

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
Jefferson City  
August 25, 1986

CASE NO. HO-86-139

Mark G. English, Attorney, Kansas City Power and Light Co., 1330 Baltimore Avenue,  
Kansas City, MO 64105

Enclosed find certified copy of ORDER in the above-numbered case.

Sincerely,

*Harvey G. Hubbs*  
Harvey G. Hubbs  
Secretary

uncertified copy:

Bernard J. Beaudoin, Vice President-Finance, Kansas City Power & Light Co., 1330 Baltimore Ave., Kansas City, MO 64105  
Office of Public Counsel, P.O. Box 7800, Jefferson City, MO 65102

David Claycomb, Kansas Power and Light/Gas Service, 2460 Pershing Road, Kansas City, MO 64108

TO THE MAYOR OF EACH CITY AND THE COUNTY COMMISSIONER OF EACH COMMISSION IN THE  
KANSAS CITY POWER AND LIGHT COMPANY'S SERVICE AREA.

To all parties in cases HO-85-183 and HO-85-224.

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 25th  
day of August, 1986.

CASE NO. HO-86-139

In the matter of the investigation  
of steam service rendered by  
Kansas City Power & Light Company.

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SUSPENSION ORDER AND NOTICE OF PROCEEDINGS

On July 7, 1986, Kansas City Power & Light Company of Kansas City, Missouri, submitted to this Commission tariffs reflecting (i) Revised Rate Schedules of increased steam service rates, (ii) as an alternative thereto, Phase-in Rate Schedules of increased steam service rates, (iii) a conversion schedule dividing KCPL's steam service territory into various distribution areas and assigning a date certain to each area when steam service from Grand Avenue Station will no longer be required to be provided, and (iv) revised General Rules and Regulations Applying to Steam Service. The proposed tariffs bear a requested effective date of January 1, 1987. The proposed tariffs are designed to phase out the steam system by December 31, 1990, and convert the steam service customers to on-site electric boilers or electric space heating. The revised tariffs are designed to increase annual steam revenues by approximately 120 percent (\$5,871,000) in charges for steam service. Alternatively, the proposed phase-in schedules are designed to phase-in the revenue increases 22 percent per year for four (4) consecutive years.

To allow sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable and in the interest of the public, it is the opinion of the Commission that the proposed tariffs should be

suspended for a period of one hundred twenty (120) days beyond January 1, 1987, the requested effective date, unless otherwise ordered by this Commission.

Inasmuch as the Commission is required by law to give the hearing and decision of rate increase cases preference over all other questions pending before it and to decide the same as speedily as possible, and since the burden of proof that the proposed rates are just and reasonable is upon the company proposing same, the Commission is of the opinion that a hearing should be scheduled at which time the Company shall present its entire case in support of these proposed rates. To facilitate the hearing process in this matter, the Commission concludes that a schedule of proceedings should be established, and that all parties should be required to file prepared testimony and schedules in advance of the hearing, as hereinafter ordered.

The Commission is further of the opinion that the Secretary of the Commission should serve a copy of this order upon the mayor of each city, and the county commission of each county in the Company's service area. In addition, the Secretary shall send notice of this order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the newspaper directory of the current Official Manual of the State of Missouri, and to the members of the General Assembly representing the Missouri area served by the Company.

Any city, county, or other proper entity desiring to intervene in this proceeding shall file its application to intervene within thirty (30) days following the date of this order as provided by 4 CSR 240-2.110(12) and shall serve a copy of the application on the Company's attorney, Mark G. English, P. O. Box 679, Kansas City, Missouri 64141.

The Commission is also of the opinion that the Company should give notice to its customers in the manner provided below.

The Commission will require the prefiling of testimony. The practice of prefiling testimony is designed to give parties notice, at the earliest

reasonable opportunity, of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays in the proceedings caused by allegations of unfair surprise at the hearing.

For purposes of prefiling requirements, the Commission is hereby defining "direct", "rebuttal" and "surrebuttal" testimony and schedules. Each party's "direct" testimony and schedules must include all testimony and schedules asserting and explaining that party's proposed adjustments to the Company's book figures, as well as all testimony and schedules asserting and supporting that party's proposed rate base, proposed rate of return, proposed rate design, and any other proposed changes in or additions to the Company's tariffs. The "direct" testimony and schedules must also include all testimony and schedules regarding issues concerning the quality of service being provided by the Company. Each party shall file its entire "direct" case in accordance with the deadlines established by the Commission and all direct testimony and schedules shall be prefiled. Witnesses will not be permitted to supplement the prefiled direct case at the hearing.

