



Missouri Public Service Commission

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November 13, 2000

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General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. EF-2001-282

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **RESPONSE TO KANSAS CITY POWER AND LIGHT COMPANY'S AMENDED APPLICATION AND MOTION FOR EXPEDITED TREATMENT.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Eric William Anderson
Assistant General Counsel
(573) 751-7485
(573) 751-9285 (Fax)

EWA/dkf
Enclosure
cc: Counsel of Record

FILED³

NOV 13 2000

Missouri Public
Service Commission

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
NOV 13 2000

In the Matter of the Application of Kansas)
City Power & Light Company, a Missouri)
Corporation, for Authority to Issue Debt)
Securities.)

Case No. EF-2001-282

Missouri Public
Service Commission

**RESPONSE TO KANSAS CITY POWER AND LIGHT COMPANY'S AMENDED
APPLICATION AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) in accordance with 4 CSR 240-2.080(16) and responds to the amended application and motion for expedited treatment in the above captioned case as follows:

1. The Manager of the Commission's Financial Analysis Department met with employees of Kansas City Power & Light Company ("KCPL") on September 15th of this year and recommended filing of the application which initiated this case as early as possible to allow for a timely response, particularly given the number of requests for expedited treatment generally received by the Commission towards the end of the calendar year.

2. On October 24, 2000 KCPL filed an application in this matter. In the application, which was not captioned as a motion for expedited treatment, and the cover letter, KCPL requested expedited treatment so as to obtain a Commission order with an effective date of December 1, 2000. KCPL's application was not in compliance with 4 CSR 240-2.080(17) regarding expedited treatment. The application also lacked several documents, including pro forma financial information, that were to be filed later on November 8, 2000.

3. On or about November 2, 2000 counsel for Staff contacted counsel for KCPL and informed him of deficiencies in the application as to the application's attempt to gain expedited

treatment and the possible difficulties in receiving a Commission order with a December 1, 2000 effective date.

4. On November 3, 2000 KCPL filed an amended application and motion for expedited treatment. In its amended application and motion for expedited treatment KCPL continues to ask for a Commission order with a December 1, 2000 effective date.

5. 4 CSR 240-2.080(17) requires that a party seeking expedited treatment shall set out the date by which the party desires the Commission to act, the harm avoided or benefit accrued, and that the pleading was filed as soon as possible or an explanation of why it was not. According to the instant amended application, in paragraph 18, the harm to be avoided is that "Applicant recently received advice from prospective underwriters that market conditions for debt securities are expected to be most favorable in early December 2000, and that interest rates are likely to become less favorable latter in this year and early next year." The Staff does not seek to exalt form over substance, but this "recently received advice from prospective underwriters" is speculative at best, is not supported by anything constituting evidence, and does not address with particularity what may be the possible negative effect that will be avoided or the benefit that will accrue, or that there will be no negative effect on KCPL's customers or the general public if the Commission acts by the date requested. KCPL also has not addressed whether its pleading was filed as soon as possible or why it was not. As Staff met with KCPL in September of this year to discuss the matters addressed in the instant application and at that time recommended the filing of this application, it seems unlikely that this application was filed as soon as possible.

6. KCPL is requesting Commission approval for the issuance of \$400 million in debt securities. The amended application states that the issuance of this debt would be in the public

interest. The Staff's preliminary calculations and analysis indicate that the issuance of \$400 million in debt securities potentially will cause KCPL's financings to fall below investment grade. KCPL's filing does not address this possibility and the detrimental effect this would have on the financings of KCPL and the ability of KCPL to provide safe and adequate service to KCPL customers.

7. Paragraph 14 of the amended application states that KCPL will use the proceeds of the debt for "general corporate purposes, which may include capital expenditures, acquisitions, refinancing or repurchase of outstanding long-term debt, preferred and common securities, investments in subsidiaries, and repayment of short-term debt and other business opportunities." From the amended application, Staff cannot tell what percentage of the debt securities will be used for which of the above identified purposes.

8. KCPL has caused to be established a restructuring case, which will extend into the year 2002. KCPL's restructuring may have an impact on the debt issuance requested in the amended application of KCPL for authorization by the Commission.

9. The Staff sent to KCPL by facsimile transmission on November 9, 2000 data requests seeking responses and information regarding the items noted in the above paragraphs. Staff counsel called counsel for KCPL and advised that Staff data requests had been faxed to KCPL and that complete responses from KCPL were needed by November 16, 2000 in order for the Staff to file its recommendation with the Commission by November 30, 2000. While this will not result in KCPL receiving a Commission order with an effective date of December 1, 2000, it will result in a reasonably expedited treatment of the amended application and allow the Staff to generally address the KCPL filing.

10. KCPL can further expedite this matter by waiving the traditional 10-day effective date as to the Commission order, assuming the Commission order authorizes the issuance of \$400 in debt securities as requested by KCPL.

WHEREFORE the Staff requests that the Commission deny the motion to expedite which is part of KCPL's amended application filed on November 3, 2000, but indicate that it will timely process KCPL's application as quickly as KCPL's filing permits.

Respectfully submitted,
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General Counsel



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Missouri Bar No. 47253

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 13th day of November, 2000.



Service List for
Case No. EF-2001-282
November 13, 2000

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