



KURT U. SCHAEFER  
(573) 761-5004  
EMAIL: KSCHAEFER@LATHROPGAGE.COM

326 E. CAPITOL AVENUE  
JEFFERSON CITY, MISSOURI 65101-3004  
573-893-4336, FAX 573-893-5398

January 13, 2000

HAND DELIVERED

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
Room 530  
Truman State Office Building  
Jefferson City Missouri 65101

**FILED<sup>2</sup>**  
JAN 13 2000  
Missouri Public  
Service Commission

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

Dear Secretary Roberts:

Enclosed for filing in the above-referenced case please find an original and fourteen (14) copies of **Response of GST Steel Company to Order to Show Cause**. Also enclosed is an original and fourteen (14) copies of **Motion to File Response of GST Steel Company To Order to Show Cause 45 Minutes Out of Time**.

Thank you in advance for your attention to this matter.

Sincerely,

LATHROP & GAGE L.C.

By:   
Kurt U. Schaefer

KS/jf  
Enclosures  
cc: All Parties of Record

FILED<sup>2</sup>  
JAN 13 2000

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

GST Steel Company,

Complainant,

v.

Kansas City Power & Light Company,

Respondent.

Case No. EC-99-553

**RESPONSE OF GST STEEL COMPANY TO ORDER TO SHOW CAUSE**

By Order To Show Cause, dated January 6, 2000 (the "January 6 Order"), the Commission directed that a hearing be held on January 18, following the previously scheduled pre-hearing conference in this matter, to address specific questions regarding the accuracy and completeness of the original petition and various discovery related pleadings by GST Steel Company ("GST Steel")<sup>1</sup> in this docket. The Commission suspended the established procedural schedule in this proceeding pending the outcome of the show cause hearing.

Fundamentally, the Order questions whether GST Steel mischaracterized itself in its May 1999 Petition and in subsequent discovery related pleadings. The Order explains related rulings were influenced by an inaccurate characterization of the corporate identity of GST Steel Company and its relationship to GS Technologies Operating Co., Inc., ("GSTOC") and asked whether subsequent pleadings by GST Steel should have corrected that characterization. As explained herein, GST Steel's filings and pleadings in this docket generally were proper and well founded. GST Steel's objections to KCPL discovery requests were premised upon valid

---

<sup>1</sup> The Commission's Orders and prior pleadings in this matter refer to GST Steel Company as "GST". Throughout this response, in order to avoid potentially confusing references to similar acronyms, GST Steel Company is referred to as "GST Steel".

93

concerns regarding the relevance of KCPL inquiries into matters not related to GST Steel's steel making operations in Kansas City. Those relevance objections are not dependent upon a corporate dividing line between GST Steel Company and GSTOC. Finally, KCPL has not been substantially disadvantaged to the extent it has received responses to the relevant requests posed to GST Steel.

**I. The Commission Has Jurisdiction Over the Petition of GST Steel Company**

**A. GST Steel Company is Properly Registered as an Entity Conducting Business in Missouri.**

GST Steel Company is the proper party before the Commission in this proceeding. GST Steel operates the steelmaking operations in Kansas City that were acquired by GS Technologies Corporation from Armco, Inc. ("Armco"), in 1993. Prior to November 1993, Armco operated the Kansas City facilities as a division of Armco and not as a separate corporate entity. To affect the sale of the Kansas City operation, Armco formed a new Delaware subsidiary corporation under the name R&B Steel, Inc., and contributed to R&B Steel, Inc. the Kansas City assets to be sold. The acquiring parties formed GS Technologies Corporation, a Delaware corporation which, on November 12, 1993, acquired all of the outstanding stock of R&B Steel, Inc. The corporate name of R&B Steel, Inc. was changed to GS Technologies Operating Co., Inc. GSTOC continues today to be a wholly owned subsidiary of GS Technologies Corporation.

GSTOC is authorized to transact business in the state of Missouri pursuant to its Certificate of Authority issued in October, 1993. (See, Appendix A). GSTOC does business in the state of Missouri under the name of GST Steel Company. Doing business under a pseudonym is a common and legal practice in Missouri and the United States, and GSTOC is registered with the Missouri Secretary of State to do business under the name GST Steel

Company as required by Missouri law. (See, Appendix B). As a properly registered business, GST Steel has the capacity to sue and be sued, to enter into contracts, pay taxes, and otherwise to transact business in Missouri in its own name. This includes the ability to receive and pay for electricity service provided by KCPL, and to petition the Commission for relief. See, State v. Kelly, 408 S.W.2d 383 (St.L.Ct.App.1966); Sims v. Missouri State Life Insurance, 223 Mo. App. 1150, 23 S.W. 2d 1075, 1078 (St.L.1930).

