TO: Steven W. Cattron

FROM: R. H. Graham

RE: Data Request #191, Steam Rate Case No. HO-86-189

There was usually discussion among the owners, developers and their consultants on their choice of heating energy. In all cases, KCPL provided rate schedules and, in some cases, actually did the rate calculation on whatever sources were being considered. In some cases the owner or his representative would want a comparison made of steam versus electric. In other cases the owner or his consultant would have pretty much made up their mind before we had an opportunity to have any input. In all cases, whatever written input we did have would be a part of the job files which have previously been provided on the projects in the downtown area.

A handwritten signature in cursive script, appearing to read "R. H. Graham", is written above the printed name.

R. H. Graham

RHG:gp

Data Information Request
Kansas City Power & Light Company
 Case No. HO-86-139

Requested From: _____

Date Requested: _____

Information Requested: _____

ASAP

Stova, Catman

January 27, 1987

When KCP&L states that it "usually presented an estimated operating cost on both electric and steam and attempted to attract customers to either" as stated in more data request No. 578, did KCP&L present this type of data to the owner and the designer of City Center Square? To so please provide such information.

② To identify the new construction in downtown Kansas City where KCP&L presented an estimated operating cost on both electric and steam starting with City Center Square to most recent projects and provide such information.

Requested By: _____

Information Provided: _____

C. Featherstone

Please see the attached memo for the answer.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: _____

Date Received: _____

2-20-87



February 13, 1987

TO: S. W. Cattron

FROM: R. H. Graham

RE: Data Request #632, Steam Rate Case No. HO-86-139

Question: (1) When KCPL states that it "usually presented an estimated operating cost on both electric and steam and attempted to attract customers to either" as stated in HPSC Data Request No. 578, did KCPL present this type of data to the owner and/or the designer of City Center Square? If so, please provide such information.

Answer: We have not been able to find any estimate of operating costs for City Center Square that would have been presented to the owner or representative.

Question: (2) Identify the new construction in downtown Kansas City where KCPL presented an estimated operating cost on both electric and steam starting with City Center Square to the most recent projects and provide such information.

Answer: Attached are analysis and sale type letters on several jobs in this era. These projects are Mercantile Bank, 1101 Walnut, New Commerce Building, 10th Street-Main to Walnut, Twelve Wyandotte Plaza Building, New Mercantile Bank at 14th and Walnut, and a letter concerning steam to Bruce Hughes, a designer at Howard-Needles-Tammen & Bergendoff, who in this time period, was working on the AT&T Complex. These are representative of the analysis and data that was presented to new construction in the steam service area.



R. H. Graham

RHG:gp
Attachments

June 28, 1972

MEMORANDUM TO FILE

SUBJECT: Mercantile Bank

The first contact with reference to this job was from Ted Mead with the Concordia Management Company. Concordia Management is the coordinator of the Crown Center project. Apparently, this firm has been retained by Mercantile to coordinate their new building. At that time, Mr. Mead asked about the availability and cost of electrical power and steam at the corner of 11th and Walnut. Mr. Mead was soliciting proposals from Design Builder Mechanical Contractors for the heating and air conditioning system. Later, we were contacted by Jim Healer of Temperature Engineering asking about the availability of steam at this location.

The present design of the building calls for the first three floors to be a bank facility with space for a large restaurant. The remaining 16 or 17 stories would be office space. Harry Wiese of Chicago is the architect for the project.

During the week of June 12th, we were contacted by a consulting firm in Chicago called MN&T. Mr. Jim Martin called asking basically the same questions that had been asked by Concordia Management. We sent all the various rates on both steam and electric to this consulting firm. We also advised them that steam might not be available for this project and that they should very seriously consider going total electric.

I later asked Ted Mead whether the consulting firm would design the heat and air conditioning, in light of the fact that he was working with Design Builder Mechanical Contractors. Mr. Mead indicated that if a satisfactory proposal was received for the heating and air conditioning from a contractor, the engineer would design only the electrical and plumbing work.

The estimated load for the building with either steam or gas heating is estimated by the engineer at 2500 - 2700 KVA. The engineer indicated that if he uses electric heat, he would add a 3500 KW electric boiler. I do not believe this large of a unit would be required. The present design calls for 20 stories with 11,200 square feet per floor making a total of 224,000 square feet.

We will continue to work closely with both Concordia Management and the Architect Engineer Design team from Chicago. Pat Shelley will be coordinating the service for this project through the service engineers and Frank Branca will assist in any energy analysis made.

Robert H. Graham

REG:rmh

cc: J. A. Mayberry

MERCANTILE TRUST

ALL ELECTRIC

ICANE (General Service All Electric)

Date	Dem	Kwh	Money
Jan	2892	1,004,352	\$12,808.72
Feb	2637	809,447	10,718.67
Mar	2408	764,030	10,115.10
Apr	2314	664,105	9,059.45
May	1940	551,548	7,709.48
Jun	1944	556,084	7,757.24
Jul	1993	548,597	7,711.77
Aug	1989	584,778	8,071.18
Sep	1937	531,689	7,592.29
Oct	2326	700,206	9,427.66
Nov	2429	720,155	9,688.95
Dec	2707	<u>860,130</u>	<u>11,255.50</u>
		8,295,121	\$111,916.01
			8,602.04
			13,390.76
			<u>4,686.81</u>
			\$138,595.62

154,772.80
 17196.80
 5417.05
177,386.65

Average Fuel
 City Tax
 Sales Tax

STEAM HEAT

General Service Large

Dem	Kwh	Money
1910	490,000	\$9,018.30
1911	463,300	8,753.33
1990	548,000	9,760.70
1975	519,000	9,440.25
1940	553,000	9,709.20
1944	558,000	9,767.32
1993	539,000	9,676.79
1989	584,000	10,118.67
1937	522,000	9,393.11
1985	567,000	9,940.55
1974	563,000	9,878.22
1972	<u>517,000</u>	<u>9,414.16</u>
	6,423,300	\$114,870.60
		6,660.96
		13,503.37
		<u>4,726.22</u>
		\$139,761.15
		<u>10,938.42</u>
		\$150,699.57

Steam



January 21, 1981

TO: Mr. J. R. Miller

SUBJECT: Steam Service

Please find attached copies of the following:

1. A memo from Mr. D. T. McPhee dated January 2, 1980, and attachments, discussing a request for steam service for the Jackson County Jail and the Missouri Court of Appeals building;
2. A memo from Mr. R. H. Graham dated December 24, 1980, discussing the possibility of furnishing steam service for the Corn Products Plant at 1001 Bedford.

As you requested, System Planning has reviewed both concepts and it is the purpose of this memo to develop a recommended course of action for each. This review was performed within Mr. Frank Branca's group.

Steam Service for Jackson County Jail

According to the attached correspondence, the Jackson County Jail would impose a peak steam demand of 1600/lb/hour which can easily be served by Grand Avenue Station from existing facilities. Because the Company has a filed rate and the building is adjacent to the existing steam system, in accordance with Section 3.01 of KCPL's Rules and Regulations, I do not believe service can be refused. This has been discussed with the Law Department and the Rates Department, and both concur with this opinion.

The customer should be advised that due to the age of Grand Avenue and the steam system, the future cost of steam will be rather high. If the electric portion of Grand Avenue is retired in 1990, as planned, or if an alternate facility for steam supply becomes necessary, the steam customer will bear full cost responsibility in the future.

Steam Service to Corn Products

Service to Corn Products is a different situation. Based upon the 400,000/lb/day usage, it is assumed that peak demand would be between 20,000 to 30,000/lb/hour. Again, Grand Avenue Station has the necessary steaming capability from existing facilities. In this case, however, because the customer is not adjacent to an existing steam system, KCPL does not have an obligation to serve or to extend facilities to make service possible.

FEB 0 1987

No. 711
Class Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139Requested From: STEVE CATTON
Date Requested: FEBRUARY 6, 1987
Information Requested: RE: COMPANY RESPONSE TO STAFF DATA
REQUEST 618.

① PRE MARCH 1986 AND THE ANNOUNCEMENT OF THE
STEAM CONVERSION PLAN. PROVIDE A LISTING OF ALL
POTENTIAL CUSTOMERS WHO INQUIRED ABOUT
RECEIVING STEAM SERVICE AND ① YOU REFUSED
SERVICE AND/OR ② ATTEMPTED TO DISCOURAGE
FROM RECEIVING SERVICE. GIVE THE NAME OF THE
CUSTOMER, DATES AND ALL RELEVANT DOCUMENTATION
SURROUNDING EACH SUCH INSTANCE.
BREAK THE ABOVE LIST DOWN BETWEEN ① DOWNTOWN
SERVICE TERRITORY AND ② INQUIRIES OUTSIDE OF
THE DOWNTOWN STEAM SERVICE TERRITORY, DELINEATING
INDUSTRIAL SERVICE CUSTOMERS.

Requested By: Keith Haskamp
Information Provided: ② ALSO PROVIDE A LISTING OF ALL INQUIRIES
RECEIVED FOR STEAM PRE ~~1986~~ MARCH 1986.
* PLEASE LIMIT THIS RESPONSE TO THE TIME PERIOD
1970 - MARCH 1986.Please see the attached memo for the answer.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: Date Received: 2-20-87



February 13, 1987

TO: S. W. Cattron

FROM: R. H. Graham

RE: Data Request #711, Steam Rate Case No. HO-86-139

Question: Pre March 1986 and the announcement of the steam conversion plan, provide a listing of all potential customers who inquired about receiving steam service and (a) you refused service and/or (b) attempted to discourage from receiving service. Give the name of the customer, dates and all relevant documentation surrounding each such instance. Break the above list down between (a) downtown service territory and (b) inquiries outside of the downtown steam service territory, delineating industrial service customers.

Answer: I have not been able to find any documentation of KCPL refusing steam service to any customer. Neither have I found any documentation of us discouraging customers from receiving service, unless giving the customers the rate sheets and making an analysis could be construed as discouragement to taking steam service.

Question: Also provide a listing of all inquiries received for steam per March 1986. * Please limit this response to the time period 1970-March 1986.

Answer: The Company does not keep a listing of steam service inquiries. We have provided a list of all the construction in the steam service area during the above time period and, in most cases, these customers or their designers made an inquiry about steam service.


R. H. Graham

RNG: SP

KANSAS CITY POWER & LIGHT COMPANY

1330 BALTIMORE AVENUE

P O BOX 679

KANSAS CITY, MISSOURI 64111

May 5, 1982



Dear Steam Service Customer:

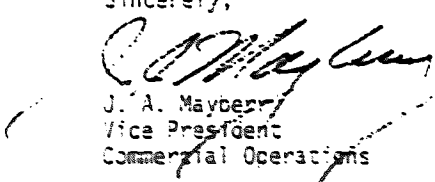
Contrary to some rumors, KCPL has no plans to abandon or terminate its Downtown utility steam service. In fact, quite the opposite is true. Witness our recent commitments to supply utility steam service to the new Vista Hotel, as well as the new Jackson County Jail.

KCPL intends to continue its utility steam service in the Downtown area as an attractive and economical source of heat and energy in support of the revitalization of Downtown Kansas City. Two major considerations underscore the long-term planning of our steam operations:

1. The ongoing decontrol of natural gas prices, which in Kansas City are now projected to double by 1986 and triple by 1990.
2. KCPL's use of coal as the predominant fuel for operation of the Grand Avenue Station, which provides the steam for Downtown.

If we may be of any help to you in providing information regarding your heat or energy needs, now or in the future, please call us.

Sincerely,



J. A. Mayberry
Vice President
Commercial Operations

JAM/xx

Data Information Request
 Kansas City Power & Light Company
 Case No. HO-86-139

Requested From: Steve CatronDate Requested: January 16, 1987

Information Requested:

1. Regarding the new construction in downtown Kansas City starting with City Center Square in most recent projects, did KCP&L attempt to recruit these potential customers to steam system? To KCP&L did not attempt to attract these potential customers to steam system. Please give complete explanation why.

2. Would KCP&L attempt to attract new customers to steam system at risk of not getting these customers for electric service? Please explain in detail.

