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July 23, 1999

VIA HAND DELIVERY

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Room 530
Jefferson City Missouri 65101

FILED

JUL 23 1999

Missouri Public
Service Commission

Re: GST Steel Company v. Kansas City Power & Light Company,
Case No. ~~EC~~-99-553
EC-

Dear Secretary Roberts:

Enclosed for filing in the above-referenced case, please find:

- 1) An original and fourteen (14) copies of the **public version** GST Steel Company's Motion to Compel KCPL to Respond to GST's Second and Third Sets of Interrogatories and Requests for Production of Documents; and
- 2) Eight (8) separate sealed envelopes containing the **Highly Confidential version** of GST Steel Company's Motion to Compel KCPL to Respond to GST's Second and Third Sets of Interrogatories and Requests for Production of Documents.

The above are being filed pursuant to and under the Protective Order previously granted by the Commission.

Thank you in advance for your attention to this matter.

Sincerely,

LATHROP & GAGE L.C.

By:

Kurt U. Schaefer

Enclosures
cc: To all parties of record

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED

JUL 23 1999

Missouri Public
Service Commission

GST Steel Company,)	
)	
Complainant)	
v.)	Case No. <u>EC-99-553</u>
)	
Kansas City Power & Light Company,)	
)	
Respondent.)	

**GST STEEL COMPANY'S MOTION TO COMPEL KCPL
TO RESPOND TO GST'S SECOND AND THIRD SETS
OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

Comes now GST Steel Company ("GST") and requests that this Commission compel Kansas City Power & Light Company's ("KCPL") response to the Second and Third Sets of Interrogatories and Requests for Production of Documents Propounded by GST to KCPL and, in support thereof, states as follows:

I. BACKGROUND

1. GST operates a steel manufacturing facility for which it purchases all of its electricity needs from KCPL. GST is the largest single point retail customer on KCPL's system, using in excess of half a billion kilowatt-hours of electricity every year at a cost of millions of dollars.

2. GST purchases power in accordance with a special contract. The Commission has characterized the contract in its recent orders as follows: "The contract permits GST to purchase

electricity at fluctuating, market-driven rates rather than at a fixed, tariffed rate.”¹ This is an inaccurate characterization. **

** As

set forth in the Highly Confidential memorandum presented by the Commission Staff in EO-95-67:

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**²

Thus, the availability of a single unit has a more significant impact than market price.

3. KCPL determines the incremental cost of power based upon a production model. Inputs to the model are comprised of, in part, the cost of production at KCPL’s available operating generating units for every hour. If KCPL removes a plant from service, or if one goes off line due to problems (or blows up), GST can be negatively impacted because power from that unit generally is replaced with higher cost power from either a higher cost unit or from off-system purchases. Thus, the central issue of GST’s complaint against KCPL is not the contract itself, but rather the

¹ *Order Denying Motion to Immediate Relief* at 1 (June 1, 1999); *Order Denying Interim Relief and Expedited Hearing* at 2 (July 9, 1999). GST respectfully directs the Commission’s attention to the confidential Staff Report and the Commission Order attached to GST’s Petition as Appendices B and C, respectively.

² *Missouri Public Service Commission Staff Memorandum in Case No. EO-95-67*, p. 3. GST respectfully directs the Commission’s attention to the confidential Staff Report and the Commission Order attached to GST’s Petition as Appendices B and C, respectively.

implementation of the contract and the inputs KCPL uses in the production cost model utilized to determine the incremental cost.

4. Although many of KCPL's customers have been insulated from KCPL's declining reliability, GST has not. Outages of baseload units are particularly harmful to GST, such as the extended outages of LaCygne 1 and 2 in 1997 and the steam pipe explosion that resulted in an extended outage of Hawthorne in 1998.

5. KCPL's generation outages have increased quickly and drastically. Between 1994 (the year GST entered into its contract) and 1998, KCPL's unavailable capability due to unplanned outage and derating at time of monthly peak demand has increased **123%**.³ KCPL's cumulative *unplanned* unavailable capacity skyrocketed from **2,064 MW to 4,608 MW**.⁴ During some months of 1998, KCPL's cumulative *unplanned* unavailable capacity approached **32%** of KCPL's available capacity!⁵

6. The matter before the Commission has nothing to do with a "gamble" regarding future market prices. Rather, GST's situation is direct a result of its reliance on KCPL to use prudent utility practices in the maintenance and operation of its facilities, as required by RSMo § 393.310(1), and of KCPL's failure to utilize prudent utility practices resulting in an extremely poor record of generation dispatch, reliability and safety.

³ See Appendix 1 - Data from FERC Form 714(4), p.1.

⁴ *Id.*

7. As a result of the explosion of KCPL's Hawthorn Generating Unit No. 5 in February of 1999, KCPL has dramatically increased the rate it charges GST for electric power; a trend that KCPL has informed GST will continue in the coming year and cost GST millions of dollars in increased rates. In fact, recent testimony filed by KCPL before FERC, KCPL indicates that without Hawthorn it is capacity deficient.⁶ To replace Hawthorne 5's production, KCPL stated that it will employ a new 142 MW gas-fired combustion turbine (Hawthorn 6) that had not entered commercial service, and significant purchases in the short-term interchange markets.⁷ Had Hawthorn and other plants been operated prudently and as scheduled, the charges to GST would have been significantly less, irrespective of market price. Since Hawthorn 6 was a planned unit addition well before the boiler explosion, KCPL has actually taken no steps to replace Hawthorn 5 other than to rely on short-term market purchases.

8. GST brings this matter before the Commission in order to seek immediate protection from KCPL's unjust and unreasonable increased charges for electric service based, in part, on the assertion that the Hawthorn explosion (and other explosions) and resulting rate increases have been caused by KCPL's erratic and unreliable operation of its facilities. The central issue raised by GST is the adequacy of service being provided to GST and the harm being suffered

⁵ See *Appendix 1* - Data from FERC Form 714(4), p. 2.

⁶ See *Appendix 2* - Five Year Projection of Load and Capability Data, Exhibit WRI-94, to testimony of Frank L. Branca, on behalf of the Applicants in the KCPL/Western Resources merger, FERC Docket No. EC97-56, filed June 17, 1999.

⁷ See *Appendix 3* - Testimony of Mr. Branca in FERC Docket No. EC97-56, Exhibit No. WRI-92, page 3, filed June 17, 1999.

as a result of the inadequate service. GST's concerns regarding inadequate service can be delineated as follows:

- (a) the Hawthorn explosion and outage;
- (b) inadequate/imprudent power generation; and
- (c) inadequate/imprudent power delivery.

9. As GST understands the Commission's order of June 1, 1999, the Commission set the issues raised by GST for hearing. The Commission also stated that: "the Commission will not conduct its investigation of the boiler explosion at Hawthorn within the context of this case. The Commission will establish a separate docket for that investigation." As GST understands this portion of the order, the Commission established the separate docket to examine the general ramifications of the Hawthorn explosion, the impact on tariffed rate-payers, and issues such as whether Hawthorn should be removed from rate base, and set the GST-specific impacts for hearing in this proceeding.

10. GST is surprised by the resistance being exhibited by KCPL in answering discovery. In an effort to meet an expedited trial schedule, GST propounded three sets of interrogatories. In fact, KCPL has objected to every discovery request, except four, as being "beyond the scope of these proceedings."

11. GST suspects that KCPL's resistance to providing the requested data is due to its fear that the requested information will demonstrate a series of failures by KCPL in the prudent operation of its system. However, a result of KCPL's resistance may be to deprive GST of the ability to seek a remedy for the harm being inflicted on GST. The fact is a 476 MW KCPL generating station blew up and there have been numerous other unplanned generation outages. KCPL has been unable to provide reliable power supply to GST's facilities and GST is being directly harmed.

II. THE SPECIFIC DISCOVERY AT ISSUE

12. On or about June 28, 1999, GST served upon KCPL its Second Set of Interrogatories and Requests for Production of Documents Propounded by GST to KCPL (attached as Appendix A incorporated herein by reference). On or about July 6, 1999, GST served upon KCPL its Third Set of Interrogatories and Requests for Production of Documents Propounded by GST to KCPL (attached as Appendix B incorporated herein by reference).

13. By letter dated July 8, 1999, KCPL served upon GST an objection to GST's Second Set reading in pertinent part as follows:

[KCPL] objects to each and every one of the Requests numbered 2.1 through 2.38 inclusive, on the basis that they are irrelevant, beyond the scope of these proceedings, and not reasonably calculated to lead to admissible evidence. None of these requests deal with the sole matter involved in this case, whether the pricing mechanism contained in the special contract between KCPL and GST is just and reasonable.