In 1995, GS Technologies Corporation acquired Georgetown Industries, Inc., another company which principally operated in the steel industry. In the course of the 1995 transaction, the shareholders of GS Technologies Corporation formed a new Delaware holding company, GS Industries, Inc. ("GSI"), which became the parent of GS Technologies Corporation. Georgetown Industries, Inc. became a wholly owned subsidiary of GSTOC, and Georgetown Steel Corporation, which operated a steel mill in South Carolina, and which was a wholly owned subsidiary of Georgetown Industries, thus became an indirect, wholly owned subsidiary of GSTOC. From a business management and operations perspective, GST Steel and Georgetown Steel Corporation are distinct entities and functionally, each reports directly to the Executive Vice President, Steel Operations, of GSI. Thus, since October 5, 1995 and continuing today, GSI owns all of the outstanding stock of GS Technologies Corporation which, in turn, owns all of the outstanding stock of GSTOC. GSTOC does business in Missouri under the name of GST Steel Company.

In sum, GST Steel is a "person" as described in § 386.020, RSMo. 1994. It is the customer that has an affected interest and that has standing to bring the Petition, filed May 11, 1999, to the Commission. GST Steel is the customer served by KCPL, and KCPL bills GST Steel for electric service. The Commission, accordingly, has jurisdiction over GST Steel and the

issues raised in this docket. KCPL has never challenged the Commission's jurisdiction in this matter.

**B. The Description of GST Steel in The May 1999 Petition Was Not Intentionally Misleading**

The May 11, 1999 GST Steel Petition described GST Steel as a "corporation authorized to do business in Missouri". GST Steel Company is a valid and appropriately registered fictitious name for the Kansas City operation, but a complete and more accurate legal description would be that, "GS Technologies Operating Co., Inc., doing business as GST Steel Company, is a corporation authorized to do business in Missouri". As described above, GST Steel is authorized to transact all manner of business in Missouri, but it is an unincorporated division of GSTOC. This arrangement is a common corporate practice in the United States. There was no intent, in describing GST Steel Company in the Petition without also referencing GSTOC, to mislead KCPL, other parties, the Regulatory Law Judge or the Commission.

In August, 1999, GST Steel provided KCPL with all requested documentation of GST Steel's various corporate and business organizational filings in Missouri, including GST Steel's 1996 filing for a "fictitious business name" with the Secretary of State, in response to KCPL Document requests Nos. 1.1-1.4. GST Steel has been open and accurate in responding to KCPL queries regarding GST Steel's business structure. GST Steel did not realize, until the Commission's Order to Show Cause was issued, that the reference to GST Steel as a corporation in the May 1999 Petition had misled the Commission's discovery related determinations. As described more fully below, GST Steel's objections to KCPL requests of GSTOC that address business matters not related to GST Steel's operations in Kansas City were valid and brought in

good faith. GST Steel regrets any misstatements that occurred, but reiterates that there was no intent to mislead the Commission, or to deny relevant information to KCPL.

## **II. There Has Been No Misconduct in GST Steel's Responses to KCPL Discovery**

### **A. Regarding KCPL's First Set of Interrogatories**

The Order To Show Cause directs GST Steel to respond to KCPL Data Requests ("DRs") numbered 21, 27, 35, 39, 43 and 49 directed to GSTOC from KCPL's First Set of Interrogatories and to all of KCPL's Second Set of Interrogatories. In fact, GST Steel already had provided responses to several of these requests. With very few exceptions, noted herein and tied to straightforward relevance objections, GST Steel has provided all relevant information to KCPL.

#### **1. Questions Relating to the Special Contract Directed to Both GST Steel and GSTOC Have Been Answered.**

KCPL's First Set of Interrogatories to GST Steel, dated August 4, 1999, directed 52 requests to GST Steel, GSI and GSTOC. By letter dated August 16, 1999, GST Steel objected in specific fashion to the majority of those requests, but not means all of them, on the grounds that they were overbroad, not relevant to the issues before the Commission, or requested material that was privileged from disclosure. Without waiving those objections, GST Steel nonetheless agreed to provide relevant, non-privileged materials pertaining to those requests. (See, Appendix C).

On August 24, 1999, GST Steel provided responses to KCPL's First Set of Interrogatories. Included in this package of materials were responses and copies of pertinent documentation concerning the corporate structure of GSI, GSTOC and GST Steel, and their

respective authority to transact business in Missouri. (GST Steel responses to requests 1.1- 1.4). GST Steel also supplied a privilege log with its August 24 responses that listed privileged documents that pertained to the KCPL First Set of Interrogatories.

In this August 1999 package, without waiving its broader objections, GST Steel supplied responses to KCPL requests numbered 21, 27, 35, and 43 that are mentioned in the Order to Show Cause. Each of those DRs was directed to GSTOC and concerned the KCPL Special Contract with GST Steel. In each case, the response referred KCPL to GST Steel's response (generally the preceeding question in the Set) to the same question posed directly to GST Steel. Thus, GST Steel disclosed fully its corporate make-up and answered the DRs in question concerning the Special Contract that were redundant when directed to both GST Steel and GSTOC.

