

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
  
TRANSCRIPT OF PROCEEDINGS  
  
Hearing  
  
September 15, 2000  
Jefferson City, Missouri  
Volume 7

In the Matter of the Joint            )  
Application of UtiliCorp United,)  
Inc. and The Empire District        )  
Electric Company for Authority    ) Case No. EM-2000-369  
to Merge the Empire District       )  
Electric Company with and into     )  
UtiliCorp United, Inc., and, in    )  
Connection Therewith, Certain     )  
Other Related Transactions.        )

MORRIS L. WOODRUFF, Presiding,  
  SENIOR REGULATORY LAW JUDGE.  
  
SHEILA LUMPE, Chair,  
CONNIE MURRAY,  
ROBERT G. SCHEMENAUER,  
KELVIN SIMMONS,  
M. DIANNE DRAINER, Vice-Chair  
  COMMISSIONERS.

REPORTED BY:  
  
KELLENE K. FEDDERSEN, CSR, RPR  
ASSOCIATED COURT REPORTERS, INC.

1 APPEARANCES:

2 JAMES C. SWEARENGEN, Attorney at Law  
DEAN L. COOPER, Attorney at Law  
3 GARRY W. DUFFY, Attorney at Law  
Brydon, Swearengen & England, P.C.  
4 P.O. Box 456  
312 East Capitol Avenue  
5 Jefferson City, Missouri 65102-0456

6 FOR: The Empire District Electric Company.

7 LESLIE JACKSON PARRETTE, JR., Attorney at Law  
UtiliCorp United, Inc.  
8 20 W. 9th Street  
Kansas City, Missouri 66209

9 FOR: UtiliCorp United, Inc.

10 STUART W. CONRAD, Attorney at Law  
11 Finnegan, Conrad & Peterson  
12 1209 Penntower  
3100 Broadway  
Kansas City, Missouri 64111

13 FOR: ICI/Praxair.

14 JAMES B. DEUTSCH, Attorney at Law  
15 Blitz, Bardgett & Deutsch  
308 E. High Street, Suite 301  
16 Jefferson City, Missouri 65101

17 FOR: Empire District Electric Retired  
Employees.

18 WILLIAM A. JOLLEY, Attorney at Law  
19 204 W. Linwood Blvd.  
Kansas City, Missouri 64111

20 FOR: International Brotherhood of  
21 Electrical Workers, Local 1474.

22 SHELLEY A. WOODS, Assistant Attorney General  
23 P.O. Box 899  
Supreme Court Building  
Jefferson City, Missouri 65102

24 FOR: Missouri Department of Natural  
25 Resources.

1075

ASSOCIATED COURT REPORTERS, INC.  
(573) 636-7551 JEFFERSON CITY, MO 65109  
TOLL FREE - 1-888-636-7551

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

JEFFREY A. KEEVIL, Attorney at Law  
Stewart & Keevil  
1001 Cherry Street, Suite 302  
Columbia, Missouri 65201

FOR: The City of Springfield, Missouri,  
through the Board of Public  
Utilities.

JOHN B. COFFMAN, Deputy Public Counsel  
DOUGLAS E. MICHEEL, Senior Public Counsel  
P.O. Box 7800  
Jefferson City, Missouri 65102-7800

FOR: Office of the Public Counsel  
and the Public.

DANA K. JOYCE, General Counsel  
STEVEN DOTTHEIM, Chief Deputy General Counsel  
KEITH R. KRUEGER, Deputy General Counsel  
DENNIS L. FREY, Assistant General Counsel  
P.O. Box 360  
Jefferson City, Missouri 65102

FOR: Staff of the Missouri Public  
Service Commission.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

P R O C E E D I N G S

(EXHIBIT NOS. 11 AND 23 WERE MARKED FOR  
IDENTIFICATION BY THE REPORTER.)

JUDGE WOODRUFF: Let's go on the record.  
Mr. Swearengen?

MR. SWEARENGEN: Yes, your Honor. While we  
were off the record, I asked the reporter to mark for  
identification the direct testimony of James E. Karlin  
as Exhibit 23, K-a-r-l-i-n, and the surrebuttal  
testimony of Robert Kehm as Exhibit No. 11. Both of  
those witnesses have been excused at this point in the  
proceedings, and with no objection I would like to  
offer into evidence Exhibits 23 and 11.

JUDGE WOODRUFF: All right. Exhibit 23 and  
11 have been offered into evidence. Are there any  
objections to their receipt?

(No response.)

Hearing none, they will be received into  
evidence.

(EXHIBIT NOS. 11 AND 23 WERE RECEIVED INTO  
EVIDENCE.)

MR. SWEARENGEN: Thank you.

JUDGE WOODRUFF: Any other preliminary  
matters before we go ahead and start taking testimony  
again?

1 All right. I believe we're on premaratorium  
2 rate case with Staff and Mr. Oligschlaeger.

3 MR. DOTTHEIM: The Staff would call -- the  
4 Staff has two witnesses. The Staff would call as its  
5 first witness Mr. David Elliott.

6 (Witness sworn.)

7 MR. DOTTHEIM: At this time the Staff would  
8 like to have marked as exhibits Mr. Elliott's rebuttal  
9 testimony. They've been premarked as Exhibit 701HC  
10 and 701.

11 JUDGE WOODRUFF: Okay.

12 MR. DOTTHEIM: Also, I have copies of the  
13 replacement pages to Mr. Elliott's rebuttal testimony.  
14 I think that the last Staff exhibit was 722.

15 JUDGE WOODRUFF: That's what I have.

16 MR. DOTTHEIM: So if these replacement pages  
17 of Mr. Elliott's could be marked as 723HC and 723.

18 (EXHIBIT NO. 701, 701HC, 723 AND 723HC WERE  
19 MARKED FOR IDENTIFICATION.)

20 JUDGE WOODRUFF: You may inquire.

21 DAVID ELLIOTT testified as follows:

22 DIRECT EXAMINATION BY MR. DOTTHEIM:

23 Q. Mr. Elliott, do you have copies of what have  
24 been marked as 701, your rebuttal testimony in this  
25 proceeding, HC, and 701, and your replacement pages

1       that have been marked as 723HC and 723?

2           A.     Yes, I do.

3           Q.     Do you have any corrections to make at this  
4       time to either Exhibit 701HC and 701 or 723HC and 723?

5           A.     Yes, I do.

6           Q.     Will you please make those corrections?

7           A.     Yes.  On Exhibits 701HC and 701, my rebuttal  
8       testimony, on page 10, line 18, the number 168 should  
9       be replaced with 120.  On the same page, line 21, the  
10      first sentence, the word "select" and "the" should be  
11      removed and replaced with the words "use the basically  
12      similar".  And also the word "as" should be re--  
13      should be put in behind "ours" and before "used", so  
14      the sentence reads, Why did you use a basically  
15      similar number of hours as used in the criteria -- in  
16      criteria for coal fired Iatan and Jeffrey Energy  
17      Center Unit No. 2.

18                 The other change I have is in my replacement  
19      pages, Exhibit 723 and 723HC, on page 12 -- or excuse  
20      me, page 11, line 3, the first sentence there, the  
21      words "the total number of hours" added before the  
22      word "I", and the words "is basically similar to"  
23      added to after the word "used".  So the sentence now  
24      reads, Therefore, the total number of hours I used is  
25      basically similar to the hours from the Iatan Jeffrey

1079

1 Energy Center unit No. 2 criteria.

2 Those are all the changes I have.

3 MR. DOTTHEIM: Judge Woodruff, I inquired of  
4 the applicants, I asked Mr. Swearengen yesterday  
5 afternoon late whether the companies might have an  
6 objection to my asking Mr. Elliott to briefly respond  
7 to Mr. Brill's comments yesterday regarding the  
8 replacement pages, the most current criteria that  
9 Mr. Elliott has listed for the in-service issue, and  
10 Mr. Swearengen can confirm this, but I believe he's  
11 indicated that the company would have no objection to  
12 just a brief response from Mr. Elliott.

13 MR. SWEARENGEN: That's correct, your Honor.

14 JUDGE WOODRUFF: You may proceed, then.

15 BY MR. DOTTHEIM:

16 Q. Mr. Elliott, you were in the hearing room --

17 JUDGE WOODRUFF: Mr. Dottheim, you're away  
18 from the microphone.

19 BY MR. DOTTHEIM:

20 Q. Mr. Elliott, you were in the hearing room  
21 yesterday afternoon when Mr. Brill took the witness  
22 stand?

23 A. Yes.

24 Q. And you were present and heard his comments  
25 in response to the in-service criteria that are listed

1 in your replacement pages which have been marked  
2 Exhibit 723HC and Exhibit 723?

3 A. Yes.

4 Q. Would you briefly respond to Mr. Brill's  
5 comments?

6 A. Yes. First, these -- this criteria was sent  
7 to -- I e-mailed it to Bill Howell, who I believe was  
8 the project manager of the State Line combined cycle  
9 unit on August 24th, 2000. There was discussion, I  
10 believe, yesterday whether it was exactly the same  
11 thing as I e-mailed, and it's not, the difference  
12 being that the order of the criteria is slightly  
13 different in this one than the one I sent to Bill  
14 Howell.

15 And the notes, the last note, I believe the  
16 one that was sent to him made mention of the fact that  
17 the sections of the contract were attached. This  
18 criteria in my testimony, obviously we did not attach  
19 to the sections of the contract. So it deletes that  
20 reference to the fact that they're attached.  
21 Otherwise, it's basically the same document.

22 Item 1, I believe Mr. Brill said Empire  
23 could agree to the changes from all to major.

24 No. 2, I believe Mr. Brill said that Empire  
25 would agree to demonstrate the capability of the new



1 Westinghouse combustion turbine. Staff would say that  
2 the reason this criteria is here is because, you know,  
3 Westing-- Empire's purchasing large pieces of  
4 equipment here with contracts, and in these contracts  
5 are conditions and guarantees with penalties if  
6 they're not met. Staff believes that they should be  
7 proven, the new steam heat recovery steam generators  
8 as well as the new Westinghouse steam turbine.

9 Item No. 3, I believe Mr. Brill said that  
10 Empire would accept that.

11 Item No. 4, I believe he also accepts that.  
12 Those changes made there were basically from  
13 discussions with Empire about the fact that the unit  
14 is not operated from two different locations. So that  
15 was deleted.

16 No. 5, I agree with Mr. Brill that minimum  
17 load is not defined here, yet also I believe he said  
18 that it's not known at this time what minimum load is,  
19 and I accept that. We will -- Staff will work with  
20 Empire to, when the time comes, to set the minimum  
21 load.

22 Item No. 6, I agree with Mr. Brill. The  
23 word nominal should be removed from before heat rate.  
24 What we were asking for was that if the unit is  
25 operating somewhere between 95 percent or above of

1 nominal load, we would expect to see the corresponding  
2 heat rate at that load.

3 Item No. 7 was a criteria that came from  
4 past Staff criteria for other units. The Staff  
5 believes that from the criteria we have above, we have  
6 a criteria that the unit will start, the unit will  
7 shut down, the unit will operate at minimum load, and  
8 the unit will operate at high or nominal load. Staff  
9 believes that this unit could operate in between those  
10 two operating points, and we would like to see a  
11 period of time that it demonstrates that it can  
12 operate at that point.

13 The reason for capacity factor is that you  
14 could schedule the unit for a 120-hour period and, due  
15 to circumstances beyond control, it could not operate  
16 or it could operate very little during that period.  
17 So Staff felt that if we applied some type of capacity  
18 factor we would be ensured at least it would run for a  
19 certain period during the 120-hour period.

20 The arrange capacity factor I used came  
21 from, as Mr. Brill pointed out, came from one of  
22 Empire's studies and was an average capacity factor  
23 for the year. In my changes I have adjusted the  
24 capacity factor and the hours to reflect the same  
25 number, basically the same number of megawatt hours to

1 be produced during the same period.

2 Mr. Brill I think made a point that possibly  
3 Western Resources, the other partner in the unit,  
4 would not -- may not want to run for a 120-hour period  
5 for this test, and that would be a problem. I believe  
6 this was discussed in the meeting with Empire, Staff  
7 had with Empire earlier last month.

8 It's my recollection that this was  
9 discussed, and it's also my recollection that, in the  
10 operating agreement with Empire, between Empire and  
11 Western Resources, is that Empire could run the unit  
12 full load if it purchased additional fuel for that  
13 part of the unit that was Western Resources.

14 I believe also in that meeting was discussed  
15 that Staff said that that purchase of gas minus any  
16 revenue from sales would be put in -- would be  
17 capitalized and put in rate base.

18 Staff believes that some period of time of  
19 operation would allow this unit to demonstrate that it  
20 basically can run more than four hours. There could  
21 be problems that develop that nobody's aware of during  
22 the -- you know, running longer than four hours, and  
23 Staff believes it should be running for some period of  
24 time.

25 This is different than the in-service test

1 criteria that we had for State Line 1 and 2 combustion  
2 turbines. There I believe it was a 72 continuous hour  
3 operation. This with a capacity factor allows the  
4 unit to be off if necessary during this 120 hours as  
5 long as it meets the overall capacity factor.

6 No. 8, I believe Mr. Brill said that Empire  
7 could agree to that.

8 No. 9, I believe Mr. Brill said that the  
9 unit will operate as per all their remission  
10 requirements. He said it may need some tuning done.  
11 Staff has no problem with that. What we're trying  
12 to -- the Public Service Commission is not responsible  
13 for testing emissions of this unit or what the  
14 emissions should be. I believe that's Department of  
15 Natural Resources.

16 What we're saying is, if Natural Resources  
17 is satisfied with the -- excuse me -- Department of  
18 Natural Resources is satisfied with the emissions on  
19 this unit, Staff would be satisfied.

20 Q. Mr. Elliott, when you were referring to  
21 criteria No. 7, maybe I misheard you or misunderstood.  
22 I thought you maybe indicated that, with the change in  
23 the number of hours and the change in the capacity  
24 factor, that the same megawatt hours would be produced  
25 for the same period; is that correct?

1085

1           A.     The same -- basically the same number of  
2     megawatt hours would be produced, just in less number  
3     of hours.

4           Q.     At a different capacity factor?

5           A.     Right. Right.

6                     MR. DOTTHEIM: Thank you. I tender  
7     Mr. Elliott for cross-examination.

8                     JUDGE WOODRUFF: Are you also offering his  
9     exhibits?

10                    MR. DOTTHEIM: Yes. I'm offering at this  
11     time Exhibits 701HC and 701 and 723HC and 723.

12                    JUDGE WOODRUFF: Okay. Exhibit 701 and  
13     701HC and 723 and 723HC have been offered into  
14     evidence. Are there any objections to their receipt?

15                    (No response.)

16                    Hearing none, they will be received into  
17     evidence.

18                    (EXHIBIT NOS. 701, 701HC, 723 AND 732HC WERE  
19     RECEIVED INTO EVIDENCE.)

20                    JUDGE WOODRUFF: All right. Does anyone  
21     have any cross-examination questions for Mr. Elliott?

22                    (No response.)

23                    All right. Chair Lumpe, did you have any  
24     questions for Mr. Elliott? Then you may step down.  
25     Thank you.

1 (Witness excused.)

2 MR. DOTTHEIM: The Staff would call as its  
3 next witness Mr. Mark L. Oligschlaeger.

4 JUDGE WOODRUFF: And Mr. Oligschlaeger, you  
5 have been sworn previously. I believe this is your  
6 last time also, is it not?

7 THE WITNESS: Yes.

8 JUDGE WOODRUFF: You may inquire.

9 MR. DOTTHEIM: The Staff would request that  
10 Mr. Oligschlaeger's testimony, which has been marked  
11 as Exhibit 712, be received into evidence, and I  
12 tender Mr. Oligschlaeger for cross-examination.

13 JUDGE WOODRUFF: Okay. Exhibit 712 has been  
14 offered into evidence. Are there any objections to  
15 its receipt?

16 (No response.)

17 Hearing none, it will be received into  
18 evidence.

19 (EXHIBIT NO. 712 WAS RECEIVED INTO  
20 EVIDENCE.)

