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Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Executive Secretary
Public Service Commission
Governor State Office Building
Jefferson City, Missouri

HAND DELIVERY

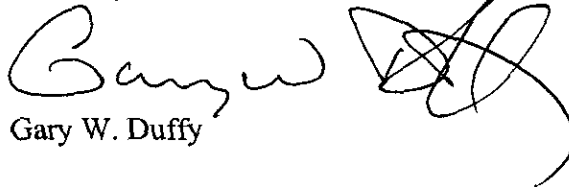
RE: EM-2000-369
Merger of The Empire District Electric Company and UtiliCorp United Inc.

Dear Mr. Roberts:

During the hearing in the referenced case on September 15, Judge Woodruff indicated that he would allow a late-filed exhibit which contained a portion of the transcript from Case No. EM-2000-292 in response to the introduction of Exhibit 301 by the City of Springfield. I enclose a document which consists of pages 1286 through 1292 from that transcript. It constitutes the re-direct examination of Mr. Kruel. I believe Judge Woodruff indicated this document would be Exhibit 33. I enclose fourteen copies for the use of the Commission, and I am serving all of the counsel in the case with a copy.

If you have any questions, please give me a call.

Sincerely yours,


Gary W. Duffy

Enclosure

cc w/encl: Office of Public Counsel
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1 I have no further questions, Judge.

2 JUDGE WOODRUFF: Any other cross-examination?

3 Okay. There are no questions from the bench,
4 so no recross.

5 Any redirect?

6 MR. DUFFY: Yes.

7 REDIRECT EXAMINATION BY MR. DUFFY:

8 Q. Let's talk briefly, Mr. Kreul, about what was
9 referred to recently as, I guess, option 2B modified. Do
10 you remember that question?

11 A. Yes.

12 Q. Just so the record is clear, I think you refer
13 in your testimony to something called 2C, and is 2C the
14 same thing as 2B modified or can you just explain what you
15 mean by 2B modified in layman's terms so we know what 2B
16 modified means.

17 A. Well, in the St. Joe/UtiliCorp interconnection
18 study, we made a number of -- we looked at different ways
19 of interconnecting the two systems.

20 One way was to build a line from Nashua --
21 that's a substation within the UtiliCorp area -- to
22 St. Joe Lake Road power plant.

23 KCP&L has a line there already in place.

24 Option 2A would have been to purchase that line
25 from KCP&L and upgrade it to fit our needs.

1 Option 2A would be to build a line parallel to
2 KCP&L, assuming that KCP&L would not be interested in
3 selling that line to us.

4 The benefits of them selling it to us would be
5 we would not have to go out and acquire additional
6 right-of-way. But clearly that line is a weak link in --
7 in the region and needs to be upgraded.

8 So Option 2B would be for us to build parallel
9 to us, and 2B is assuming KCP&L's line is intact and our
10 new line is intact, so there is two lines parallel.

11 Option 2B modified would be taking out the
12 KCP&L line. It would no longer be parallel. The only
13 line between Lake Road and Nashua would be our new line,
14 upgraded line.

15 Q. What role would KCP&L play in the construction,
16 if any, of those lines?

17 A. In that particular -- in 2B they would not have
18 a role. 2C is where that -- that comes into play, I
19 think.

20 2C was to have KCP&L -- actually 2C came up
21 after having conversations with KCP&L and their interest
22 in building the line -- or selling the line to us and we
23 rebuilding it.

24 They expressed to us that they were not
25 interested in selling the line, but they were willing to

1 work with us because they knew that was a weak link in the
2 system and were very interested in getting that line
3 upgraded.

4 So we discussed the option of them actually
5 upgrading the line to fit our needs and then turn around
6 and leasing a line back to us for our use as if it were
7 our own line for a period of time.

8 Q. Earlier there was a lot of reference to
9 Exhibit 304, and particularly the last page of that
10 document where the number 102 has a square drawn around
11 it.

12 Do you remember that discussion?

13 A. Yes.

14 Q. And that refers, I think, to a Sibley to Duncan
15 transmission line. Is that correct?

16 A. That's what this document indicates, yes.

17 Q. All right. Please look at your surrebuttal
18 testimony on page 3 at lines 14 through 17.

19 A. Yeah, I can see that.

20 Q. Is the Sibley to Duncan line that you're
21 talking about there the same as the Sibley to Duncan line
22 that shows up on Exhibit 304?