**2. GST Steel's Objections to KCPL Requests and to Discovery of Privileged Materials were Valid and Properly Presented.**

KCPL Request 1.39, which is referenced in the Order to Show Cause, sought "all documents where GSTOC referred to [the] Special Contract as being unjust and unreasonable." The identical question was posed to GST Steel and GSI in Requests 1.38 and 1.40. GST Steel objected to the question posed to each because it required a legal conclusion as to the question of what was "unjust and unreasonable", sought documents protected by the attorney-client and attorney work product privileges, and sought information not relevant to the issues in this case. (See Appendix C, p. 4).

GST Steel's objections to these questions were not premised in any way upon the corporate status or relationships of GST Steel, GSI and GSTOC. This subset of identical

requests was objectionable regardless of the entity to which it was directed for the reasons noted above. GST Steel's objections were valid, well founded and properly raised.

**3. GST Steel Properly Objected to KCPL Discovery Requests Directed to Other Business Interests of GSTOC.**

KCPL DR 1.49 sought "all documents that contain information regarding the electric rates GSTOC is charged at each of its domestic steelmaking facilities." GST Steel properly objected that this request sought information that is not reasonably calculated to lead to the discovery of admissible evidence. GST Steel explained that the electric rates charged to other GSTOC domestic steel making activities not located in Missouri were not relevant to the adequacy of electric service provided by KCPL or any other issue in this proceeding.

As described earlier, apart from GST Steel's operations in Kansas City, GSTOC owns all of the stock of Georgetown Steel Corporation, the separately incorporated steel making facilities located in South Carolina that were acquired in 1995. GST Steel's objection to KCPL requests directed to GSTOC to obtain information concerning Georgetown Steel Corporation is valid and well founded. Moreover, if Georgetown Steel Corporation were operated as a business unit of GSTOC and was not separately incorporated, GST Steel's objection to KCPL's discovery directed at other GSTOC domestic steelmaking facilities would not change. GST Steel did not argue that the KCPL request was invalid simply because it was directed to GSTOC. GST Steel maintained, and properly so, that the request seeks materials and information that are not relevant.



**4. GST Steel's October 4 Motion for Reconsideration and Reply to the Commission Concerning KCPL's First Motion to Compel was Accurate and Not Intended to be Misleading.**

On August 31, 1999, KCPL filed its Motion to Compel responses from GST Steel concerning the utility's First Set of Interrogatories. Although the Certificate of Service attached to KCPL's Motion claimed it had served GST Steel and other parties of record, this in fact was not the case.<sup>2</sup> GST Steel became aware of this motion only after reading that it had been granted for lack of an opposing response in what was expected to be a routine Order amending the procedural schedule that KCPL and GST Steel had proposed jointly. See, September 21, 1999, Order Regarding KCPL's First Motion To Compel Discovery and Amending the Procedural Schedule.

On October 4, 1999, GST Steel requested reconsideration of that Order based on the lack of service and also in that document offered its reply to the KCPL Motion to Compel. In its Reply, GST Steel maintained that KCPL requests directed to GST Steel's commercial relationship with American Iron Reduction, L.L.C. ("AIR") (an affiliate in the GSI holding company structure under GSTOC), labor matters at GST Steel, the effect of the Asian economic crisis on GST Steel's profitability, and electric rates at other GSI-owned domestic steelmaking facilities (e.g., Georgetown Steel Corporation) were not germane to the adequacy of service, contract and electric rate issues before the Commission. (See, GST Steel Request for Reconsideration and Reply, pp. 3-5.).

GST Steel's October 4 pleading did not pose a separate objection for each DR, but described the type and nature of the objection raised to requests that addressed the issues noted

---

<sup>2</sup> At the direction of the Commission, the Commission Staff and the Public Counsel filed statements that, like GST Steel, they had not received the KCPL Motion To Compel dated August 30, 1999.

above. This Reply did not rely upon any distinction between GST Steel and GSTOC as the basis for its objections. The sole reference to GSTOC in this document pertained to "electric rates at other GSTOC domestic steel operations" (see, Reply at p. 4), which is the subject of KCPL request numbered 1.49. As discussed above, GST Steel raised, and maintains, a pointed and valid objection to this request on relevance grounds. GST Steel did not have the remotest intention in this Reply of misleading the Commission in any respect.

**5. The Commission's Order Concerning KCPL's First Motion to Compel**

Based on the filings described above, The Commission issued its November 2, 1999 Order Regarding Kansas City Power and Light Company's First Motion To Compel Discovery, (the "November 2 Order"). This Order decided, in pertinent part:

First of all, while GST [Steel] is a party to this matter, its corporate affiliates are not. KCPL contends that these discovery requests directed to non-parties are appropriate "because of the inextricable influence between GST [Steel] and its affiliated entities [.]". However, KCPL cites no authority for this proposition. KCPL's discovery requests to those entities are, indeed, overbroad, in that they exceed the scope of the pending action. Thus, DRs 21, 22, 23, 27, 28, 29, 31, 32, and 33 are improper.