21 JUDGE WOODRUFF: Does anyone have any  
22 cross-examination questions for Mr. Oligschlaeger on  
23 this issue?

24 (No response.)

25 Hearing none. Chair Lumpe, did you have

1 any? Then you may step down.

2 (Witness excused.)

3 JUDGE WOODRUFF: I believe that concludes  
4 Staff's --

5 MR. DOTTHEIM: Yes. That is the Staff's  
6 case on premonitory rate case.

7 JUDGE WOODRUFF: We have some witnesses from  
8 Public Counsel. Mr. Burdette is first on the list.

9 MR. COFFMAN: Yes. I'm sorry. We would  
10 call Mr. Burdette to the stand. I believe this will  
11 be his last chance.

12 (Witness sworn.)

13 MR. COFFMAN: I have three copies of  
14 Exhibit 200 to mark. Exhibit 200 is the rebuttal  
15 testimony of Mark Burdette.

16 (EXHIBIT NO. 200 WAS MARKED FOR  
17 IDENTIFICATION.)

18 JUDGE WOODRUFF: You may inquire.

19 MARK BURDETTE testified as follows:

20 DIRECT EXAMINATION BY MR. COFFMAN:

21 Q. Please state your name for the record.

22 A. Mark Burdette.

23 Q. And you are the same Mark Burdette that  
24 caused to be filed in this case prepared rebuttal  
25 testimony?

1           A.     Yes.

2           Q.     And do you have corrections to that  
3 testimony which has been marked as Exhibit 200?

4           A.     Yes, I do.

5           Q.     Would you please explain those?

6           A.     Yeah. There are several, but they're all  
7 about the same thing and they're short. Page 3,  
8 line 15, the word "second" should read "first".  
9 Page 3, line 19, numbers six through ten should be one  
10 through five. Page 4, line 9, the word "post" should  
11 be "pre". Page 4, line 13, the word "second" should  
12 be "first." Page 9, line 16, the word "post" should  
13 be "pre." And page 29, line 5, the numbers six  
14 through ten should be one through five.

15          Q.     Does that conclude the corrections?

16          A.     Yes.

17          Q.     Do you stand by your rebuttal testimony as  
18 corrected?

19          A.     I do.

20                 MR. COFFMAN: I would then tender  
21 Mr. Burdette for cross-examination and offer into the  
22 record Exhibit 200.

23                 JUDGE WOODRUFF: Exhibit 200 has been  
24 offered into evidence. Are there any objections to  
25 its receipt?



1 (No response.)

2 Hearing none, it will be received into  
3 evidence.

4 (EXHIBIT NO. 200 WAS RECEIVED INTO  
5 EVIDENCE.)

6 JUDGE WOODRUFF: All right. Mr. Burdette  
7 has been tendered for cross-examination. Does anyone  
8 have any cross-examination questions for Mr. Burdette?

9 (No response.)

10 Hearing none, let me go to the Bench. Chair  
11 Lumpe, do you have any questions for Mr. Burdette?

12 CHAIR LUMPE: Just one.

13 QUESTIONS BY CHAIR LUMPE:

14 Q. Mr. Burdette, would it be Public Counsel's  
15 position that there should not be preapproval of  
16 items, any items that should be considered should be  
17 in the rate case and considered there?

18 A. I don't think I would be overstating to say  
19 absolutely.

20 Q. All right.

21 A. Yes.

22 CHAIR LUMPE: Thank you.

23 JUDGE WOODRUFF: Commissioner Schemenauer?

24 COMMISSIONER SCHEMENAUER: No questions,  
25 your Honor.

1090

1 JUDGE WOODRUFF: Any recross?  
2 (No response.)  
3 Any redirect?  
4 MR. COFFMAN: No, your Honor.  
5 JUDGE WOODRUFF: All right. You may step  
6 down.  
7 (Witness excused.)  
8 MR. COFFMAN: We would next call to the  
9 stand Mr. Robertson.  
10 JUDGE WOODRUFF: Mr. Robertson, I believe  
11 you have been previously sworn; is that correct?  
12 THE WITNESS: Yes, sir.  
13 JUDGE WOODRUFF: This will be your last time  
14 on the stand?  
15 THE WITNESS: That's correct.  
16 MR. COFFMAN: Mr. Robertson's testimony has  
17 already been offered into the record, and we would  
18 simply tender him for cross-examination.  
19 JUDGE WOODRUFF: Exhibit 202HC and 202 are  
20 Mr. Robertson's testimony. Are there any objections  
21 to their receipt?  
22 (No response.)  
23 Hearing none, they will be received into  
24 evidence.  
25 (EXHIBIT NOS. 202 AND 202HC WERE RECEIVED

1 INTO EVIDENCE.)

2 JUDGE WOODRUFF: Okay. Mr. Robertson has  
3 been tendered for cross-examination. Are there any  
4 questions for him?

5 (No response.)

6 Hearing none, we'll come up to the bench.  
7 Chair Lumpe? Commissioner Schemenauer?

8 COMMISSIONER SCHEMENAUER: No questions.

9 JUDGE WOODRUFF: You may step down.

10 (Witness excused.)

11 MR. COFFMAN: I would offer into the record  
12 again Exhibits 202 and 202HC.

13 JUDGE WOODRUFF: They were just received.

14 MR. COFFMAN: Sorry. Being slow. Our next  
15 witness is Mr. Trippensee. Mr. Trippensee isn't here  
16 at the moment. I don't believe there were any  
17 questions, but --

18 MR. SWEARENGEN: That's correct.

19 JUDGE WOODRUFF: Is this the last time for  
20 Mr. Trippensee as well?

21 MR. COFFMAN: Yes, it is.

22 JUDGE WOODRUFF: Did the Bench have any  
23 questions for Mr. Trippensee?

24 COMMISSIONER SCHEMENAUER: I don't.

25 MR. COFFMAN: I do need to offer his

1 testimony into the record, however. It's 203.

2 (EXHIBIT NO. 203 WAS MARKED FOR  
3 IDENTIFICATION.)

4 JUDGE WOODRUFF: Okay. Exhibit 203 has been  
5 offered into evidence. Are there any objections to  
6 its receipt?

7 (No response.)

8 Hearing none, it will be received into  
9 evidence.

10 (EXHIBIT NO. 203 WAS RECEIVED INTO  
11 EVIDENCE.)

12 MR. COFFMAN: Thank you, your Honor. That  
13 ends Public Counsel's portion on this witness.

14 JUDGE WOODRUFF: The only other witness  
15 listed was Mr. Meade for Praxair. He's already been  
16 excused. His testimony was already admitted.

17 Access to books and records conditions is  
18 next, then.

19 MR. SWEARENGEN: Call Mr. McKinney.

20 MR. SWEARENGEN: Mr. McKinney has been  
21 sworn. I believe his testimony's been marked as  
22 Exhibits 4 and 5 and they have been offered.

23 JUDGE WOODRUFF: Is this his last time on  
24 the stand?

25 MR. SWEARENGEN: He's shaking his head no.

1 JUDGE WOODRUFF: Not quite that lucky, then.

2 MR. SWEARENGEN: I'll tender him for  
3 cross-examination.

4 JUDGE WOODRUFF: Does anyone have any  
5 cross-examination for Mr. McKinney on this question?

6 (No response.)

7 Hearing none, we'll come up to the Bench.  
8 Chair Lumpe?

9 CHAIR LUMPE: No questions.

10 JUDGE WOODRUFF: Commissioner Schemenauer?

11 COMMISSIONER SCHEMENAUER: No questions.

12 JUDGE WOODRUFF: You may step down.

13 (Witness excused.)

14 JUDGE WOODRUFF: The other witness on this  
15 issue is Mr. Kind from Public Counsel.

16 MR. COFFMAN: That's correct. Call Mr. Kind  
17 to the stand, and I'm not sure that we have marked his  
18 testimony yet, so I'll do that. I have three copies  
19 of Exhibit 201 and Exhibit 201HC.

20 (EXHIBIT NOS. 201 AND 201HC WERE MARKED FOR  
21 IDENTIFICATION.)

22 MR. COFFMAN: I would simply tender Mr. Kind  
23 for cross-examination.

24 JUDGE WOODRUFF: Have any cross-examination  
25 questions for Mr. Kind?

1 (No response.)

2 From the Bench, Chair Lumpe? Commissioner

3 Schemenauer?

4 COMMISSIONER SCHEMENAUER: No questions.

5 JUDGE WOODRUFF: You may step down.

6 (Witness excused.)

7 MR. COFFMAN: I would now offer into the

8 record Exhibit 201 and 201HC.

9 JUDGE WOODRUFF: 201 and 201HC have been

10 offered into evidence. Are there any objections to

11 the receipt? Did you have --

12 MR. COFFMAN: Perhaps I should wait for

13 market power because Mr. Kind has one more issue.

14 JUDGE WOODRUFF: We'll wait on that, then.

15 Thank you, Mr. Duffy.

16 All right. That will conclude access to

17 books and records. We have a number of issues that

18 are marked as settled. Mr. Swearengen, how do you

19 want to deal with those?

20 MR. SWEARENGEN: Well, my preference is

21 simply, Mr. Dottheim and I are still working on the

22 Settlement Agreement for the similar issues in the

23 St. Joe case, and I think we'll have that wrapped up

24 shortly, and then we'll hopefully file one that's

25 similar on these particular issues. I don't think

1       there's a problem. We're just wordsmithing the  
2       agreement.

3               MR. DOTTHEIM: Yes. That's, I think, a  
4       correct statement. We have, of course, the witnesses  
5       here. What we did in the St. Joe Light &  
6       Power/UtiliCorp merger case is put the witnesses on  
7       the stand and have them state for the record what  
8       their understanding is of the settlement. Regardless  
9       of that, as Mr. Swearngen indicated, we were going to  
10      commit it to writing also.

11             MR. SWEARENGEN: From our standpoint, it's  
12      not necessary to do that. I couldn't necessarily at  
13      this point agree that what they say is what we've  
14      agreed to. I'd have to go back and look in my file,  
15      but we'll get it resolved. There's no problem with it  
16      not being resolved.

17             JUDGE WOODRUFF: Are there any items of  
18      testimony from these witnesses that need to be put in  
19      the record?

20             MR. DOTTHEIM: No, other than some of them  
21      it was the last time that they were scheduled to the  
22      stand.

23             JUDGE WOODRUFF: We need to get those  
24      admitted into evidence, then. Do you know which ones  
25      they were?

1096

ASSOCIATED COURT REPORTERS, INC.  
(573) 636-7551 JEFFERSON CITY, MO 65109  
TOLL FREE - 1-888-636-7551

1               MR. DOTTHEIM: Yes. For the first one,  
2       surveillance condition, Ms. Roberta McKiddy, which is

3 Exhibit No. 711, which the Staff would at this time  
4 request that Exhibit 711 be moved into evidence.

5 JUDGE WOODRUFF: All right. 711 has been  
6 offered into evidence. Are there any objections to  
7 its receipt?

8 (No response.)

9 Hearing none, it will be received.

10 (EXHIBIT NO. 711 WAS RECEIVED INTO  
11 EVIDENCE.)

12 MR. DOTTHEIM: If we should continue, then,  
13 the next one would be pension fund condition, which  
14 would be Mr. Traxler, and his exhibits are 716HC and  
15 716 and replacement pages which have been marked as  
16 Exhibit 719HC and 719. At this time the Staff would  
17 move those and request that they be moved into  
18 evidence.

19 JUDGE WOODRUFF: I show those as already  
20 having been admitted. If they're not, they'll be  
21 admitted at this time.

22 MR. DOTTHEIM: Also, as we go to the fuel  
23 energy cost information condition, staff witness Tom  
24 Lin, whose exhibit number is 709, which if that has  
25 not been received into evidence yet, I would at this



1 time request that Exhibit 709 be moved into evidence.

2 JUDGE WOODRUFF: I show that as having been  
3 admitted. If it's not, it is at this time.

4 MR. DOTTHEIM: And yesterday I think  
5 Mr. Hyneman took the stand on the income taxes  
6 condition issue, and his exhibit, I believe, was moved  
7 into evidence then, which is Exhibit 705HC and 705.

8 JUDGE WOODRUFF: That is what I show. Is  
9 there anyone from UtiliCorp that is in the same  
10 situation?

11 MR. SWEARENGEN: Well, let me -- if you'll  
12 allow me to have a minute here. I think  
13 Mr. McKinney's going to get back on the stand one more  
14 time. His exhibits are 4, 5 and 27, and they would  
15 need to be admitted after he has completed his  
16 testimony.

17 According to my records, Mr. DeBacker who  
18 has testified, his exhibits were 29 and 26. My sheet  
19 shows that they have not been admitted. I may be in  
20 error, but I would --

21 JUDGE WOODRUFF: I've got him as No. 18 and  
22 26 for the Holzworth testimony and 29.

23 MR. SWEARENGEN: That's correct. And I  
24 would move that they be admitted at this time.

25 JUDGE WOODRUFF: All right. Exhibits 18, 26

1 and 29 have been offered into evidence. Are there any  
2 objections to their receipt?

3 (No response.)

4 Hearing none, they will be received into  
5 evidence.

6 (EXHIBIT NOS. 18, 26 AND 29 WERE RECEIVED  
7 INTO EVIDENCE.)

8 MR. SWEARENGEN: One other exhibit would be  
9 Exhibit 12, the testimony of UtiliCorp witness Myers,  
10 and Exhibit 13, also the testimony of UtiliCorp  
11 witness Myers.

12 JUDGE WOODRUFF: I show those as having been  
13 admitted already. If not, they are at this time.

14 MR. SWEARENGEN: Thank you.

15 JUDGE WOODRUFF: The other one I have is an  
16 Exhibit 27, which I have on my notes here as  
17 benefits/cost to achieve.

18 MR. SWEARENGEN: That's correct, and I  
19 think -- I have Mr. McKinney's name down next to that.  
20 I'm not sure why.

21 JUDGE WOODRUFF: Whatever it is, would you  
22 like to offer it into evidence?

23 MR. SWEARENGEN: I think I would.

24 JUDGE WOODRUFF: Exhibit 27 has been offered  
25 into evidence. Are there any objections to its

1 receipt?

2 (No response.)

3 Hearing none, it will be received into  
4 evidence.

5 (EXHIBIT NO. 27 WAS RECEIVED INTO EVIDENCE.)

6 MR. SWEARENGEN: So then that leaves  
7 Exhibit 4 and 5?

8 JUDGE WOODRUFF: Yes. And I also marked a  
9 late-filed exhibit for the Stipulation and Agreement  
10 with the Retirees as Exhibit 30, but we'll deal with  
11 that later.

12 MR. SWEARENGEN: Thank you.

13 JUDGE WOODRUFF: I believe that takes us  
14 down then to transmission access and reliability.

15 MR. SWEARENGEN: I'll leave you in the good  
16 hands of Mr. Duffy.

17 MR. DUFFY: The company would call Mr. Kreul  
18 to the stand.

19 (Witness sworn.)

20 MR. DUFFY: I believe we're dealing with the  
21 direct testimony of Mr. Kreul which I understand has  
22 been marked as Exhibit No. 24.

23 RICHARD C. KREUL testified as follows:

24 DIRECT EXAMINATION BY MR. DUFFY:

25 Q. Mr. Kreul, do you have any corrections to

1100

1 your direct testimony?

2 A. I'm not sure if they're corrections. A  
3 couple of minor changes that I would make note. One  
4 on page 1 where I identify my position as  
5 Vice-President of Transmission Services. Actually, my  
6 title now is Vice-President of Energy Delivery.

7 And then also on page 6, there's some  
8 discussion of West Virginia Power. A while back  
9 UtiliCorp disposed of that utility and no longer is  
10 part of UtiliCorp.

11 Q. With those changes, is your testimony  
12 correct?

13 A. Yes.

14 MR. DUFFY: Your Honor, at this time I would  
15 offer into evidence Exhibit No. 24 and tender the  
16 witness for cross-examination.