See Letter of William H. Kogel (July 8, 1999) (attached as Appendix C and incorporated herein by reference). That letter contained other specific objections addressed herein. KCPL did not object to requests 2.39, 2.41 or 2.42. KCPL had a specific objection to 2.40 (*sic* - really 2.41). By letter dated July 15, 1999, KCPL served upon GST an objection to GST's Third Set with substantially the same general objection and no specific objections. *See Letter of Gerald A. Reynolds* (July 15, 1999) (attached as Appendix D and incorporated herein by reference). KCPL did not object to request 3.36.

III. DISCUSSION

14. Pursuant to this Commission's rules of discovery, any party may seek discovery through written interrogatories, requests for production of documents, and data requests "upon and under the same conditions as in civil actions in the circuit court." 4 CSR 240-2.090 (1) & (2).

15. In civil actions before the circuit court, each interrogatory must be answered separately and fully and objections must be stated in detail in lieu of an answer. Supreme Court Rule 57.01(a).

16. Objections to requests for production of documents in the circuit court must state objection "with respect to each item or category." Supreme Court Rule 58.01(b).

17. KCPL's vague blanket objections are insufficient and unresponsive. The company's letter fails to provide valid objections sufficiently specific in detail to determine why each interrogatory and request is objectionable.

18. In its objections to the Second Set, KCPL objects to some specific requests as it seeks documents protected by the attorney-client privilege. In its objections to the Third Set, KCPL reverts to objecting to all of the requests. KCPL's claim of privilege is wildly broad and KCPL would have the Commission believe that every internal document containing any analysis is privileged, as well as correspondence to third parties. Since KCPL has not identified any documents or set forth the specific reasons why a certain document may be privileged, GST is unable to address the specific grounds that KCPL uses to support its claim of privilege.

19. KCPL has failed even to attempt to establish that documents responsive to these data requests are covered by either attorney-client or work product privileges. Absent specific references, KCPL's objections with respect to attorney-client and work product privilege are baseless. As an example of KCPL's improper invocation of the work product privilege, KCPL claims that the following interrogatory requests privileged material:

- 2.11 For the period from January 1, 1989 to the present, please identify and provide a copy of all studies, reports or assessments regarding the Hawthorn Plant operations, maintenance or other activities that were conducted by Company employees.

The maintenance logs kept before the explosion in the regular course of business by KCPL employees are not privileged and clearly relevant. Such records are business records kept in the

ordinary course of business. Similarly if incident reports are made in the regular course of business or pursuant to obligation imposed by a federal or state regulation, those records cannot be shielded by an assertion of privilege.⁸

20. KCPL objects to the extent the documents requested are privileged; however, it fails even to list documents it considers to be privileged. GST should not be forced to speculate what documents exist or what the specific grounds are upon which KCPL bases its assertion of privilege. Further, KCPL does not explain *to what extent* the requests are objectionable based on privilege concerns. The blanket objection merely asserts that KCPL objects to production of documents that could violate privilege conditions, but it does not assert that any responsive documents actually are privileged. If KCPL intends to claim that all documents responsive to any or all of the requests are protected by the attorney-client or work product privileges, it offers no basis for such a claim. KCPL has not stated that any requested documents were prepared by counsel in anticipation of litigation, nor have they identified documents constituting attorney-client communications. The burden to establish that the requested documents are protected belongs with KCPL. In its directions to its interrogatories, GST requested as follows:

In the event that the Company asserts that any of the information requested is deemed by it to be privileged or proprietary, then the Company in its written response should identify any such data, and any supporting documents, by date and general content. The Company should also identify

⁸ See GST's First Set, Instruction 7, attached to GST's Motion to Compel dated July 2, 1999. See also *Board of Registration for the Healing Arts v. Spinden*, 798 S.W.2d 472, 478-9 (Mo. App. 1990); *Enke v. Anderson*, 733 S.W.2d 462, 466-8 (Mo. App. 1987); *St. Louis Little Rock Hospital, Inc. v. Gaertner*, 682 S.W.2d 146, 149-51 (Mo. App. 1984).

all persons who participated in the preparation of the document and all persons, inside or outside the Company, who received a copy, read or examined any such document. In addition, the Company should indicate its claim of privilege with particularity and describe the grounds upon which privilege is claimed. State the present location of the document and all copies thereof and identify each person having custody or control of the document and said copies.⁹

KCPL has provided no such information, so GST's ability to protect its rights is compromised.

21. All information sought by GST in the Second and Third Sets is directly relevant, within the scope of these proceedings, and reasonably calculated to lead to admissible evidence. KCPL maintains that because "(n)one of these requests deal with the sole matter involved in this case, whether the pricing mechanism contained in the special contract between KCPL and GST is just and reasonable,"¹⁰ the requests by GST are irrelevant. GST does not comprehend how KCPL can maintain in good faith that the sole issue is whether the pricing mechanism is just and reasonable. As set forth in its Petition, GST's concerns regarding inadequate service by KCPL and its impacts on GST are focused on the following:

- (a) the Hawthorn explosion and outage;

⁹ See *Determination of In-Service Criteria for Kansas City Power & Light Company's Wolf Creek Generating Station, Wolf Creek Rate Base and Related Issues*, Case Nos. ER-85-128 and EO-85-185, 27 Mo.P.S.C. (N.S.) 520 (1985) ("For the documents for which KCPL has claimed either attorney-client privilege or work product immunity, the parties should be prepared to address *specifically* the claimed privilege of immunity.") (emphasis added); see also F.R.C.P. 26(b)(5) (requiring a log of information for which a privilege is asserted) and *Stahl Specialty Co. v. Timothy W. Monsees*, Case No. CV398-538CC (Cir. Ct. Henry County, Missouri) (June 16, 1999) (ordering a privilege log for documents) (see copy attached as Appendix E

¹⁰ See Appendix C - Letter of William H. Kogel (July 8, 1999).

(b) inadequate/imprudent power generation; and

(c) inadequate/imprudent power delivery.

22. In its Answer, KCPL expressly admits that owes GST the duties prescribed in by Section 393.130.1, RSMo: "KCPL admits so much of paragraph four that states that the Agreement does not modify any obligation imposed on KCPL by Section 393.130.1, RSMo."¹¹

The statute states in the pertinent part:

[E]very electrical corporation . . . shall furnish and provide such service instrumentalities and facilities as *shall be safe and adequate and in all respects just and reasonable*. All *charges* made or demanded by any such . . . electrical corporation . . . for . . . electricity . . . or any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable *charge* made or demanded for . . . electricity . . . or any such service, or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.¹²

KCPL's failure to fulfill its obligation to provide safe and adequate service is exactly what is being contested by GST. Note that the statute does not limit the obligation to tariffs, rates or contracts, but expressly provides for an examination of the *charges* thereunder. GST respectfully requests confirmation by the Commission that the adequacy of service, as set forth above, to GST is before it in this proceeding.

23. As explained above, **

.** The costs used to determine the charge to GST should be those of a

¹¹ KCPL's Answer, ¶ 4, dated June 8, 1999

¹² Section 393.130.1, RSMo (*emphasis added*).

prudently operated utility. If KCPL purchased fuel in an improper and imprudent manner (for example, by paying three times the market price), KCPL should not be entitled to pass those costs on to GST. If KCPL entered into power purchases at a price three times market, or conversely negligently failed to procure an adequate power supply to meet its needs and was forced to pay extreme prices for power, KCPL should not be entitled to pass those costs on to GST. Finally, if KCPL fails to maintain or operate its generation in an adequate, prudent, or reliable manner, then KCPL should not be entitled to pass the resulting costs on to GST. GST has alleged in its Petition that KCPL has failed to maintain and operate its generation in an adequate, prudent, and reliable manner, and GST is entitled by statute to conduct an examination of this issue.

24. As GST explained in its Petition for an Investigation as to the Adequacy of Service, GST is entitled to the same quality of service as all Missouri customers, and the service it receives must be in all respects just and reasonable.¹³ Utilities are prohibited from rendering unjust and unreasonable charges associated with imprudently incurred and excessive costs by RSMo §393.130(1). The Commission has the authority to review, and GST has requested that it review, KCPL's operation of its facilities and make a determination as to the reasonableness of fees charged by KCPL for electricity in relation to that operation.¹⁴ KCPL's generic relevance objection has no foundation in the controversy between the parties.

¹³ Petition for an Investigation as to the Adequacy of Service Provided by the Kansas City Power & Light Company and Request for Immediate Relief, p. 4.

¹⁴ Mo. Ann. Stat. §§ 393.140, 393.150, 393.270.