Order at p. 9. Of those items, only DRs 21, 27 and 31 were directed toward GSTOC. Applying the same reasoning, the Commission determined that, of the GSTOC related requests still under discussion here, responses to DRs 35, 39, and 43 were not required. Finally, with respect to DR 49 (the request for power supply agreements at other GSTOC steel facilities), the Commission agreed with GST Steel that the request sought information that was not relevant to the issues in their docket. The Commission also described GSTOC as a non-party affiliate. November 2 Order at p. 4.

In accordance with the Commission's Order, under cover letter dated November 24, 1999, GST Steel provided responses to DRs 20, 24, 25, 26, 34, 38, 42, 51, and 52. GST Steel did not advise the Commission that it had previously answered the GSTOC-related DRs 21, 27, 35, and 43 because the matter had been rendered moot in providing those responses.

As to DR 49, GST Steel fully agreed with the Commission's determination that KCPL did not establish the relevance of its request. Electric rates charged to steelmaking operations other than those operated by GST Steel are not relevant to the issues before the Commission in this proceeding for precisely the reasons stated in the November 2 Order.

Finally, the subsidiaries and affiliates of GSTOC are not parties. GSTOC, doing business as GST Steel, is a party. GST Steel's pleadings did not articulate this distinction following the November 2 Order. Therein, apparently, lies the source of the problem.

**B. Regarding KCPL's Second Set of Interrogatories**

As outlined above, throughout the objections and pleadings related to the first set of KCPL Data Requests, GST Steel maintained that discovery of other business activities was not a relevant area of inquiry, and reserved objections as to what might be considered admissible evidence while at the same time generally providing KCPL with the relevant documents it requested, regardless of which entity KCPL had targeted in a particular request. GST Steel's pleadings following the Commission's November 2 Order continued to maintain the relevance objection to discovery of GSI's steel making activities that are not operated by GST Steel, but incorporated paraphrasing of that Order that, candidly, is confusing and internally inconsistent. There was no intent to mislead the Commission, or deny KCPL relevant materials.

## **1. Background**

On September 17, 1999, KCPL served its Second Set of Interrogatories, containing 62 separate Data Requests, upon GST Steel. As with the KCPL's First set, many of these DRs were identical questions posed separately to GSI, GSTOC and GST Steel. By letter dated September 27, 1999, GST Steel objected to many of these requests based on the continued belief that the actions of GSI and GSTOC regarding domestic steelmaking facilities other than GST Steel's were not relevant. (See Appendix D). GST Steel objected as well to specific DRs directed at GST Steel that did not concern electricity prices or service (e.g., DR 62 seeks information concerning liquidated damages clauses in contracts for steel products). (See Part IV, below).

On October 7, 1999, GST Steel provided responses to DRs 2.07, 2.08, 2.09, 2.10, 2.11, and 2.12. These requests addressed whether GSI, GSTOC and GST Steel were aware that incremental costs may increase for various reasons. In the interest of completeness, but without waiving its objections to other questions, GST Steel responded to the queries directed to each entity. By separate letter dated October 7, 1999, GST Steel also responded to DR 2.53.

On October 13, 1999, KCPL filed its motion to compel responses from GST Steel concerning its Second Set of Interrogatories. GST Steel did not file a reply to this motion, which the Commission granted on purely procedural grounds in an Order dated November 5, 1999. On December 2, GST Steel provided 19 additional responses to KCPL's Second set of requests. GST Steel, however, reasonably believed that the relevance boundaries established in the November 2 Order governed the permissible scope of discovery. Consequently, on December 2 GST Steel also filed a Corrected Motion to Seek Clarification and Reconsideration with respect to the November 5 Order to confirm or dispel that belief. The Motion appended, but did not

specifically discuss, the DR specific relevance objections contained in GST Steel's September 27 letter.

KCPL's December 13 Response to the Motion for Clarification correctly pointed out that GST Steel is the Kansas City business unit of GSTOC rather than a separately incorporated entity. KCPL withdrew its requests with respect to GSI, but maintained its desire for responses to all other outstanding DRs, including in particular those directed to GSTOC, whether related to the Special Contract or to non-GST Steel activities.

On December 22, 1999, GST Steel filed a Reply to KCPL's Response that readily acknowledged the business relationships among GSI, GSTOC and GST Steel, as described in Part I, above, and explained as well as in GST Steels responses to KCPL's first Set of Interrogatories. GST Steel reiterated its claim that discovery aimed at non-GST Steel steel making facilities was not relevant to matters before the Commission in this proceeding<sup>3</sup>, but also referenced the Commission's ruling that affiliates of GST Steel were not parties. GST Steel's Reply also explained that the response to all other DRs directed to GSTOC was the same as the response already provided to KCPL in GST Steel's response to the same question. (GST Steel Reply at p. 4.)