17 JUDGE WOODRUFF: Exhibit 24 has been offered  
18 into evidence. Are there any objections to its  
19 receipt?

20 (No response.)

21 Hearing none, it will be received into  
22 evidence.

23 (EXHIBIT NO. 24 WAS RECEIVED INTO EVIDENCE.)

24 JUDGE WOODRUFF: All right. Mr. Kreul has  
25 been tendered for cross-examination. Are there any

1 questions for him on cross-examination? City of  
2 Springfield.

3 CROSS-EXAMINATION BY MR. KEEVIL:

4 Q. Good morning, Mr. Kreul.

5 A. Good morning.

6 Q. Earlier in the hearing, I don't believe you  
7 were here when Myron McKinney of Empire took the  
8 stand. He indicated that someone by the name of Rick  
9 Kreul, I believe was the way he pronounced it, was a  
10 number of the merger steering committee transmission  
11 team, and I was just wondering, is that you or is  
12 there some other --

13 A. That would be me.

14 Q. Okay. I may be mispronouncing your name,  
15 sir, and if I am, I apologize.

16 A. No.

17 Q. So you're on the merger steering committee  
18 transmission team?

19 A. That's correct.

20 Q. What are the duties of that committee?

21 A. Well, it's a group both represented by  
22 Empire management and UtiliCorp management where we  
23 deal with any issues that might pop up during the  
24 transition process.

25 Q. Okay. And do each of the individual members

1 of the committee have specific responsibilities on the  
2 committee or --

3 A. No.

4 Q. No?

5 A. No, they do not.

6 Q. There is a -- you are the, I believe you  
7 just said, the Vice-President of Energy Delivery of  
8 UtiliCorp; is that correct?

9 A. That's correct.

10 Q. So am I correct to assume that Mr. Florom  
11 who has filed surrebuttal works for you?

12 A. He works in my group, yes.

13 Q. How many layers or levels of management are  
14 there between you and Mr. Florom?

15 A. Three.

16 Q. Three. Okay. Now, did you personally  
17 prepare your direct testimony in this case, sir?

18 A. Yes, I did.

19 Q. Did you also testify in the last hearing we  
20 had, the UtiliCorp and St. Joe merger case number  
21 EM-2000-292?

22 A. Yes, I gave testimony in that case also.

23 MR. KEEVIL: Judge, if I could, I have  
24 copies I'd like to introduce as Exhibit 301, but I  
25 believe you can just take official notice of it to

1 receive it. It is a copy of the cross-examination of  
2 Mr. Kreul in the UtiliCorp/St. Joe merger case.

3 JUDGE WOODRUFF: Why don't you go ahead and  
4 mark it as an exhibit so it's clear in the record?

5 MR. KEEVIL: I have, Judge. It's 301.

6 (EXHIBIT NO. 301 WAS MARKED FOR  
7 IDENTIFICATION.)

8 MR. KEEVIL: Judge, just so everyone  
9 understands, that does have a cover sheet on it,  
10 although that is not the entire Volume 9. It is only  
11 the cross of Mr. Kreul. The cover sheet is simply  
12 there so it can be identified easily by reference to  
13 what it comes from.

14 JUDGE WOODRUFF: Okay.

15 MR. KEEVIL: I would ask, then, that you  
16 receive Exhibit 301 into the record.

17 JUDGE WOODRUFF: All right. Exhibit 301 has  
18 been offered into evidence. Are there any objections  
19 to its receipt?

20 MR. DUFFY: I have a question. You say this  
21 is just the cross-examination, so it would not include  
22 the redirect?

23 MR. KEEVIL: That is correct.

24 MR. DUFFY: Well, your Honor, I guess I  
25 would object on the basis that it should include the

1 redirect or at least the complete compilation of his  
2 testimony on the issue. I think it's -- I don't have  
3 a problem having this introduced, but I think the  
4 redirect after the cross is certainly relevant to it,  
5 and so the entire document ought to be at least taken  
6 official notice of.

7 JUDGE WOODRUFF: Do you have any response?

8 MR. KEEVIL: Well, Judge, for my purposes, I  
9 only need the cross. If Mr. Duffy wishes to offer the  
10 redirect, I have no problem with that. But I think  
11 like I say, for my purposes, 301 contains all it needs  
12 to contain and I think should be received now. If  
13 they want to late file or whatever the redirect, I  
14 wouldn't have any objection to that.

15 JUDGE WOODRUFF: Mr. Duffy?

16 MR. DUFFY: If that's okay with your Honor.  
17 I mean, I obviously didn't bring a copy of that with  
18 me since I didn't know he was going to do this. But  
19 if we are given the ability to late file the pages  
20 that have been omitted by Mr. Keevil, that would then  
21 constitute the entire amount of his testimony, and  
22 that would be fine with me.

23 JUDGE WOODRUFF: That would be acceptable  
24 then. Of course, the Commission has this in the other  
25 case, but I just want to make sure it's clear on the



1 record what exactly is being used here. So I'll give  
2 you an opportunity to late file that as an exhibit.  
3 It would be Exhibit 33.

4 MR. DUFFY: Okay.

5 JUDGE WOODRUFF: Okay. With that  
6 understanding, then, Exhibit 301 has been offered into  
7 evidence. We had that objection and dealt with it.  
8 So at this point it will be received into evidence.

9 (EXHIBIT NO. 301 WAS RECEIVED INTO  
10 EVIDENCE.)

11 JUDGE WOODRUFF: You may proceed.

12 MR. KEEVIL: Thank you.

13 BY MR. KEEVIL:

14 Q. Mr. Kreul, before I get to Exhibit 301, I  
15 had a couple other questions I wanted to ask you. Has  
16 UtiliCorp determined which RTO it will be joining?

17 A. We have not yet, no.

18 Q. Now, you are required by FERC to do so by  
19 October 15th of this year, I believe; is that correct?

20 A. We have committed to FERC to do that. I'm  
21 not sure if we're required to by October 15th. If  
22 you're thinking of Order 2000, I don't think anybody's  
23 required to by October 15th. But we've committed in  
24 our FERC filing that we will select an RTO by  
25 October 15th.

1 Q. Where are you in the selection process?

2 A. Just evaluating what our options are.

3 There's two, maybe even three now RTOs that's kind of  
4 in the mix. SPP is apparently going to file an RTO  
5 application sometime this month or next. So we're  
6 considering that. The Midwest ISO has already been  
7 approved as an ISO. We're considering that. And then  
8 there's some talk about the MAPP breaking off from  
9 Midwest and reconsidering an ISO of some sort. So  
10 that's another ISO that we would consider.

11 Q. Just for the record, so it's clear, what  
12 does MAPP stand for, sir?

13 A. Mid-Continent -- I'm sorry. Mid-America  
14 Power Pool.

15 Q. Okay. Mr. Kreul, if there's no specific  
16 place in Exhibit 301 that I could -- well, actually, I  
17 guess this would be page 1237 of Exhibit 301. I  
18 believe you stated there that you did not know if the  
19 Southwest Power Pool has criteria for setting  
20 emergency ratings for transmission facilities.

21 And I was just wondering if since the  
22 hearing in Case No. EM-2000-292 you have learned  
23 whether or not Southwest Power Pool has such criteria?

24 A. To be honest with you, it's still unclear to  
25 me if they do or not. I believe that Dennis Florom

1 would surely know the answer to that.

2 Q. Okay. I believe in that -- in that hearing  
3 also you stated that you did not know what load flow  
4 model UtiliCorp used in conducting its load flow  
5 analysis, and I was wondering if since the hearing in  
6 EM-2000-292 you have become familiar with that?

7 A. Well, I'm not familiar with it, but I do  
8 understand it's a -- it's a product made by General  
9 Electric.

10 Q. Okay. But you certainly haven't learned how  
11 to perform load flow analysis since then; is that  
12 correct?

13 A. That's correct.

14 Q. In that hearing in EM-2000-292, I believe  
15 you also stated that you did not know how UtiliCorp  
16 defines a loading violation for a transmission line,  
17 and I was wondering if you have since learned how  
18 UtiliCorp defines a loading violation for a  
19 transmission line?

20 A. Well, in general terms, there's -- as I  
21 understand, we have certain ratings on certain  
22 equipment, and if we exceed those ratings, that would  
23 be a violation either under normal conditions or under  
24 emergency conditions or contingency conditions.

25 Q. Do you know what the ratings are or how they

1 are derived?

2 A. If you're talking voltage, our normal  
3 operating parameters plus or minus a nominal voltage,  
4 rated voltage. Under contingency conditions, it's  
5 plus or minus 10 percent.

6 Q. Do you know how that criteria was derived?

7 A. No. I think that's for the most part  
8 industry standard. Surely that's Southwest Power  
9 Pool's standard.

10 Q. Now, the Southwest Power Pool standard  
11 changed in May of this year, did it not, sir?

12 A. I'm not sure. It just recently changed in  
13 the last six months or so. I believe that came out in  
14 the previous hearing, yes.

15 Q. When the Southwest Power Pool criteria  
16 changed that we just mentioned, do you know at whose  
17 initiative -- and when I say whose initiative, it will  
18 probably be a company -- the Southwest Power Pool  
19 changed its criteria?

20 A. No. I don't know what the driving force  
21 behind that was.

22 Q. Do you know whether Southwest Power Pool had  
23 any detailed engineering studies to support the  
24 change?

25 A. I'm sorry. I don't know that.

1 Q. I believe you stated a moment ago that you  
2 did personally prepare your testimony in this case; is  
3 that correct, sir?

4 A. Well, it was prepared by me or surely under  
5 my direction. I'm not sure what you mean by  
6 personally prepared. Did I type the document?  
7 Actually, I might have even typed a little bit of it,  
8 but it's my testimony and prepared by me or under my  
9 direction, yeah.

10 MR. KEEVIL: Thank you, Judge. That's all I  
11 have for this witness.

12 JUDGE WOODRUFF: Any other  
13 cross-examination?

14 (No response.)

15 Chair Lumpe, do you have any questions for  
16 Mr. Kreul?

17 CHAIR LUMPE: Just one.

18 QUESTIONS BY CHAIR LUMPE:

19 Q. Mr. Kreul, on the joining of the RTO, as you  
20 said, or an ISO that you intend to do so and told the  
21 FERC that, I'm assuming you would prefer that -- and  
22 some mention of this Commission should ask you to do  
23 so, you would do so, but I'm assuming you would prefer  
24 that we not tell you which one you should join?

25 A. No, ma'am, I prefer you not. Again, we're

1 going through a pretty elaborate process of evaluating  
2 one versus the other. We're in the throes of doing  
3 that now and hopefully will have that concluded by  
4 October 15th.

5 Q. Are there any that are approved other than  
6 the MISO at this point?

7 A. It's my understanding that's the only  
8 approved ISO that at least is in our region.

9 Q. How would you join SPP if it's not approved  
10 or MAPP if it's not approved?

11 A. Well, we would participate in the filing.  
12 If we were to select SPP, we would participate in  
13 SPP's filing and commit to SPP. If it were approved,  
14 then we would become a member of that ISO.

15 Q. Same thing with MAPP, or MAPP may be merging  
16 with MISO?

17 A. That's correct, yes.

18 CHAIR LUMPE: Thank you.

19 THE WITNESS: You're welcome.

20 QUESTIONS BY JUDGE WOODRUFF:

21 Q. I have a question that Commissioner Murray  
22 asked me to ask, and she wrote it out here for me, so  
23 I'm just going to read it to you and you can answer.

24 A. Okay.

25 Q. In that your testimony was filed in December

1 of 1999, well before the FERC order of July 26, 2000,  
2 conditionally authorizing the merger of all three  
3 companies, you now take a slightly different position  
4 with regard to placing the facilities under an RTO.  
5 Specifically what I'm asking is, since FERC  
6 conditioned approval upon commitment to join an RTO  
7 and you're making a filing on or before October 15th,  
8 2000 in which you will propose to transfer operational  
9 control of your transmission facilities to a  
10 Commission-approved RTO on or before 12/15/2001, are  
11 you now taking the position that there's been a  
12 sufficient form of RTO development that will provide  
13 for placement of all the facilities under an RTO and  
14 there will be no need to construct a transmission line  
15 between the MPS and Empire systems?

16 A. Actually, there's two unrelated topics in  
17 that question, if I understand the question correctly.  
18 One, will we join an RTO, and do we have sufficient  
19 information on making a logical selection. My hope  
20 is, and surely our commitment is, that by October 15th  
21 we will know that. We will make that commitment by  
22 October 15th.

23 Q. And you've testified about that earlier  
24 also?

25 A. That's correct. Now, as far as

1       interconnecting the facilities, that is unrelated to  
2       the RTO. We can still -- we're still planning to join  
3       an RTO, but we're still planning to interconnect,  
4       physically interconnect the two facilities.

5               We've run a study and had determined that  
6       even -- even if we were to join an RTO, that  
7       particular RTO, be it SPP or the Midwest, would not  
8       have the facilities to provide the network service  
9       that we request.

10       Q.     Okay. So you're going to do the  
11       transmission either way?

12       A.     We'd do the transmission either way.

13       Q.     Is it your position that the conditions  
14       imposed by the FERC adequately address the concerns  
15       expressed in this case by the City of Springfield  
16       regarding transmission viability?

17       A.     Yes.

18               JUDGE WOODRUFF: That's all the questions I  
19       had. Any recross based on those?

20               MR. KEEVIL: Just very briefly, Judge, and I  
21       don't think it -- I think it's just for clarification.

22       RE CROSS-EXAMINATION BY MR. KEEVIL:

23       Q.     In response to the Judge's question from  
24       Commissioner Murray, you stated that your analysis  
25       revealed that neither the SPP nor the other potential



1 RTO would have sufficient facilities to provide you  
2 network service. Does that relate to the SPP impact  
3 study which was done at UtiliCorp's request a few  
4 months back?

5 A. That's correct.

6 Q. Okay. And I believe that study, which is  
7 attached as an exhibit, I think, to Mr. Russell's  
8 rebuttal, showed what -- well, let me ask you. What  
9 did that study show?

10 A. Well, it showed that for us to acquire  
11 network service under the SPP, and presumably it would  
12 be the -- would be under the same conditions under an  
13 SPP ISO, that we would have to spend a lot of money  
14 outside of our territory, outside of our service  
15 territory, be it Western Resources, be it Public  
16 Service of Oklahoma, be it Intergy.

17 I'm not quite sure, don't recall just where  
18 we would have to spend all the money, but we would  
19 have to upgrade the systems around our facilities and  
20 not in our facility. And we put the cost to those,  
21 and we've determined that we can still achieve the  
22 same system integrity by spending money in our own  
23 system by interconnecting the two systems with the 161  
24 kV interconnect.

25 Q. Now, I think you said you can maintain

1 integrity within your own system by the physical  
2 connection; is that correct?

3 A. Within the region.

4 Q. Within the region?

5 A. Yes.

6 Q. What regional studies have you conducted  
7 regarding the operation of the system after your  
8 construction of this line from Nevada to Asbury?

9 A. There was a study done, yes.

10 Q. By whom?

11 A. By ourselves.

12 Q. Did SPP review it, to your knowledge?

13 A. I do not recall if they reviewed it or not.

14 Q. Do you know who within UtiliCorp conducted  
15 it?

16 A. Dennis Florom.

17 Q. Mr. Florom did. Okay. Do you believe that  
18 such study should be conducted by an RTO in order to  
19 have an independent evaluation of such a study or that  
20 you get an independent evaluation by a specific  
21 company doing the study?

22 A. No, I do not. I believe our study is sound  
23 and surely is as good as any other anybody else did,  
24 be it a consultant or an ISO. I don't think an ISO  
25 would be an independent party, particularly say it was

1115

1 for SPP. SPP is scampering for membership, and one  
2 could make the argument that the results could be  
3 leaned in one direction to assure that we would be a  
4 part of SPP. Someone could make that argument. I'm  
5 not saying that that would happen.