25. The majority of objections to of the Second Set of requests (except GST 2.40 -- *sic* 2.41) relate to KCPL's power supply or generation units generally, or with the Hawthorn Incident specifically. The objections to requests of GST's Third Set also focus on KCPL's operation and maintenance of its generation units.

26. The availability of KCPL's generation relates directly to the adequacy and cost of service challenged in GST's petition. The requests that relate to power purchases or sales are relevant within the context of analyzing KCPL's generation availability. GST is entitled to demonstrate that KCPL's generation has experienced significant outages as the result of imprudent and inadequate operation and maintenance by KCPL, and that these outages have harmed GST.

27. With respect to 2.40 (really 2.41) of GST's Second Set, KCPL states that providing GST with a copy of the production costing model would violate KCPL's licensing agreement. KCPL does not, however, provide a copy of the licensing agreement. It is a time honored maxim that two parties cannot by bilateral agreement avoid the authority of the Commission. GST believes that there is a possibility of an express exception to the licensing agreement in the event of court or Commission order. If there is not an express exception, then there is one implied in law. GST does not seek the production costing model for commercial purposes, rather to protect its rights in the context of this case. Furthermore, GST stated in its instructions:

For information considered proprietary or confidential by the Company,
GST will hold said information confidential and make it available only to

GST's counsel and consultants in the present case, in accordance with the protective order adopted by the Commission in this proceeding.¹⁵

In preparation of receiving confidential documents, GST has already obtained executed Non-Disclosure Agreements from its consultants.

28. GST possess express audit and cost verification rights, granted pursuant to its Section 5.10 of its power supply agreement:

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Section 1.10 further states:

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¹⁵ See *GST's First Set*, Instruction 7, attached to GST's Motion to Compel dated July 2, 1999.

¹⁶ *Amended and Restated Power Supply Agreement*, 5.10. GST respectfully directs the Commission's attention to the confidential Amended and Restated Power Supply Agreement attached to GST's Petition as Appendix A.

KCPL has an express contractual duty to provide GST with access to “any information or calculation.” KCPL’s refusal to provide a copy of the production model, effectively eviscerates GST’s audit rights.

29. Without the discovery sought by GST, GST will not be able to effectively present its case to this Commission, and the Commission will not have sufficient information to reach an informed decision on the issues. KCPL seems intent on depriving GST of any remedy. Without a remedy before this Commission, the viability of GST is threatened.

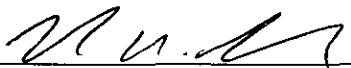
30. A party failing to properly comply with discovery may be sanctioned by the Commission. 4 CSR 240.2.090(1) & (2); Supreme Court Rule 61.01.

WHEREFORE, GST requests that this Commission compel KCPL’s immediate and complete responses to the Second and Third Set of Interrogatories and Requests for Production of Documents Propounded by GST to KCPL or face sanctions pursuant to 4 CSR 240.2-2.090 and Supreme Court Rule 61.01. GST also requests that this Commission confirm that the issue of the adequacy of KCPL’s service to GST is before it in this proceeding, including specifically:

- (a) the Hawthorn explosion and outage,
- (b) inadequate/imprudent power generation, and
- (c) inadequate/imprudent power delivery.

The Commission may grant such further relief as deemed just and proper.

Respectfully submitted,


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Attorneys for GST Steel Company

Dated: July 23, 1999

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, postage prepaid, to all counsel of record as shown on the following service list this 23rd day of July, 1999.

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Kansas City Power & Light

Unavailable Capability (MW) Due to Unplanned Outage and Derating at Time of Monthly Peak Demand					
	1994	1995	1996	1997	1998
Jan	274	14	623	555	107
Feb	59	54	387	41	374
Mar	137	37	403	254	220
April	61	28	54	161	89
May	131	-	5	442	751
June	87	304	25	727	382
July	22	472	100	133	533
Aug	135	373	39	107	246
Sept	63	347	29	203	761
Oct	272	-	409	525	480
Nov	343	345	72	170	303
Dec	480	35	179	605	362
Total	2,064	2,009	2,325	3,923	4,608

	Total	Incr. from 1994	% Increase
1994	2,064		
1995	2,009	-55	-3%
1996	2,325	261	13%
1997	3,923	1859	90%
1998	4,608	2544	123%

Kansas City Power & Light

Unavailable Capacity Due to Unplanned Outage and Derating at Time of Monthly Peak Demand

(A) Available Capacity (MW)

(B) Unavailable Capacity Due to Unplanned Outage and Derating (MW)

(C) % of Available Capacity

	1994			1995			1996			1997			1998		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Jan	2,777	274	10%	2,933	14	0%	2,368	623	26%	2,477	565	22%	2,984	107	4%
Feb	2,858	59	2%	2,580	54	2%	2,068	387	19%	2,727	41	2%	2,750	374	14%
Mar	2,703	137	5%	2,614	37	1%	1,702	403	24%	2,463	254	10%	2,590	220	8%
April	2,383	61	3%	2,280	28	1%	2,367	54	2%	2,127	161	8%	2,703	89	3%
May	2,569	131	5%	2,434	-	0%	2,702	5	0%	2,293	442	19%	2,335	751	32%
June	2,973	87	3%	2,730	304	11%	2,660	25	1%	2,490	727	29%	2,824	382	14%
July	2,945	22	1%	2,516	472	18%	2,917	100	3%	3,028	133	4%	2,594	533	21%
Aug	2,788	135	5%	2,613	373	14%	3,042	39	1%	3,077	107	3%	2,814	246	9%
Sept	2,622	63	2%	2,661	347	13%	2,544	29	1%	2,962	203	7%	2,412	761	32%
Oct	2,080	272	13%	2,395	-	0%	2,492	409	16%	2,221	525	24%	2,334	480	21%
Nov	2,212	343	18%	2,527	345	14%	2,800	72	3%	2,388	170	7%	2,489	300	12%
Dec	2,288	480	21%	2,907	35	1%	2,560	179	7%	2,282	695	27%	2,731	362	13%
Total	31,286	2,064	7%	31,196	2,009	6%	30,223	2,325	8%	30,535	3,923	13%	31,560	4,608	15%

	Totals	Incr. from 94	% Increase
1994	7%		
1995	6%	0%	-2%
1996	8%	1%	17%
1997	13%	5%	95%
1998	15%	8%	121%

5 Year Projection of Load and Capability Data

Starting Year 1999

Year	System Peak Responsibility				System Cap Resp	System Capacity (MW)									
					Total System Capacity Resp. (5)/(1-Cm)										
	Sys Load Net 1-Hr (2)	Firm Purch (-) (3)	Firm Sales (+) (4)	Total System Peak Resp. (5)		Accr Gen. Cap. (7)	Peak Cap Purch Hydro (8)	Cap. Sales (-) (9)	Cap. Purch (+) (10)	Planned Capacity Additions (11)	Total System Capacity (12)	Capacity Balance (12 - 6) (13)	Capacity Margin % (12 - 5)/(12) (14)	Year (1)	
1999	3182	0	10 a	3192	3626	3360 m	45 b	300 c	600 f	0	3705	79	13.8	1999	
2000	3263	0	10 a	3273	3718	3360	45 b	135 d	324 g	217 k	3811	93	14.1	2000	
2001	3321	0	10 a	3331	3784	3577	45 b	186 e	344 h	77 i	3857	73	13.6	2001	
2002	3386	0	10 a	3396	3857	3654	45 b	186 e	343 j	0	3856	-1	11.9	2002	
2003	3452	0	10 a	3462	3932	3654	45 b	186 e	341 j	0	3854	-78	10.2	2003	

NOTES

- a) KEPCO
b) KCK (SPA-Empire)39; KMEA(SPA-Empire)2; Higginsville(SPA-Empire)3; KPL-Kaw Valley Coop(SPA-Empire)1
c) INDN 90; MPS 90; SJLP 35; CIPCO 30; Lincoln 10; KCK (SPA-Empire)39; KMEA(SPA-Empire)2; Higginsville(SPA-Empire)3; KPL-Kaw Valley Coop(SPA-Empire)1
d) INDN 90; KCK (SPA-Empire)39; KMEA(SPA-Empire)2; Higginsville(SPA-Empire)3; KPL-Kaw Valley Coop(SPA-Empire)1
e) INDN 90; Springfield 51; KCK (SPA-Empire)39; KMEA(SPA-Empire)2; Higginsville(SPA-Empire)3; KPL-Kaw Valley Coop(SPA-Empire)1

- f) GARDNER 8; HIGV 36; INDN 55 ASEC 500
g) GARDNER 9; HIGV 36; INDN 30; ASEC 150 PURCHASE 100
h) GARDNER 8; HIGV 35; ASEC 150 PURCHASE 151
i) GARDNER 7; HIGV 35; ASEC 150 PURCHASE 151
j) GARDNER 6; HIGV 34; ASEC 150 PWR MKTR 151
k) Hawthorn 4 HRSG with Supplemental Firing 140 Hawthorn 7 Comb Turb 77
l) Hawthorn 8 Comb Turb 77

- m Accredited Capacity includes Hawthorn 5 of 476 MW which is in a prolonged forced outage due to a boiler explosion. It is anticipated that temporary power purchases will replace this capacity while the boiler is rebuilt. There are no other planned purchases listed in this report without listing a specific seller.