## **2. Discussion**

GST Steel's most recent pleadings were confusing and inconsistent, but there was no intent to mislead the Commission. For example, after noting that GST Steel is the business name of GSTOC in Missouri, GST Steel's December 22 Reply states that "Corporate parents and affiliates of GST [Steel], including GSTOC, are not parties to this matter and discovery requested

---

<sup>3</sup> DRs 2.02, 2.04, 2.06, 2.23, 2.28, 2.40, 2.48, and 2.64 fall into this category.

of those entities is beyond the scope of this docket.” (Reply at pp. 3-4). The statement should have read “Corporate affiliates of GST Steel, including subsidiaries of GSTOC, are not parties.” As filed, this paragraph in the Reply is internally inconsistent, and understandably produced confusion. It was not, however, intended to mislead. Moreover, no relevant documents requested of GSTOC concerning Kansas City operations were actually withheld from KCPL. The intent was to maintain a valid objection to discovery of non-GST Steel businesses owned by GSTOC, but the filing does not say that.

Overall, of KCPL’s 52 requests, objections should not have been raised to the 5 KCPL requests directed at GSTOC that concern the Special Contract, but those objections are inconsequential because GST Steel answered identical questions in each case and supplied the materials requested, as stated in GST Steel’s December 22 Reply. There was no intent to mislead.

GST Steel’s objections to broader requests directed at GSTOC were valid, but should have distinguished the question as it pertained to the Kansas City operations of GST Steel and as it may have applied to affiliated companies of GSTOC. Again, there was no intent to mislead the Commission, and, in the case of the specific questions involved in the Second Set, GST Steel’s response is accurate as to GSTOC as well.

GST Steel’s objections to KCPL requests directed at “GSTOC’s other domestic steel operations”, e.g., Georgetown Steel Corporation, are accurately stated.

Ultimately, the documents provided previously by GST Steel include all responsive documents of GSTOC. Any relevant documents that KCPL has requested, GST Steel has provided, and GSTOC has no different answer or different documents. This suggests that the sounder course would have been simply to have provided a response in the first place that

referenced the analogous GST Steel response, as GST Steel did in response to KCPL's First set of requests. Nonetheless, GST Steel intended neither to mislead the Commission nor avoid providing relevant information to KCPL. In the interest of bringing closure to this matter, GST Steel has served supplemental responses on KCPL to each of the remaining DRs directed to GSTOC, which reference the applicable GST Steel response, except for those requests addressed in Part III, below.

### **III. GST Steel Should Not Be Required To Produce Business Plan And Steel Product Information That Bears No Relevance To The Issues Before the Commission**

KCPL requests 2.54 and 2.59-2.63 ask GST Steel to produce forward looking annual budgets, business plans, inquires about liquidated damages clauses in contracts for steel products, and steel inventory information. None of these inquiries bear the remotest relevance to the reasonableness and adequacy of service issues raised in the docket. KCPL has asked for, and GST Steel has provided, any GST Steel forecasts of electricity expense for the Kansas City operation (See response to request 2.57). There is no linkage between GST Steel's business plans, projections for revenues, the cost of scrap or other expenses and the electric service issues raised here. KCPL has not made a serious attempt to establish such a link. GST Steel requests that the Commission direct that no response is required to the above referenced KCPL requests.

### **SUMMARY AND CONCLUSION**

GST Steel and, more broadly, GSTOC, are part of a complex and intricate corporate structure that involves, in part, various steel-related enterprises. The Kansas City operations of GST Steel are the only portions of that corporate family that are relevant to the

issues before the Commission in this proceeding. In its pleadings and filings, GST Steel has consistently and in good faith maintained that KCPL data requests directed to affiliates and business interests not connected with the Kansas City facilities are not relevant. Those objections did not rely on a distinction between GSTOC and GST Steel. The Commission's November 2 Order ruled correctly on this relevance question. GST Steel requests that the Commission reinstate that portion of the November 2 Order that was countermanded by the Order to Show Cause, and that it extend the relevance determination in the November 2 Order to the eight KCPL Second Set data requests<sup>4</sup> described herein.

*GST Steel's pleadings following the November 2 Order and that reference that Order contain inconsistent statements that understandably caused some confusion. There was no intent to mislead the Commission or to deny relevant materials to KCPL.*

*GST Steel has raised valid and good faith objections to KCPL data requests that were directed to GST Steel business matters that are both irrelevant and seek extremely commercially sensitive information. GST Steel asks that the Commission revise its latest Order and find that those data requests also are not relevant.*

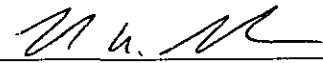
Finally, GST Steel requests that the Commission reinstate the procedural schedule in this matter, and direct KCPL to file immediately its rebuttal testimony previously scheduled to be served on January 12, 2000.