6 MR. KEEVIL: Thank you, Judge. That's all.

7 JUDGE WOODRUFF: Any redirect? I'm sorry.

8 MR. COFFMAN: I had some, a couple recross  
9 if that's okay.

10 JUDGE WOODRUFF: Go right ahead.

11 RECROSS-EXAMINATION BY MR. COFFMAN:

12 Q. Earlier you indicated that Order 2000 didn't  
13 require the company to join an RTO?

14 A. That's correct.

15 Q. Isn't your decision to commit to joining an  
16 RTO based in part upon the FERC's decision  
17 conditionally approving the merger?

18 A. That's correct. We committed to the FERC we  
19 would join an RTO in our merger filing.

20 Q. That's correct. And didn't the FERC in its  
21 order conditionally authorizing the merger acknowledge  
22 that the state -- that the state commissions would  
23 then also be able to review this matter?

24 A. To be honest with you, I don't recall if  
25 they did or not.

1 MR. COFFMAN: Okay. Thank you.

2 JUDGE WOODRUFF: Redirect?

3 MR. DUFFY: Just a couple for clarification.

4 REDIRECT EXAMINATION BY MR. DUFFY:

5 Q. Mr. Kreul, in response to one of the  
6 questions, I think maybe from Chair Lumpe, you said  
7 that we -- that UtiliCorp will be building the  
8 facilities, the transmission lines for an  
9 interconnection. Can you just briefly tell me what  
10 facilities you're talking about will be built?

11 A. That's assuming that the merger is  
12 completed. We will build a 161,000 volt transmission  
13 line from the Nevada, Missouri area to the Asbury,  
14 Missouri area. That would be interconnecting our 161  
15 system to Empire's 161 system.

16 Q. Okay. And you were asked some questions by  
17 Mr. Keevil about an SPP study. Did that SPP study  
18 model this interconnection that you just talked about  
19 from --

20 A. No.

21 Q. -- Nevada to Asbury?

22 A. No. The SPP study did not include the  
23 additions of the new facilities. It was the existing  
24 facilities as they were, not only in our area but in  
25 the region.

1117

1 MR. DUFFY: That's all I have, your Honor.

2 JUDGE WOODRUFF: Thank you. You may step  
3 down, Mr. Kreul.

4 THE WITNESS: Thank you.

5 (Witness excused.)

6 JUDGE WOODRUFF: Call your next witness.

7 MR. DUFFY: I would call Dennis Florom to  
8 the stand.

9 (Witness sworn.)

10 JUDGE WOODRUFF: You may inquire.

11 MR. DUFFY: Your Honor, I neglected to hand  
12 the court reporter earlier three copies of Mr. Kreul's  
13 testimony. I'll do that now.

14 Mr. Florom, I believe your surrebuttal in  
15 this case has been marked as Exhibit No. 25. I'm  
16 going to hand three copies of that to the court  
17 reporter.

18 (EXHIBIT NOS. 24 AND 25 WERE MARKED FOR  
19 IDENTIFICATION.)

20 DENNIS FLOROM testified as follows:

21 DIRECT EXAMINATION BY MR. DUFFY:

22 Q. Do you have any changes or corrections to  
23 your surrebuttal testimony?

24 A. No, I do not.

25 MR. DUFFY: Shall I just go ahead and tender

1 him for cross or do I need to ask him the questions  
2 about if I ask you the same questions?

3 JUDGE WOODRUFF: No. We waived all that the  
4 very first witness so we can go a little bit faster.

5 MR. DUFFY: Then I tender Dennis Florom for  
6 cross-examination.

7 JUDGE WOODRUFF: Mr. Florom has been  
8 tendered for cross-examination. Does anyone have any  
9 questions? City of Springfield.

10 CROSS-EXAMINATION BY MR. KEEVIL:

11 Q. Good morning, Mr. Florom.

12 A. Good morning.

13 Q. First of all, let me ask you if you have a  
14 copy of the SPP impact study that reference has been  
15 made to with you today?

16 A. I believe I do. Yes. Go ahead.

17 Q. If I could have you turn to the -- where the  
18 voltage reports section, I believe it starts in  
19 Section 5.

20 MR. DUFFY: Your Honor, for the benefit of  
21 everybody else, could we have some reference as to  
22 maybe where we're looking? Is this attached to  
23 Mr. Russell's testimony?

24 MR. KEEVIL: The one I'm looking at is  
25 Schedule No. 7 to Mr. Russell's rebuttal testimony,

1119

1       which will be Exhibit 300. I don't know if that's the  
2       one that Mr. Florom's looking at or not.

3       BY MR. KEEVIL:

4           Q.     Mr. Florom, do you agree that Mr. Russell  
5       had this attached to his rebuttal as a schedule?

6           A.     I can't verify that, no.

7           Q.     You don't remember. I suppose then just for  
8       the record I should help Mr. Florom.

9                   MR. KEEVIL: Permission to approach?

10                  JUDGE WOODRUFF: Yes, you may.

11       BY MR. KEEVIL:

12           Q.     All right. I think we're on the same page  
13       now. Mr. Florom, were you able to confirm that  
14       attached to Mr. Russell's rebuttal testimony as  
15       Schedule 7 is a copy of the SPP system impact study  
16       that we're referring to?

17           A.     Yes, at least portions of it, if not all of  
18       it.

19           Q.     If I could have you turn to, I believe it's  
20       Section 5. It's the voltage report table portion.  
21       For example, flip over to page -- oh, where's a good  
22       page -- 24 of Schedule 7, well, of the SPP impact  
23       study.

24           A.     Okay.

25           Q.     What I would like for you to do, can you

1 explain --

2 A. You said page 24?

3 Q. Yeah.

4 A. Okay.

5 Q. Can you explain for the record what those  
6 columns each contain? I mean, you've got a column on  
7 the far left on page 24, it begins 59,260. Then  
8 there's similar numbers beneath that. What is that  
9 column or what's your understanding?

10 A. The first column there represents facilities  
11 that have been outaged to determine the impact on the  
12 system.

13 Q. Okay. So that's above where it says "outage  
14 branch", that's what that's referring to?

15 A. Correct.

16 Q. And then there's a, I guess a description of  
17 the branch underneath each of these, or not  
18 underneath, to the side I should say of those numbers?

19 A. Yes. There's bus numbers and a short bus  
20 description.

21 Q. Okay. Go over to the next column. It says  
22 "voltage range" up at the top. What is that column?

23 A. That is a short description of the result  
24 that occurs from that outage.

25 Q. Okay. The next column says at the top



1 "bus." What is that?

2 A. That represents the bus that's referred to  
3 as described from the voltage range column.

4 Q. Now, in that column, in that bus column, on  
5 the left there is a five-digit number. On this page  
6 they all begin with 59. Perhaps they all begin with  
7 59. Are those bus numbers?

8 A. Yes, they are.

9 Q. Okay. Then in the middle of that column on  
10 page 24, the first one says RNRDGE. What are those?  
11 Are those names for the buses?

12 A. Yes. Those are abbreviated names for the  
13 bus numbers.

14 Q. Okay. And to the immediate right of the  
15 names for the buses on page 24, for example, you see  
16 the number 269.0, and then beneath that there's a  
17 number 313.2. What are those numbers in that column?

18 A. Those numbers are still part of the  
19 description. If you look to the computer model  
20 simulation you'll see that they're a part of the same  
21 field. In general, they represent -- they try to  
22 incorporate the voltage level of that bus. They don't  
23 always, but they do try to make that distinction.

24 Q. So generally, those are the voltage levels  
25 for the buses?

1 A. In general, yes.

2 Q. Okay. For example, is the 269 actually a 69  
3 voltage?

4 A. Generally, yes.

5 Q. Okay. What's a 313.2?

6 A. That would generally be a 13.2 kV voltage.

7 Q. And a 161 is just a 161 kV voltage?

8 A. Yes, generally.

9 Q. On the next page, page 25, if you look down,  
10 there's a 134.5. That, I assume, is a 34.5 voltage?

11 A. Which --

12 JUDGE WOODRUFF: I don't know where that's  
13 coming from, but it went away again.

14 MR. KEEVIL: Let the record reflect it  
15 wasn't me.

16 JUDGE WOODRUFF: There was some feedback  
17 from microphone, let the record reflect.

18 MR. KEEVIL: It wasn't me. I didn't do  
19 anything.

20 THE WITNESS: I'm not sure which one you're  
21 referring to specifically, but I think in general if  
22 there's a 34.5 there, it's referring to a 34.5 kV bus.

23 BY MR. KEEVIL:

24 Q. Okay. Have you or UtiliCorp rerun the SPP  
25 study with the addition of the new lines that

1 Mr. Kreul has talked about?

2 A. UtiliCorp ran their own set of studies to  
3 determine the impact of the additional facilities.  
4 They are different from the SPP impact study that was  
5 commissioned by UtiliCorp at SPP. Specifically, the  
6 SPP impact study did not include the facilities that  
7 UCU has committed to construct after the merger.

8 Q. Right. Then that's what I'm asking you,  
9 Mr. Florom.

10 A. They also --

11 Q. I'm sorry. Have you rerun the SPP study  
12 with the inclusion of the facilities that you have now  
13 committed to construct after the merger?

14 A. Let me finish the differentiation, if I  
15 could. The SPP study also included what -- a worst  
16 case dispatch, which basically means that they  
17 attempted to determine any dispatch that may occur or  
18 may not occur to the detriment of the transmission  
19 system, the very worst possible case.

20 UtiliCorp ran their own set of studies that  
21 did include the facilities and did include the  
22 dispatch that was appropriate for the case.

23 MR. KEEVIL: I would move to strike that,  
24 Judge, as being nonresponsive to my question. The  
25 question was, have they rerun the SPP study with the

1 inclusion of the new facilities they are now  
2 committing to construct.

3 JUDGE WOODRUFF: Your motion or objection  
4 will be granted. Just please answer the questions  
5 that he asks you. If your counsel wants to ask you  
6 follow-up questions on redirect, he'll have that  
7 opportunity.

8 THE WITNESS: We have not run any additional  
9 studies.

10 JUDGE WOODRUFF: I'm sorry. There's no  
11 question right now. Wait 'til he asks you a question.

12 BY MR. KEEVIL:

13 Q. Let me reask the last question. Have you  
14 rerun the SPP study with the inclusion of the two new  
15 lines that UtiliCorp is now committing to construct?

16 A. We have not rerun the SPP impact study, no.

17 Q. Thank you. Now, in relation to the study  
18 that you did perform which it is your testimony that  
19 included the new facility, is it correct that in that  
20 study you, you meaning UtiliCorp, only looked at the  
21 impact of that interconnection upon UtiliCorp and  
22 Western Resources and Kansas City Power & Light?

23 A. The facilities that were monitored as well  
24 as also facilities that were considered for  
25 contingency analysis were the MoPub system, Missouri

1 Public Service system, the Empire system, the Kansas  
2 City Power & Light system, all facilities 115 kV and  
3 above in the Western Resources system, all relevant  
4 facilities in the AEC system, any other facilities  
5 that are normally included in the Empire District  
6 contingency analysis.

7 Q. Okay. Let's focus on those last two,  
8 because other than those two I think that's what I  
9 described to you. You said the relevant AEC  
10 facilities?

11 A. That's correct.

12 Q. Okay. What would that include?

13 A. I don't have that list in front of me. I'm  
14 sorry.

15 Q. Okay. Approximately how many relevant AEC  
16 facilities would there be?

17 A. Again, I cannot answer that question.

18 Q. And what was your -- after you mentioned the  
19 relevant AEC facilities, what was the other one, just  
20 facilities in general you felt were relevant?

21 A. Facilities that -- I'm sorry. Go ahead.

22 Q. No. I'm sorry. Go ahead. I interrupted  
23 you.

24 A. Facilities that are normally included in  
25 Empire District's contingency analysis.

1 Q. And what facilities are those?

2 A. Again, I don't have a list of that in front  
3 of me. I'm sorry.

4 Q. Would you agree, Mr. Florom, that the SPP  
5 system impact study looked at more facilities than  
6 your study did region-wide?

7 A. I'm not sure I can definitively answer yes  
8 to that question. I know there were some facilities  
9 that the SPP study indicated that showed up that were  
10 not monitored by the study, but I can't necessarily  
11 say there are more. We may have looked at some that  
12 they did not look at.

13 Q. But they looked at some that you didn't look  
14 at?

15 A. They monitored some. All the facilities in  
16 the SPP study and the UtiliCorp study were included in  
17 both models. All facilities are there. They're based  
18 on the same base cases. So when you say are they  
19 included, yes, they are included in both studies.  
20 Whether -- I guess the definition is what you mean by  
21 did they look at more.

22 Q. Did they look at more contingencies and more  
23 facilities for possible overload violations, they  
24 being the SPP?

25 A. I don't know how many contingencies they

1 looked at. Our study looked at 1,406 different  
2 contingencies that were analyzed. I'm not sure  
3 exactly how many contingencies the SPP study reviewed.

4 Q. Okay. Regarding the -- I believe somewhere  
5 toward the end of your surrebuttal you mentioned the  
6 addition of the Nevada to Asbury line, and Mr. Kreul  
7 mentioned that earlier when he was on the stand.

8 Does the addition of the -- or I should say  
9 will the addition of the Nevada/Asbury line provide  
10 the same or more available transmission capacity from  
11 north to south and south to north as the additions  
12 which were proposed in the SPP system impact study?

13 A. I'm not sure that it was ever described in  
14 the SPP impact study exactly how much available  
15 transmission capacity would be affected. I'm not sure  
16 if I understand your question correctly, but you're  
17 asking me to compare the ATCs between SPP impact study  
18 and the physical interconnection; is that correct?

19 Q. Yes.

20 A. I have no idea. I don't recall if the SPP  
21 impact study ever made a declaration that the ATCs  
22 would be impacted.

23 Q. They made certain assumptions regarding the  
24 ATCs between your current MoPub territory and the  
25 other territories, though, did they not?

1           A.     I think you're referring to actual transfers  
2     that might take place.  That's different than ATCs.

3           Q.     Mr. Florom, would you agree that there is,  
4     from an operational standpoint, a big difference  
5     between transfers within one control area and  
6     transfers between two or more separate control areas?

7           A.     You'd have to define what you mean by  
8     differences.

9           Q.     Are there differences?

10          A.     I can think of one difference, and I'm --  
11     and I would -- I can probably say this may or may not  
12     be the only difference.  Between control areas, a  
13     transaction that would take place would require a  
14     reservation on the Oasis.  For a transaction internal  
15     to a system, that would not require a reservation on  
16     the Oasis.

17          Q.     Would a transaction within the control area  
18     have more priority than a transaction between two  
19     control areas?  I mean, if it's within the control  
20     area, it's virtually transparent to third parties, is  
21     it not?

22          A.     Third parties other than the power pool  
23     associated, yes.

24          Q.     Mr. Florom, are you aware or would you agree  
25     that it is in the off-peak and shoulder periods when



1       there is the most price differential in the SPP and,  
2       therefore, the most opportunity for off-system sales?

3           A.     I would agree that during nonpeak times  
4       there's more generation available generally that could  
5       be used for off-system sales. I don't know if  
6       necessarily that means that there's a greater price  
7       differential. I'm not intimately aware of the  
8       schedules that take place on a regular basis.

9           Q.     That would not be within your job  
10      description or duties?

11          A.     That's correct.

12          Q.     Okay. On page 4 of your surrebuttal on  
13      line, I guess beginning on line 4 -- no. Excuse me.  
14      It's line 3. You say --

15          A.     Just a minute.

16          Q.     Sorry.

17          A.     Okay.

18          Q.     Are you there?

19          A.     Yes, I am.

20          Q.     Okay. Thanks. You stated that a plus or  
21      minus 5 percent deviation from nominal voltage is too  
22      restrictive and that SPP recognized it as such,  
23      correct, sir? That is your testimony?

24          A.     Yes.

25          Q.     What was UtiliCorp's voltage criteria at the

1 time UtiliCorp conducted your interconnection studies?

2 A. Our voltage criteria is plus or minus  
3 5 percent of nominal voltage for base case scenarios,  
4 in other words, scenarios where there are no  
5 contingencies. Our voltage criteria is plus or minus  
6 10 percent for the system under contingency  
7 situations.