12% Capacity Margin (13.8% Reserve Margin) Used for All Years
KCK (Kansas City, Kansas) is also listed as BPU (Board of Public Utilities)

PREPARED DIRECT TESTIMONY OF
FRANK L. BRANCA

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Western Resources, Inc. and)	Docket No. EC97-56-000
Kansas City Power & Light Company)	ER97-4669-000

**Prepared Direct Testimony Of
Frank L. Branca**

On Behalf of Applicants

1 **Q. Please state your name and business address.**

2 **A. My name is Frank L. Branca and my business address is 1201 Walnut Street, Kansas**
3 **City, Missouri, 64106.**

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

5 **A. I am employed by Kansas City Power & Light Company ("KCPL") as Vice President-**
6 **Generation Services.**

7 **Q. Please describe your educational background and experience.**

8 **A. I graduated from St. Louis University in 1970 with a degree of Bachelor of Science,**
9 **Electrical Engineering. Following graduation, I joined KCPL and worked in various**
10 **engineering positions in the Commercial Operations Division, Rates and Regulation, and**
11 **Systems Planning. In November 1984, I became Director of Power Supply. In 1987 I**
12 **graduated from Rockhurst College with a Masters of Business Administration. In May**
13 **1989, I was elected Vice President-Power Supply and in 1994 I was named Vice**
14 **President-Wholesale and Transmission Services. I was named Vice President-**
15 **Generation Services in January 1999. I have been a registered professional engineer in**
16 **the state of Missouri since 1974.**

1 In my current position, I am responsible for planning and operating the KCPL
2 generation stations, bulk power marketing and fuel procurement. My duties include
3 management responsibility for the following functional areas: generation stations,
4 generation dispatch, interchange power and capacity marketing, resource planning, and
5 fossil fuel procurement.

6 Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to provide an overview of: 1) KCPL's generating
8 resources; 2) KCPL's wholesale power business; 3) the regional bulk power market; 4)
9 the definition of system lambda; and 5) entry for new generation.

10
11 I. KCPL'S GENERATING RESOURCES

12 Q. Please discuss KCPL'S generating resources.

13 A. KCPL has a total installed generating capacity of 3,360 MW in 1999. This capacity
14 consists of coal, gas, oil and nuclear generating facilities, many of which are jointly
15 owned or leased by KCPL along with other utilities in the region. KCPL and Kansas Gas
16 and Electric Company ("KGE") each own 47 percent (550 MW) of the Wolf Creek
17 Generating Station, a pressurized water nuclear generating station located near
18 Burlington, Kansas (Kansas Electric Power Cooperative, Inc. ("KEPCo") owns the other
19 6 percent.) KCPL and KGE also each own or lease 50 percent (681 MW) of the
20 LaCygne Station, located near LaCygne, Kansas, which is comprised of two coal-fired
21 units.

22 KCPL owns 70 percent (469 MW) of Iatan Station, a coal-fired unit near Weston,
23 Missouri. Empire District Electric Company ("EDE") and St. Joseph Light & Power
24 ("SJLP") own the other 30 percent of Iatan. KCPL is the sole owner of the Montrose
25 (510 MW), Hawthorn (617 MW), Northeast (460 MW) and Grand Avenue (73 MW)
26 generating stations. A table summarizing KCPL generation resources is contained in
27 Exhibit WRI-93. I discuss KCPL's capacity purchases later in my testimony.

- 1 Q. Please describe KCPL's current system load profile.
- 2 A. KCPL is a summer peaking system. On August 19, 1998, system peak net load reached
3 3165 MW. After subtracting firm purchases and adding firm sales the resulting peak
4 responsibility was 3175 MW.
- 5 Q. Does KCPL participate in any power pooling or coordination agreements which
6 affect its resource requirements?
- 7 A. KCPL and Western Resources are members of the Southwest Power Pool ("SPP"). SPP
8 is one of the ten reliability council regions in the United States. Currently, SPP has a
9 capacity margin requirement of 12 percent. KCPL also is a member of the Regional
10 Transmission Committee and the Power and Energy Market Group of the Mid-Continent
11 Area Power Pool ("MAPP"). KCPL is not a member of the Regional Reliability Council
12 or the Generation Reserve-Sharing Pool and, therefore, does not have any MAPP supply
13 resource requirements.
- 14 Q. Have there been any recent changes in KCPL's generation resources?
- 15 A. Yes. In February 1999 we experienced a boiler explosion at our Hawthorn Generating
16 Station at Unit 5. Additionally, KCPL has a new 142 MW gas-fired combustion turbine,
17 Hawthorn 6, which will go into commercial operation this summer.
- 18 Q. How will KCPL replace the Hawthorn 5 capacity and energy?
- 19 A. In the short term we are replacing the energy from Hawthorn 5 with the output of
20 Hawthorn 6 and other KCPL units plus purchases in the interchange markets. In the
21 longer term we intend to rebuild Hawthorn 5 either as a base load coal unit or a gas fired
22 combined cycle unit. Our current estimates are that Hawthorn 5 could be available in the
23 fall of 2001.
- 24 Q. What are KCPL's projections of load, generation resources, and capacity margin
25 through 2003?
- 26 A. Exhibit WRI-94 presents KCPL's projections through 2003.
- 27

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

GST Steel Company,

Complainant

v.

Kansas City Power & Light Company

Respondent.

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Case No. EC-99-553

**SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY GST STEEL COMPANY TO
THE KANSAS CITY POWER & LIGHT COMPANY**

GST Steel Company ("GST") hereby propounds the following Interrogatories and Requests for Production of Documents (collectively referred to herein as "Requests") in the captioned proceeding. Each Request incorporates fully by reference each and every Instruction as if set forth fully therein. Any questions, comments or objections to said Requests should be directed as soon as feasible to the undersigned counsel in order to expedite the discovery process. The Kansas City Power & Light Company ("KCPL") is requested to provide its responses on an as available basis and no later than 20 days from service.

INSTRUCTIONS

Please refer to the Instructions preceding GST's first set of discovery requests, which are incorporated by reference as if fully set forth herein.

REQUESTS

2.1 For the period from January 1, 1989 to the present:

- (a) please identify and provide the historical availability data supplied for inclusion in the NERC Generation Availability Data System for the Company's Generating Units;
- (b) please identify and provide any projected generation availability data provided to NERC;
- (c) please identify and provide any historic or projected generation availability data that has been provided to the SPP; and
- (d) please identify and provide any historic or projected generation availability data that has been provided to the MOKAN Power Pool.

2.2 For the period from January 1, 1989 to the present, please identify and provide for each of the Company's Generating Units:

- (a) the planned outage schedule;
- (b) the actual start and end dates for each planned outage; and
- (c) the start and end dates for each unplanned outage.

2.3 For each identified planned outage identified in response to Request 2.2(b) above, for which the actual outage duration exceeded the planned outage duration by at least one week, provide a detailed description of the conditions which caused the extended duration. Please identify and provide all documents related to the extended outage.

2.4 For each forced outage, planned outage, or de-rating of duration greater than 50 hours of any of the Company's baseload units (Steam-Electric Generating Plant - Large Plant), please provide the following on a monthly basis for the period January 1, 1989 to the present:

- (a) name and fuel type of unit;
- (b) net dependable capability;
- (c) average annual capacity factor;
- (d) date and time of outage;
- (e) duration of outage;
- (f) cause of outage;
- (g) average duration of similar outages;
- (h) average annual forced outage rate for the unit;
- (i) the generating capacity for the de-rated plant and the MWH generated by each de-rated plant during the time period of de-rated operation;
- (j) reports, memoranda, letters or analyses prepared by or for the Company related to the outage;
- (k) a chronology of the outage; and
- (l) a detailed explanation of the methodology the Company used in calculating any items requested above.