---

<sup>4</sup> DR's 2.02, 2.04, 2.06, 2.23, 2.28, 2.40, 2.48 and 2.64 fall into this category.



Respectfully submitted,



Paul S. DeFord Mo. #29509  
Kurt U. Schaefer Mo. #45829

**Lathrop & Gage, P.C.**

2345 Grand Boulevard  
Suite 2800

Kansas City, Missouri 64108

Telephone: 816-292-2000

Facsimile: 816-292-2001

James W. Brew

**Brickfield, Burchette & Ritts P.C.**

1025 Thomas Jefferson Street, NW

8<sup>th</sup> Floor, West Tower

Washington, D.C. 20007

Telephone: (202) 342-0800

Facsimile: (202) 342-0807

Attorneys for GST Steel Company

Dated: January 13, 2000

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 13th day of January, 2000.

Gerald A. Reynolds  
KCP&L  
1201 Walnut Street  
Kansas City, MO 64106

Steven Dottheim  
Chief Deputy General Counsel  
MO Public Service Commission Staff  
P.O. Box 360  
Jefferson City, MO 65102

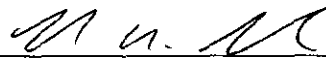
James M. Fischer  
James M. Fischer, P.C.  
101 West McCarty, Suite 215  
Jefferson City, MO 65101

Lera Shemwell  
Assistant General Counsel  
MO Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

John B. Coffman  
Deputy Public Counsel  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

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

Karl Zobrist  
Blackwell Sanders Peper & Martin LLP  
P.O. Box 419777  
Kansas City, MO 64141-6777

  
\_\_\_\_\_  
Attorney

## STATE OF MISSOURI



Judith K. Moriarty  
SECRETARY OF STATE

## CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,  
R&B STEEL, INC.

USING IN MISSOURI THE NAME  
R&B STEEL, INC.

HAS COMPLIED WITH THE GENERAL AND BUSINESS CORPORATION LAW WHICH GOVERNS FOREIGN CORPORATIONS; BY FILING IN THE OFFICE OF THE SECRETARY OF STATE OF MISSOURI AUTHENTICATED EVIDENCE OF ITS INCORPORATION AND GOOD STANDING UNDER THE LAWS OF THE STATE OF DELAWARE.

NOW, THEREFORE, I, JUDITH K. MORIARTY, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID CORPORATION IS FROM THIS DATE DULY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, AND IS ENTITLED TO ALL RIGHTS AND PRIVILEGES GRANTED TO FOREIGN CORPORATIONS UNDER THE GENERAL AND BUSINESS CORPORATION LAW OF MISSOURI.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 25TH DAY OF OCTOBER, 1993.

*Judith K. Moriarty*  
Secretary of State

\$150.00



Rebecca McDowell Cook, Secretary of State  
Corporation Division

APPENDIX B

## Registration of Fictitious Name

(Submit in duplicate with a filing fee of \$7)

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another company or corporation from adopting and using the same name. (RSMo 417)

We, the undersigned, are doing business under the following name, and at the following address:

Name to be registered: GST Steel Company  
7000 Roberts Street  
Missouri Business Address: 7000 Roberts Street  
(P. O. Boxes not accepted)  
City, State, and Zip Code: Kansas City, MO 64125

The parties having an interest in the business, and the percentage they own are (if corporation is owner, indicate corporation name and percentage owned). If all parties are jointly and severally liable, percentage of ownership need not be listed:

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
GST Technologies Operating Co., Inc.	7000 Roberts Street	Kansas City	MO 64125	100 %
				%
				%
				%
				%
				%

(Must be typed or printed)

Return to: Secretary of State  
Corporation Division  
P.O. Box 778  
Jefferson City, Mo. 65102

FILED

JUN 28 1996

Rebecca McDowell Cook  
SECRETARY OF STATE

# LATHROP GAGE

SUITE 2800  
2345 GRAND BOULEVARD  
KANSAS CITY, MISSOURI 64108-2612  
816-292-2000, FAX 816-292-2001

August 16, 1999

## VIA HAND DELIVERY

Mr. William H. Koegel  
Mr. Gerald A. Reynolds  
Kansas City Power & Light Co.  
1201 Walnut  
20<sup>th</sup> Floor  
Kansas City, MO 64106

Re: Case No. EC-99-553

Gentlemen:

In accordance with 4 CSR 240-2.090 of the Commission's Rules of Practice and Procedure, GST Steel Company ("GST" or "Petitioner") objects to the below-mentioned Kansas City Power & Light Company's ("KCPL") Interrogatories and Requests for production of documents ("Request(s)"). GST's specific objections are set forth below:

KCPL-1-5, 1-6, 1-7, 1-8, 1-9, 1-10, 1-11, 1-12, 1-13, 1-14, 1-15, 1-16, 1-17, 1-18, 1-19:

### Response:

Petitioner objects to these Requests (and all subparts thereof) on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

AIR is an entity that is partially owned by GSI. AIR produces direct-reduced iron, which is a potential feedstock in the production of steel. Petitioner objects to these Requests as being irrelevant because purchases, if any, of materials used in steelmaking between related GSI organizations is in no way related to the adequacy of electric service provided by KCPL and other issues in this proceeding.