8 Q. And that was the same -- those haven't  
9 changed since you did your interconnection studies?

10 A. No, they have not.

11 Q. And were these criteria that you just stated  
12 the same as the SPP criteria at the time that the  
13 interconnection studies were conducted?

14 A. At the time that the interconnection studies  
15 were performed, the SPP criteria was plus or minus  
16 5 percent for both situations. They were reviewing  
17 the process of changing it to plus or minus 10 percent  
18 for contingency situations.

19 Q. So at the time, the SPP criteria was higher  
20 than UtiliCorp's criteria?

21 A. That's correct.

22 Q. Would you agree that UtiliCorp should comply  
23 with the SPP criteria?

24 A. I believe UtiliCorp has agreed to comply  
25 with any RTO that they choose to join, and at this

1 point we have agreed to comply with the current SPP  
2 criteria.

3 Q. Now, before you came to work for UtiliCorp,  
4 you worked for St. Joe Light & Power; is that right?

5 A. You got it right, yes.

6 Q. I had to think about that. That always  
7 throws me, Power & Light, Light & Power.

8 Now, St. Joe is a MAPP member; is that  
9 correct?

10 A. That is correct.

11 Q. Okay. What voltage criteria is used in MAPP  
12 and by St. Joe Light & Power?

13 A. It's my understanding that the current MAPP  
14 criteria is plus or minus 5 percent for normal  
15 situations, and that they allow plus or minus  
16 10 percent under contingency situations until that  
17 contingency -- until adjustments to the system can be  
18 made to bring it back to plus or minus 5 percent.

19 Q. So ultimately that would mean plus or minus  
20 five is really what they're shooting for, correct?

21 A. In the long term, yes.

22 Q. Is St. Joe's Light -- St. Joseph Light &  
23 Power's criteria plus or minus five?

24 A. They have agreed, I believe, in their FERC  
25 Form 715 to comply with the MAPP criteria.

1 Q. Now, when you worked for St. Joe Light &  
2 Power, your position was transmission planning  
3 engineer or what?

4 A. It was transmission planning engineer and  
5 then became senior transmission planning engineer, or  
6 system planner and then senior, senior system planner,  
7 I believe.

8 Q. Okay. In any event, it involved planning,  
9 transmission planning?

10 A. Yes, it did.

11 Q. While you were working for St. Joe, did you  
12 ever recommend a decrease of the voltage criteria or a  
13 relaxation in the voltage criteria?

14 A. I don't recall ever recommending anything  
15 like that, no.

16 Q. If I could go back, earlier I asked you some  
17 questions about available transmission capacity or ATC  
18 in the Southwest Power Pool system impact study. I'd  
19 like to go back to the ATC issue for just a moment, if  
20 I could. You stated you weren't -- you didn't know  
21 that the SPP study addressed ATC, I believe. The  
22 record will show your testimony on that.

23 But my question here is, have you studied  
24 the impact of the Nevada to Asbury line which  
25 UtiliCorp was proposing on ATC?

1           A.     I have not issued anything that I can recall  
2     stating what the impact on ATC would be. I know that  
3     UtiliCorp has committed in this merger not to reduce  
4     area ATCs. I think it stands to reason that the  
5     addition of an interconnection that Springfield has  
6     recognized as important to their Montrose generation,  
7     I think it's fair to assume that that would increase  
8     the ATC in the region.

9           Q.     But you haven't conducted a study of that,  
10    of the impact of the construction of the line on ATC?

11          A.     No, I have not.

12          Q.     Has anyone at UtiliCorp conducted such a  
13    study, to your knowledge?

14          A.     Not to my knowledge, no.

15          Q.     Okay. Thank you.

16                 Let me go back to my other question here, if  
17    I could, back to your surrebuttal testimony.  
18    Beginning on the bottom of page 4 of your surrebuttal,  
19    you criticize Mr. Russell's testimony, continuing over  
20    on to page 5 of your surrebuttal regarding the -- I  
21    guess it starts on line 15 of page 4 and continues on  
22    over to page 5, line 14. Looking at the footnote on  
23    page 3 and statements Mr. Russell makes on pages 32  
24    and 33 of Mr. Russell's rebuttal testimony. Do you  
25    see that where you make those criticisms, sir?

1           A.     Yeah. I'm not sure I define them as  
2 criticisms, but I think I see what you're referring  
3 to.

4           Q.     You state Mr. Russell was in error, I  
5 believe, in regard to those matters. That would be  
6 your testimony, page 4, line 16. If I could have you  
7 look at your testimony, surrebuttal testimony, page 5,  
8 line 13.

9           A.     Okay.

10          Q.     Your testimony and the schedules you have  
11 attached to it, DAF-2, as I understand what you say on  
12 line 13 of page 5, you are looking at base case  
13 voltage as noncontingency; is that correct?

14          A.     That is correct.

15          Q.     Okay. Now, if I could have you turn -- do  
16 you have Mr. Russell's rebuttal with you?

17          A.     Yes, I do.

18          Q.     Turn to page 32 of Mr. Russell's rebuttal,  
19 if you would. Let me know when you get there, sir.

20          A.     Okay, I'm there.

21          Q.     Now, this is -- the statements Mr. Russell  
22 is making on page 32 and 33 of his rebuttal are the  
23 portions that you're -- that you are addressing on  
24 pages 4 and 5 of your surrebuttal; is that correct?

25                 If it helps you, I believe that's what you

1 state at the top of page 5 of your rebuttal -- or  
2 surrebuttal.

3 A. That and the following question on page 33,  
4 I believe.

5 Q. Regarding the other SPP study, right?

6 A. Regarding the comparison of his results to  
7 the SPP impact study, yes.

8 Q. I believe you go -- actually, page 5, line  
9 16 of your surrebuttal I believe is where you begin  
10 that criticism of his testimony, sir. And I'm talking  
11 about the portion of page 5 above line 16 of your  
12 surrebuttal, beginning over on page 4, line 15, I  
13 guess, where you're comparing these base cases.

14 As I understand your testimony from just a  
15 moment ago, your surrebuttal testimony, page 5,  
16 line 15, and your schedules DAF-2, are looking at base  
17 case voltages under a noncontingency situation,  
18 correct?

19 A. That is correct.

20 Q. If you'd look at Mr. Russell's rebuttal,  
21 page 32, line 12 through 13. Actually, I guess the  
22 sentence begins on line 11, page 32. He states that  
23 both of these criteria require an examination of how  
24 UtiliCorp will operate under first contingency  
25 conditions. Do you see that, sir?

1           A.     Yes, I do.

2           Q.     So if Mr. Russell is addressing a first  
3 contingency condition situation in his rebuttal  
4 testimony, what is the point of criticizing that  
5 testimony on the basis of a noncontingency situation?

6           A.     Yeah.  If you'll follow with me on  
7 Mr. Russell's testimony, on page 32, line 22, I'll  
8 begin with line 22 and then I'll jump a little  
9 farther.  He says, In the more stressed case  
10 simulating expected levels of heavy north/south  
11 transfers, violations occurred not only under  
12 contingency simulations but also under precontingency  
13 conditions normal with all facilities in service.

14                   Then as we go down a little farther on  
15 page 33, on line 10, he starts with the question, Did  
16 the SPP impact study confirm the same weakness of the  
17 applicant's transmission system as your study showed?

18                   Yes.  The comparable case that both SPP and  
19 I analyzed of the 2001 summer peak condition with  
20 normal transfer through Missouri, the result of my  
21 analysis are fully confirmed by the SPP study results.  
22 Talking about the results -- when he's referring to  
23 the results of his analysis here, he's talking about  
24 the criteria violations that he has mentioned in his  
25 testimony.



1           Q.     So if Mr. Russell's testimony intended to  
2 address only contingency situations, you would not  
3 disagree with Mr. Russell's testimony?

4           MR. DUFFY:  Objection.  I don't know how the  
5 witness can answer what Mr. Russell intended his  
6 testimony to refer to.

7           MR. KEEVIL:  Well, if you look at page, like  
8 I say, page 32, lines 12, it's clear that the  
9 following analysis was intended to apply to first  
10 contingency condition situation, and Mr. Florom's  
11 testimony, as Mr. Florom has indicated, refers to a  
12 noncontingency situation.

13          MR. DUFFY:  But as Mr. Florom's also pointed  
14 out, Mr. Russell also talks about precontingency  
15 normal with all facilities in service, so --

16          MR. KEEVIL:  Actually --

17          MR. DUFFY:  May I finish, please?

18                 So it appears that Mr. Russell is talking  
19 about two different types of things.  And again, the  
20 basis of my objection is it's improper to ask this  
21 witness what Mr. Russell's intent was in preparing  
22 this testimony.

23          MR. KEEVIL:  I didn't ask --

24          JUDGE WOODRUFF:  I don't think he was asking  
25 that question.  He was asking I think what was the

1 proper question as to this witness' understanding of  
2 what Mr. Russell's testimony was, and I'm going to  
3 allow it on that basis. You can go ahead and reask  
4 the question if we've lost it since then.

5 BY MR. KEEVIL:

6 Q. Mr. Florom, if Russell's testimony was  
7 intended to address only first contingency condition  
8 situations you would not disagree with Mr. Russell's  
9 testimony?

10 A. I cannot say that I would not disagree with  
11 his testimony, no.

12 Q. You would not disagree with this portion of  
13 his testimony on the basis of your Schedule DAF-2; is  
14 that correct?

15 A. I would argue that my Schedule DAF-2 does  
16 not rebut his testimony if it is truly discussing  
17 contingency situations. However, I would not agree  
18 that I -- I would not say that I agree with his  
19 assertion that our system shows contingency  
20 violation -- or excuse me, criteria violations under  
21 contingency situations.

22 Q. Okay. But you would agree your  
23 Schedule DAF-2 and those portions of your testimony  
24 where you address that would not be responsive to  
25 Mr. Russell's testimony if it is addressing first

1 contingency situations?

2 A. I would agree that my schedule refers to  
3 noncontingency situations, yes.

4 Q. Okay. If I could -- you were going on there  
5 and pointed to the bottom of page 32 where Mr. Russell  
6 makes reference to the more stressed case involving --  
7 or excuse me, simulating expected levels of heavy  
8 transfers. Now, is a heavy transfer case the same as  
9 what you're referring to in your surrebuttal?

10 A. I'm sorry. Which part of my surrebuttal are  
11 you referring to?

12 Q. Back to the same part we've been talking  
13 about, page 4, line 19 -- or excuse me, 16 through  
14 page 5, line 14.

15 A. My surrebuttal is referring to normal base  
16 case scenarios.

17 Q. And normal base case is not heavy transfer,  
18 correct?

19 A. That's correct.

20 Q. Okay. So once again, these -- this  
21 Schedule DAF-2 and this discussion in your testimony  
22 would not be responsive to a heavy transfer base case  
23 condition, correct?

24 A. That's correct. But I believe if you go on  
25 a little farther, as I mentioned before, in

1140

1 Mr. Russell's testimony he said that he compared his  
2 analysis to the SPP analysis, in which case there was  
3 normal transfer through Missouri.

4 Q. Mr. Florom, are you aware of whether  
5 UtiliCorp has within the past few months, recently  
6 let's say, completed an upgrade of the Sibley to  
7 Duncan 161 kV line?

8 A. No, we have not completed any upgrades to  
9 that line. It's slated for May of next year.

10 Q. Would you agree, sir, that that line is in  
11 violation under heavy north/south transfer conditions  
12 in the base case?

13 A. I have not analyzed the heavy north/south  
14 limitations for that line.

15 MR. KEEVIL: Judge, I'm going to need to  
16 mark another exhibit.

17 JUDGE WOODRUFF: Go right ahead.

18 MR. KEEVIL: I guess it would be 302.

19 (EXHIBIT NO. 302 WAS MARKED FOR  
20 IDENTIFICATION.)

21 BY MR. KEEVIL:

22 Q. Mr. Florom, do you recognize what I have  
23 handed you and what has been marked as Exhibit 302 as  
24 your response to a Data Request from Springfield's  
25 consultant firm?

1           A.     Yes. I believe this is a response to the  
2     Data Request for the St. Joe Light & Power case; is  
3     that correct?

4           Q.     Well, actually, we could get into an  
5     argument over that. What happened in the St. Joe --  
6     since you mentioned that, I guess for the record I  
7     should indicate, the Data Requests which we sent  
8     covered both of St. Joe case and the Empire case, and  
9     counsel for UtiliCorp, St. Joe and Empire agreed that  
10    when they only sent one response, they were meant to  
11    apply to all of the cases.

12                 Do you have any reason to doubt that,  
13    Mr. Florom?

14           A.     I can't verify or deny that, but I -- this  
15    is a response that I made to Sedina Eric in response  
16    to -- I guess I thought it was the St. Joe case. If  
17    you're going to include it in the Empire case, then I  
18    would say yes, this would be a response in that  
19    scenario as well.

20                 MR. KEEVIL: Okay. Judge, with that I would  
21    offer Exhibit 302 into the record.

22                 JUDGE WOODRUFF: Okay. Exhibit 302 has been  
23    offered into evidence. Are there any objections to  
24    its receipt?

25                 (No response.)

1142

1 JUDGE WOODRUFF: Hearing none, it will be  
2 received into evidence.

3 (EXHIBIT NO. 302 WAS RECEIVED INTO  
4 EVIDENCE.)

5 BY MR. KEEVIL:

6 Q. Mr. Florom, going back to the SPP system  
7 impact study, that was based on a request by UtiliCorp  
8 for network service from SPP; is that correct?

9 A. Yes.

10 Q. Okay. Can you tell me why as a result of  
11 that study UtiliCorp canceled its request for network  
12 service from the SPP?

13 A. I'm not sure that's my position to answer  
14 that question. I did the analysis on the  
15 interconnection study and can tell you most of what  
16 the SPP impact study says. I'm not sure I can tell  
17 you if --

18 Q. Okay. That may be enough. Let me go from  
19 there. Would you agree, Mr. Florom, that under the  
20 SPP system impact study, had UtiliCorp elected to take  
21 network service from the SPP, that UtiliCorp would  
22 have been required to make very high payments for  
23 reinforcements which were shown to be necessary by the  
24 SPP study?

25 A. Yes. The SPP study included some additional

1 facilities outside of the UtiliCorp region that needed  
2 to be improved, according to the scenario that they  
3 ran it under.

4 Q. Isn't it also true that the SPP system  
5 impact study showed criteria violations and  
6 reliability problems within the Missouri Public  
7 Service and Empire District areas?

8 A. Yes, under the scenarios that they ran it  
9 under.

10 Q. We talked a few moments ago about the  
11 interconnection studies that UtiliCorp ran. When did  
12 UtiliCorp perform the interconnection studies?

13 A. You're referring to the Empire case now, the  
14 Empire interconnection study?

15 Q. Yes.

16 A. It's not dated. They don't have a date on  
17 it. It was before the SPP impact study, if that's  
18 what you're getting to.

19 Q. Would you -- approximately spring or summer  
20 of 1999?

21 A. Some of the -- some of the load flow  
22 analysis are dated and they show August of '99. So I  
23 imagine the report was issued late '99.

24 Q. What base cases were used in the study by  
25 year and season?

1           A.     The base case for the Empire District's  
2     interconnection study was the 2003 Southwest Power  
3     Pool summer peak model.

4           Q.     Were any off-peak base cases used?

5           A.     No.

6           Q.     Mr. Florom, on page 2 of your surrebuttal,  
7     on line -- page 2 being line 12 of your surrebuttal,  
8     Mr. Florom, you refer to Mr. Russell's request as  
9     being unprecedented to have a utility reserve  
10    transmission service to serve its retail customers on  
11    the Oasis and to implement real time monitoring of  
12    intracompany flows associated with real time dispatch,  
13    correct?

14          A.     To my knowledge, yes, that's correct.

15          Q.     Are you familiar, sir, that in the alliant  
16    merger of Wisconsin Power & Light, Northwestern Public  
17    Service and IEC, those companies agreed to implement  
18    real-time monitoring of their post-merger internal  
19    dispatch and reserve transmission capacity on the  
20    intervening transmission systems?