23 A. Yes, it is.

24 Q. And you talk about -- on lines 15, 16 and 17,
25 that UtiliCorp currently has an operating procedure in

1 place to reduce the loading on these lines should these
2 contingencies occur.

3 Does that operating procedure have any bearing
4 or any relevance to this 102 number that has got a square
5 around it on Exhibit 304?

6 A. Yeah. I think it -- it's in this case where we
7 actually see the rating of that line that we would
8 redispach the generations to not exceed that -- that
9 line's loading.

10 Q. And you say on line 17, the operating procedure
11 calls for reduced generation at Sibley or increased
12 generation at Greenwood or both. Do I understand
13 correctly that changing the generation then removes the
14 problem represented by this 102 number?

15 A. Yes, it does.

16 Q. And if that -- and that is in a -- well, strike
17 that.

18 Is that what would happen in the real world if
19 the Sibley to Duncan line were overloaded?

20 A. Yes.

21 Q. And this 102 is just a computer simulation, is
22 it not?

23 A. That's correct.

24 Q. You were asked early on in cross-examination
25 about the fact that the Southwest Power Pool does a

1 regional analysis.

2 Did UtiliCorp do any type of regional analyses
3 for purposes of this case?

4 A. Yes, we did. We -- in the interconnect study
5 from St. Joe to UtiliCorp's Nashua substation, we did do a
6 loadflow study and included not only SPP utilities and
7 facilities but extended out into MAIN and MAPS facilities.
8 So it truly is regional.

9 Q. You were also asked some questions, and I think
10 the answers contained a phrase worst-case dispatch, and I
11 think -- correct me if I'm wrong -- does Exhibit 303
12 represent something called a worst-case dispatch?

13 A. Well, that's -- in -- Exhibit 303, again, is
14 the study impact -- is a system impact study for our
15 application for network service. And in this study they
16 did a worst-case dispatch.

17 Q. Give me a layman's explanation of what a
18 worst-case dispatch is, please.

19 A. Well, like I said earlier, that's where they
20 make the assumption to run these computer models where
21 they crank up generation on one end as high as it can go
22 and crank it down on the other end of the system and then
23 analyze the model -- or model the loadflow across the
24 system.

25 Q. Would -- as a layman, if I hear the term

1 worst-case scenario," that says to me that everything that
2 can possibly go wrong goes wrong. Is that the same thing
3 that you're talking about in a worst-case dispatch or is
4 that something different?

5 A. I think that would be a good description of
6 what I understand the worst-case scenario to be.

7 Q. Well, then, if Exhibit 303 is a worst-case
8 scenario or worst-case dispatch, how do you -- how do you
9 relate that to what you expect to be normal operations?

10 A. Well, I don't think there is a relationship.
11 Worst-case is worst-case, normal is normal. I don't
12 think --

13 Q. Well, has there ever been anything like a
14 worst-case scenario in actuality?

15 A. Not that I'm aware of, no.

16 Q. You indicated in your testimony that several
17 engineers work for you. How many engineers work for you?

18 A. I would think, gosh, maybe a hundred in my
19 group.

20 Q. Do you personally check the calculations and
21 work output of all of the engineers that work for you?

22 A. I do not.

23 Q. Do you have procedures in place to give you
24 some assurance that their work is accurately performed and
25 that there are checks on that work?

1 A. Yes, I do.

2 Q. Can you briefly describe what that is?

3 A. Well, generally, which I don't think would be
4 unusual, is that engineers doing the work have supervisors
5 who are ultimately or intimately familiar with the subject
6 matter and surely capable of checking the work. And
7 that's -- and that's what's happened in this case.

8 Q. Do you have any doubt or any reason to doubt
9 the accuracy of any of the information that was supplied
10 to you and that you relied upon in your direct or
11 surrebuttal testimony in this case?

12 A. No, I do not.

13 Q. Has anything come to light in the testimony
14 you've heard in this case to give you any indication that
15 there are any errors?

16 A. No.

17 MR. DUFFY: That's all of the questions I have
18 on redirect, Your Honor.

19 JUDGE WOODRUFF: All right. Thank you. You
20 may step down.

21 (Witness excused.)

22 JUDGE WOODRUFF: The next witness is Michael
23 Proctor, please.

24 MR. DUFFY: Would it be possible to take a
25 five-minute break?