3a. If KCP&L would have attracted these customers to its steam system, what would the approximate additional steam revenues be M/b, by each customer?

b. Provide any study or analysis of the above if it exists.

Requested By: C. Featherston

Information Provided:

Please see the attached memo for the answer.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the persons having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: RL GrahamDate Received: LGC 1-26-87



January 23, 1987

TO: Steven W. Catron

FROM: R. H. Graham

RE: Data Request #578, Steam Rate Case No. HO-86-139

Question #1: Respecting the new construction in downtown Kansas City, starting with City Center Square to most recent projects, did KCPL attempt to attract these potential customers to steam system? If KCPL did not attempt to attract these potential customers to steam operations, please give complete explanation why.

Answer: In the first part of this period, KCPL usually presented an estimated operating cost on both electric and steam and attempted to attract customers to either. The final decision was made either by owner and/or the designer.

As steam from the distribution lost its competitive position in the later part of this period, the emphasis on marketing turned to electric heat.

Question #2: Would KCPL have attempted to attract new customers to steam system at risk of not getting these customers for electric service heat? Please explain in detail.

Answer: As long as steam was competitive, KCPL was not concerned whether customers chose steam heat or electric heat, i.e., no effort was made to unsell the Vista or Jackson County Jail on steam heat. As steam heat lost its competitive edge, this was not an issue.

Steven W. Catron
Data Request #578
January 23, 1987
Page 2

Question #3: (a) If KOPL would have attracted these customers to its steam system, what would its approximate additional steam revenues and Mlbs. be by each customer? (b) Provide any study or analysis of the above if it exists.

Answer: The estimated revenue and Mlbs. of steam use are as follows:

<u>Project</u>	<u>Mlbs.</u>	<u>Dollars</u>
City Center Square	5,268	\$ 41,186
Mercantile Towers	2,905	23,202
Merchants Bank	1,380	11,411
United Missouri Bank	2,260	18,080
AT&T Pavilion	10,637	85,096
AT&T Garage	1,625	13,477
Mercantile Bank	138	1,360
One K.C. Place	7,614	60,912
Wyandotte Plaza	3,111	24,880
Commerce Bank	3,350	26,800
TOTAL	38,288	\$306,404


R. H. Graham

RHG/sf

ASAP

531

Class

JAN 8 1987

Data Information Request
 Kansas City Power & Light Company
 Case No. HO-86-139

Requested From: STEVE CATRON
 Date Requested: JANUARY 8, 1987
 Information Requested: RE: YEAR-END STATUS REPORT - UTILITY STEAM OPERATIONS ATTACHED.

① IT IS STATED "WE ANTICIPATE AN ACTIVE EFFORT BEGINNING IN 1983 TO RE-Acquire THE CUSTOMERS THAT HAVE RECENTLY DISCONNECTED THEIR STEAM SERVICE AND SWITCHED TO GAS FIRED BOILERS, AS WELL AS SELLING STEAM TO THE NEWLY PLANNED BUILDINGS THAT DO NOT INSTALL ELECTRIC HEAT." WHAT WAS DONE BEGINNING IN 1983 TO RE-Acquire THE CUSTOMERS THAT HAVE RECENTLY DISCONNECTED THEIR STEAM SERVICE AND SWITCHED TO GAS FIRED BOILERS? PLEASE BE SPECIFIC AND PROVIDE EXAMPLES OF ACTIONS TAKEN TO RE-Acquire THESE CUSTOMERS AND WAS THIS SUCCESSFUL?

② WHAT ACTIONS WERE TAKEN TO SELL STEAM TO THE NEWLY PLANNED BUILDINGS THAT DO NOT INSTALL ELECTRIC HEAT?"

Requested By: (Keith) Jaskamp
 Information Provided: _____

The answer is on the attached memo.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: _____

Date Received: _____

4/15/87

D2 531

③ IS ELECTRIC HEAT MARKETING FIRST "TO THE NEWLY PLANNED BUILDINGS" AND SUBSEQUENTLY IF ELECTRIC HEAT IS NOT INSTALLED THEN STEAM SERVICE IS MARKETING?

④ WHAT "NEWLY PLANNED BUILDINGS" DID KCPL ATTEMPT TO SELL STEAM TO, WHO DECIDED NOT TO INSTALL ELECTRIC HEAT? WITH WHOM WAS KCPL SUCCESSFUL IN THIS MARKETING PLAN?

⑤ PRIOR TO THE WRITING OF THIS LETTER WAS ELECTRIC HEAT ALWAYS MARKETING BEFORE STEAM HEAT? IF NOT, WHEN WAS THIS NOT TRUE? PLEASE EXPLAIN.



January 13, 1987

TO: Steven W. Catron
FROM: R. H. Graham
RE: Data Request #531, Steam Rate Case No. HO-86-139

At the time of the referenced status report, January 1983, the future of the steam distribution system appeared to be very bright. The projected load of Corn Products would have tripled the annual steam revenue. It was anticipated that this high load factor, large use customer would make steam from the distribution system very competitive in the steam service area. However, the Corn Products load never materialized as it had been projected. The pipeline to Corn Products was still under construction when the decision was made by Corn Products to sell the plant. Consequently, we never gained the competitive edge that we had anticipated. The sale of steam to Corn Products and later to National Starch did improve the overall situation, but these sales almost immediately began to diminish. For these reasons, we were not in a position to go back to lost customers and show them a savings by switching back to steam service.

In regard to the actions that were taken to sell steam or electric heat to new buildings, in all cases the developer and/or designer would request an analysis based on his heating loads for both electric heat, steam and gas. KCPL would provide the operating costs for our electric and steam heat. The owner or his agent would then have to estimate the installation costs for these systems and gas, if he were considering that also, and then make a decision based on owning and operating costs.

Of the newly planned buildings that were constructed in this time frame, the Vista and County Jail chose steam, One Kansas City Place, the AT&T Pavilion and United Missouri Bank chose electric heat. Twelve Wyandotte Plaza and the new Commerce Towers Office Building chose gas heat.

For a few years prior to January 1983, electric heat was marketed before steam heat in most cases. As you go further back in history, steam heat was the only thing that we tried to market in the downtown area. Most of the decisions on whether a building would have steam, electric or gas heat was a matter of owning and operating costs, as well as, a judgement on the part of the building developer or his agent as to what the future increases would be of the three heat sources.


R. H. Graham

SNC:GP

Schedule for
Implementation

- (a) Gained approval of the extension of solar tax credits in Kansas. Ask for inclusion of heat pumps as solar devices.
- (b) Prepare and support similar new legislation in Missouri.

Functions have been (10) Page 101. Establish functional accounting and control procedures to ensure that sales promotional costs are properly identified, that incentives are effectively applied and managed, and that adequate cost reporting is supplied to assist in ongoing program evaluation.

Responsible: J.N. Jester, C.E. Lewis,

Controller

- (11) Implement strong and well directed marketing programs which will improve customer awareness and build off-peak electric heating sales in a timely and cost effective manner.

(Note: Many of the recommendations included here will be contingent upon the success of those listed previously.)

II. INTRODUCTION AND PURPOSE

In 1981, Kansas City Power & Light Company (KCPL) introduced the KCPLan. This innovative long-term generation expansion plan was designed, in part, to control the growth of peak load demand on KCPL's system and improve the system load factor by increasing the sale of off-peak power and energy.

Additional use of electric space heating would be a major contributor to the increase in off-peak kilowatt-hour sales. The efficient use of electricity for space heating, given the improvements in technology and the recent and forecasted increases in the price of competitive fuels, will contribute to the improvement of the Company's system load factor. To accomplish this, a total marketing program must be developed to reach the general public, equipment dealers and manufacturers, and Company employees.

The purpose of this Marketing Dimensions Report for electric heating is to develop a comprehensive marketing program for increasing electric heating Kwh sales through heat pump sales. The report assesses the potential value of increased electric heating on KCPL's system, and qualifies and quantifies, where possible, the results to be expected. The study encompasses a 13-year period from 1983 through 1995.

The areas of KCPL operation which would be affected by a marketing program for heat pumps include:

- o System Power
- o Transmission & Distribution

- o Price Controls
- o Deregulation of Certain Gas
- o Incremental Pricing
- o Emergency Authority
- o Curtailment Priorities

Because of the NEA and, more specifically, the NGPA, the price of natural gas consumed by the residential customer has increased over 170% since 1979. Because of this rapid increase, it is now economically efficient to convert a home to electric heat pump heating at current rate levels. This fact has even greater significance and meaning when the KCPLan is considered.

B. KCPLAN

Completed in October 1981, the KCPLan is a comprehensive study which develops recommendations for KCPL's Long-Range System Expansion Alternatives Plan for the period 1981-2000. Emphasis is on the development of a strategy that will meet the future electrical requirements of KCPL's customers in a reliable and least cost manner. Two key objectives in the development of this strategy are: (1) to manage peak load growth in order to postpone construction of new generation capacity, and (2) to improve system load factor. Expanded sales of electric heat is consistent with these objectives.

Electric heat does not require new generation. In fact, it encourages better residential construction methods and the use of high-efficiency equipment which will reduce cooling requirements, thus reducing summer peak loads.

Since electric heating equipment operates only during historical off-peak seasons, the system load factor would improve as new electric space heating customers are added to the system. The effect electric heat will have on these two objectives will be discussed further in Section V.

C. THE HEAT PUMP

Electric heating systems include baseboard, ceiling cable and electric furnaces. All are efficient, low in initial cost and offer attractive consumer benefits. But the electric heat pump is the most efficient electric heating equipment currently available. This inherent efficiency offers competitive operating costs and, therefore, real promise for substantial improvement to KCPL's load factor. The following briefly describes its operation:

The heat pump is a machine that both heats and cools. In the winter, it absorbs heat from outdoor air and transfers it inside the home. In the summer, this process is reversed and the heat inside the home is transferred outdoors.

Although the heat pump uses electricity to transfer heat, it does not produce heat in and of itself. Instead, the heat pump operates on the refrigeration principle.

The transfer of heat which takes place with a heat pump is accomplished by the flow of refrigerant through the system. A relatively low temperature liquid refrigerant is forced through an expansion valve as it enters the outdoor coil. It evaporates to a gas and picks up additional heat from the outdoors as it flows through the outdoor coil. The low pressure, warmed gas then enters the compressor where its pressure and temperature are increased. Now a hot gas, it enters the indoor coil.

Communications

The advertising section which follows will outline the major communications effort. This will be supplemented by a variety of other collateral programs including:

1. Home Service personnel will be available during normal working hours to answer telephone inquiries about heat pumps and to send literature to interested customers.
2. KCPL will participate in a variety of public shows including the Home Show, Flower & Garden Show and Energy Exposition, promoting the benefits of electric heating. We will also encourage manufacturers and dealers to participate in these shows.
3. KCPL personnel will present programs to groups such as service clubs, teachers, real estate agents, community groups, to explain ways to use electric heat effectively.
4. Commercial Operations personnel are trained and will sell electric heating during all their contacts with builders, contractors, designers and, of course, with individual customers.
5. KCPL will increase general heat pump awareness with truck decals, window displays, posters and other visual media.

Personal communication at every opportunity will complement the advertising awareness to build an effective sales effort.

No. 20

DATA INFORMATION REQUEST
KANSAS CITY POWER & LIGHT COMPANY
CASE No. EO-84-147

REQUESTED FROM: Steve CottonDATE REQUESTED: 2/21/84

INFORMATION REQUESTED: Please provide copies (including CAP
Group reports) of both the old (1981) and new (1984)
KC PLANS

(Per 2/17 conversation with Bruce Knedel, extra copies
should be available from System Planning)

REQUESTED BY: Mark Olschlagers

INFORMATION PROVIDED: _____

The information provided to the Missouri Public Service Commission Staff in response to the above information request is accurate and complete, and contains no material misrepresentations or omissions based upon present facts known to the undersigned. The undersigned agrees to immediately inform the Missouri Public Service Commission, if any matters are discovered which would materially affect the accuracy or completeness of the information provided in response to the above information request.