"Rebuttal" testimony and schedules include testimony and schedules which explain why a party rejects or disagrees with adjustments to book figures proposed by another party, and testimony and schedules which explain why a party rejects or disagrees with the rate base, rate of return, rate design or any other changes in or additions to the Company's tariffs proposed by another party. "Rebuttal" testimony and schedules also include testimony and schedules which are responsive to the testimony and schedules contained in any other party's direct case regarding the quality of service being provided by the Company. Rebuttal testimony and schedules on any issue in this case must be prefiled and served on all parties as ordered below. Witnesses will not be permitted to supplement prefiled rebuttal evidence. The Commission will not countenance any effort to present a party's entire case as "rebuttal".

"Surrebuttal" testimony and schedules on any issue in this case must also be prefiled, as ordered below. "Surrebuttal" testimony and schedules must be limited to material which is responsive to matters raised in another party's "rebuttal" testimony and schedules, and are not to merely bolster or reiterate matters previously presented by direct or rebuttal testimony and schedules. Some surrebuttal testimony may be generated by the cross-examination of a witness in the hearing, and thus cannot be prefiled. However, parties will not be permitted to present surrebuttal evidence which was not prefiled if it could and should reasonably have been prefiled under the policy established in this order.

Nothing herein, nor in any other order in this case, shall preclude a party from addressing, or having a reasonable opportunity to address, matters not previously disclosed and arising at the hearing. The Commission, in its discretion and for good cause shown, may waive strict application of these requirements.

Since the instant case is subject to a statutory time limit the Commission's general policy provides for the filing of the transcript within two (2) weeks after the conclusion of the hearing. If any party seeks to expedite the filing of the transcript such a request in writing shall be tendered to the Hearing Examiner at least five (5) days prior to the date of hearing. The Hearing Examiner, in consultation with the Chief Hearing Reporter, will determine whether the transcript can, and should, be expedited.

If any party seeks a modification of the procedural schedule or a determination on any procedural matter, such requests shall be directed to the hearing examiner.

The Commission is of the opinion the Company should submit any requests for true-up in its prefiled direct testimony. The requests should include a proposed date to which the Company's financial data is to be brought forward as well as a proposed time for a true-up hearing. The Company's

proposal should also specify a complete list of accounts or items of expense, revenues and rate base designed to prevent any improper mismatch in those areas. The Commission will not consider isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time. Re: Kansas City Power & Light Company, 26 Mo. P.S.C. (N.S.) 104, 110 (July 8, 1983). The Company shall also include in its prefiled direct testimony its recommendation concerning the proper test year, as adjusted, to be used in these proceedings.

The Commission's Staff, the Public Counsel and all intervenors shall state their positions regarding the Company's true-up and test year proposals as hereinafter ordered.

In order to clearly identify the issues between the parties and the dollar amounts associated with those issues, the Commission emphasizes the importance of the deadlines for filing the hearing memorandum and reconciliation as hereinafter ordered.

It is, therefore,

ORDERED: 1. That all proposed tariff sheets submitted on July 7, 1986, by Kansas City Power & Light Company of Kansas City, Missouri, for the purpose of increasing rates for steam service provided to customers in its Missouri service area be, and are hereby, suspended for a period of one hundred twenty (120) days from January 1, 1987, to May 1, 1987, unless otherwise ordered by the Commission.

ORDERED: 2. That any proper entity desiring to intervene and participate herein shall, except for good cause shown, file its application to intervene and serve a copy of same upon the Company's attorney on or before September 24, 1986.

ORDERED: 3. The Company shall file fifteen (15) copies of its prepared direct testimony and schedules and minimum filing requirements with the Secretary of the Commission, and shall serve two (2) copies of same upon the

Public Counsel and each party who has filed a timely and proper application to intervene, on or before October 3, 1986.

ORDERED: 4. Concurrent with the filing of its prepared direct testimony and exhibits in this matter, the Company shall file with the Commission its recommendation concerning the proper test year, as adjusted, for use in this case. That on or before November 3, 1986, the Commission's Staff, the Public Counsel and the intervenors shall either concur in the Company's recommendation or shall recommend alternatives to the Company's suggested adjusted test year.