21          A.     I'm not familiar with that case.

22          Q.     Are you aware that a number of utilities  
23    have totally divested their generation?

24          A.     Is that the completion of your question?

25          Q.     Yes.



1           A.     I think that has happened, yes.

2           Q.     Do you mean to suggest that utilities which  
3     have divested their generation and their suppliers do  
4     not have to reserve transmission service from the  
5     responsible scheduling authority in order to obtain  
6     deliveries of their generation supplies?

7           A.     I think if those companies had divested  
8     their generation resources they would no longer be the  
9     same company as the transmission service provider.  So  
10    I don't think it's fair to suggest that the  
11    transmission service provider would be serving its own  
12    retail customers.

13          Q.     Would you be surprised to find that -- well,  
14    strike that.

15                 Do you know, sir, when UtiliCorp plans to  
16    begin detailed design and construction of the line  
17    from Nevada to Asbury to interconnect UtiliCorp and  
18    Empire?

19          A.     I can't find it right now.  I know Mr. Kreul  
20    addressed that in his St. Joe testimony.  We would  
21    construct it following consummation of the merger.

22          Q.     Do you know whether UtiliCorp has acquired  
23    the right of way for the line?

24          A.     I believe it's my understanding that we have  
25    not.

1           Q.     Okay.  So would you agree, then, that it  
2     will take a few years at least before that line is  
3     constructed and in operation?

4           A.     I can't say exactly how long, but it would  
5     take some time to acquire the right of way and  
6     construct the line, yes.

7           Q.     So there will be at least some period of  
8     time post merger, assuming the merger is approved, in  
9     which the merged company will have integrated the  
10    generation of Empire, UtiliCorp and presumably St. Joe  
11    Light & Power also without having first completed  
12    these physical interconnections, correct?

13          A.     I think that's a reasonable assumption.

14          Q.     So during that period, then, there would be  
15    flows between the what are now three separate  
16    companies and will eventually be, I guess, three  
17    operating divisions but will be no additional lines,  
18    correct?

19          A.     During that time frame, UtiliCorp would be  
20    required, if I understand it correctly, to acquire  
21    transmission in order to do that deal.  I'm not sure  
22    exactly what our -- what our plans for that are at  
23    this time.

24                 MR. KEEVIL:  Could I have just a moment,  
25    your Honor?

1 JUDGE WOODRUFF: Certainly.

2 MR. KEEVIL: Thank you, your Honor. That's  
3 all the questions I would have at this time.

4 JUDGE WOODRUFF: Any further  
5 cross-examination?

6 (No response.)

7 No questions from the Bench, so no recross.  
8 Any redirect?

9 MR. DUFFY: Might I suggest this would be an  
10 appropriate time to take a break since we've been on  
11 for almost two hours?

12 JUDGE WOODRUFF: Agreed, and we'll come back  
13 at 10:35.

14 (A recess was taken.)

15 JUDGE WOODRUFF: Let's go back on the  
16 record, and we're ready for redirect by Mr. Duffy.

17 MR. DUFFY: Thank you.

18 REDIRECT EXAMINATION BY MR. DUFFY:

19 Q. Mr. Florom, I'm not going to follow any  
20 particular order here, so this may be kind of  
21 rambling, but I'll do the best I can.

22 You were asked some questions by Mr. Keevil,  
23 and my notes were -- the essence of the question was  
24 why haven't you or why didn't UtiliCorp rerun the SPP  
25 study. Can you explain why that was not done or

1       whether UtiliCorp thought that was an important thing  
2       to do that or not do that?

3           A.     Sure. We felt that the study that we had  
4       run regarding the Empire interconnection did cover all  
5       the bases required to determine impact of the  
6       interconnection.

7           As Mr. Proctor, I believe, pointed out in  
8       his testimony, the SPP impact study was flawed in  
9       several areas, well, at least two areas I can think of  
10      and that he mentions in his testimony. One of the  
11      areas, that it did not include the facilities that  
12      UtiliCorp has committed to build as a response to the  
13      merger.

14           Secondly, the SPP impact study analyzed a  
15      worst case dispatch scenario, which doesn't represent  
16      a true joint economic dispatch of what the systems  
17      might be experiencing.

18           So our feeling was that we had accomplished  
19      a study that analyzed the system at its most stressed  
20      time, which was the peak time, the summer peak time,  
21      and that it fulfilled the requirements of determining  
22      impact of the interconnection.

23           Q.     Have you heard any criticism in this case  
24      from Mr. Russell or anyone else that leads you to  
25      conclude that UtiliCorp should rerun the SPP study?

1           A.     No, I have not.

2           Q.     You were asked a lot of questions about the  
3 voltage criteria, the plus or minus 5 percent under  
4 something or other and plus or minus 10 percent under  
5 something else. Give me a layman's explanation of  
6 what that really means and what its importance is in  
7 the context of this case in your view.

8           A.     Sure. The plus or minus 5 percent that  
9 we're talking about is just allowing the voltage  
10 that's considered the normal, the nominal voltage, to  
11 fluctuate within an acceptable region under normal  
12 conditions. Under contingency conditions, scenarios  
13 where you have an outage that stressed a system a  
14 little bit, the SPP criteria is to allow plus or minus  
15 10 percent, allow the voltage to fluctuate a little  
16 bit more.

17                   I think the change in SPP criteria, I think  
18 they recognize the need to make that change, and I  
19 think it's really more of a correction than a major  
20 policy change. I think they realized that that was a  
21 necessary correction to their policy.

22           Q.     My recollection is that Springfield's  
23 testimony is that there's going to be a detriment  
24 unless UtiliCorp agrees to go to the higher level of  
25 criteria that I think was maintained by St. Joseph

1     Light & Power, and you testified a little bit about  
2     that with St. Joe. Can you address that? Do you  
3     think that creates a detriment or not?

4           A.     No, I don't think so. First of all, like I  
5     said before, the plus or minus 10 percent that we're  
6     talking about is under contingency situations.  
7     Talking about very few situations that this is going  
8     to occur.

9           Q.     Well, give me a layman's explanation of what  
10    a contingency situation is.

11          A.     Right. If you have a line outage that  
12    affects your system, in other words --

13          Q.     Like a tornado going through a transmission  
14    line?

15          A.     Yeah, anything, a tree hitting on the  
16    transmission line, something that would cause a  
17    transmission line or transformer to go out of service,  
18    the policy, the criteria is to allow the utilities  
19    time to recover from that contingency. It allows the  
20    voltage -- the voltage drops down to, at the most the  
21    criteria allows 90 percent. All the customers are  
22    certainly within their range of criteria of operating.  
23    It's not going to affect their systems.

24          Q.     There was some question about an increase in  
25    available transmission capacity, ATC, in the region,

1 and I think you had an answer where you said that it  
2 would be reasonable to conclude that when UtiliCorp  
3 builds the Nevada to Asbury line after the merger,  
4 that that would increase ATC in region. Then you were  
5 asked a question about, well, have you done a study to  
6 prove that.

7 My question is, do you, based on your  
8 experience, think that a study is needed in order for  
9 you to conclude that ATC would be increased as a  
10 result of the addition of new transition facilities?

11 A. No, I don't think a study is needed. I  
12 think Mr. Russell's testimony states the fact that a  
13 Nevada to Asbury line would greatly benefit  
14 Springfield and improve their ability to receive  
15 generation from the Montrose unit. So I think it's  
16 fairly clear that it's going to improve the ATC in  
17 that region.

18 Q. You were handed a copy of Exhibit 302. Do  
19 you remember that?

20 A. Yes, I do.

21 Q. Mr. Keevil didn't ask you any questions  
22 about Exhibit 302. So let me ask you, what  
23 significance, if any, is Exhibit 302 in this case?

24 A. Sure. First of all, I want to clarify one  
25 thing that I said before. I mentioned that I hadn't

1     done any heavy north/south transfer analysis for that  
2     line, and I was referring to the Empire case, and we  
3     did do a heavy north/south analysis for the St. Joe  
4     case, for the interconnection study I should say, and  
5     so this is a result of that case.

6           Q.     The St. Joe case?

7           A.     Yes.  Of the St. Joe interconnection study,  
8     correct.

9           Q.     Okay.

10          A.     I notice that -- I'm not sure exactly if it  
11     was Mr. Keevil or Mr. Russell or someone that had  
12     circled a percentage over there of 102.  I'm assuming  
13     that he's attempting to -- or the inference there is  
14     that during this scenario that this line was  
15     overloaded, in which case the study does show this  
16     line was overloaded to 102 percent.

17                 I think it's important to note that  
18     UtiliCorp recognizes the Sibley to Duncan line does  
19     overload under certain conditions.  They currently  
20     have an operating procedure in place to alleviate that  
21     overload.  So this really is not an issue.  Also, that  
22     line is going to be reconnected in May of next year.

23          Q.     Two questions.  What is the -- what is the  
24     brief essence of the operating procedure for Sibley to  
25     Duncan?



1           A.     Sure. That line has two different  
2     generating plants located one in the north, the Sibley  
3     plant, and the Greenwood Energy Center is located to  
4     the south on that line. We have the -- we have the  
5     ability to either raise the Greenwood generation to  
6     reduce the flow on that line or to reduce the Sibley  
7     generation to reduce the flow on that line, either of  
8     which is effective in reducing overload on that line.

9           Q.     And then you said that the Sibley -- this  
10    Sibley to Duncan line, I guess, is reflected on  
11    Exhibit 302, is going to be reconductored. What does  
12    that mean in layman's terms?

13          A.     It means capacity's going to be increased  
14    and that this 102 would no longer be a violation. I  
15    should say would no longer overload the existing  
16    capacity line.

17          Q.     But again, 302 is a computer scenario, is it  
18    not?

19          A.     Yes, it is.

20          Q.     And so if your operating procedure that  
21    you're talking about -- well, do you do the operating  
22    procedure to avoid the scenario that is reflected on  
23    Exhibit 302?

24          A.     Yes. If we had the outage that's shown that  
25    would cause this line to begin to overload, we would

1 do the operating procedure and that 102 would be  
2 avoided, yes.

3 Q. We've talked a lot about and you were asked  
4 a lot of questions about the SPP study. Can you  
5 briefly explain to the Commission what the purpose of  
6 the SPP study that we've been talking about was?

7 A. Sure. UtiliCorp requested that the SPP run  
8 this study to determine the capability of operating  
9 our systems under the SPP network service tariff.  
10 They ran that study. It did not include the  
11 facilities that we suggested now that we -- or  
12 committed now to that we would build following  
13 consummation of the merger.

14 It also, like I said before, used a worst  
15 case dispatch scenario that is really not real world  
16 is what would be considered realistic, that kind of  
17 dispatch.

18 Q. Okay. And briefly describe what a worst  
19 case scenario is.

20 A. Yeah. The SPP attempted to -- in their  
21 impact study, they looked at every possible transfer  
22 between the utilities. That included lowering  
23 generation on, say, an expensive unit in one area, a  
24 base load unit say, and increasing generation in a  
25 peaking unit in another area. Certainly something

1       that we would not practice in the real world.

2           Q.     I got the impression from the questions from  
3       Springfield that Springfield was contending that the  
4       study that UtiliCorp did was either not regional in  
5       nature or it didn't cover the same region that the SPP  
6       study did.  Would you discuss the regional aspects of  
7       these two studies and compare and contrast them?

8           MR. KEEVIL:  I'm going to object to the  
9       characterization of what Springfield's question or  
10      what was motivating Springfield's questions or why  
11      Springfield objects to something.  If Mr. Duffy has  
12      something specific that I asked Mr. Florom that he'd  
13      like to redirect Mr. Florom on, that's fine, but  
14      characterizing in his opinion something that may or  
15      may not be my client's position I would object to.

16          JUDGE WOODRUFF:  To the extent that the  
17      question attempted to characterize Springfield's  
18      position -- I'm not sure it did.  It seems to be more  
19      of preparatory to the question.  To the extent it  
20      characterized Springfield's position, it is improper.  
21      But to the extent that it's simply preparatory to the  
22      question, I'll go ahead and allow him to answer the  
23      question?

24          THE WITNESS:  Would you restate the  
25      question, please?

1 BY MR. DUFFY:

2 Q. Can you compare and contrast the regional  
3 aspects of the SPP study versus the UtiliCorp study?  
4 Do they cover the same region, do they cover different  
5 regions, do they look at the appropriate region, do  
6 they look at the appropriate transmission facilities?  
7 That's what I want you to talk about.

8 MR. KEEVIL: Compound question now,  
9 objection. He was okay -- up until the first comma he  
10 was okay. Compare and contrast the two studies  
11 regarding whether they cover the same region I think's  
12 fine.

13 JUDGE WOODRUFF: Is that your question,  
14 then, Mr. Duffy?

15 MR. DUFFY: Well, we'll start with that.

16 JUDGE WOODRUFF: Okay.

17 THE WITNESS: Okay. The study that we  
18 performed did include other regions outside UCU. I  
19 think I listed all the other regions previously here.

20 It's important to note that both studies  
21 included the Southwest Power Pool region in all the  
22 facilities in that region. The UtiliCorp study as it  
23 stands looked at contingencies and areas, monitored  
24 areas that we felt would be impacted by the  
25 interconnection, and so it does address the regional

1 issue.

2 BY MR. DUFFY:

3 Q. Does it omit any facilities that should have  
4 been included?

5 A. No, I do not believe that we omitted any  
6 facilities that should have been included in that  
7 study.

8 Q. Who benefits from the construction of the  
9 Nevada/Asbury line?

10 A. Well, obviously UtiliCorp and Empire benefit  
11 in the attempt that it allows the utilities to merge,  
12 physically interconnect. I believe, as I said  
13 earlier, Mr. Russell states in his testimony that  
14 Springfield also benefits from this line, from the  
15 construction of this line. If I can, I'd like to  
16 quote from my surrebuttal testimony.

17 MR. KEEVIL: Judge, I believe his  
18 surrebuttal testimony is already in the record. This  
19 would be duplicative.

20 JUDGE WOODRUFF: Your objection will be  
21 overruled. I'll allow him to answer.

22 THE WITNESS: Okay. I'm on page 11 of my  
23 surrebuttal testimony, and in this testimony I am  
24 quoting from Mr. Russell's testimony. It says,  
25 Applicants conducted a study analyzing interconnection

1     between UtiliCorp and Empire. UtiliCorp recommended  
2     the addition of a 161 kV line between Nevada  
3     (UtiliCorp) and Asbury generation station (Empire)  
4     that parallels the limiting facility, Stockton-Morgan.  
5     The Nevada-Asbury line provides backup transfer  
6     capability -- capacity. Excuse me. If UtiliCorp  
7     constructs the line between Nevada and Asbury, it will  
8     relieve the limiting section (Stockton-Morgan) and  
9     increase the transfer capability of a part of the  
10    Missouri system that is important to transferring  
11    Montrose power to Springfield.

12            Again, I want to make it clear that that is  
13    quoting out of Russell's testimony.

14    BY MR. DUFFY:

15        Q.     And that's the benefit that you see that  
16    Springfield would receive?

17        A.     That is correct.

18        Q.     If the merger does not happen, will the  
19    Nevada to Asbury line be built?

20        A.     I can't see how it would be, no.

21        Q.     There was considerable discussion on the  
22    impact of the merger on available transmission  
23    capacity. Can you briefly describe your position as  
24    to what impact, if any, the merger and the  
25    construction of the facilities would have on available

1 transmission capacity in this region?

2 A. Well, I think it's clear that the  
3 construction of additional facilities is going to  
4 increase the available transfer capability. To what  
5 degree, I couldn't tell you.

6 MR. DUFFY: That's all I have, your Honor.

7 JUDGE WOODRUFF: Thank you. And you --  
8 well, I want to go back. I'm not sure I admitted his  
9 testimony. Even if I did, I didn't check it off. So  
10 is there any -- Exhibit 25, are there any objections  
11 to its receipt?

12 (No response.)

13 Hearing none, it will be received into  
14 evidence.

15 (EXHIBIT NO. 25 WAS RECEIVED INTO EVIDENCE.)