SIGNED BY: _____

DATE RECEIVED: _____

HASKAMP



February 27, 1984

TO: Mr. Steve W. Cattron

SUBJECT: MPSC Case No. EO-84-147 Data Request

Attached are copies of KCPLAN 81 and 83 and their respective CAPG critiques in response to Item No. 20 of the above referenced MPSC case.

Call me if you have any questions.


W. K. Dermann

WKD:jb

Attachment

cc: Mr. F. L. Branca

KCPL
PLAN

KCPL
PLAN

KCPL
PLAN

KCPL
PLAN

KCPL
PLAN

KCPL
PLAN

Volume 1 of 2

Long Range System Expansion
Alternatives Study: 1981-2000

PURPOSE

The purpose of this study is to develop a recommendation for KCPL's Long-Range System Expansion Alternatives Plan for the period 1981-2000. The primary emphasis of the study is to develop a plan which meets the estimated future electricity requirements of KCPL's customers in a reliable and least cost manner. Consisting of engineering, economic, and financial evaluation of alternative plans for system expansion, significant emphasis is placed upon those alternatives which require specific action by the Company during the period 1981-1990. Development of the Long-Range Plan is guided by the following strategies:

Strategy 1

Manage peak load growth so as to postpone the need for the construction of major new generating capacity into the 1990s; and

Strategy 2

Devise programs for encouraging off-peak electrical usage while discouraging on-peak usage.

Recognizing that an effective planning strategy must be able to respond effectively to a changing environment, flexibility analysis is an integral part of the final plan. In addition, the recommended planning strategy will require re-analysis and reevaluation at a minimum of once every two years, or more often as may be dictated by significant changes in the key study parameters.

Concentrating upon the alternatives for meeting estimated future electrical demand and energy requirements, the Scope of the Long-Range Study includes the effect of Wolf Creek commercial operation in 1984 and specifically excludes the following activities:

1. Detailed analysis of future transmission and distribution system requirements other than transmission requirements associated with generating unit additions and the MANDAN project;
2. A long-range plan for the downtown steam heat system; and
3. Detailed analysis of the specific site for the next major generating unit.

KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN
KCPLAN

Revision One
February 1984

Long Range System Expansion
Alternatives Study: 1983-2002

I. EXECUTIVE SUMMARY

Introduction

On November 3, 1981, KCPL's Board of Directors approved the KCPLAN (hereafter referred to as KCPLAN 81), the Company's Long-Range System Expansion Alternatives Study. One condition of the Board's approval was that the plan be reviewed and updated at least every two years so it would continually reflect the latest information and changing conditions.

In May 1983, the System Expansion Alternatives Committee (SEAC) initiated the first of these revisions. Resuming the precedent set in KCPLAN 81, numerous departments contributed to the update, with their efforts coordinated by the Electric Supply Coordinating Committee (ESCC). The ESCC, comprised of middle-level managers, is a subcommittee of SEAC. The 17-member Citizens Advisory Planning Group (CAPG), representing a broad range of community interest and leadership, continued to provide direct input into the planning process and again provided the Chief Executive Officer with an independent assessment of the plan.

Purpose

The purpose of this study is to revise KCPLAN 81, taking into account new information and changing conditions of the past two years. This review consists of engineering, economic, and financial evaluations of alternative expansion plans. It encompasses the years 1983-2002, but emphasizes specific actions required in the 1980s.

KCPLAN S3 retains the fundamental goals of KCPLAN 81:

- * To manage and restrain peak load growth and thus postpone the need to construct major new generating capacity
- * To devise programs to encourage off-peak electrical usage and thus use existing capacity more efficiently

Clearly, this study is not meant to rebuild KCPLAN 81; rather, it is intended to test the plan and modify it where those tests warrant.

NOV 5 1986

HASKAMP

No. 301

Class

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: Steve Catron
Date Requested: 11/5/86
Information Requested:

Has an update or revised version of the KC PLAN been issued since the issuance of KC PLAN II in February 1984? If not, when is the next revision scheduled to be issued?

Requested By: Mark Obegachlaeger
Information Provided:

February 1984 was the last update. The next revision is presently scheduled to be completed at year end 1987.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: Frank L. Brown 11/12/86

Date Received: 11/12/86 M.O.

ASAP

No. 677
Class _____

FEB 3 1987

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139Requested From: STEVE CATTONDate Requested: JANUARY 29, 1987 FEBRUARY 3, 1987Information Requested: ① WHAT DEPARTMENT(S) WITHIN THE COMPANY WERE RESPONSIBLE FOR THE MARKETING OF STEAM IN THE 1960's? 1970's? 1980's? WAS IT THE COMMERCIAL OPERATIONS DEPARTMENT? IF NOT, WHO?② DID THE COMPANY EVER CONSIDER HAVING THE STEAM DEPARTMENT RESPONSIBLE FOR THE MARKETING OF STEAM? IF SO PLEASE EXPLAIN. IF NOT WHY NOT?Requested By: Kurt Jaskamp

Information Provided: _____

Please see the attached memo for the answer.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: _____

Date Received: _____

LCG 3-17-87



February 9, 1987

TO: S. W. Cattron

FROM: R. H. Graham

RE: Data Request #677, Steam Rate Case No. HO-86-139

Question: (1) What department(s) within the Company were responsible for the marketing of steam in the 1960's? 1970's? 1980's? Was it the Commercial Operations Department? If not, who?

Answer: The Commercial Operations Department, formally called the Marketing Department and Sales Department, was responsible for the marketing of steam in the time period referenced.

Question: (2) Did the Company ever consider having the steam department responsible for the marketing of steam? If so, please explain. If not, why not?

Answer: After a manager was assigned to the steam department in 1982 the steam department was involved in the marketing of steam along with the Commercial Operations Department. This is evidenced by the part that Mr. Mandacina played in the marketing of steam to Corn Products.

A handwritten signature in cursive script, appearing to read "R. H. Graham".

R. H. Graham

RHG:gp

No. 567

Class _____

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: _____

Steve Killion

Date Requested: _____

January 14, 1987

Information Requested: _____

Please provide the Corporate Planning
Guide referred at page 4 of R. Levesque Exhibit 14, 8/19/86
weekly report to B. T. Beaudoin.

Requested By: _____

C. E. Carthens

Information Provided: _____

See attached copy of Corporate Planning Guide

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: _____

Robert Henry - 1/22/87

Date Received: _____

LGC1-25-87



TO: ALL OFFICERS
RE: CORPORATE PLANNING GUIDE

FROM: L. C. Rasmussen
DATE: June 14, 1982

This Corporate Planning Guide is another step in refining the Corporate Planning Process at KCPL.

The Guide is being developed as the Company's central source of information and instructions about formal planning and budgeting documentation. The Guide is the source of scheduling information. It tells what to do and when to do it. It will also be the mechanism for establishing and updating assumptions (e.g. inflation rates). The Guide is intended to be dynamic and will change. The Guide, at this point, is not all inclusive and may direct the planner or budgeter to other sources of information in the Company.

Eventually, sections of the guide that need regular revision such as schedules and assumptions, will be available via computer terminal to facilitate immediate access to updated information as it becomes available.

This Guide is initially being distributed to those shown on the Distribution List included in the Guide. Please advise Mr. Beaudoin of others in your organizations who are involved in our formal planning and budgeting and a Guide will be sent to them.

Your attention is invited to Instructions for Preparing the 1983 Operational Goals, Major Projects, and Key Changes Report which precedes detailed Division functional and manpower planning and budgeting.

svs:RWLCOR

A handwritten signature in dark ink, appearing to read "L. C. Rasmussen", is written in a cursive style.

KANSAS CITY POWER & LIGHT COMPANY
CORPORATE PLANNING GUIDE

Planning and Budget Administration
Corporate Planning and Finance Division

Functional Plans Instructions
1986-1987

The instructions which follow are intended to provide guidance in preparing Functional Plans. A common format is desirable so that planning information related to corporate and division issues can be readily identified, accomplished and monitored with a minimum of effort.

The Functional Plan covers a two year period and forms the basis and justification for budgets and staffing requirements. Thus, it should be prepared at the organizational level where budgets are prepared.

The Functional Plan begins with an Executive Summary (one to two single spaced pages in length) that outlines what should be brought to the attention of Senior Management. At a minimum, consider including the following:

Objective Information

- o Major objectives addressing corporate and division issues that your organization plans to achieve over the next two years, generally stated in high to low priority order.

Project Information

- o Descriptions of new major projects with associated reasons for the projects.

Employee Information

- o New employee position requirements with associated reasons for the requirements.
- o Significant changes in current activities.

Construct the text of the actual Functional Plan using the arrangement shown in the attached "Sample Format" page. Refer to the page entitled "Format Explanation" for explanation of the type of information requested for each heading in the sample format and for MAPPER System input limitations. Pay particular attention to the definitions of "Objectives", "Strategies", and "Measurable Goals" so that information is available for the Achievement Monitoring Mapper System. Information on the Achievement Monitoring System is in the "Monitoring and Projecting" section of the Corporate Planning Guide.

Last year's Functional Plans, already in the MAPPER system, can be updated using the add, change, and delete runs in the MAPPER System. Please note the character limitations for data as explained in the "Format Explanation" section of these instructions.

Planning Administration (extensions 2593, 2594, 2988) is available to review drafts of your plans, provide guidance and interpretation, help with the use of the Functional Plan Mapper System, and provide formal group training classes in the use of the Functional Plan MAPPER System.

After each Functional Plan is final and in the Mapper System, the division executive responsible for the plan signs a print-out copy which is then forwarded to the Planning Administrator, 6th Floor, 1330 Baltimore.

Due dates for these plans are shown in the "Schedules" section of the Corporate Planning Guide.

GLOSSARY

Activity	A normal function or expenditure conducted on an essentially continuous basis so that there is no apparent beginning or ending, with relatively consistent expenditures from month to month.
Assumption	A specific statement of an expected event or condition which will influence a Company plan, budget, or projection.
Budget	A statement of the estimated cost of accomplishing plans and revenues therefrom excluding pending or planned rate cases.
Corporate Planning Guide	Describes the Corporate Planning Process. Provides a central and updated source of information, instruction, schedules, and references necessary to accomplish formal planning, budgeting, monitoring, and projecting.
Environmental Analysis	The determination of specific weaknesses, strengths, threats, and opportunities available to the Company in its total political, social, and technical environment.
Functional Plan	A course (or courses) of action intended to achieve group, division, or department objectives, encompassing the implementation of the Company's plans and the conduct of routine operations. The term of a functional plan is usually two years.
Issue	An event or condition which has some probability of occurrence and which has or would have a significant impact on an organization's operations.
Long Range	A period extending greater than two years into the future.

GLOSSARY

PAGE 2

Measurable Goal

A measurable result, attainable at some specific future date through planned action. A sequence of steps which, when followed, results in the implementation of a strategy.

Mission :

The overall guiding purpose and philosophy for the corporation or organizational unit, including a statement defining the purpose of the unit.

Monitoring

The process of determining the progress toward achievement of corporate, group, division, and departmental objectives and budgets, through various performance measures, or other reporting to management.

Objective

A declaration of purpose and expectation that expresses management's intentions toward pursuing and accomplishing its mission and satisfying issues.

Project

This definition corresponds to the one given in CW-19B (Page 2) which states these characteristics of a project:

1. Always has a reasonably identifiable beginning and ending.
2. Involves expenditures sufficiently large to make separate reporting to management advisable.
3. Almost always requires expenditures in two or more accounting periods, (months or years).
4. Frequently involves expenditures by two or more cost centers.
5. Sometimes involves expenditures chargeable to more than one function, work order, or FERC account.
6. May involve a temporary or unusually high level of expenditures for a normal activity.

Minimum expenditure levels for reporting purposes will be determined on an individual Division basis. Project numbers are assigned by Accounting or the Division as appropriate.

GLOSSARY

PAGE 3

Projection

A prediction of future business conditions, revenues, and costs.

Short Range

The period from the present through the current or proposed two-year plans.

Strategic Planning

The process of determining the mission, issues, and objectives of the Company and the policies and strategies that will govern the use of resources to achieve those objectives.

Strategy

The determination and evaluation of alternative approaches to achieve an already established objective. Eventually a choice may be made from the alternatives.

