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

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)	Case No. EM-2007-0374
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# REPLY OF APPLICANTS TO MOTION FOR ORDER DIRECTING COMPLIANCE WITH COMMISSION ORDER

Great Plains Energy Incorporated ("Great Plains Energy") and Kansas City Power & Light Company ("KCPL") (collectively, "Applicants") state the following in response to the Motion for Order Directing Compliance with Commission Order submitted on March 12, 2008 by Staff, the Office of the Public Counsel ("OPC") and certain industrial intervenors (collectively, "Staff, et al."):

- 1. On February 25, 2008, the Applicants filed 18 pages of additional supplemental direct testimony withdrawing certain key requests made in their previous filings. On February 28, the parties met at a pre-hearing conference in this case. After the conference, Staff, et al. sought clarification concerning workpapers accompanying the Applicants' February 25 testimony. Specifically, Staff, et al. wanted to know what if any of the documents Applicants provided during settlement discussions could appropriately be re-designated as workpapers. Staff, et al. also inquired as to the availability of any financial models Michael Cline might have used in preparation of his testimony.
- 2. Applicants responded to Staff, et al.'s request for information in an e-mail sent on March 5, 2008. *See* Exhibit 1. Staff, et al. did not respond to that e-mail concerning its content or adequacy. In fact, there were no responses whatsoever.

- 3. On March 12, 2006, Staff, et al. submitted a Motion for Order Directing Compliance with Commission Order. In that motion, they allege that the Applicants are "seeking to withhold workpapers." Specifically, they allege that the Applicants should have provided (i) "responses from Moody's and S&P" and (ii) "actual spreadsheet calculations that underlie the attachments to Mr. Cline's testimony." Those documents are being provided to the parties contemporaneously with this filing. The relief requested in the motion is therefore moot.
- 4. The Applicants seek to clarify, however, that they have not sought to withhold workpapers. Although previously provided to the parties, the Applicants did not designate the letters from Moody's and S&P as workpapers because they were not requested or prepared in the course of developing the additional supplemental direct testimony. Instead, the letters were obtained as part of the Applicants evaluation of any potential impacts the merger might have on the Applicants' credit rating. In short, although Applicants see no merit in debating the point, they did not consider these letters to be workpapers.
- 5. With regard to the calculations summarized in slide number 13 of Schedules MWC-18 and MWC-19, the Applicants have been diligently pursuing authorization from the developer of the financial model to distribute it. Having now obtained that authorization, they are able to provide it and have done so. Mr. Cline does not possess a copy of the model and did not use it in preparation of his testimony. The data supplied in slide number 13 of Schedules MWC-18 and MWC-19 was provided by the Applicants' investment bank.
- 6. The Applicants believe this present issue could have been resolved without the Commission's involvement and invite the parties in the future to discuss such matters more fully with Applicants prior to seeking assistance from the Commission.

## Respectfully submitted,

### Is | Curtis D. Blanc

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Attorneys for Great Plains Energy Incorporated and Kansas City Power & Light Company

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Mark; Riggins Bill; Rush Tim; Giles Chris

Subject:

Bassham and Giles Work Papers (Additional Supplemental Direct) - CONTAINS HIGHLY

CONFIDENTIAL INFORMATION

#### Counsel:

After last week's prehearing conference, Staff requested that we confirm whether the witnesses who provided additional supplemental direct testimony on February 25 had work papers, and specifically, what if any of the documents we provided during settlement discussions were now work papers?

As we previously indicated, none of the additional supplemental direct testimony witnesses have work papers that were not previously provided to the parties. However, in preparation of their testimony they relied on several of the documents provided to the parties during settlement discussions. To clarify what the Company no longer considers privileged settlement information, it is appropriate to re-designate those documents as work papers.

The following documents, which are HIGHLY CONFIDENTIAL, are work papers associated with Terry Bassham's Additional Supplemental Direct Testimony:



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Consolidated\_GPE\_ Schedule 1
Financial\_Sta... ORRECTED).pdf (7

The following document, which is also HIGHLY CONFIDENTIAL, is a work paper associated with Chris Giles's Additional Supplemental Direct Testimony:



Michael Cline does not have any work papers associated with his Additional Supplemental Direct Testimony. The rating agency presentations are attached as schedules to his testimony.

Any other documents provided during settlement discussions continue to be privileged settlement communications.

Please let me know if you need anything else.

Thank you, Curtis

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# **CERTIFICATE OF SERVICE**

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record.																	

Isl Curtis D. Blane
Attorney