16 MR. KEEVIL: Judge, just for my  
17 clarification, were both 301 and 302 received? I know  
18 I offered them. I don't recall if you received them.

19 JUDGE WOODRUFF: Let me check and see what  
20 I've got here. I show them both as having been  
21 received. If not, they are received at this time.

22 MR. DUFFY: And I guess while we're on that,  
23 you're expecting me to file this late-filed 33. We  
24 don't have to go through any kind of a receipt on  
25 that, do we? It's just --

1160

1 JUDGE WOODRUFF: No. When you file it, I'll  
2 send -- send copies, of course, to all the other  
3 parties. I'll send out a notice. I do normally on  
4 the late-filed exhibits and see if anybody has any  
5 objections.

6 Okay. Then you may step down, Mr. Florom.

7 (Witness excused.)

8 Let's move over to Staff and Mr. Ketter.

9 MR. DOTTHEIM: The Staff would call James  
10 Ketter to the stand.

11 JUDGE WOODRUFF: I believe, Mr. Ketter, you  
12 were sworn previously. You're still under oath.

13 THE WITNESS: Yes.

14 JUDGE WOODRUFF: And this is the last time  
15 you'll be appearing in this case, Mr. Ketter, I  
16 believe.

17 MR. DOTTHEIM: Yes, that is correct.

18 JUDGE WOODRUFF: Okay. 706 is his  
19 testimony?

20 JAMES KETTER testified as follows:

21 DIRECT EXAMINATION BY MR. DOTTHEIM:

22 Q. Mr. Ketter had an errata sheet which I think  
23 may have been 721, and I don't believe he indicated  
24 where in his rebuttal testimony the errata information  
25 actually refers to, where it should occur. So I would

1161



1     like to ask Mr. Ketter if he could identify where in  
2     his rebuttal testimony the errata sheet, that  
3     information applies.

4           A.     With a correction from a Data Request from  
5     Empire, the SAIDI, SAIFI, CAIDI numbers that are  
6     reflected on page 7 of my rebuttal testimony needed to  
7     be changed. So the Empire section on page 7 should be  
8     replaced with the Missouri 1997, '98 and '99 numbers  
9     for the SAIFI, SAIDI and CAIDI reliability numbers.  
10    So the Empire section of page 7 should reflect the  
11    Missouri portion of the errata sheets.

12          Q.     And also the total system numbers that  
13     you're showing should be on that page also, but  
14     they're not correcting any numbers that appear on that  
15     page?

16          A.     That's correct.

17               MR. DOTTHEIM: At this time I would like to  
18     move into evidence Exhibit 706HC, 706 and the errata  
19     sheet, Exhibit 721.

20               JUDGE WOODRUFF: I believe there was  
21     previous indication that 706HC, although it was  
22     identified on your list, in fact does not exist; is  
23     that correct? Mr. Ketter is shaking his head.

24               MR. DOTTHEIM: Yes. I think that is  
25     accurate.

1 JUDGE WOODRUFF: Okay. So we're talking  
2 about 706 and 721?

3 MR. DOTTHEIM: Yes. Excuse me.

4 JUDGE WOODRUFF: 706 and 721 have been  
5 offered into evidence. Are there any objections to  
6 their receipt?

7 (No response.)

8 Hearing none, they will be received into  
9 evidence.

10 (EXHIBIT NOS. 706 AND 721 WERE RECEIVED INTO  
11 EVIDENCE.)

12 MR. DOTTHEIM: At this time I tender  
13 Mr. Ketter for cross-examination.

14 JUDGE WOODRUFF: Does anyone have any  
15 cross-examination questions for Mr. Ketter?  
16 CROSS-EXAMINATION BY MR. KEEVIL:

17 Q. Just a couple of simple ones here,  
18 Mr. Ketter. Page 3 of your rebuttal, beginning on  
19 line 15 you have a question that states, Does this  
20 alternative of constructing a new transmission line  
21 raise any problems? And I believe in that question  
22 you're referring to UtiliCorp's preferred option of  
23 constructing the 161 kV line from Nevada to Asbury; is  
24 that correct?

25 A. Yes.

1           Q.     Okay.  Then also on page 3, beginning on  
2     line 17 of your rebuttal, you say, Yes -- in answer to  
3     that question, Yes, new transmission line construction  
4     can be difficult to predict from the perspective of  
5     the time and cost required to complete, period, and  
6     then some other sentences.

7                     My question for you is, in relation to your  
8     statement, difficult to predict the time which will be  
9     required to construct this new transmission line,  
10    assuming that UtiliCorp does not begin acquiring any  
11    rights of way until after they know how this case  
12    turns out, would you agree with me is a reasonable  
13    assumption?

14           A.     Yes.

15           Q.     Assuming that to be the case, in your  
16    experience, what would be the absolute best case  
17    scenario time-wise that they might be able to get that  
18    line in?

19                     MR. DUFFY:  Objection.  Calls for  
20    speculation.

21                     JUDGE WOODRUFF:  Overruled.

22                     THE WITNESS:  I would not speculate on a  
23    time.  My indication there that there are problems,  
24    and one of the -- it's not a problem with the line.  
25    It's a problem in completing a product, that there are

1 many unknowns before it can be put in service.

2 BY MR. KEEVIL:

3 Q. Right. I would certainly agree with you.

4 But you have no idea, six months, one year, three  
5 years?

6 A. I have no idea.

7 MR. KEEVIL: Okay. Thank you. No further  
8 questions.

9 JUDGE WOODRUFF: Any other cross-examination  
10 from other parties?

11 (No response.)

12 All right. Hearing none. There's no  
13 questions from the Bench, recross. Any redirect? Was  
14 there any redirect?

15 MR. DOTTHEIM: Pardon me. No, no redirect.

16 JUDGE WOODRUFF: Okay. You may step down,  
17 then.

18 (Witness excused.)

19 JUDGE WOODRUFF: Mr. Proctor is scheduled to  
20 testify on this also. Do we want to go ahead and deal  
21 with his situation?

22 MR. DOTTHEIM: Yes. Since this was the last  
23 time that Dr. Proctor was scheduled to testify, we  
24 have not offered previously his rebuttal and  
25 cross-surrebuttal testimony, which I would like to do

1 at this time.

2 I think it's been indicated by the various  
3 parties in the case that they have no questions for  
4 Dr. Proctor that would necessitate any additional  
5 proceedings. Judge, I don't know whether you've  
6 previously indicated or had an opportunity to  
7 determine whether the Bench might have questions for  
8 Dr. Proctor.

9 JUDGE WOODRUFF: None of the Commissioners  
10 have indicated that they do have questions. Several  
11 have indicated that they do not. So we will go ahead  
12 and assume that they do not. Okay. That's 713 and  
13 714?

14 MR. DOTTHEIM: That is correct, yes. At  
15 this time I'd like to have marked as Exhibit 713  
16 Dr. Proctor's rebuttal testimony and also have marked  
17 as Exhibit 714 Dr. Proctor's cross-surrebuttal  
18 testimony.

19 JUDGE WOODRUFF: Have you provided copies to  
20 the court reporter?

21 MR. DOTTHEIM: No. I have those here.

22 (EXHIBIT NOS. 713 AND 714 WERE MARKED FOR  
23 IDENTIFICATION.)

24 MR. DOTTHEIM: At this time I'd like to  
25 offer Exhibits 713 and 714 and request that they be

1 received into evidence.

2 JUDGE WOODRUFF: Okay. 713 and 714 have  
3 been offered into evidence. Are there any objections?

4 (No response.)

5 Hearing none, they will be received into  
6 evidence.

7 (EXHIBIT NOS. 713 AND 714 WERE RECEIVED INTO  
8 EVIDENCE.)

9 JUDGE WOODRUFF: Okay. Then let's move on  
10 over to Mr. Russell for City of Springfield.

11 (Witness sworn.)

12 (EXHIBIT NO. 300 WAS MARKED FOR  
13 IDENTIFICATION.)

14 WHITFIELD A. RUSSELL testified as follows:

15 DIRECT EXAMINATION BY MR. KEEVIL:

16 Q. Would you state your name, please, sir.

17 A. Whitfield A. Russell.

18 Q. Are you the same Whitfield Russell who is  
19 sponsoring certain rebuttal testimony in this case?

20 A. The very same.

21 Q. Mr. Russell, I have handed the court  
22 reporter three copies of your rebuttal testimony which  
23 has been marked Exhibit 300. Do you have any  
24 corrections you wish to make to that testimony?

25 A. Not that I know of.

1           MR. KEEVIL: All right. Since we've waived  
2 the other procedures, Judge, I guess I would just  
3 tender Mr. Russell for cross.

4           JUDGE WOODRUFF: Okay. Mr. Russell has been  
5 tendered for cross-examination. Are there any  
6 cross-examination questions for him? You may proceed  
7 for UtiliCorp.

8 CROSS-EXAMINATION BY MR. DUFFY:

9           Q. Mr. Russell, on page 39 of your rebuttal  
10 testimony, lines 3 and 4, you say, The line is  
11 important to delivering Springfield's entitlements in  
12 the Montrose generation plant. Are you with me?

13          A. Yes.

14          Q. Explain to me -- well, first of all, who  
15 owns the Montrose generation plant?

16          A. Kansas City Power & Light.

17          Q. Explain to me, what is the nature of the  
18 entitlement that you're talking about? In other  
19 words, how many megawatts is it and when are you  
20 entitled -- when is Springfield entitled to have it?

21          A. It's 50-plus megawatts, and it's unit power  
22 entitlement, which means the buyer takes the risk of  
23 outage, and I think it start sometime after 2000.

24          Q. So it's not -- it's not in effect now --

25          A. Correct.

1 Q. -- is that what you're saying?

2 A. It's going to be in effect, and I think it's  
3 a ten-year contract. I have the date somewhere. I've  
4 just missed it.

5 Q. Okay. So if I understand, then, in layman's  
6 terms, City Utilities of Springfield has a right to  
7 50-some megawatts of capacity and energy out of that  
8 plant for a ten-year basis starting sometime next  
9 year?

10 A. I think so, yes.

11 Q. Okay. What is the transmission service that  
12 City Utilities of Springfield has contracted for to  
13 move that power to Springfield from Montrose?

14 A. I don't know that there's a contract. I  
15 think they anticipate network service through the SPP  
16 ISO/RT0. That's my understanding.

17 Q. Did you say the SPP ISO?

18 A. RT0, yes. Whatever form it takes, yes.

19 Q. But that doesn't exist at this point, does  
20 it?

21 A. That's correct.

22 Q. And the FERC would have to approve it in  
23 order for it to exist; is that right?

24 A. That's correct. There was a meeting on it  
25 yesterday, I understand at FERC.



1           Q.     So would it be fair to say at this point  
2     that City Utilities does not have a firm contract  
3     transmission path between Montrose and CU's  
4     facilities?

5           A.     At this moment, yes.

6                   MR. DUFFY:  That's all the questions I have,  
7     your Honor.

8                   JUDGE WOODRUFF:  Thank you.  Is there any  
9     other cross-examination?

10                   (No response.)

11                   All right.  Hearing nothing from the Bench,  
12     there's no recross.  Any redirect?

13                   MR. KEEVIL:  Just a real quick one, Judge.

14     REDIRECT EXAMINATION BY MR. KEEVIL:

15           Q.     Mr. Russell, in your description of  
16     Springfield's contract for the Montrose power, I  
17     believe you told Mr. Duffy it was a unit power  
18     contract which meant that the buyer takes the risk of  
19     outage.  Outage of what, sir?

20           A.     Outage of the generating units.

21           Q.     Okay.  We're not talking transmission line  
22     outages or anything when you say outage there?

23           A.     Well, I mean, the buyer also takes the risk  
24     of whatever transmission arrangements he has made,  
25     yes.  The sale is typically made at the bus bar of the

1 generating plant.

2 Q. But when you said in response to Mr. Duffy  
3 that in a unit power contract the buyer takes the risk  
4 of outage, you were referring to the outage of  
5 generating units?

6 A. Yes.

7 MR. KEEVIL: That's all.

8 JUDGE WOODRUFF: Okay. Thank you. You may  
9 step down, then.

10 (Witness excused.)

11 We have one more issue, and that's the  
12 market power condition, which would be Mr. McKinney.  
13 Welcome back, Mr. McKinney.

14 THE WITNESS: Thank you.

15 MR. DUFFY: Your Honor, it's my  
16 understanding that Mr. McKinney has already been on  
17 the stand, already been sworn.

18 JUDGE WOODRUFF: That's correct.

19 MR. DUFFY: And that perhaps I need to  
20 offer -- or can you tell me, do I need to offer his  
21 testimony or has it already been?

22 JUDGE WOODRUFF: Yes, you do need to offer  
23 it.

24 MR. DUFFY: And that means I've got to  
25 find --

1 JUDGE WOODRUFF: It's Nos. 4 and 5.

2 MR. DUFFY: Then I would offer Exhibits 4  
3 and 5, your Honor.

4 JUDGE WOODRUFF: All right. Exhibits 4 and  
5 5 have been offered into evidence. Are there any  
6 objections to their receipt?

7 MR. KEEVIL: Judge, I have an objection to  
8 just a very small portion of Mr. McKinney's  
9 surrebuttal testimony. Perhaps it might be best if I  
10 were to ask Mr. McKinney a couple voir dire questions  
11 first.

12 JUDGE WOODRUFF: Go ahead.

13 JOHN McKINNEY testified as follows:

14 VOIR DIRE EXAMINATION BY MR. KEEVIL:

15 Q. Mr. McKinney, just for the record, you are  
16 not an attorney, is that correct, sir?

17 A. No, I am not.

18 Q. Do you have any formal legal training?

19 A. No formal legal training, no.

20 Q. Therefore, are any of the statements  
21 contained in your written testimony meant to  
22 constitute legal opinions or legal conclusions or  
23 legal analyses?

24 A. Only from a layman's point of view.

25 Q. So you would not be competent to testify as

1 a legal expert?

2 A. Not as a legal expert, no.

3 MR. KEEVIL: Judge, based on that, I would  
4 object to, like I said, Mr. McKinney's surrebuttal  
5 testimony, page 3, line 11, beginning after the comma  
6 with the word "as" and continuing through line 13.

7 JUDGE WOODRUFF: Which refers to the FERC as  
8 proper jurisdiction?

9 MR. KEEVIL: Yes. Refers to jurisdictional  
10 conclusion, Judge.

11 JUDGE WOODRUFF: Okay. Your objection is  
12 noted for the record. It will be overruled and the  
13 testimony will be received. Exhibits 4 and 5 are  
14 received.

15 (EXHIBIT NOS. 4 AND 5 WERE RECEIVED INTO  
16 EVIDENCE.)

17 JUDGE WOODRUFF: I assume Mr. McKinney is  
18 tendered for cross-examination. Are there any  
19 cross-examination questions for Mr. McKinney on this  
20 issue? I see Public Counsel. Is there anyone else?  
21 All right. Public Counsel.

22 MR. COFFMAN: Thank you.

23 CROSS-EXAMINATION BY MR. COFFMAN:

24 Q. Good morning, Mr. McKinney.

25 A. Good morning.

1           Q.     You state, do you not, in your direct and  
2           surrebuttal testimony that UtiliCorp would comply with  
3           any market power studies that this Commission would  
4           want to see in the future?

5           A.     That's correct.

6           Q.     Okay.  Isn't it possible that in the future  
7           the Missouri State Legislature would pass some  
8           legislation that authorized retail electric  
9           competition in such a manner that this Commission  
10          would not be given the ability to review or authorize  
11          market power remedies?

12          A.     Anybody could speculate about what the  
13          Legislature could do.  Anything's possible.

14          Q.     So it is possible?

15          A.     I'll leave it at that.

16          Q.     Thanks.

17                    You have read the testimony of Public  
18          Counsel witness Mr. Ryan Kind?

19          A.     Yes, I have.

20          Q.     Do you remember in that testimony where  
21          Mr. Kind argued that inadequate affiliate rules could  
22          lead to an exercise of retail market power?