No. 189
Class _____Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: STEVE CATRON / ECP - GRAHAM
 Date Requested: NOVEMBER 2, 1986
 Information Requested: RE: NOVEMBER 3, 1982 MEETING BETWEEN ECP - GRAHAM,
STEVE CATRON AND STEVE
1. PROVIDE STEVE COPIES OF THE "FUNCTIONAL PLANS" FOR
1980 TO CURRENT FOR THE COMMERCIAL DEPARTMENT
2. ARE THERE ANY OTHER DOCUMENTS* OTHER THAN THE
FUNCTIONAL PLANS, THAT DESCRIBE HOW THE COMPANY
IS TO MARKET ELECTRIC AND STEAM SERVICE(S)? IF SO
PROVIDE THESE FOR 1980 TO CURRENT.

Requested By: Kevin G. [Signature]
 Information Provided: _____
 The answer is on the attached memo.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "documents" includes submission of any format, workbooks, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transmissions and printed, typed or written materials of every kind in your possession, custody, or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: [Signature]

Date Received: _____



November 14, 1986

TO: Steven W. Gattson

FROM: R. H. Graham

RE: Data Request #188,, Steam Rate Case No. HO-86-139

Functional Plans for 1981 to the present are available for your review. They are rather large to reproduce. These are the formal descriptions of how the Company planned to market its services. Other direction is given to the marketing force from time to time in discussions, meetings and written communications. Any such written communication for a particular job would be in the job file. I believe that such directions, if any, pertaining to the marketing of steam and/or electric service in the steam area would be found in the job files in the buildings involved. These job files were made available under Data Request #186 and #187.

R. H. Graham

RHG:gp
Enclosure

GO FUNCTIONAL PLANNING 1985

DISTRICT COMMERCIAL OPERATIONS

HOME COST CENTER 560

1985-86 FUNCTIONAL PLAN

PREPARED BY: _____ ROBERT H. GRAHAM _____

RESPONSIBLE MANAGER: _____ ROBERT H. GRAHAM _____

APPROVED BY: _____ J. A. MAYBERRY _____

MISSION: ~~TO~~ SELL OFF-PEAK KWH'S; ~~TO~~ PROVIDE A CONTACT BETWEEN THE COMPANY AND ITS CUSTOMERS FOR ACCOUNT INFORMATION, USE OF ENERGY, NEW BUSINESS DEVELOPMENT, AND ~~TO~~ ASSIST IN SUPPLYING QUALITY ELECTRIC SERVICE; ~~TO~~ MAINTAIN POSITIVE RELATIONS WITH GOVERNMENTAL BODIES AND INCREASE INVOLVEMENT IN THE COMMUNITY; ~~TO~~ IMPROVE COMPANY IMAGE; COMMUNICATE THE VALUES OF WOLF CREEK AND FACTORS CAUSING AN IMPACT ON THE COST OF SERVICE.

ISSUES:

01 - ~~HOW TO~~ DIRECT THE OVERALL ACTIVITIES OF DISTRICT COMMERCIAL OPERATIONS. ✓02 - ~~HOW TO~~ DIRECT SALES EFFORTS OF OFF-PEAK AND HIGH-LOAD FACTOR LOADS. ✓03 - ~~HOW TO~~ MAINTAIN EFFECTIVE WORKING RELATIONSHIPS WITH VARIOUS GOVERNMENT ENTITIES, DEVELOPMENT ORGANIZATIONS, COMMUNICATE THE BENEFITS OF WOLF CREEK, AND ENSURE EXPEDIENT HANDLING OF INQUIRIES, COMPLAINTS, FRANCHISE AGREEMENTS, ETC. ✓04 - ~~HOW TO~~ ^{MAINTAIN} DEVELOP AN EFFECTIVE WORK FORCE TO EFFICIENTLY CONDUCT THE OPERATIONS OF THE DEPARTMENT. ✓05 - ~~HOW TO~~ CONVERT THE ~~STEAM SYSTEM~~ ^{MAINTAIN WOLF CREEK STEAM SYSTEM} TO ELECTRIC HEAT. ✓ISSUE 01: ~~HOW TO~~ DIRECT THE OVERALL ACTIVITIES OF DISTRICT COMMERCIAL OPERATIONS.

OBJECTIVE 01

DIRECT THE GENERAL OPERATION OF THE DISTRICT OFFICES. ✓

~~DIR BENT~~

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 37

CORPORATE ISSUE ADDRESSED: OC85

STRATEGY A

MONITOR DISTRICT OFFICE ACTIVITIES AND REPORTS, MAKE PERIODIC VISITS AND OBTAIN FEEDBACK FROM THE PUBLIC AND OTHER COMPANY DEPARTMENTS TO DETERMINE IF OBJECTIVES ARE BEING ACHIEVED.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 37

MEASURABLE GOAL 01

REVIEW AND ANALYZE ALL WEEKLY AND MONTHLY REPORTS AND MAKE CHANGES IN THE OPERATION AS REQUIRED.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

MEASURABLE GOAL 02

VISIT METRO OFFICES MONTHLY AND RURAL OFFICES ^{QUARTERLY} ~~BI-MONTHLY~~ TO OBSERVE OPERATIONS FIRST HAND, GET INPUT FROM CUSTOMERS, AND OBTAIN FEEDBACK FROM COMMUNITY AND BUSINESS LEADERS.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

ISSUE 02: ~~HOW TO~~ DIRECT SALES EFFORTS OF OFF-PEAK AND HIGH-LOAD FACTOR LOADS.

OBJECTIVE 01

DIRECT AND COORDINATE THE SALES EFFORTS OF THE DISTRICT OFFICES IN OFF-PEAK AND HIGH-LOAD FACTOR LOADS.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

CORPORATE ISSUE ADDRESSED: OM85

STRATEGY A

ENSURE TRAINING COVERS ALL ASPECTS AND IS EFFECTIVELY PRESENTED.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

MEASURABLE GOAL 01

MONITOR MATERIALS FOR TRAINING SESSIONS, SCHEDULES AND SOME PRESENTATIONS.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

MEASURABLE GOAL 02

CONSULT AND COORDINATE WITH ENERGY MANAGEMENT TO DEVELOP TRAINING AS NEEDED.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

STRATEGY B

REVIEW SALES RESULTS AND ANALYZE TO DETERMINE IF ANY CHANGES WOULD RESULT IN MORE SALES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

MEASURABLE GOAL 01

REVIEW WEEKLY AND MONTHLY SALES REPORTS AND DIRECT ANY CHANGES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 87 ✓

ISSUE 03: ~~HOW TO~~ MAINTAIN EFFECTIVE WORKING RELATIONSHIPS WITH ~~VARIOUS~~ GOVERNMENT ENTITIES, DEVELOPMENT ORGANIZATIONS, COMMUNICATE THE BENEFITS OF WOLF CREEK, AND ENSURE EXPEDIENT HANDLING OF INQUIRIES, COMPLAINTS, FRANCHISE AGREEMENTS, ETC.

OBJECTIVE 01

DIRECT THE ACHIEVEMENT OF EFFECTIVE WORKING RELATIONSHIPS WITH VARIOUS GOVERNMENT ENTITIES AND ENSURE EXPEDIENT HANDLING OF INQUIRIES, COMPLAINTS, FRANCHISE AGREEMENTS, ETC.

RESPONSIBILITY: DM

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

CORPORATE ISSUE ADDRESSED: PP85

STRATEGY A

REVIEW THE REPORTS OF THE DISTRICT OFFICES WITH GOVERNMENT REPRESENTATIVES AND DEVELOPMENT ORGANIZATIONS TO DETERMINE EFFECTIVENESS AND DIRECT ANY NECESSARY CHANGES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

MEASURABLE GOAL 01

DETERMINE BY FEEDBACK FROM CITY AND COUNTY OFFICIALS STATUS OF COMPANY RELATIONSHIPS WITH THESE ENTITIES AND MAKE NECESSARY CHANGES IN APPROACH.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

OBJECTIVE 02

FAMILIARIZE STATE AND COMMUNITY LEADERS WITH FACTS ABOUT WOLF CREEK.

DIR BRENT 0 63085 840829

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 6/30/00

CORPORATE ISSUE ADDRESSED: PP85

STRATEGY A

OBTAIN CURRENT INFORMATION ON WOLF CREEK AND DISSEMINATE TO MEDIA, COMMUNITY LEADERS AND GENERAL PUBLIC.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 6/30/00

MEASURABLE GOAL 01

DISTRIBUTE PERTINENT WOLF CREEK INFORMATION THROUGH BRIEFING SESSIONS AND CORRESPONDENCE TO ALL EMPLOYEES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 6/30/00

OBJECTIVE 03 2

ACT AS LIAISON BETWEEN KCCID AND KCAEDC AND OTHER DEVELOPMENT ORGANIZATIONS TO COMPETE FOR NEW LOAD GROWTH.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

CORPORATE ISSUE ADDRESSED: PP85

STRATEGY A

EXPEDIENTLY COORDINATE AND DISSEMINATE ECONOMIC DEVELOPMENT LEADS AND CORRESPONDENCE TO DISTRICT OFFICES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

MEASURABLE GOAL 01

ACTIVELY PARTICIPATE IN KCCID AND KCAEDC AND OTHER PERTINENT DEVELOPMENT ORGANIZATIONS.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

MAINTAIN
ISSUE 04: ~~HOW TO DEVELOP~~ AN EFFECTIVE WORK FORCE TO EFFICIENTLY CONDUCT THE OPERATIONS OF THE DEPARTMENT.

OBJECTIVE 01

RECRUIT, TRAIN, MOTIVATE AND RETAIN AN EFFECTIVE WORK FORCE TO EFFECTIVELY CONDUCT THE OPERATIONS OF THE DEPARTMENT.

RESPONSIBILITY: ~~DEM~~ DM

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

CORPORATE ISSUE ADDRESSED: OM85

STRATEGY A

RECRUIT BEST CANDIDATES FOR EACH OPENING. ✓

RESPONSIBILITY: ~~DIR~~ DM

ESTIMATED COMPLETION DATE: 12/31/86 7

MEASURABLE GOAL 01

WORK WITH HUMAN RESOURCES TO FIND MOST QUALIFIED CANDIDATES AND RECRUIT THEM FOR DEPARTMENT.

RESPONSIBILITY: ~~DEM~~ DIR ✓

ESTIMATED COMPLETION DATE: 12/31/86 7

STRATEGY B

DEVELOP EFFECTIVE AND EFFICIENT TRAINING PROGRAM TO ASSIST IN MOTIVATING AND RETAINING EMPLOYEES. ✓

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7

MEASURABLE GOAL 01

MONITOR AND ASSIST WITH TRAINING PROGRAM. ✓

RESPONSIBILITY: ~~DEM~~ DM

ESTIMATED COMPLETION DATE: 12/31/86 7

MEASURABLE GOAL 02

DEVELOP AND REVIEW QUARTERLY PERFORMANCE PLAN FOR ALL MANAGEMENT EMPLOYEES.

RESPONSIBILITY: ~~DEM~~ DM

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

MEASURABLE GOAL 03

USE PERSONAL CONTACT WITH EMPLOYEES TO GET FEEDBACK ON DEVELOPMENT PROGRAMS AND SUPPORT EMPLOYEES IN THEIR EFFORTS TO ACHIEVE.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/86 7 ✓

ISSUE 05: HOW TO CONVERT THE STEAM SYSTEM TO ELECTRIC HEAT.