ORDERED: 5. Concurrent with the filing of its prepared direct testimony and exhibits the Company shall file any requests for true-up audit and hearing. In their prefiled direct testimony, the Commission Staff, the Public Counsel and all intervenors shall either concur in the Company's request or file suggested alternatives to the Company's true-up recommendation.

ORDERED: 6. That the Commission Staff shall file fifteen (15) copies of its prepared direct testimony and schedules with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon the Public Counsel and each intervenor, on or before February 2, 1987.

ORDERED: 7. That the Public Counsel and each intervenor shall file fifteen (15) copies of their prepared direct testimony and schedules with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon each other party, on or before February 2, 1987.

ORDERED: 8. That all parties in this matter shall file rebuttal testimony and schedules, as defined herein, no less than three (3) days, and surrebuttal testimony and schedules no less than one (1) day, prior to the initial day of hearing before the Commission of the issue addressed by that evidence. Such testimony and schedules shall be filed with the Secretary of the

Commission and served upon all parties in the quantities set forth for direct testimony and schedules above.

ORDERED: 9. Testimony and any attachments to a witness' testimony shall be marked only in the manner prescribed by 4 CSR 240-2.130(11). If the testimony of more than one witness is contained in a single binder the testimony of all witnesses contained therein shall be separated by a sheet of a distinctive or contrasting color.

ORDERED: 10. That all direct, rebuttal and surrebuttal testimony and other exhibits and schedules shall contain the following information, in the following format, in the upper right hand corner of a cover sheet:

Exhibit No.:	<u>(To be marked by hearing reporter)</u>
Issue:	<u>(If known at the time of filing)</u>
Witness/Type of Exhibits:	<u>(Specify witness' last name only and whether direct, rebuttal or other type of exhibit)</u>
Sponsoring Party:	<u></u>
Case No.:	<u></u>

ORDERED: 11: That on or before September 4, 1986, the Company be, and is, hereby ordered to notify each of its affected steam customers of its proposal to phase out steam service and increase steam rates by 120 percent. The notice shall set forth the intervention deadline, the early prehearing conference, and hearing dates scheduled by the Commission in this matter.

ORDERED: 12. That an early prehearing conference be, and is, hereby scheduled to commence at 9:00 a.m., on October 1, 1986, for the purpose of delineating the issues and determining if any areas of agreement exist among the parties.

ORDERED: 13. That a prehearing conference in this matter be, and is hereby scheduled to commence at 9:00 a.m. on February 23, 1987, and continue through February 27, 1987, in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

ORDERED: 14. That a party may be dismissed from this proceeding for failure of the party's attorney to appear and participate at the prehearing conference, unless excused in accordance with 4 CSR 240-2.090(4).

ORDERED: 15. That the parties shall file a hearing memorandum setting out the issues to be heard and the witnesses to appear on each day of the hearing, definitions of terms used in describing those issues, each party's position on those issues and quantification of the amount on each issue in dispute no later than 5:00 p.m., February 27, 1987. As an appendix to the hearing memorandum, the parties shall include a reconciliation setting forth the total amount or values of each party's case as well as the individual contested amounts or values associated with each party's total recommendation for expenses, revenues and rate base. If necessary, the reconciliation may be amended or replaced during the proceedings to reflect any change in the issues or amounts in controversy. The parties shall prepare an exhibit list without assigning a number to each prefiled exhibit which shall conform to the order in which the exhibits will be used in the hearing. The exhibit list shall be submitted to the Commission along with the hearing memorandum.

ORDERED: 16. All parties shall present their testimony, schedules and witnesses for examination and cross-examination at a hearing commencing at 10:00 a.m. on March 9, 1987, and continuing through March 13, 1987, as necessary. Said hearing shall be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.


ORDERED: 17. That all counsel and parties to this proceeding shall review 4 CSR 240-4.020 and comply with its terms; shall communicate the meaning and importance of that rule to all personnel whom counsel believes or reasonably should believe ought to be made aware of same; and all counsel shall immediately report to the Commission all future possible violations of any Commission rule by any party, including the party they represent.

ORDERED: 18. That the Secretary of the Commission shall serve a copy of this order and provide notice as described, supra.