KCPL-1-20, 1-21, 1-22, 1-23:

Response:

Petitioner objects to these Requests on the grounds that they are overbroad, including within their scope information that is neither relevant to the issue set for hearing in this proceeding nor reasonably calculated to lead to discovery of admissible evidence. KCPL requests information regarding "all meetings" relating to the Special Contract, regardless whether these documents relate to reliability or adequacy of electric service provided by KCPL to GST.

Petitioner also objects to these Requests to the extent the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will identify all meetings, and the individuals attending these meetings, and provide KCPL with relevant non-privileged documents pertaining to these Requests within the applicable time deadline.

KCPL-1-24, 1-25:

Response:

Petitioner objects to providing the documents requested by KCPL on the grounds that these Requests are overbroad, including within their scope information that is neither relevant to the issue set for hearing in this proceeding nor reasonably calculated to lead to discovery of admissible evidence. KCPL requests "all documents" relating to the Special Contract sent between Bain Capital and Mr. Edgerly, regardless whether these documents relate to reliability or adequacy of electric service provided by KCPL to GST.

Petitioner also objects to these requests to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will provide KCPL with relevant non-privileged documents pertaining to these Requests within the applicable time deadline.

KCPL-1-26, 1-27, 1-28, 1-29:

Response:

Petitioner objects to providing the documents requested by KCPL on the grounds that these Requests are overbroad, including within their scope information that is neither relevant to the issue set for hearing in this proceeding nor reasonably calculated to lead to discovery of admissible evidence. KCPL requests "all documents" relating to the Special Contract, regardless whether these documents relate to reliability or adequacy of electric service provided by KCPL to GST.

Petitioner also objects to these requests to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will provide KCPL with relevant non-privileged documents pertaining to these Requests within the applicable time deadline.

KCPL-1-30, 1-31, 1-32, 1-33:

Response:

Petitioner objects to providing the documents requested by KCPL on the grounds that these Requests are overbroad, including within their scope information that is neither relevant to the issue set for hearing in this proceeding nor reasonably calculated to lead to discovery of admissible evidence. KCPL requests "all documents" relating to KCPL, regardless whether these documents relate to reliability or adequacy of electric service provided by KCPL to GST.

Petitioner also objects to these requests to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will provide KCPL with relevant non-privileged documents pertaining to these Requests within the applicable time deadline.

KCPL-1-34, 1-35, 1-36, 1-37:

Response:

Petitioner objects to these requests to the extent the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will provide KCPL with relevant non-privileged documents pertaining to these Requests within the applicable time deadline.

KCPL-1-38, 1-39, 1-40, 1-41:

Response:

Through these Requests, KCPL seeks documents involving the question of whether the Special Contract is "unjust or unreasonable," which requires a legal conclusion. Petitioner objects to these Requests on the grounds that they are neither relevant to the issue set for hearing in this proceeding nor reasonably calculated to lead to discovery of admissible evidence.

Petitioner also objects to these Requests to the extent the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will provide documents relating to the Special Contract that have been identified in Petitioner's Response to KCPL-1-26, 1-27, 1-28, and 1-29, above.

KCPL-1-42, 1-43, 1-44, 1-45:

Response:

Petitioner objects to these Requests on the grounds that they are overbroad, including within their scope information that is neither relevant to the issue set for hearing in this proceeding nor reasonably calculated to lead to discovery of admissible evidence. KCPL



requests information and documents relating to meetings where "any discussion" of KCPL or the Special Contract took place, regardless whether these meetings and documents relate to reliability or adequacy of electric service provided by KCPL to GST.

Petitioner also objects to these Requests to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

Without waiving this or any other objection, Petitioner will make a good faith effort to identify all such meetings, if any, and provide KCPL with relevant non-privileged documents pertaining to these Requests within the applicable time deadline.

**KCPL-1-46:**

**Response:**

Petitioner objects to KCPL's Request (and all subparts thereof) on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Petitioner objects to this Request as being irrelevant because a labor dispute or strike at GST, and any effect it would have on GST profitability, is in no way related to the adequacy of electric service provided by KCPL and other issues in this proceeding.

Petitioner also objects to this Request to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

**KCPL-1-47:**

**Response:**

Petitioner objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Petitioner objects to this Request as being irrelevant because the Asian economic crisis, and any effect it would have on GST profitability, is in no way related to the adequacy of electric service provided by KCPL and other issues in this proceeding.