MAINTAIN
~~MAXIMUM NUMBER OF STEAM CUSTOMERS AS HEATING CUSTOMERS~~

OBJECTIVE 01

~~CONVERT THE STEAM SYSTEM TO ELECTRIC HEAT.~~

RESPONSIBILITY: COP

ESTIMATED COMPLETION DATE: 12/31/86

CORPORATE ISSUE ADDRESSED: SS85

STRATEGY A

Preservation for
~~DEVELOP METHOD TO SERVE PRESENT STEAM CUSTOMERS, HEATING REQUIREMENTS~~

ELECTRICALLY.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 3/31/86 ✓
~~1/01/85~~

MEASURABLE GOAL 01
SURVEY ALL STEAM CUSTOMERS TO DETERMINE FEASIBILITY OF USING ELECTRIC
HEATING SYSTEM.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 12/31/86 ✓
~~1/31/85~~

MEASURABLE GOAL 02
DETERMINE HEATING LOAD OF EACH CUSTOMER AND SUPPLY TO T&D ENGINEERS.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 12/31/86 ✓
~~1/31/85~~

MEASURABLE GOAL 03
ACQUIRE ENGINEERING SERVICES TO DESIGN SYSTEMS. ✓
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 1/31/85

MEASURABLE GOAL 04
SELECT CONTRACTORS TO PRICE ELECTRIC HEATING SYSTEMS. ✓
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 3/01/85

STRATEGY B
DEVELOP MARKETING PLAN TO SELL CONCEPT TO CUSTOMERS.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 3/01/85

MEASURABLE GOAL 01
DEVELOP SALES PRESENTATION FOR STEAM CUSTOMERS.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 12/31/85

STRATEGY C
OBTAIN MANAGEMENT AND COMMISSION APPROVAL OF PLAN.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 2/28/85

MEASURABLE GOAL 01
PRESENT PLAN TO MANAGEMENT AND PROVIDE INFORMATION TO LEGAL DEPARTMENT.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 2/28/86 ✓

STRATEGY D
IMPLEMENT PLAN.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 89 ✓
~~12/31/88~~

MEASURABLE GOAL 01
MAKE SALES PRESENTATIONS TO CUSTOMERS IN SYSTEMATIC ORDER TO MAKE
POSSIBLE ORDERLY SHUTDOWN OF STEAM SYSTEM.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 89 ✓
~~12/31/88~~

MEASURABLE GOAL 02

MONITOR RESULTS TO DETERMINE IF MARKETING STRATEGIES ARE EFFECTIVE.

RESPONSIBILITY: ~~DO~~ *OR* *6/3/84*

ESTIMATED COMPLETION DATE: *5/31/85*

MEASURABLE GOAL 03

MAKE SALES STRATEGY CHANGES AS REQUIRED.

RESPONSIBILITY: DCO

ESTIMATED COMPLETION DATE: 6/31/85

GO

1986 Commercial Operations

Functional Plan

DISTRICT COMMERCIAL OPERATIONS

HOME COST CENTER 560

1986-87 FUNCTIONAL PLAN

PREPARED BY:

R. H. Graham

RESPONSIBLE MANAGER:

APPROVED BY:

MISSION: SELL OFF-PEAK KWH'S; PROVIDE A CONTACT BETWEEN THE COMPANY AND ITS CUSTOMERS FOR ACCOUNT INFORMATION, USE OF ENERGY, NEW BUSINESS DEVELOPMENT, AND ASSIST IN SUPPLYING QUALITY ELECTRIC SERVICE; MAINTAIN POSITIVE RELATIONS WITH GOVERNMENTAL BODIES AND INCREASE INVOLVEMENT IN THE COMMUNITY; IMPROVE COMPANY IMAGE; COMMUNICATE THE VALUES OF WOLF CREEK AND ALL FACTORS CAUSING AN IMPACT ON THE COST OF SERVICE.

ISSUES:

- 01 - DIRECT THE OVERALL ACTIVITIES OF DISTRICT COMMERCIAL OPERATIONS.
- 02 - DIRECT SALES EFFORTS OF OFF-PEAK AND HIGH-LOAD FACTOR LOADS.
- 03 - MAINTAIN EFFECTIVE WORKING RELATIONSHIPS WITH GOVERNMENT ENTITIES, DEVELOPMENT ORGANIZATIONS, COMMUNICATE THE BENEFITS OF WOLF CREEK, AND ENSURE EXPEDIENT HANDLING OF INQUIRIES, COMPLAINTS, FRANCHISE AGREEMENTS, ETC.
- 04 - MAINTAIN AN EFFECTIVE WORK FORCE TO EFFICIENTLY CONDUCT THE OPERATIONS OF THE DEPARTMENT.
- 05 - RETAIN STEAM CUSTOMERS BY USE OF ON-SITE STEAM GENERATION.

ISSUE 01: DIRECT THE OVERALL ACTIVITIES OF DISTRICT COMMERCIAL OPERATIONS.

OBJECTIVE 01

DIRECT THE GENERAL OPERATION OF THE DISTRICT OFFICES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/87

CORPORATE ISSUE ADDRESSED: PP86

STRATEGY A

MONITOR DISTRICT OFFICE ACTIVITIES AND REPORTS, MAKE PERIODIC VISITS AND OBTAIN FEEDBACK FROM THE PUBLIC AND OTHER COMPANY DEPARTMENTS TO DETERMINE IF OBJECTIVES ARE BEING ACHIEVED.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01
REVIEW AND ANALYZE ALL WEEKLY AND MONTHLY REPORTS AND MAKE CHANGES IN THE
OPERATION AS REQUIRED.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 02
VISIT METRO OFFICES MONTHLY AND RURAL OFFICES QUARTERLY TO OBSERVE
OPERATIONS FIRST HAND, GET INPUT FROM CUSTOMERS, AND OBTAIN FEEDBACK FROM
COMMUNITY AND BUSINESS LEADERS.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

ISSUE 02: DIRECT SALES EFFORTS OF OFF-PEAK AND HIGH-LOAD FACTOR LOADS.

OBJECTIVE 01
DIRECT AND COORDINATE THE SALES EFFORTS OF THE DISTRICT OFFICES IN OFF-
PEAK AND HIGH-LOAD FACTOR LOADS.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87
CORPORATE ISSUE ADDRESSED: MA86

STRATEGY A
ENSURE TRAINING COVERS ALL ASPECTS AND IS EFFECTIVELY PRESENTED.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01
MONITOR MATERIALS FOR TRAINING SESSIONS, SCHEDULES AND SOME PRESENTATIONS.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 02
CONSULT AND COORDINATE WITH ENERGY MANAGEMENT TO DEVELOP TRAINING AS
NEEDED.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

STRATEGY B
REVIEW SALES RESULTS AND ANALYZE TO DETERMINE IF ANY CHANGES WOULD RESULT
IN MORE SALES.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01
REVIEW WEEKLY AND MONTHLY SALES REPORTS AND DIRECT ANY CHANGES.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

ISSUE 03: MAINTAIN EFFECTIVE WORKING RELATIONSHIPS WITH GOVERNMENT
ENTITIES, DEVELOPMENT ORGANIZATIONS, COMMUNICATE THE BENEFITS OF WCLF
CREEK, AND ENSURE EXPEDIENT HANDLING OF INQUIRIES, COMPLAINTS, FRANCHISE
AGREEMENTS, ETC.

OBJECTIVE 01
DIRECT THE ACHIEVEMENT OF EFFECTIVE WORKING RELATIONSHIPS WITH
GOVERNMENT ENTITIES AND ENSURE EXPEDIENT HANDLING OF INQUIRIES, COMPLAINTS,
FRANCHISE AGREEMENTS, ETC.
RESPONSIBILITY: DM
ESTIMATED COMPLETION DATE: 12/31/87
CORPORATE ISSUE ADDRESSED: PP86

STRATEGY A
REVIEW THE REPORTS OF THE DISTRICT OFFICES WITH GOVERNMENT REPRESENTATIVES
AND DEVELOPMENT ORGANIZATIONS TO DETERMINE EFFECTIVENESS AND DIRECT ANY
NECESSARY CHANGES.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01
DETERMINE BY FEEDBACK FROM CITY AND COUNTY OFFICIALS STATUS OF COMPANY
RELATIONSHIPS WITH THESE ENTITIES AND MAKE NECESSARY CHANGES IN APPROACH.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

OBJECTIVE 02
ACT AS LIAISON BETWEEN KCCID AND KCAEDC AND OTHER DEVELOPMENT ORGANIZATIONS
TO COMPETE FOR NEW LOAD GROWTH.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87
CORPORATE ISSUE ADDRESSED: MA86

STRATEGY A
EXPEDIENTLY COORDINATE AND DISSEMINATE ECONOMIC DEVELOPMENT LEADS AND
CORRESPONDENCE TO DISTRICT OFFICES.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01
ACTIVELY PARTICIPATE IN KCCID AND KCAEDC AND OTHER PERTINENT DEVELOPMENT
ORGANIZATIONS.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 12/31/87

ISSUE 04: MAINTAIN AN EFFECTIVE WORK FORCE TO EFFICIENTLY CONDUCT THE OPERA-
TIONS OF THE DEPARTMENT.

OBJECTIVE 01
RECRUIT, TRAIN, MOTIVATE AND RETAIN AN EFFECTIVE WORK FORCE TO EFFECTIVELY
CONDUCT THE OPERATIONS OF THE DEPARTMENT.
RESPONSIBILITY: DM
ESTIMATED COMPLETION DATE: 12/31/87
CORPORATE ISSUE ADDRESSED: ER86

STRATEGY A
RECRUIT BEST CANDIDATES FOR EACH OPENING.
RESPONSIBILITY: DM
ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01

WORK WITH HUMAN RESOURCES TO FIND MOST QUALIFIED CANDIDATES AND RECRUIT THEM FOR DEPARTMENT.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/87

STRATEGY B

DEVELOP EFFECTIVE AND EFFICIENT TRAINING PROGRAM TO ASSIST IN MOTIVATING AND RETAINING EMPLOYEES.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 01

MONITOR AND ASSIST WITH TRAINING PROGRAM.

RESPONSIBILITY: DM

ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 02

DEVELOP AND REVIEW QUARTERLY PERFORMANCE PLAN FOR ALL MANAGEMENT EMPLOYEES.

RESPONSIBILITY: DM

ESTIMATED COMPLETION DATE: 12/31/87

MEASURABLE GOAL 03

USE PERSONAL CONTACT WITH EMPLOYEES TO GET FEEDBACK ON DEVELOPMENT PROGRAMS AND SUPPORT EMPLOYEES IN THEIR EFFORTS TO ACHIEVE.

RESPONSIBILITY: DIR

ESTIMATED COMPLETION DATE: 12/31/87

ISSUE 05: RETAIN STEAM CUSTOMERS BY USE OF ON-SITE STEAM GENERATION.

OBJECTIVE 01

MAINTAIN MAXIMUM NUMBER OF STEAM CUSTOMERS.

RESPONSIBILITY: COP

CORPORATE ISSUE ADDRESSED: MA86

STRATEGY A

DEVELOP PRESENTATION FOR STEAM CUSTOMERS.

RESPONSIBILITY: COP

ESTIMATED COMPLETION DATE: 3/31/86

MEASURABLE GOAL 01

SURVEY ALL STEAM CUSTOMERS TO DETERMINE FEASIBILITY OF USING ELECTRIC STEAM GENERATING SYSTEM.

RESPONSIBILITY: COP

ESTIMATED COMPLETION DATE: 12/31/86

MEASURABLE GOAL 02

DETERMINE HEATING LOAD OF EACH CUSTOMER AND SUPPLY TO T&D ENGINEERS.

RESPONSIBILITY: COP

ESTIMATED COMPLETION DATE: 12/31/86

STRATEGY B

DEVELOP MARKETING PLAN TO SELL CONCEPT TO CUSTOMERS.

RESPONSIBILITY: COP

ESTIMATED COMPLETION DATE: 3/01/86

MEASURABLE GOAL 01

DEVELOP SALES PRESENTATION FOR STEAM CUSTOMERS.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 3/31/86

STRATEGY C
OBTAIN MANAGEMENT AND COMMISSION APPROVAL OF PLAN.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 4/31/86

MEASURABLE GOAL 01
PRESENT PLAN TO MANAGEMENT AND PROVIDE INFORMATION TO LEGAL DEPARTMENT.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 2/28/86

STRATEGY D
IMPLEMENT PLAN.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 12/31/89

MEASURABLE GOAL 01
MAKE SALES PRESENTATIONS TO CUSTOMERS IN SYSTEMATIC ORDER TO MAKE
POSSIBLE ORDERLY SHUTDOWN OF STEAM SYSTEM.
RESPONSIBILITY: COP
ESTIMATED COMPLETION DATE: 12/31/89

MEASURABLE GOAL 02
MONITOR RESULTS TO DETERMINE IF MARKETING STRATEGIES ARE EFFECTIVE.
RESPONSIBILITY: DIR
ESTIMATED COMPLETION DATE: 6/31/89

MEASURABLE GOAL 03
MAKE SALES STRATEGY CHANGES AS REQUIRED.
RESPONSIBILITY: DCO
ESTIMATED COMPLETION DATE: 6/31/86

Plan would revitalize Grand Avenue plant

By Joe Lambe

Staff writer

A dying Grand Avenue power plant would be reborn as an amusement park under a plan being considered by city officials. And the amusement park would promote rebirth of the River Quay and riverfront areas.