ORDERED: 19. That requests for expedited transcripts or procedural determinations shall be made in the manner herein specified.

ORDERED: 20. That this order shall become effective on the date hereof.

BY THE COMMISSION



Harvey G. Hubbs  
Secretary

(S E A L)

Steinmeier, Chm., Musgrave, Mueller,  
Hendren and Fischer, CC., Concur.

*Deputy - 1. chta*

CASE NO. HC-86-139

*[Signature]*  
Chairman  
*[Signature]*  
Commissioner  
*[Signature]*  
Commissioner  
*[Signature]*  
Commissioner  
*[Signature]*  
Commissioner

3-1584c

*A.A. [Signature]  
Add early prehearing conference.  
reasonable time 5/16  
22-  
25*

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, this 25th day of August 1986.

*Harvey G. Hubbs*  
Harvey G. Hubbs  
Secretary

A COPY OF SUSPENSION ORDER AND NOTICE OF PROCEEDINGS  
DATED AUGUST 25, 1986, WAS SENT TO ALL PARTIES IN  
CASES EO-85-185 and EO-85-224 ON SEPTEMBER 5, 1986.

KANSAS CITY POWER & LIGHT COMPANY

1330 BALTIMORE AVENUE

KANSAS CITY, MISSOURI 64105

LAW DEPARTMENT  
(816) 252-2700

May 31, 1983

File No. 0501-74

Mr. Harvey G. Hubbs, Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

RE: HR-83-245; Kansas City Power & Light Company

Dear Mr. Hubbs:

I have enclosed for filing the original and fourteen copies of KCPL's prepared direct testimony and schedules in the above matter. Copies of this filing have been served upon all parties of record this day.

The February 17, 1983, suspension order issued by the Commission in these proceedings required, in paragraph ORDERED: 3., that KCPL file minimum filing requirements. However, Commission regulations do not prescribe minimum filing requirements for steam heat rate cases. Pursuant to consultation with the Deputy Executive Director of Utilities for the Commission, KCPL has prepared and filed testimony and exhibits that, in its opinion, fully justify and support the proposed rate increases.

KCPL wishes to give notice that it intends, during the course of hearings in this matter, to offer in evidence certain matters contained in documents on file as a public record in Case Nos. ER-83-49, et al., as allowed by 4 C.S.R. 240-2.130--specifically, Mr. Doyle's testimony and appendix pertaining to the subject of management efficiency contained in Exhibit 30 of those proceedings.

FILED  
JUL 1 1983

PUBLIC SERVICE  
COMMISSION

EXHIBIT A

Would you please bring these matters to the attention of the Commission.

Very truly yours,

  
Mark G. English

MGE:cp

Enc.

cc w/att.:

Steven T. Dottheim  
James M. Fischer  
Jerremiah D. Finnegan  
Ilus W. Davis  
John B. Williams

**KANSAS CITY POWER & LIGHT COMPANY  
STEAM HEAT RATE CASE NO. HO-86-139  
ACCOUNTING EXHIBITS**

**SCHEDULE**

- 1        Steam Heat Revenue Deficiency**
- 2        Steam Heat Rate Base and Rates Of Return**
- 3        Electric Department and Steam Heat Plant In Service**
- 4        Electric Department and Steam Heat Accumulated Provision  
         For Depreciation and Amortization**
- 5        Total Company and Steam Heat Fuel Inventory**
- 6        Total Company and Steam Heat Materials and Supplies  
         Inventory Other Than Fuel**
- 7        Total Company and Steam Heat Prepayments**
- 8        Accumulated Deferred Income Taxes Applicable to Steam Heat**
- 9        Steam Heat Operating Income Statement**
- 10       Statement of Adjustments Made to Obtain Steam Heat Test  
         Period and Pro Forma Operating Results By FERC Account**
- 11       Explanation of Adjustments Made to Obtain Total Steam Heat  
         Test Period and Pro Forma Operating Results**
- 12       Total Company Operating Income Statement and Electric  
         Department Allocation to Steam Heat**
- 13       Statement of Adjustments Made to Obtain Total Electric  
         Test Period Operating Results by FERC Account**
- 14       Explanation of Adjustments Made to Obtain Total Electric  
         Test Period Operating Results**
- 15       Calculation for Steam Heat Test Period and Pro Forma  
         Provisions For Income Taxes Payable Currently**