2.5 Regarding the Hawthorn Incident, please provide:

- (a) a detailed description of the causes of the Hawthorn Incident;

- (b) a detailed description of why the Hawthorn Plant was not on-line at the time of the incident;
- (c) a maintenance history of the item(s) causing the Hawthorn Incident;
- (d) the maintenance history, log, and any and all work orders relating to the Hawthorn Plant boiler for the period from January 1, 1989 to the present;
- (e) all reports, analyses, reviews or studies of the cause of the Hawthorn Incident including any root cause analysis made by or for the Company;
- (f) all correspondence to and from any federal or state regulatory or safety agency related to the Hawthorn Incident; and
- (g) please identify all documents and communications to or from the Company related to the Hawthorn Incident and please provide copies of the identified documents and communications.

2.6 Regarding the Hawthorn Incident:

- (a) please provide megawatt-hours of generation lost due to the Hawthorn Incident to date.
- (b) please provide the additional energy costs the Company has incurred due to the outage/shutdown of the Hawthorn Plant and:
 - (i) Identify and provide all workpapers, models or documents used to calculate the additional fuel or energy cost; and
 - (ii) Explain in detail the methodology the Company has or would use in calculating the additional fuel or energy cost.
- (c) please provide the Company's system lambda (the incremental and/or marginal cost

- of energy) for the period of the Hawthorn outage (on an average hourly basis); and
- (d) please identify any data and models that could be utilized to determine what the system lambda (the incremental and/or marginal cost of energy) would have been if generation from the Hawthorn Plant had been available.

2.7 For the period from January 1, 1989, regarding the Hawthorn Plant:

- (a) please identify all consultants, engineers, contractors or other third-parties engaged by the Company to provide services in connection with the operation or maintenance of the Hawthorn Plant;
- (b) please provide copies of all documents provided to or received from the consultants identified in (a) above;
- (c) copies of all communications with consultants identified in (a) above;
- (d) copies of all contracts with consultants identified in (a) above;
- (e) copies of all documents that describe the scope of work and expected work product from the consultants identified in (a) above;
- (f) copies of all Company memoranda, correspondence or other documents discussing or evaluating the work of the consultants identified in (a) above; and
- (g) a discussion of all corrective action programs and initiatives resulting from consultant's reports or recommendations identified above.

2.8 Please provide copies of all reports to the Company's Board of Directors or any committees of the Board of Directors related to the Hawthorn Incident; include meeting minutes, handouts, copies of slides and any other documents that were used or presented in the

meeting.

- 2.9 As of the date of the Hawthorn Incident, provide a copy of the current Hawthorn Plant organization charts and identify all management level employees that had control over the operation or maintenance of the Hawthorn Plant. For the period from January 1, 1989 to the present, provide a chronological list of personnel holding each position at the Hawthorn Plant at manager level and above; please identify the time frame during which each individual occupied the position, and identify the responsibilities of each individual.
- 2.10 As of the date of the Hawthorn Incident, provide a copy of the current organization charts for the Company's generation division and identify for all management level employees that had control over the operation or maintenance of the Hawthorn Plant. For the period from January 1, 1989 to the present, provide a chronological list of personnel holding each position in the generation division at manager level and above; please identify the time frame during which each individual occupied the position, and identify the responsibilities of each individual.
- 2.11 For the period from January 1, 1989 to the present, please identify and provide a copy of all studies, reports or assessments regarding the Hawthorn Plant operations, maintenance or other activities that were conducted by Company employees.
- 2.12 Provide a description of any performance indicators used by the Company management to monitor the operation of its Generation Units; please provide copies of any studies, reports,

or other documents showing the values of these indicators during the period from January 1, 1989 to the present.

- 2.13 For the period from January 1, 1993 to the present, for each Company Generating Unit:
- (a) state the monthly net generation;
 - (b) state the energy sold (in megawatt-hours) from that unit; and
 - (c) state for each month the fuel cost and operations and maintenance cost (in dollars).
- 2.14 For the period from January 1, 1993 to the present, for each Company energy purchase:
- (a) state the energy purchased (in megawatt-hours); and
 - (b) state for each month the average cost (including capacity, energy and transmission).
- 2.15 For each Company off-system sale, provide the monthly receipts (for both energy and capacity) for each month for the period January 1, 1993 to the present.
- 2.16 Describe the method by which the Company establishes expected plant and unit capacity factors for planning and budgeting purposes for the Company's Generating Units.
- 2.17 For each of the Company's Generating Units, provide the capacity factor used by the Company for planning purposes.
- 2.18 For the period from January 1, 1993 to the present, please identify any study, audit or evaluation (whether internal or external) of any outage of the Company's Generation Units:

- (a) identify and provide any report or other documents prepared as a result;
- (b) describe in detail the purpose and results; and
- (c) identify and provide copies of any internal documents related to the study, audit or evaluation.

2.19 For the period from January 1, 1993 to the present, with respect to scheduled outages at the Hawthorn Plant:

- (a) describe in detail the procedure utilized by the Company to establish a schedule for planned outages;
- (b) identify who has ultimate decisional responsibility for approval of original schedules, as well as any modifications; and
- (c) provide a description of the reason for the outage and of any work, repairs, maintenance, or other improvements performed during each scheduled outage.

2.20 For the period from January 1, 1993 to the present, with respect to unscheduled or forced outages at the Hawthorn Plant:

- (a) describe in detail the procedure utilized by the Company to initiate an unscheduled or forced outage;
- (b) identify who has ultimate decisional responsibility for approval of an unscheduled or forced outage; and
- (c) provide a description of the reason for the outage and of any work, repairs, maintenance, or other improvements performed during each unscheduled or forced outage.

2.21 Provide a description of the following for each Company Generating Unit:

- (a) preventive maintenance programs (including methods used to determine when components should be replaced or serviced such as vendor recommendations, engineering determinations based on operational experience or adverse operating conditions, and inspections or tests);
- (b) incident evaluation programs;
- (c) root cause evaluation programs;
- (d) programs to analyze operational experience both internally at each facility and related industry experience;
- (e) related material control programs which may affect reliability (such as shelf life determination and receipt inspection);
- (f) methods of prioritizing preventive or corrective maintenance work; and
- (g) current status of maintenance activities (including current number of maintenance work orders, rate of generating new maintenance work orders, recent closure and completion history, and the plans to reduce backlog).

2.22 For the period from January 1, 1993 to the present, please provide a copy of the Company's records summarizing the interchange transactions during monthly peaks.

2.23 For the period from January 1, 1993 to the present, please provide a copy of the Company's Supply-Side resource Management Summary Report.

2.24 For the period from January 1, 1993 to the present, please provide a copy of the Company's monthly generation unit outage reports and a copy of any documents compiling, analyzing, or summarizing the data therein.

2.25 Please identify all persons, business unit(s), or entity(ies) or unit(s) responsible for acquiring or otherwise arranging for replacement power in connection with planned or unplanned outages of Generation Units generally, and with the outage of the Hawthorn Plant, specifically, and provide a detailed description of each identified person or unit's responsibilities; for each business unit or entity identified, identify the persons responsible for the management of the entity or unit; please provide copies of all documents referencing or relating to the identified person's responsibilities and copies of all documents referencing or relating to the authorization, responsibilities, and powers of each business unit or entity identified.

2.26 Identify and provide copies of all documents that relate to or reference the outage of the Hawthorn Plant or KCPL's replacement power needs in connection with the outage of the Hawthorn Plant, including specifically but not limited to the following:

- (a) all documents addressing the impact of the outage of the Hawthorn Plant on KCPL's purchased power needs;
- (b) all documents addressing the impact of the outage of the Hawthorn Plant on KCPL's ability to make off-system power sales;
- (c) all documents addressing the impact of the outage of the Hawthorn Plant on the historic or projected market price for energy;

- (d) all documents addressing KCPL's plan for acquiring replacement power to meet its native load requirements; and
- (e) all documents addressing KCPL's plan for acquiring replacement power to meet other load requirements, including off-system sales.

2.27 For the period from February 17, 1999 to the present, identify all meetings or conferences that were attended by any KCPL management or employees where the operation or outage of the Hawthorn Plant was discussed and identify the substance of the meeting and identify the substance of any discussion regarding the Hawthorn Plant.

2.28 For all meetings or conferences identified in the Company's response to 2.27, provide a copy of all documents concerning or related to those meetings or conferences including but not limited to:

- (a) minutes;
- (b) notes;
- (c) handouts or worksheets; and
- (d) agendas.

2.29 For the period from February 17, 1999 to the present, identify all sources or resources (excluding power purchases) that have been utilized to provide replacement power for the Hawthorn Plant; please provide an itemization of every source or resource utilized and identify the following:

- (a) the source or resources;

- (b) the date and time the replacement power from the source or resource was procured or otherwise arranged for;
- (c) the date(s), time(s) and duration(s) that the replacement energy was provided;
- (d) the amount of replacement power (in megawatts);
- (e) any intermediaries between source and sink;
- (f) an itemization of all costs of the replacement power; and
- (g) the average total cost per kilowatt hour.