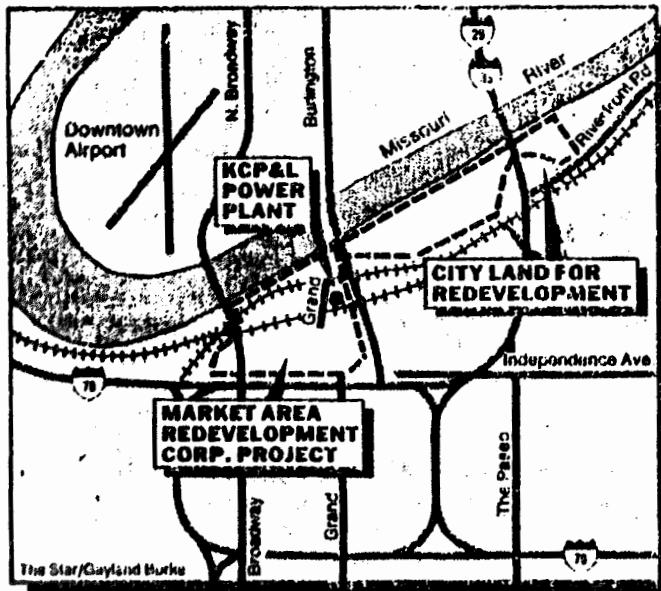
"If the riverfront develops and if the steam plant is abandoned, there is an opportunity to include it as one of the major elements in the redevelopment of the riverfront," said Robert Collins, executive director of the Port Authority of Kansas City, Mo.

The 81-year-old heating and electrical plant at Second Street and G. and Avenue, once Kansas City's largest electrical producer, now produces steam piped to heat about 150 Downtown buildings, including City Hall, the County Jail and Courthouse and the new Vista International Hotel.

Its owner, the Kansas City Power & Light Co., has tentative plans to close the plant in five years. The company maintains steam could be produced more economically with new electric boilers at buildings or other sites. Some customers have questioned this idea, however, and may challenge the closure in hearings before the Missouri Public Service Commission.

Some city officials, meanwhile, envision another kind of energy being produced at the plant, energy that would enliven the riverfront.

They did it in Baltimore, said 1st District Councilman Mike Burke, chairman of the Riverfront Redevelopment Task Force, a group studying riverfront redevelopment.



The Baltimore power plant became a theme amusement park based on whimsical 19th century inventions, he said. It features live entertainment and dancers and is rife with gadgets, whistles and bells.

Mr. Burke said he and other city officials plan to visit Baltimore soon to see how the project was accomplished.

A new amusement park or a retail center would help attract more people and reduce a common perception of the riverfront as dirty and unappealing, according to Mr. Burke and other officials.

The park would work with such new features as the William S. Mitchell, a steam-powered riverboat permanently moored at the foot of Grand Avenue.

"You're going to see some additional tourist attractions being built in that area and that is one of them," said Kathy Logli, special projects manager for the Market Area Development Corp., developers of the 181-acre City Market and River Quay redevelopment site.

The new use of the plant also would connect the River Quay redevelopment, which includes riverfront property from the Broadway to ASB bridges, to redevelopment planned for 103 acres of city-owned riverfront property from the ASB Bridge to just east of the Paseo Bridge, Mr. Collins said.

Railroad tracks, a small bluff and the narrow width of Grand Avenue currently cut the city-owned property off from the City

Market area and the rest of the city.

A new attraction, such as the amusement park, on a widened and more impressive Grand Avenue would create a dramatic entrance to the riverfront, as well as connecting the two riverfront sections with each other and the rest of the city, Mr. Collins said.

The riverfront task force recently listed the overall area south of the Missouri River from the Broadway to Paseo bridges as a high priority for commercial or residential redevelopment.

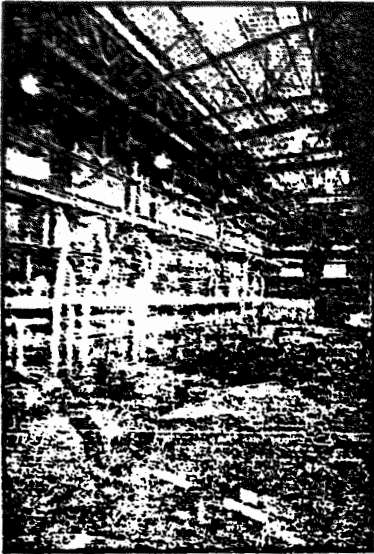
A design contest will seek redevelopment proposals for this land and for Harlem, an isolated community on the north side of the river, from architectural firms across the country. The best redevelopment plan submitted would be used by the city.

But to open the riverfront and market area "you're going to have to provide more than the rather dismal passageway there now," consultant Daniel J. Watkins said, referring to Grand Avenue. Mr. Watkins is a partner with Howard, Needles, Tammen & Bergendoff, a planning and consulting firm involved in a \$300,000 study of Grand Avenue.

A study of how to reuse the power plant has been added to that study, which examines how to make Grand Avenue a landscaped boulevard from Crown Center to the Missouri River.

Mr. Collins and Ms. Logli also said the city and redevelopment company were considering some type of renovation for the U.S. Army Corps of Engineers supply depot at 14 E. Front St., called the Main Street Wharf. The riverfront building is owned by the city and leased to the corps.

'Natural' look in aquarium plans



Marine and fresh water displays will replace electrical generating equipment at the KCP&L Co.'s Grand Avenue plant. (staff photo by Patrick Sullivan)

Midwest species proposed as well as ocean life

By Eric Adler

The Star's science writer

Except for the ocean-green walls, little about the inside of the Kansas City Power & Light Co. steam plant reminds one of an aquarium.

But when architect Mark Viets toured the cavernous building at Grand Avenue and First Street this month, he used his imagination to remove the heavy metal catwalks, bulky steam chutes and giant generators.

In their place he imagined graceful dolphins, sharks, seals and octopuses placidly swimming in aqua-blue tanks. He saw tide pools, a coral reef and water cascading from a steep mountain through a botanical garden into a

stream, a river, an estuary, and on into a simulated ocean pool. In each pool were hundreds of species of exotic fish and other sea life.

Viets' vision is just one concept of the aquarium that may take shape by the mid-1990s inside the 82-year-old brick steam plant.

For 10 years, members of the Friends of the Aquarium such as Viets have been trying to promote a world-class aquarium on Kansas City's riverfront.

They believe a privately owned aquarium with environmental exhibits

would be a boon to the community by attracting more than a half million tourists each year from throughout the Midwest. The only other major aquarium in the Midwest is the John G. Shedd Aquarium in Chicago.

Several weeks ago it was announced that KCP&L would donate the 52,000-square-foot, coal-fired plant in 1992 for use as an aquarium. The aquarium would be part of the proposed \$126 million River Quay redevelopment project, which is intended to help revitalize the riverfront.

Now the Missouri Public Service Commission need only approve the 1991 shutdown of the plant. And the Friends of the Aquarium need only raise \$14 million to \$20 million to design and build the project, of which the Kansas City design firm Peckham

Guyton Albers & Viets Inc. would be a part.

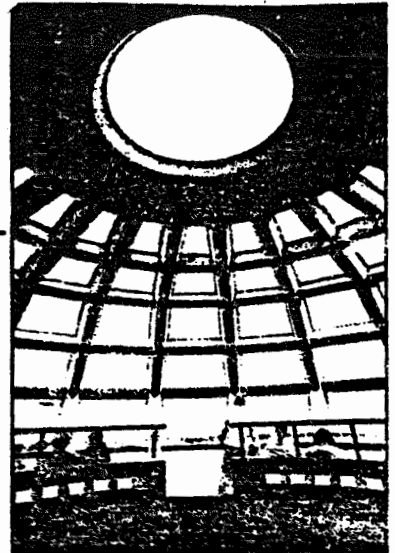
Viets, a principal in the firm, said he is not sure exactly what the aquarium will look like. There are no drawings yet.

But Carol Kuhns, past president of the Friends of the Aquarium and a board member, said the group does at least have definite ideas of what will go in it.

"We'll have everything from native Missouri fish to dolphins and everything in between," said Kuhns, who is services coordinator of the Northland branch of Heart of America United Way.

The natural look

The primary emphasis at the so-called Kansas City Aquarium will be



At The Seattle Aquarium visitors are surrounded by water and marine life from Puget Sound.

on "natural habitat exhibits," in which animals are displayed in tanks designed to look like their natural environment, Kuhns said.

Such exhibits and "touch and feel" pools—in which visitors can pick up starfish, crabs, clams, sea cucumbers, or rocks with barnacles—tend to be the most popular exhibits at other aquariums, aquarium biologists said.

Kuhns said her group has consulted with biologists and planners from other major aquariums throughout the country.

"Museums, zoos, aquariums, all are getting away from simply putting things in glass cases," said Fred Lighter, a biologist and director of marketing for The Seattle Aquarium. "The days of putting bears behind bars is past, and what's happening in zoos is happening with aquariums."

"The emphasis now is in creating a whole environment, putting animals back in the context where you would find them."

For the Kansas City Aquarium, for instance, that might mean marine birds roosting in trees near a beach. The beach, complete with crabs and clams, would lead to an ocean pool containing exotic fish, Kuhns said.

Until about five years ago, the 50-year-old Dallas Aquarium kept most of its exhibits in concrete and glass tanks, said the facility's curator, Steve Robertson. At that time the aquarium was drawing about 100,000 visitors each year.

But because of what Robertson called "professional pride," the biologists at the free, public aquarium

See Aquarium, pg. Tech2, col. 2

changed the displays to "habitat exhibits" by collecting material on their own from throughout the country for a more natural look.

The aquarium now boasts an average 800,000 visitors each year.

"If you don't have these kind of exhibits you're handicapping yourselves," Robertson said.

Coral reefs and other large tanks also are popular, and the Kansas City Aquarium will have one, Kuhns said. These are tanks of several hundred thousand gallons where visitors can view bright and pastel coral, exotic fish, sharks and delicate marine life.

Such a tank is one of the most popular exhibits at the Seattle Aquarium. Lighter said. There visitors walk into a large domed room much like a planetarium. But instead of looking up at stars, visitors are surrounded by water and marine life from Puget Sound, he said.

Kuhns said the Kansas City Aquarium also will include:

- Displays of native Missouri and Kansas fish such as gar, paddlefish and darters.

- An Amazon River forest exhibit complete with tropical plants, exotic birds and the sound of rain.

- An exhibit of the colorful African fish of Lake Tanganyika, the second deepest lake in the world.

- A technology exhibit that will concentrate on fish farming.

There also will be a cafeteria, a visitor's center, auditoriums for students on school trips and lecture tours, a marine life library and a large research facility, which is typically a part of most good aquariums.

Bits and pieces

But putting together a successful aquarium involves more than just tearing the guts out of an old building and putting in a few tanks, aquarium biologists said.

"There are thousands of things to consider before opening an aquarium and a million important details," said Greg Early, assistant curator of fishes and mammals at the New England Aquarium in Boston.

One detail is simply having good explanatory labels to ac-

company displays, Robertson said.

"Labels are extremely important," he said. "You can't have labels that are so simple that people will be bored or so difficult that they are above everyone's head."

They have to be readable, visible, colorful and informative, he said.

One popular East Coast aquarium, he said, has great displays, "but their graphics are disgusting."

Then there are the filters and the tanks.

"With any new system you're talking about creating an entire environment, and it takes a while to set that environment up," Early said, adding that it could take several months to create the right environment in even a small natural coral reef tank.