Petitioner also objects to this Request to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

**KCPL-1-48:**

**Response:**

Petitioner objects to this Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Petitioner objects to this Request as being irrelevant because the Asian economic crisis, and any effect on GST profitability because of it, is in no way related to the adequacy of electric service provided by KCPL and other issues in this proceeding.

**KCPL-1-49:**

**Response:**

Petitioner objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

Petitioner objects to this Request as being irrelevant because the electric rates paid by GSTOC domestic steel making facilities is in no way related to the adequacy of electric service provided by KCPL and other issues in this proceeding.

Petitioner also objects to this Request to the extent that the documents sought are protected by the attorney-client privilege and/or attorney work product privilege. The documents for which Petitioner is claiming privilege will be indexed and included on a privilege log, which will be filed under seal.

KCPL-1-51, 1-52:

Response:

Petitioner objects to these Requests on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GSTOC files forms 10-K and 10-Q with the U.S. Securities and Exchange Commission, which are publicly available from the SEC or its internet website.

Notwithstanding the objections asserted here, Petitioner reserves the right to invoke claims of privilege and confidentiality with respect to any and all Requests submitted, and to object to any Request for which the requested materials prove to be voluminous when preparing the response.

Sincerely,

  
Paul S. DeFord

cc: William G. Riggins  
Karl Zobrist  
Timothy G. Swensen  
James M. Fischer  
James W. Brew

September 27, 1999

VIA FACSIMILE AND MAIL

Mr. Gerald A. Reynolds, Esq.  
Kansas City Power & Light Co.  
1201 Walnut  
P.O. Box 418679  
Kansas City, MO 64141

Re: Case No. EC99-553

Dear Mr. Reynolds:

In accordance with 4 CSR 240-2.090 of the Commission's Rules of Practice and Procedure, GST Steel Company ("GST") objects to the below-mentioned Kansas City Power & Light Company's ("KCPL") Interrogatories and Requests for production of documents ("Requests"). GST's specific objections are set forth below:

KCPL-2.01, 2.02:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because the average price paid for electric service by GSI and GSTQC domestic steel making facilities is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.03, 2.04:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because identifying each electric supplier providing service to GSI and GSTOC domestic steel making facilities is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.05, 2.06:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because contracts by other GSI and GSTOC domestic steel making facilities are in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 2.19, 2.20, 2.21, 2.22, 2.23, 2.24, 2.25, 2.26, 2.27, 2.28, 2.29, 2.30, 2.31, 2.32, 2.33, 2.34, 2.35, 2.36, 2.37, 2.38, 2.39, 2.40, 2.41:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether GSI, GSTOC or GST considered using or used financial hedge instruments is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.42:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether or how GST may have evaluated hedge proposals is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.43:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether GST considered financial hedge instruments is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.44, 2.45, 2.46:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether GSI, GSTOC or GST use pricing models to evaluate electricity forward, futures, or options instruments is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.47, 2.48, 2.49:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether GSI, GSTOC or GST have considered co-generation opportunities is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.50, 2.51, 2.52:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether GSI, GSTOC or GST performed any analysis of KCPL's electric portfolio is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.54:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because GST's Annual Plan is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.55, 2.56, 2.57:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because forecasts prepared by or for GST with respect to the cost of electricity at GST are in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.58:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because how GST has managed its steel production schedules is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.59:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because GST's yearly amounts of capital investments or expenditures are in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.60:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because GST's Annual Budget is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.61:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.



GST objects to this Request as being irrelevant because whether GST uses cost plus pricing is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.62:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because whether any of GST's contracts for steel contain liquidated damages clauses is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.63:

Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because GST's inventory by product line is in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

KCPL-2.64:

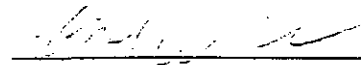
Response:

GST objects to KCPL's Request on the grounds that the information sought is neither relevant to the issues set for hearing in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.

GST objects to this Request as being irrelevant because complaints filed by GSTOC against a supplier of electricity are in no way related to KCPL's management of its incremental costs charged to GST or the adequacy of service issues in this proceeding.

Notwithstanding the objections asserted here, GST reserves the right to invoke claims of privilege and confidentiality with respect to any and all Requests submitted, and to object to any Request for which the requested materials prove to be voluminous when preparing the response.

Sincerely,



James W. Brew  
BRICKFIELD, BURCHETTE & RITTS, P.C.  
1025 Thomas Jefferson Street, NW  
8<sup>th</sup> Floor, West Tower  
Washington, D.C. 20007



Paul S. DeFord Mo. #29509  
LATHROP & GAGE, L.C.  
2345 Grand Boulevard  
Suite 2800  
Kansas City, Missouri 64108

cc: L. Sherman