2.30 For the period from February 17, 1999 to the present, identify every transaction (purchases, options, etc.) that constitutes in any part the purchase of replacement power in connection with the outage of the Hawthorn Plant, and for each transaction identify:

- (a) all parties to the transaction (including indirect parties such as transmission providers);
- (b) the date and time the transaction was entered into;
- (c) the date(s), time(s) and duration for delivery of the energy;
- (d) the size of the transaction (in megawatts);
- (e) the generation source of the energy;
- (f) any and all known intermediaries between source and sink;
- (e) all costs and price terms of the transaction (including indirect costs such as transmission charges); and
- (f) the average total cost per kilowatt-hour.

2.31 For all replacement power transactions identified in the Company's response to 2.30, provide a copy of all documents concerning or related to those transactions.

2.32 For all replacement power transactions identified in the Company's response to 2.30 identify any and all other (non-replacement power) transactions (purchases, sales, hedges, options, etc.) that were made, negotiated or entered into by KCPL within 48 hours (either before or after) of the replacement power transaction and for each identified transaction identify:

- (a) all parties to the transaction (including indirect parties such as transmission providers);
- (b) the date and time the transaction was entered into;
- (c) the date(s), time(s) and duration for delivery of the energy;
- (d) the size of the transaction (in megawatts);
- (e) the generation source of the energy;
- (f) any and all known intermediaries between source and sink;
- (e) all costs and price terms of the transaction (including indirect costs such as transmission charges); and
- (f) the average total cost per kilowatt hour.

2.33 For all transactions identified in the Company's response to 2.32, provide a copy of all documents related to those transactions.

2.34 Identify and explain in detail the manner in which transactions made by the Company's

Power Sales and Services Department are allocated among or to any customer, class, group, or interest, including supplying off-system sales.

2.35 Please explain the whether certain power purchases by the Company are identified as replacement power transactions and please explain the methodology utilized by the Company to distinguish those transaction from other purchases.

2.36 Identify and explain in detail any and all situations or circumstances for the period from January 1, 1993 to the present where the Company has curtailed, interrupted, or has otherwise requested that a retail customer (with load greater than 1 MW) limit service and for each situation or circumstance provide the following:

- (a) the identity of the customer;
- (b) the nature and quality of service (please provide any applicable tariff or contract reference);
- (c) the date(s), time(s) and duration that the customer's service was curtailed, interrupted, or otherwise reduced;
- (d) the size of the load (in kilowatts); and
- (e) an explanation of the reason for the curtailment, interruption or reduction of service.

2.37 Regarding KCPL's March 2, 1999 press release titled "KCPL estimates financial impact of plant explosion; plans for the future," please provide specific information regarding:

- (a) "redirecting 1.1 million mwh of annual bulk power sales;"

- (i) Please explain how is it possible to "redirect" these sales?
- (ii) Please identify these "redirected" sales with specificity and for each identified sale please provide:
 - (1) all parties to the transaction (including indirect parties such as transmission providers);
 - (2) the date and time the transaction was entered into;
 - (3) the date(s), time(s) and duration for delivery of the energy;
 - (4) the size of the transaction (in megawatts);
 - (5) the generation source of the energy;
 - (6) any and all known intermediaries between source and sink;
 - (7) all costs and price terms of the transaction (including indirect costs such as transmission charges); and
 - (8) the average total cost per kilowatt hour.
- (b) the rescheduling of planned maintenance outages;
 - (i) Please identify the specific units involved, the originally scheduled outage dates, the planned duration of the outage, the new scheduled dates for the outage, and a brief description of the nature of the maintenance or other work planned for the outage.
- (c) the contracts to bring on line an additional 294 mw of capacity by the summer 2000;
 - (i) Please identify the contracts and the parties to the contracts.

(ii) Please provide copies of the contracts.

- 2.38 Regarding KCPL's March 2, 1999 press release titled "KCPL estimates financial impact of plant explosion; plans for the future," please discuss KCPL's plan to permanently replace the lost capacity at Hawthorn.
- 2.39 Please provide a copy of KCPL's General Rules and Regulations Applying to Electric Service.
- 2.40 With respect to GST billing information, KCPL reportedly provides GST with a hard copy of hourly incremental cost data on a weekly basis. Please provide this data on diskette for the period from 1996 to the present.
- 2.41 Please identify and describe all software necessary to run the production costing model used by KCPL's System Control Center to determine the incremental cost and please provide a copy of the production costing model on diskette.
- 2.42 For the period from January 1, 1999, please provide a copy of all runs of the production costing model showing all inputs, parameters and assumptions to the model and any supporting workpapers.

By:

James W. Brew

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Attorneys for GST Steel Company

Dated: June 24, 1999

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

GST Steel Company,

Complainant

v.

Kansas City Power & Light Company

Respondent.

Case No. EC-99-553

**THIRD SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY GST STEEL COMPANY TO
THE KANSAS CITY POWER & LIGHT COMPANY**

GST Steel Company ("GST") hereby propounds the following Interrogatories and Requests for Production of Documents (collectively referred to herein as "Requests") in the captioned proceeding. Each Request incorporates fully by reference each and every Instruction as if set forth fully therein. Any questions, comments or objections to said Requests should be directed as soon as feasible to the undersigned counsel in order to expedite the discovery process. The Kansas City Power & Light Company ("KCPL") is requested to provide its responses on an as available basis and no later than 20 days from service.

INSTRUCTIONS

Please refer to the Instructions preceding GST's first set of discovery requests, which are incorporated by reference as if fully set forth herein.

REQUESTS

- 3.1 Please provide copies of any and all documents concerning KCPL's corporate projections for personnel reductions for the years 1994 through 1999.
- 3.2 Please provide copies of any and all documents concerning KCPL's corporate projections for the reduction of O&M expenditures for the years 1994 through 1999.
- 3.3 Please provide copies of any and all performance goals developed for Hawthorn 5 and/or the Hawthorn Station for the years 1994 through 1999.
- 3.4 Please provide copies of any and all performance goals developed for the Iatan Station for the years 1994 through 1999.
- 3.5 Please provide copies of any and all performance goals developed for the LaCygne Station for the years 1994 through 1999.
- 3.6 Please provide copies of any and all performance goals developed for the Montrose Station for the years 1994 through 1999.
- 3.7 Please provide copies of any performance goals developed for the Northeast Station for the years 1994 through 1999.
- 3.8 Please provide copies of the capital improvement budgets (entire budget package) submitted by the manager of the Hawthorn Station for KCPL corporate approval for the years 1990 through 1999. Include drafts of the budgets and all documents at all levels of management which discuss the budget proposals.
- 3.9 Please provide copies of the final capital improvement budgets (entire budget package) for the Hawthorn Station for the years 1990 through 1999.
- 3.10 Please provide copies of the capital improvement budgets (entire budget package) submitted by the manager of the Iatan Station for KCPL corporate approval for the years 1990 through 1999.
- 3.11 Please provide copies of the final capital improvement budgets (entire budget package) for the Iatan Station for the years 1990 through 1999.
- 3.12 Please provide copies of the capital improvement budgets (entire budget package) submitted by the manager of the Montrose Station for KCPL corporate approval for the years 1990 through 1999.
- 3.13 Please provide copies of the final capital improvement budgets (entire budget package) for the Montrose Station for the years 1990 through 1999.
- 3.14 Please provide copies of the capital improvements budgets (entire budget package) submitted by the manager of the Northeast Station for KCPL corporate approval for the years 1990 through 1999.
- 3.15 Please provide copies of the final capital improvement budgets (entire budget package) for the Northeast Station for the years 1990 through 1999.