By contrast, a dolphin or whale tank can be set up simply. "All you need is a little salt water, dump them in and go to town," said Bob Jenkins, director of operations and husbandry at the National Aquarium in Baltimore.

Nevertheless, all fish, inverte-

brates and sea mammals that are delivered to an aquarium must be checked for parasites, infection or contagious diseases. Animals at the National Aquarium are quarantined for 45 days, Jenkins said.

If a diseased animal goes into a tank and infects other species, "you may have to spend literally years fighting that infection off," he said.

Water temperatures, tank depths and salt contents must differ for different variety of animals, each of which requires specific filtering systems that can keep all the factors constant as well as keep the water clean.

The ocean, for instance, generally has a salt content of about 35 parts of salt per 1 million parts of water. For estuary animals, the salinity would have to be less. For tide pool creatures it would be more.

"The best advice I can give is to plan and overplan," Robertson said. "To have back-up life-support systems and systems to back them up. There's nothing more depressing than to wake up and find that your entire collection is dead."

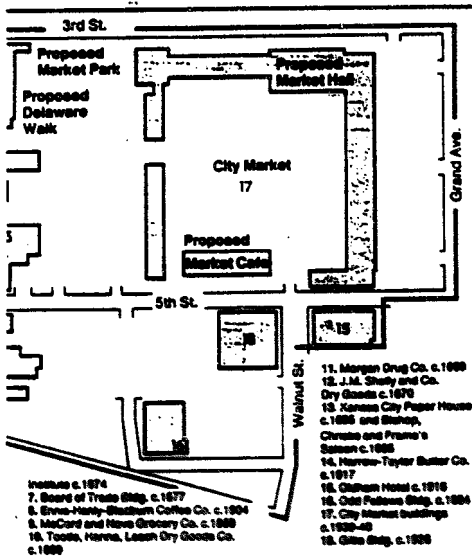
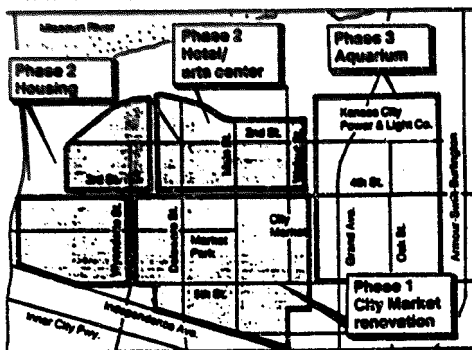
Viets said his firm will begin preliminary drawings of the aquarium in about 60 days. He said turning the old steam plant into an aquarium will be a challenge, but it's better than starting from scratch.

"Now that we have a building," he said, "it will be a lot easier to get people interested in funding the project. I think we've got a pretty good start."



Visitors at the New England Aquarium in Boston can get very close to the displays. (photo by Leo J. Shaw/ special to The Star)

Quay: revival at last?



The River Market project would be done in three phases, top. The first phase, above, would entail the renovation of historic buildings in the City Market area and the addition of new buildings and attractions such as Market Park. At left is a drawing of Market Park, which would include a stage for outdoor entertainment.

Developer to take part in project

By Denise Kotula
Of the Business Staff

Civic leaders working to redevelop the old River Quay area announced Tuesday that a national real estate development company would join them in a \$126 million revival of the once-thriving entertainment and business district.

The project, renamed River Market, is to be done in two equally ambitious phases that combine restoration of historic buildings with construction of buildings to fill now-vacant land in the historic river district. An expansion of the project to land east of the project's focal point, the City Market at Fifth and Walnut streets, would be undertaken later.

Carley Capital Group's inclusion in the project is expected by civic leaders and area property owners to recharge redevelopment efforts in the old River Quay area. The development firm, based in Washington and Madison, Wis., is the 19th-largest in the nation and has worked on several other historic renovation projects, including Henderson's Wharf on Baltimore's waterfront.

Financing has not been fully secured for the project, but the development group is planning to use a combination of private and public money. Politicians and civic leaders Tuesday embraced the plans and were optimistic that financing of the project could be pulled together within the next year.

For two years, efforts to redevelop the Quay area have staggered under the burden of citizens' petitions and a lawsuit filed by a group of weekend City Market vendors and market patrons that sought exclusion of the City Market from the civic leaders' plans.

But the lawsuit seems to be exhausted after an appeal was rejected by the Missouri Court of Appeals earlier this year.

In a related development, Arthur J. Doyle, chairman of the board and president of the Kansas City Power & Light Co., announced at a news conference Tuesday on the River Market project that the utility plans to donate its Grand Avenue steam plant for conversion into a world-class aquarium. The plant is at Second Street and the 18th St. Cal. 1

Wednesday
December 3, 1986



Royals' White wins Gold Glove for seventh time

No other 2nd baseman in AL has won as many fielding awards. E-1

National/World

A Justice Department official acknowledges that Teamsters union President Jackie Presser was an FBI informant. A-3

Estimates of damage reach into the millions after wind-whipped high tides lash the coasts of the Carolinas. A-3

The Postal Service reports a \$304.6 million profit for the year. A-4

Deal Arnez is remembered as a television pioneer with a keen business sense. A-5

Mid-America

Missouri and Kansas grapple with new rounds of budget problems. B-1

Governor-elect Hayden says a Prairie Village lawyer is his choice for Kansas Republican chairman. B-1

An Iowa official is picked to head Missouri's Social Services Department. B-1

Hertha, Kan., pretty much just dried up and blew away, columnist James J. Fisher says. B-1

Editorial

With the president's appointment of a special counsel, the investigation of the Iranian arms sale can move forward. A-14

A.M.

One
copy
per
subscriber
\$3.00
per
month

Real estate company to take part in redevelopment of River Quay

Continued from Page A-1

Grand Avenue, just northeast of the River Market project.

Conversion of the steam plant, which opened in 1904, is contingent upon Missouri Public Service Commission approval of the utility's plans to close the plant in 1992.

Officials of the Market Area Development Corp., a community development group, and the Carley firm said at the news conference that the plan included the restoration and eventual expansion of the City Market.

The developers said the River Market proposal included turning the City Market into a year-round retail produce, fresh food and farmer's market.

The project's \$66.7 million first phase, which includes the City Market, is slated to begin in the late fall of 1987 and take 14 to 16 months to complete. The first phase lies between Third Street and Interstate 29 and stretches from Wyandotte Street on the east to the west side of Walnut Street.

The final plan for the City Market still must be approved by the city, according to Nancy Seelen, executive director of Market Area Development Corp.

A \$60 million second phase to the north would follow.

The River Market area, established in the 1830s, was one of Kansas City's earliest settlements. But it has undergone several periods of decline and rejuvenation through the years. Its most recent decline came in the mid-1970s, when a series of mobster-linked murders, arsons and criminally suspect explosions turned the thriving entertainment and business district into a virtual ghost town on the fringes of Downtown.

Now, its busiest time is Saturday morning, when thousands of patrons go to the City Market to shop for fresh produce and flea market items.

Mayor Richard L. Berkley hailed the new plan as "fabulous."

"It's the right project at the right place at the right time," he said. "I think it will blend in well with what's already around."

Aquarium plan catches steam users by surprise

By Martin Rosenberg
Of the Business Staff

Steam customers of the Kansas City Power & Light Co. had mixed reactions Tuesday when they were told that KCP&L had said it would support converting its aging Grand Avenue Station into an aquarium.

Those customers are already concerned about the utility's plans to stop selling them steam produced at the plant, at Second Street and Grand.

KCP&L has asked the Missouri Public Service Commission for permission to phase out steam generation at the Grand Avenue plant by 1990. The company has offered to pay for installing new electric boilers or electric heating equipment for about 130 steam customers, but it wants to boost the steam boiler rates by 22 percent a year for four years, starting in the 1987-88 heating season.

Vic Poirier, company spokesman, said KCP&L would be free to dispose of the Grand Avenue plant once it had secured PSC approval of its plan to stop producing steam there.

The PSC staff position on the utility's request will be made public Feb. 2, said Mary Ann Young, PSC attorney.

However, Ms. Young said KCP&L could not dispose of any part of its system, such as the Grand Avenue plant, without PSC approval.

Customers of the Grand Avenue plant were unaware Tuesday that the utility wanted to donate it for use as an aquarium.

"I don't realize there was a need for the aquarium there," said Clark Kelly, assistant attorney general in Jefferson City.

The state, which Kelly's office represents, is already concerned about KCP&L's plans for the plant. Kelly said phasing out steam service at three state office buildings Downtown beginning next year would not allow enough time to convert to another source of heat.

Gene Sands, an attorney who represents 11 building owners and businesses getting steam from KCP&L, said the aquarium proposal was "news to me."

His clients may oppose KCP&L's proposed steam rate increases in the PSC case. The clients include Boatmen's First National Bank of Kansas City, Center Bank of Kansas City, Kansas City Southern Industries Inc., the Folly Theater and the Cathedral of the Immaculate Conception.

Jeremiah D. Finnegan, an attorney representing Jackson County, which is a big KCP&L steam customer, said KCP&L's aquarium proposal had been motivated by the utility's wish to close the plant to cut its excess generating capacity.

The county would like to see the Grand Avenue plant continue to generate steam and, in addition, burn trash to generate energy, he said.

Mike Dwyer, vice president of Cohen Asset Management Inc., manages two buildings that buy KCP&L steam. He is considering installing boilers that would burn natural gas.

But he said KCP&L's plans for the Grand Avenue Station should boost economic development in Kansas City.

"It is better used as an aquarium than just a vacant building," he said.

to ward off many of the problems that plagued the old River Quay district by gaining eminent domain rights through the city. The eminent domain rights allow the developers to

own most bars and lounges that are not tied to restaurants.

The new plan also calls for the eventual construction of nearly 600 residential units so that the area has "a stable resi-

ay

Missouri
be rede

oup also
lity of a
ect from
William S.
he Mis-
mooring

project
a bitter
group of
ors and
redevelop-

et.
of the
Jackson
decision
develop-
lost a
original
he city
to seek
develop-
use the
d.

ie for
preme
nd the
ions in

pokes-
City
nment
of an
mount-
ier ef-

Mar-
with
ber of
Mar-
ment
duce
than

ve

in

re

117 1986

No. 42Class

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: Steve CollierDate Requested: 10/16/86Information Requested:

Please provide all correspondence between Emerson Machine Corporation (EMC) and KCP&L concerning EMC's recent energy audit work, including:

A) any instruction and guidelines from KCP&L concerning the scope and nature of EMC's work, and

B) any ongoing reports on the progress of EMC's work for KCP&L.

Requested By: Mark O'Leary Hagen

Information Provided: A copy of the contract with EMC is attached which defines the requirements of an audit. A letter was sent to EMC assigning the customers to be audited. A typical letter is attached and a list of all customers who have been assigned to have an audit. As of October 22, 1986, 92 audits had been completed. These audits are available at 1330 Baltimore for inspection.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requester to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: Robert H. HagenDate Received: 10/24/86 SKA



August 1, 1985

TO: A. J. Doyle -
FROM: R. H. Graham
M. C. Mandacina
RE: STEAM CUSTOMER STUDY

Enclosed is Energy Masters Corporation's proposal to perform energy studies for our steam customers. We have reviewed this proposal and believe all points that were discussed have been included.

We are available to discuss this at anytime.


R. H. Graham


M. C. Mandacina

RHG:MCM:gp

Enclosure

cc: L. C. Rasmussen
J. R. Miller
J. A. Mayberry

DIST COML OPERATIONS

AUG 01 1985

R. H. GRAHAM

Proposal for
Professional
Services:

STUDY OF ENERGY REQUIREMENTS FOR
STEAM HEAT CUSTOMERS OF
KANSAS CITY POWER & LIGHT COMPANY.

Client: KANSAS CITY POWER & LIGHT COMPANY

Consultant: ENERGY MASTERS CORPORATION
11880 COLLEGE BOULEVARD
OVERLAND PARK, KANSAS 66210
(913) 469-5454

Date: AUGUST 5, 1985



KANSAS CITY POWER & LIGHT

I. OBJECTIVES

The purpose of this study is to assist Kansas City Power & Light Company (KCPL) in its commitment to provide the energy needs of all of its steam heat customers.