- 3.16 Please provide copies of the capital improvements budgets (entire budget package) submitted by the manager of the LaCygne Station for KCPL corporate approval for the years 1990 through 1999.
- 3.17 Please provide copies of the final capital improvements budgets (entire budget package) for the LaCygne Station for the years 1990 through 1999.
- 3.18 Please provide copies of the operations and maintenance budgets (entire budget package) submitted by the manager of the Hawthorn Station for KCPL corporate approval for the years 1990 through 1999.
- 3.19 Please provide copies of the final operations and maintenance budgets (entire budget package) for the Hawthorn Station for the years 1990 through 1999.
- 3.20 Please provide copies of the operations and maintenance budgets (entire budget package) submitted by the manager of the Iatan Station for KCPL corporate approval for the years 1990 through 1999.
- 3.21 Please provide copies of the final operations and maintenance budgets (entire budget package) for the Iatan Station for the years 1990 through 1999.
- 3.22 Please provide copies of the operations and maintenance budgets (entire budget package) submitted by the manager of the Montrose Station for KCPL corporate approval for the years 1990 through 1999.
- 3.23 Please provide copies of the final operations and maintenance budgets (entire budget package) for the Montrose Station for the years 1990 through 1999.
- 3.24 Please provide copies of the operations and maintenance budgets (entire budget package) submitted by the manager of the Northeast Station for KCPL corporate approval for the years 1990 through 1999.
- 3.25 Please provide copies of the final operations and maintenance budgets (entire budget package) for the Northeast Station for the years 1990 through 1999.
- 3.26 Please provide copies of the operations and maintenance budgets (entire budget package) submitted by the manager of the LaCygne Station for KCPL corporate approval for the years 1990 through 1999.
- 3.27 Please provide copies of the final operations and maintenance budgets (entire budget package) for the LaCygne Station for the years 1990 through 1999.
- 3.28 Please provide copies of end of year budget variance reports for the Hawthorn Station for the years 1994 through 1998.
- 3.29 Please provide copies of end of year budget variance reports for the Montrose Station for the years 1994 through 1998.
- 3.30 Please provide copies of end of year budget variance reports for the LaCygne Station for the years 1994 through 1998.

- 3.31 Please provide copies of end of year budget variance reports for the Northeast Station for the years 1994 through 1998.
- 3.32 Please provide copies of end of year budget variance reports for the Iatan Station for the years 1994 through 1998.
- 3.33 Regarding requests 3.8 through 3.17, and to the extent the information is not provided in 3.28 through 3.32, please provide by individual unit the actual capital improvements expenditures for the years 1990 through 1999.
- 3.34 Regarding requests 3.18 through 3.27, and to the extent the information is not provided in 3.28 through 3.32, please provide by individual unit the actual operations and maintenance expenditures for the years 1990 through 1999.
- 3.35 Please state the beginning and ending dates of the last two major maintenance outages (including turbine overhaul) at each of KCPL's coal-fired generating units.
- 3.36 Please provide copies of any and all KCPL tariffs for which GST is currently eligible.
- 3.37 Please state the magnitude of O&M expenses requested for inclusion in base rate items in KCPL's last rate case filing.
- 3.38 Please state the magnitude of O&M expenses allowed by the Commission as base rate items in KCPL's last rate case.
- 3.39 Referring to the KCPL Web page press release dated March 2, 1999, and to the extent not previously provided in response to data requests GST 1.3, 2.37 or 2.38, please provide the following:
- (a) Any and all documents, studies, reports, spreadsheets and/or workpapers supporting the estimated \$25-30 million in additional fuel and/or purchased power costs expected to be incurred as a result of the Hawthorn 5 boiler explosion. Provide executive summary sections of reports if reports are voluminous.
 - (b) Any and all documents studies, reports, spreadsheets and/or workpapers supporting the estimated \$11.5 million in reduced O&M costs anticipated as a result of the Hawthorn 5 boiler explosion.
 - (c) Any and all documents studies, reports, spreadsheets and/or workpapers supporting the estimated \$1 million in reduced depreciation anticipated as a result of the Hawthorn 5 boiler explosion.
 - (d) Any and all documents studies, reports, spreadsheets and/or workpapers supporting the estimated \$1 million in rail management savings anticipated as a result of the Hawthorn 5 boiler explosion.
- 3.40 Referring to the KCPL Web page press release dated March 2, 1999, and to the extent not previously provided in response to data requests GST 1.3, 2.37 or 2.38, please provide the following:
- (a) Copies of the insurance policy or policies expected to provide \$5 million in insurance coverage for replacement power.

(b) Copies of any and all correspondence between KCPL and its replacement power insurers pertaining to the February 17th boiler explosion at Hawthorn 5.

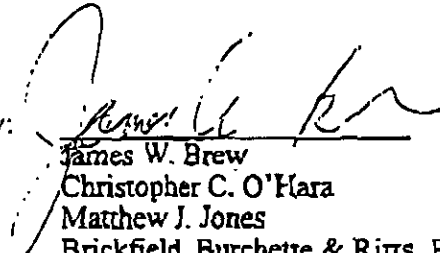
(c) Copies of any calculations and/or workpapers supporting the \$5 million amount listed for replacement power compensation.

- 3.41 Please provide copies of KCPL's 1998 and 1999 monthly NERC-GADS inputs for Hawthorn 5, Montrose 1-3, and Iatan 1.
- 3.42 Please provide copies of any and all Hawthorn 5 operating manuals and/or checklists issued since 1994.
- 3.43 Please provide a complete description of the annual training requirements associated with each bargaining unit position at Hawthorn 5.
- 3.44 Please provide a complete description of the annual training requirements associated with each engineering/management position at Hawthorn 5.
- 3.45 Please provide a complete description of the initial qualification requirements associated with each bargaining unit position at Hawthorn 5.
- 3.46 Please provide a complete description of the initial qualification requirements associated with each engineering/management position at Hawthorn 5.
- 3.47 For each of the years 1990-1998, please state the total number of hours that Hawthorn 5 personnel spent in classroom training.
- 3.48 For each of the years 1990-1998, please state the total number of hours that Hawthorn 5 personnel spent annually in classroom training other than that required by OSHA.
- 3.49 For each of the years 1990-1998, please state the annual dollar amounts budgeted and expended for the training of Hawthorn 5 personnel.
- 3.50 Please list and describe any and all commercially packaged safety programs utilized at the Hawthorn plant from 1994 to the present, stating the effective dates of each program.
- 3.51 Please provide hourly generator output data for each of the Applicants generating units (including any jointly-owned, leased, or purchased units) for 1996, 1997 and 1998. Please indicate where this output is measured (e.g. low side of generator step-up transformer) and whether it includes station load. Please provide this data in comma delimited ASCII on a diskette.
- 3.52 Please provide 1996-1998 monthly and yearly net capacity factors for each station and unit owned or operated by/for the Company.
For this calculation use the NERC formula:
Net Capacity Factor (NCF) = $[NAG / (PH * NMC)] * 100(\%)$, where,
NAG = Net Actual Generation - Net electrical MWH produced during the period in question.
PH = Period Hours = Number of hours a unit was in the active state (a unit generally enters the active state on its commercial date).
NMG = Net Maximum Capacity - Capacity a unit can sustain over a specified period when

not restricted by ambient conditions or equipment deratings, minus the losses associated with station service or auxiliary loads.

- 3.54 For each of the Company's generating units (including any joint-owned, leased, or purchased units), please provide the following:
- (a) the 1996, 1997 and 1998 operating rates, and
 - (b) the 1996, 1997 and 1998 connected load hours.
- 3.55 Please describe the circumstances surrounding the steam pipe explosion that occurred in or around August 1998. (a) What was the cause of the explosion? (b) What corrective action has been taken to prevent a similar occurrence at other units?
- 3.56 Subsequent to the incident referenced in question 3.55, have any tests been conducted to determine the condition of the Company's pipes?
- 3.57 Please provide any documents prepared by or for KCPL comparing KCPL maintenance expenses, outages, outage rates with those of other utilities.
- 3.58 Please provide any documents prepared in the last five years that list, describe or evaluate to maintenance expenses, outages, or outage rates at latan.
- 3.59 Is the Company's management satisfied with the reliability and availability of each of its plants? Which plants (if any) are not performing at an acceptable level according to the Company's management?
- 3.60 Please describe the steps that have been taken and any funds expended to improve the performance of the Company's less reliable plants.
- 3.61 Please list the person or persons responsible for improving the performance of the plants which have the worst availability record.

By:


James W. Brew
Christopher C. O'Hara
Matthew J. Jones
Brickfield, Burchette & Ritts, P.C.
1025 Thomas Jefferson Street, NW
8th Floor, West Tower
Washington, D.C. 20007
Phone: (202) 342-0800
Facsimile: (202) 342-0807

Attorneys for GST Steel Company

Dated: July 2, 1999

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served via first class mail, postage prepaid, this 2nd day of July, 1999 upon the following:

William H. Koegel**
Managing Attorney
Kansas City Power & Light Company
1201 Walnut
P.O. Box 418679
Kansas City, MO 64141

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Steven Dotheim
Deputy General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Paul S. DeFord
Kurt V. Schaefer
Lathrop & Gage, L.C.
2345 Grand Boulevard, Suite 2800
Kansas City, MO 64108


James W. Brew

** Also served via facsimile



LAW DEPARTMENT

WILLIAM H. KOEGEL
MANAGING ATTORNEY
(816) 556-2031
(816) 556-2787 (Fax)
whk3928@kcpl.com

July 8, 1999

VIA U.S. MAIL & FACSIMILE

Mr. James W. Brew
Brickfield, Burchette & Ritts, PC
1025 Thomas Jefferson Street, NW
8th Floor, West Tower
Washington, DC 20007

RE: GST Steel Company v. Kansas City Power & Light Company, Case No. EC-99-553

Dear Mr. Brew:

We are in receipt of the Second Set of Interrogatories and Requests for Production of Documents submitted by GST Steel Company on or about June 28, 1999.

Kansas City Power & Light Company objects to each and every one of the Requests numbered 2.1 through 2.38 inclusive, on the basis that they are irrelevant, beyond the scope of these proceedings, and not reasonably calculated to lead to admissible evidence. None of these requests deal with the sole matter involved in the case, whether the pricing mechanism contained in the special contract between KCPL and GST is just and reasonable.

Further, KCPL objects to Request 2.40 on the basis that providing the production costing model would violate KCPL's licensing agreement with the Owner of the software.

Finally, KCPL objects to Requests 2.5 (e) & (g), 2.8, 2.11, 2.18, 2.20 (c), 2.27 and 2.28 to the extent that GST seeks information or documents protected by the attorney-client privilege and/or work product doctrine.

Sincerely,

William H. Koegel
William H. Koegel

cc: William G. Riggins
Chris B. Giles
Gerald A. Reynolds
Paul S. DeFord

APPENDIX C

KANSAS CITY POWER & LIGHT COMPANY

1201 WALNUT • P.O. BOX 418679 • KANSAS CITY, MO 64141-9679 • 816-556-2200 • WWW.KCPL.COM



Gerald A. Reynolds

(816) 556-2785

(816) 556-2787 (Facsimile)

July 15, 1999

VIA U.S. MAIL & FACSIMILE (202) 342-0807

Mr. James W. Brew
Brickfield, Burchette & Ritts, PC
1025 Thomas Jefferson Street, NW
8th Floor, West Tower
Washington, DC, 20007

Re: Case No. EC-99-553

Dear Mr. Brew:

We are in receipt of the Third Set of Interrogatories and Requests for Production of Documents served by GST Steel Company ("GST") on or about July 6, 1999 ("Requests"). With the exception of Request No. 3.36, Kansas City Power & Light Company ("KCPL") objects to each of the Requests on the grounds that the Requests are irrelevant, overly broad, burdensome, beyond the scope of these proceedings, and not reasonably calculated to lead to the discovery of admissible evidence.

KCPL objects to the Requests to the extent GST seeks information or documents protected by the attorney client privilege and/or the work product doctrine. In addition, KCPL objects to each of the Requests to the extent GST attempts to impose obligations that exceed those imposed by Missouri law.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Gerald A. Reynolds", is written over a horizontal line.

Gerald A. Reynolds

cc: William G. Riggins
William H. Koegel
Chris B. Giles
Paul S. DeFord

APPENDIX D

IN THE CIRCUIT COURT OF

HENRY

COUNTY, MISSOURI

CIRCUIT

DIVISION

STAHL SPECIALTY COMPANY

vs.

TIMOTHY W. MONSEES

Plaintiff(s)/
Petitioner,

Case No. CV398-538CC

Defendant(s)/
Respondent.

NOTICE OF ENTRY, ORDER OR JUDGMENT BY COURT

Now on this date, JUNE 16, 1999

, you are hereby notified that on

JUNE 16, 1999

, the Court entered the following:

- ☒ A. A Judgment, Decree or Order which is attached hereto.
- B. A docket entry as follows:

This Notice, with copies of any Orders, Judgments or Decrees mentioned attached, was mailed to the following named person or entity, at the address shown, by first class mail, postage prepaid, on date first written above.

JOHN M. MCFARLAND
2345 GRAND BLVD, SUITE 2500
KANSAS CITY, MO 64108

DANIEL HAMANN
920 MAIN ST., SUITE 1900
KANSAS CITY, MO 64106

JANICE SLOAN

Clerk of said Court

By

Wanda M. Hester
(Deputy Clerk)

(White - Original Copy, Pink - File Copy)

APPENDIX E

IN THE CIRCUIT COURT OF HENRY COUNTY, MISSOURI

Stahl Specialty Company,

Plaintiff,

vs.

Timothy W. Monsees,

Defendant.

Case No. CV398-538CC AM 3 22

CLERK
JURY
MISSOURI

Order

On December 4, 1998, discovery motions came on for hearing in Johnson County, Mo., before the order changing venue of this case to Henry County. Plaintiff appeared by attorney John M. McFarland, and Defendant appeared by attorney Dan Hamman. Gordon Myerson appeared for the law firm of Myerson & Morrow, P.C. Attorney Thomas Notestine also appeared.

I. Case Background

In 1992, Terry Hedglin, while in the scope and course of his employment with Stahl, died as a result of injuries he sustained when he fell into a vat of hot liquid on Stahl's premises.

On January 19, 1994, Monsees, as attorney for the widow and children of Hedglin, filed a products liability wrongful death suit against Stahl in the Circuit Court of Johnson County, Missouri. The Hedglins originally were represented in the case by attorney Thomas Notestine who referred the matter to Monsees.

Monsees, at all relevant times in this case, was a principal in the law firm of Myerson, Monsees & Morrow, P.C. That entity has since ceased to exist, and the firm of Myerson & Morrow, P.C. now has custody of the Hedglin products litigation file.

That litigation terminated in Stahl's favor on June

27, 1995.

Stahl has sued Monsees for malicious prosecution based upon the termination of the products liability wrongful death case (sometimes referred to in this document as the wrongful death case) in its favor.

II. Discovery Issues Presented/Rulings

A) Subpoena Duces Tecum to Myerson & Morrow, P.C.

Plaintiff, by subpoena duces tecum for a deposition of a representative of Myerson & Morrow, P. C., requested "all documents, papers, notes, memorandum, photographs, folders, letters, correspondence, etc., that constitute the entire original file or files regarding or relating in any way to" the wrongful death case.

The deposition occurred; Myerson & Morrow produced the requested material at the deposition; Stahl's counsel was allowed to review the material; and, photocopies of documents he marked were promised to him later.

The photocopies of those documents have not been produced, and Myerson & Morrow now raise the privileges of work product and attorney/client.

In this malicious prosecution case, the documents requested by Stahl from the wrongful death case are not protected by the work product privilege.

However, some of those document may be protected by the attorney/client privilege, which would include communications and records of communications between the Hedglins and Notestine or Monsees (or his firm). The privilege belongs to the Hedglins. They have not consented to the disclosure of the contents of

their communications with counsel, and the privilege cannot be waived by their counsel.

In fact, their counsel has an ethical duty to guard those communications.

By exhibiting the documents to Stahl's counsel, and agreeing to furnish photocopies, Myerson & Morrow have not waived the Hedglins privilege.

Myerson & Morrow are ordered to produce the documents requested by Stahl, except those it claims are covered by the attorney client privilege. A log of the documents claimed to be covered by the attorney/client privilege, as provided by Rule 26(5), F.R.C.P., and the notes to the rule, shall be furnished by Myerson & Morrow to allow Stahl to determine if they are covered by the attorney/client privilege or excepted for some reason.

Myerson & Morrow's objections are ruled in accord with these rulings, and they are ordered to comply within 30 days.

B) Subpoena Duces Tecum to Thomas J. Notestine

Notestine was served with a subpoena duces tecum for his deposition similar to Myerson & Morrow, P.C.'s in the preceding subsection. Notestine appeared, gave his deposition, produced some documents, but claimed attorney client privilege as to certain unspecified documents he had which include copies of correspondence from Monsees to the Hedglins. He has been served with a second subpoena duces tecum and raises the attorney/client privilege.

The same comments regarding attorney/client privilege made regarding the Myerson & Morrow subpoena duces tecum are equally applicable here.

Notestine ordered to supply the Rule 26(5) log to Stahl within 30 days.

C) Monsee's Objections to Stahl's Discovery Requests

The work product privilege is not available to Monsees in this action for the Hedglin Worker's Compensation or Wrongful Death files or his representation. All of his objections to discovery based upon that privilege are overruled, and Monsees is ordered to answer and produce documents within 30 days where work product is the sole reason for objection.


All of the previous comments in this document concerning the attorney/client privilege are applicable to Monsees' objections based on that privilege. His only obligation is to provide the Rule 26(5) log within 30 days.

D) All requests for sanctions by Stahl are denied.

III. Other Orders

The Clerk is directed to fax and mail a copy of this document to all counsel of record, Thomas J. Notestine and Gordon Myerson.

Entered this 16th day of June, 1999.


William J. Roberts
Circuit Judge