This study will identify the energy requirements of each building and will provide specific recommendations. A detailed estimate of the cost of implementing each specific recommendation will be included in this study.

While performing this study, Energy Masters engineers and technicians will train KCPL personnel in our proven method of conducting field investigations and energy analyses.

II. SCHEDULE

KCPL intends to develop a five-year conversion plan by early 1986 and to present the tentative plan to its steam heat customers in March, 1986 if possible.

This study will be scheduled to meet KCPL's requirements, starting with those buildings selected as first priority by KCPL.

III. SERVICES BY ENERGY MASTERS CORPORATION

Energy Masters Corporation (EMC) proposes to provide the following professional services for each building:

1. Survey the building and confer with operating personnel to ascertain type and capacity of the mechanical and electrical systems and operating procedures.
2. Analyze the steam and electric consumption for the last three years.
3. Calculate the building heating load and ventilation requirements.
4. Prepare an energy analysis by system, i.e. heating, water heating, fans, lighting and equipment. Identify areas of excess energy use.
5. Identify steam usages, i.e. domestic water heating, entrance heating, or humidification, which might be converted to resistance heating or heat pump, thus eliminating or reducing the requirement for on-site steam generation.
6. Determine the required capacity of an on-site electric steam boiler or other electric equipment.



KANSAS CITY POWER & LIGHT

7. Provide a schematic design, in sufficient detail, for accurate pricing, for any modifications recommended to reduce steam usage and for installation of an on-site electric boiler.
8. Provide a detailed cost estimate for the recommended modifications and for the electric boiler installation.
9. Train KCPL personnel in the proper method of conducting field investigations and energy analyses.
10. Provide three copies of the complete Study of Energy Requirements, including all information itemized above. Because each study is intended for the use of a Building Owner, EMC will include a statement of its qualifications as an independent energy consultant.
11. Furnish complete design services, preparing drawings and specifications and checking shop drawings for the recommended modifications and for the electric boiler installation.
12. Act as prime contractor for the recommended modifications and for the installation of an electric boiler furnished by KCPL, using mechanical and electrical subcontractors approved by KCPL.
13. Provide construction management services, coordinating the work of the mechanical and electrical contractors and KCPL. Make periodic inspections and approve monthly invoices for progress payments by KCPL.

IV. COST OF SERVICES

EMC will provide the Study of Energy Requirements, as described in Items 1 through 10 of Paragraph III, for a total fee of three cents (\$.03) per square foot of gross floor area. The minimum fee for any one building shall be Five Hundred Dollars (\$500.00).

EMC will provide design services, as described in Item 11 of Paragraph III, for a total fee of six percent (6%) of the construction cost.

EMC will act as prime contractor, as described in Item 12 of Paragraph III, for a total fee of fourteen percent (14%) of the construction cost. Construction cost shall be the sum of the mechanical subcontract, the electrical subcontract and the cost of equipment furnished by KCPL.



KANSAS CITY POWER & LIGHT

EMC will provide construction management services, as described in Item 13 of Paragraph III, for a total fee of six percent (6%) of the construction cost. Construction cost shall be the sum of the mechanical contract, the electrical contract and the cost of equipment furnished by KCPL.

V. TERMS OF PAYMENT

EMC will bill on the tenth of each month for work completed in the previous month. Payment will be due within thirty days after receipt of invoice.

VI. ADDITIONAL SERVICES

When requested by KCPL, EMC will perform additional services on an hourly basis at our Standard Hourly Rates, a copy of which is attached.

VII. TEAM

The following personnel will be responsible for this project:

Principal: Bob Smith

Project Manager: Warren Wallace

Mechanical Engineer: Tom Doyle

Field Services: Duke Yocum

Electrical Engineer: Frank Jaderborg

Architect
& Structural Engineer: Bob Riley

VIII. OBLIGATIONS OF KCPL AND THE BUILDING OWNER

KCPL will assign personnel to be trained in the proper method of conducting field investigations and energy analyses.

KCPL will furnish one set of architectural, mechanical, and electrical drawings of the existing building, if available.

KCPL will provide utility data for a period of three years.

The Building Owner will arrange for Energy Masters Corporation personnel to have access to the building, as required for field investigation.



KANSAS CITY POWER & LIGHT

KCPL will pay the cost of reproductions of final drawings and specifications.

IX. INSURANCE

EMC carries both general liability and professional liability insurance. Upon the signing of a contract, insurance certificates will be forwarded to KCPL.

X. BONDS

The cost of payment bonds and performance bonds has not been included in this proposal but will be furnished at cost if requested by KCPL.

XI. TERMINATION

KCPL may terminate this contract at any time by giving written notice to EMC.

AGREED:

KANSAS CITY POWER & LIGHT COMPANY

BY: JL Miller

TITLE: Sr. Vice President &
Chief Operating Officer

DATE: 8-7-85

ENERGY MASTERS CORPORATION

BY: Robert E. Smith

TITLE: Chairman

DATE: 8-5-85



DFC 22 186

294

Class

Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139

Requested From: James CottonDate Requested: December 22, 1986Information Requested: In response to the Energy Audits done by Energy Master Inc., please provide the following:

1. A copy of all correspondence from Energy Masters to KCP&L
2. A copy of all correspondence from KCP&L to Energy Masters
3. KCP&L's request for proposal from Energy Masters. (Copy)
4. Copy of Energy Masters proposal to KCP&L.

Requested By: Sharon K. White

Information Provided: _____

Please see the attached memo for the answer.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: John GrahamDate Received: 4 1/2/87



January 2, 1987

TO: Steven W. Cattron

FROM: R. H. Graham

RE: Data Request #494, Steam Rate Case No. HO-86-139

The information requested on this data request is essentially the same as that requested and answered on Data Request #42. Recent correspondence is attached.

A handwritten signature in cursive script, appearing to read "R. H. Graham".

R. H. Graham

RHG:gp
Attachment



energy masters corporation

11111 College Boulevard
Suite 240
Overland Park, KS 66210
(913) 469-3434

December 12, 1986

Mr. Bob Graham
Kansas City Power & Light Company
P. O. Box 679
Kansas City, Missouri 64141

RE: KCPL Company
1400 Baltimore Avenue
Kansas City, Missouri

Dear Bob:

We propose to develop a Conceptual Design for all energy-using systems in the building which you occupy at 1400 Baltimore. ~~Our objective will be to eliminate the requirement for purchased steam, reduce energy consumption, eliminate heating problems and provide flexibility to accomodate future changes in occupancy.~~

The following services will be included:

- 1) Evaluate each major item of HVAC equipment, estimating its remaining life.
- 2) Recommend modifications to solve the heating problems in the exterior rooms.
- 3) Analyze the energy impact of recent modifications, ie, removal of main frame computer.
- 4) Confer with operations personnel to identify occupancy changes such as additional equipment loads.
- 5) Prepare a comparative analysis for alternative systems which do not require purchased steam.
- 6) Determine the feasibility of a heat pump or heat recovery system which would utilize the internal loads such as computers to heat the exterior rooms.

This Conceptual Design will be useful in scheduling equipment replacement and in implementing the modifications which must be completed before the steam service can be terminated.

Mr. Graham
December 12, 1986
Page Two

We propose to provide this Conceptual Design for a Total Fee of Four Thousand Five Hundred Dollars (\$4,500). This Conceptual Design will reduce the cost of our Final Design; therefore, if you proceed with this Conceptual Design, we will complete the final Design for a fee of 4% instead of the 6% which is stated in our current agreement.

Please contact us after you have had an opportunity to review this proposal.

Sincerely,

ENERGY MASTERS CORPORATION

Robert E. Smith

Robert E. Smith, P.E.
Chairman

RES/10



energy masters corporation

1100 College Boulevard
Suite 240
Overland Park, KS 66210
(913) 401-5474

November 10, 1986

Mr. Alan Carter
Regional Field Service Manager
Church's Fried Chicken, Inc.
Region V Headquarters
4555 McDonnell Boulevard
St. Louis, MO 63134

RE: Church's Fried Chicken
1016 Main
Kansas City, Missouri

Dear Mr. Carter:

We appreciate your consideration of this proposal to assist in updating the Heating, Ventilating and Air Conditioning (HVAC) System for your building in Kansas City's Central Business District:

Being familiar with this building and its HVAC system, we offer a few observations for your consideration. Most of the HVAC equipment and controls should be replaced because they are obsolete and will be difficult and expensive to maintain. Much of the ductwork can be reused, thus minimizing disruptions in the food preparation, serving and dining areas. A new heating source must be provided because of the scheduled termination of steam service in the central business district. An industrial quality refrigeration compressor with unloading capabilities should be utilized in a building of this size having extremely variable cooling requirements.

We propose to provide a Preliminary Design including the following services:

- 1) Analyze the present and future heating and cooling requirements of the building.
- 2) Determine the best energy source to replace the steam service which will soon be disconnected. Consider electricity, natural gas or recoverable energy from cooking and air conditioning.

Mr. Carter
November 10, 1986
Page Two

- 3) Evaluate alternative HVAC System, identifying the system having the highest reliability and the lowest owning and operating cost.
- 4) Provide equipment specifications and sizing for the refrigeration compressor, air handling units and all other major equipment items.
- 5) Prepare preliminary design drawings of the new HVAC System.
- 6) Submit a Design-Build Proposal with a firm price for furnishing and installing the new HVAC System.

Energy Masters Corporation will provide the preliminary design for a Lump Sum Fee of Three Thousand Five Hundred Dollars (\$3,500). If you choose to accept our Design-Build Proposal, all of our services will be included in the firm price so that you will not be billed separately for our preliminary design.

Please contact us if you have any questions regarding this proposal.

Sincerely,

ENERGY MASTERS CORPORATION

Robert E. Smith

Robert E. Smith, P.E.

RES/jlo

ACCEPTED:

CHURCH'S FRIED CHICKEN

BY: _____

TITLE: _____

DATE: _____

No. 22
Class _____Data Information Request
Kansas City Power & Light Company
Case No. HO-86-139.Requested From: Steve CattertonDate Requested: January 31, 1977Information Requested: In response to Data Request No. 336

- ① Please explain why Energy Masters did not recommend gas heating.
- ② Did Energy Masters look at gas heating in the energy audits, if not, why not?
- ③ Was it by specific instruction from KCP&L that gas heating was not to be looked at.

Requested By: Sharon K. WhiteInformation Provided: The intent of the Steam Conversion Plan was to retain all steam customers as heat customers. This could not be accomplished by furnishing gas boilers. Energy Masters was instructed to study electric alternatives only.

The attached information provided to the Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. HO-86-139 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the KCP&L Kansas City, Missouri office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g., book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title, number, author, date of publication and publisher, address, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Kansas City Power & Light Company and its employees, contractors, agents or others employed by or acting in its behalf.

Signed By: [Signature]Date Received: 1/30/87

Steam Meeting
August 31, 1984
Page 2

After discussing the probability of success with various marketing approaches, it was agreed that the market plan would include an arrangement wherein the company would supply and install all of the equipment at each customer location necessary to provide the heating or steam service. This concept allows the customer to be told that we are abandoning the steam distribution system, but continuing to supply steam service with company-supplied equipment. This plan would have to include a provision wherein the customer would be responsible for operating and maintaining the system, and would eventually take ownership of the equipment and be an electric heating customer rather than a steam customer.

J. A. Mayberry and B. J. Beaudoin are responsible for developing the detailed study and marketing plan. The team will be similar to that used to develop the plan for the conversion of the direct current system. This study is to cover as many options as practical and have input from Corporate Planning on the economics, from Taxes on the implication of ownership, from Legal on the contracts and presentation to the Corporation Commission, from Commercial Operations on the development of the marketing plan, and from Utility Steam Operations on the steam system itself.

The order from the Missouri Public Service Commission expected September 17 on the suspension of our rate case may well have a bearing on the direction of our conversion plan. Prior to that time, work can proceed on a conversion plan with the emphasis initially on the 15 PSI customers and working on up to the high pressure or 185 PSI customers. This study is to proceed as expeditiously as practical.


R. H. Graham

RHG:rm
09/04/84