23          A.     Yes, I believe I have that recollection.

24                   MR. COFFMAN:  At this point, your Honor, I'd  
25          like to mark an exhibit.

1 JUDGE WOODRUFF: Go right ahead.

2 MR. COFFMAN: It's a highly confidential  
3 exhibit, and it is a complete copy of what has been  
4 offered and accepted as 207HC. That merely contained  
5 selected portions of a Data Request Response, and this  
6 is a complete copy.

7 JUDGE WOODRUFF: Okay.

8 MR. COFFMAN: I would ask that it be marked  
9 as Exhibit 208HC.

10 (EXHIBIT NO. 208HC WAS MARKED FOR  
11 IDENTIFICATION.)

12 BY MR. COFFMAN:

13 Q. We went over this a little bit yesterday,  
14 and I assume you were here during the  
15 cross-examination of Mr. DeBacker?

16 A. I was.

17 MR. COFFMAN; Your Honor, this is  
18 UtiliCorp's response to Public Counsel Data Request  
19 No. 3589, and that was in the Case EM-2000-292, and as  
20 the Commission granted a joint request to modify the  
21 protective order in that case to permit discovery that  
22 would have been cumulative in this case, permitting  
23 responses to Data Requests in that case to be utilized  
24 in this case, we had offered it for earlier  
25 cross-examination, and now for the purpose of

1 completeness, I would offer Exhibit 208HC into the  
2 record here.

3 JUDGE WOODRUFF: Okay.

4 MR. DUFFY: Your Honor, I wasn't privy to  
5 the previous discussion of this, and this is the first  
6 time I've ever seen it. I would like for my witness  
7 to just confirm that it is what it's purported to be  
8 here, if he can do that. And if that's the case, then  
9 I will not have any kind of objection to it, but since  
10 I don't know what this is and presumably the witness  
11 does, I think he ought to have the opportunity.

12 JUDGE WOODRUFF: Mr. McKinney, you can go  
13 ahead and answer your counsel's question.

14 THE WITNESS: All I can respond to is this  
15 was a Data Request supplied to the Office of the  
16 Public Counsel that is signed by Gary Clemmons who  
17 works in our regulatory services department. And  
18 unfortunately, this is the first time that I have  
19 reviewed the entire contents of that Data Request, and  
20 that's all that I can really speak to it, other than  
21 what I heard testified the other day.

22 MR. DUFFY: Well, I guess on that basis I  
23 would object that a proper foundation has not been  
24 laid for the admission of this document if this  
25 witness has -- if this is just the first time he's

1       seen it.

2               MR. COFFMAN: I could attempt to lay a  
3 proper foundation, your Honor.

4               JUDGE WOODRUFF: Go ahead.

5 BY MR. COFFMAN:

6       Q.     Mr. McKinney, would you agree that the  
7 response contained here appears to contain a strategic  
8 plan for UEG covering the years 1998 through the years  
9 2003?

10      A.     That's what it states, yes.

11      Q.     Have you ever reviewed strategic plans of  
12 UEG?

13      A.     From time to time, yes.

14      Q.     Have you reviewed this particular plan?

15      A.     I don't recall doing so. I'm sorry. Not  
16 this specific plan. I can't say I have, I haven't. I  
17 say I don't recall doing it.

18      Q.     You may have reviewed this?

19      A.     I can't say I did or didn't. I don't  
20 recall.

21      Q.     Are you a member of UtiliCorp's regulatory  
22 group?

23      A.     Yes, I am.

24      Q.     Does Mr. Empson head up that regulatory  
25 group?



1           A.     Mr. Empson is the senior vice president I  
2     report to, yes.

3           Q.     Is there a lead or head of the regulatory  
4     group?

5           A.     The regulatory group is basically split into  
6     two groups. There is an electric regulatory group  
7     which I head. There is a gas regulatory group which  
8     is headed by Mr. Jurick. There are some subgroups,  
9     and all of us report to Mr. Empson. Regulatory is  
10    only one of the areas of responsibility Mr. Empson  
11    has.

12          Q.     And is Mr. Empson your direct supervisor?

13          A.     That's correct.

14          Q.     Okay. You did review the portions of this  
15    document that has been admitted as Exhibit 207HC?

16          A.     Yes. I read them after they were admitted,  
17    yes.

18          Q.     And did you recognize those pages?

19          A.     I can't say I did.

20          Q.     Do you have any reason to believe that this  
21    is an inaccurate copy or that this is not what  
22    Mr. Clemmons purported it to be in the Data Request  
23    response?

24          A.     If this is the information Mr. Clemmons  
25    sent, I have no question it's accurate.

1 Q. Do you have responsibility for reviewing  
2 Data Request responses to Public Counsel in cases  
3 before this Commission?

4 A. I review some, not all. Mr. Clemmons from  
5 time to time brings some to me for my review. There's  
6 some I would like to see before they go out, but I  
7 don't see every single -- there's hundreds of  
8 thousands of Data Requests depending on the case that  
9 go out of our shop, and I just don't take the time to  
10 see all of them.

11 Q. Could I refer you to page 13 of this  
12 document?

13 A. Yes.

14 Q. I'm not going to attempt to ask you to  
15 reveal anything that is confidential here, but if I  
16 could ask you to read the last paragraph or the last  
17 four lines on page 13.

18 MR. DUFFY: Are you asking him to read it  
19 into the record or --

20 BY MR. COFFMAN:

21 Q. No, please do not. Please read it to  
22 yourself, and then I'd like to ask you a question  
23 about it. And please read -- and please read whatever  
24 you feel you need to to make sure you're reading that  
25 in context.

1           A.     I have read it. To make sure that I totally  
2 understand it I'd have to review the whole document,  
3 which I don't think you want me to take the time to  
4 do.

5           Q.     Do you recall that as being an excerpt that  
6 was contained in highly confidential portions of  
7 Mr. Kind's rebuttal testimony in this case?

8           A.     I couldn't say this was an exact quote, you  
9 know. Like I said, I've read his testimony. I've  
10 reviewed it thoroughly. But word for word, I'll take  
11 your word for it if you say it is.

12          Q.     Could I refer you to Mr. Kind's rebuttal  
13 testimony? Do you have a copy of that with you?

14          A.     No, I do not.

15                 MR. COFFMAN: Permission to approach the  
16 witness?

17                 JUDGE WOODRUFF: You may.

18 BY MR. COFFMAN:

19          Q.     Please refer to page 76 of Mr. Kind's  
20 rebuttal.

21          A.     Yes.

22          Q.     Okay. Do you see the excerpt that is quoted  
23 there on the bottom of page 76 flowing over to page  
24 77?

25          A.     Yes, I do.

1 Q. Do you recall reading that when you reviewed  
2 Mr. Kind's rebuttal testimony in this case?

3 A. I'm sure I did because I read his complete  
4 testimony.

5 Q. And you see there that it is -- purports to  
6 be an excerpt from the UEG strategic plan for years  
7 1998 through 2003?

8 A. Yes.

9 Q. Did you investigate when you reviewed his  
10 testimony to be sure that this was an accurate quote  
11 from the plan?

12 A. No, I didn't. I'm sure Mr. Kind wouldn't  
13 say it was without it. I did not go back.

14 Q. Okay. Well, when you read Mr. Kind's  
15 testimony, did you recognize this document as cited?

16 A. As I just testified, I didn't go back and  
17 look at it.

18 Q. Okay. You didn't respond to this quote in  
19 your surrebuttal testimony, did you?

20 A. No.

21 MR. COFFMAN: Your Honor, I would ask again  
22 that this document be offered into the record. I  
23 believe it's something that Mr. McKinney believes he  
24 may have reviewed, and I believe it's something that  
25 as a member of the regulatory group likely he would

1 have.

2 As this has been the subject of earlier  
3 cross-examination, at least portions thereof, I see no  
4 reason why it -- no one's raised any reason why it's  
5 not an accurate copy of the document or why it  
6 shouldn't be offered into the record.

7 MR. DUFFY: Your Honor, I'd just briefly  
8 renew my objection that he's not laid a proper  
9 foundation with this witness as to this document.

10 JUDGE WOODRUFF: All right. I'm going to  
11 overrule your objection and admit the document.

12 MR. COFFMAN: Thank you, your Honor.

13 JUDGE WOODRUFF: That was 208HC.

14 (EXHIBIT NO. 208HC WAS RECEIVED INTO  
15 EVIDENCE.)

16 MR. COFFMAN: I was going to refer to  
17 portions of it, but I believe that I can include it in  
18 a highly confidential section of the Brief, and to  
19 avoid the need to go in-camera or drag this proceeding  
20 any further, I think I will end my cross-examination  
21 at this point.

22 JUDGE WOODRUFF: Any further  
23 cross-examination?

24 (No response.)

25 QUESTIONS BY JUDGE WOODRUFF:

1182

1           Q.     All right. I do have a question from the  
2 Bench, and it concerns 208HC. It speaks of an entity  
3 called UEG. Can you just explain what that is and how  
4 it relates to UtiliCorp United, Incorporated?

5           A.     UEG is another acronym that we've used for  
6 Aquila Energy and our -- some of our deregulated  
7 entities of the company.

8           Q.     Okay. This encompass Aquila and other  
9 entities?

10          A.     Yes.

11          Q.     Okay. I just wanted that clarified.

12                 JUDGE WOODRUFF: Okay. Is there any  
13 recross?

14                 (No response.)

15                 Any redirect?

16                 MR. DUFFY: No, your Honor.

17                 JUDGE WOODRUFF: All right. Then you may  
18 step down.

19                 THE WITNESS: Thank you.

20                 (Witness excused.)

21                 JUDGE WOODRUFF: Okay. Dr. Proctor is  
22 also -- pardon me.

23                 MR. KEEVIL: I'm sorry. I was just going to  
24 ask, could we go off the record for just a second?

25                 JUDGE WOODRUFF: Okay. We're off the

1 record.

2 (Discussion off the record.)

3 JUDGE WOODRUFF: Mr. Keevil, if you want to  
4 explain what you just said.

5 MR. KEEVIL: Yes, Judge. Thank you very  
6 much. It is my understanding that, based on a  
7 discussion off the record, that none of the other  
8 parties have any questions for Springfield's witness  
9 Mr. Russell on this issue, and since this is the last  
10 issue he was scheduled to testify on, I would move for  
11 the admission into the record of Mr. Russell's  
12 rebuttal testimony, which I believe is marked as  
13 Exhibit No. 300.

14 JUDGE WOODRUFF: Okay. Let me ask on the  
15 record, does anyone have any cross-examination  
16 questions for Mr. Russell on the market power  
17 condition?

18 (No response.)

19 All right. Hearing none, then we will  
20 assume he does not need to. Exhibit 300 has been  
21 offered into evidence. Are there any objections to  
22 its receipt?

23 (No response.)

24 Hearing none, it will be received into  
25 evidence.

1                   (EXHIBIT NO. 300 WAS RECEIVED INTO  
2 EVIDENCE.)

3                   MR. KEEVIL: Thank you, Judge.

4                   JUDGE WOODRUFF: And Mr. Russell, you can be  
5 on your way.

6                   MR. RUSSELL: Thank you.

7                   JUDGE WOODRUFF: That brings us to Mr. Kind  
8 then for Public Counsel.

9                   MR. COFFMAN: Thank you. We call Mr. Kind  
10 to the stand.

11                  JUDGE WOODRUFF: And I believe you were  
12 previously sworn.

13                  THE WITNESS: Correct.

14                  JUDGE WOODRUFF: Okay.

15                  MR. COFFMAN: I would tender Mr. Kind for  
16 cross-examination.

17                  JUDGE WOODRUFF: Did you wish to offer his  
18 exhibits?

19                  MR. COFFMAN: And offer Exhibits 201 and  
20 201HC into the record. I'm sorry, your Honor. My  
21 witness is gesticulating in a manner that reminds me  
22 that there are some corrections to his testimony.

23                  JUDGE WOODRUFF: All right.

24 RYAN KIND testified as follows:

25 DIRECT EXAMINATION BY MR. COFFMAN:

1185



1 Q. Mr. Kind, do you have corrections to  
2 Exhibit 201?

3 A. Yes, I do.

4 Q. And these corrections would also apply to  
5 201HC, I assume?

6 A. That's correct.

7 Q. But not to any highly confidential portions?

8 A. No. No.

9 Q. Please proceed.

10 A. There are just two small corrections to  
11 Attachment 1 of my testimony, which is the list of  
12 OPC's proposed market power conditions. That  
13 attachment, the pages in it are numbered, and the  
14 first correction is on the third page of Attachment 1.  
15 The first full paragraph at the top of the page of  
16 page 3 should be labeled paragraph 5, and that should  
17 be a V period.

18 Q. Roman Numeral V?

19 A. That's right. You'll notice that the  
20 paragraph following that is designated as paragraph 6,  
21 and the paragraph preceding that on page 2 is  
22 designated paragraph 4, and I just inadvertently  
23 missed that label.

24 And there's a similar correction on page 6.  
25 At the bottom of page 6, there's a section on retail

1 market power provisions. It's denoted Section C of  
2 Public Counsel's Recommendations of Market Power  
3 Conditions, and the paragraph immediately beneath the  
4 title Retail Market Power Provisions, it has a capital  
5 I as the label for that paragraph, and it should just  
6 be numeral 1. So it should just state 1. And note on  
7 the next page, the following page, page 7, the first  
8 full paragraph on that page is denoted paragraph 2.

9 That's the extent of the corrections that I  
10 wish to make.

11 MR. COFFMAN: Thank you. I would now offer  
12 as corrected Exhibit 201 and 201HC.

13 JUDGE WOODRUFF: All right. 201 and 201HC  
14 have been offered into evidence. Are there any  
15 objections?

16 (No response.)

17 Hearing none, they will be received into  
18 evidence.

19 (EXHIBIT NO. 201 AND 201HC WERE RECEIVED  
20 INTO EVIDENCE.)

21 JUDGE WOODRUFF: Is there any  
22 cross-examination for Mr. Kind on the market power  
23 condition?

24 (No response.)

25 Hearing none. Commissioner Schemenauer, did

1       you have any questions?

2               COMMISSIONER SCHEMENAUER:  No questions,  
3       your Honor.

4               JUDGE WOODRUFF:  You may then step down.

5               THE WITNESS:  Thank you.

6               (Witness excused.)

7               JUDGE WOODRUFF:  And I believe that  
8       concludes the testimony in this case.  Is there any --  
9       yes, Mr. Dottheim?

10              MR. DOTTHEIM:  Judge, earlier this week I'd  
11       asked that exhibit number be reserved for the  
12       Agreement and Plan of Merger between St.  
13       Joseph Light & Power and UtiliCorp, and I believe you  
14       indicated that Exhibit No. 718 would be reserved.  At  
15       this time I have copies to be marked.

16              JUDGE WOODRUFF:  Okay.  Please do so.

17              MR. DOTTHEIM:  And I do have additional  
18       copies if the Bench would like any.

19              JUDGE WOODRUFF:  I believe that's a very  
20       voluminous document again also.  I don't think that  
21       will be necessary.

22              (EXHIBIT NO. 718 WAS MARKED FOR  
23       IDENTIFICATION.)

24              MR. DOTTHEIM:  To provide some further  
25       explanation, that exhibit, Exhibit 718, in Case

1188

1 No. EM-2000-292, the St. Joseph Light &  
2 Power/UtiliCorp merger case, this document was  
3 Schedule RKG-1 to the direct testimony of Mr. Robert  
4 Green, and that is indicated in the upper right-hand  
5 corner of the document.

6 MR. DUFFY: But just so -- and forgive me  
7 because I don't know anything about this. There was  
8 an agreement that you're going to put this document  
9 from the St. Joe case into evidence in this case and  
10 nobody opposed it?

11 MR. DOTTHEIM: No one indicated when I asked  
12 that an exhibit number be reserved, no one indicated  
13 any objection.

14 JUDGE WOODRUFF: In fact, on my record it  
15 shows that it was, in fact, admitted at the time and  
16 he was going to provide a copy of it later and that's  
17 what he's doing now.

18 MR. DUFFY: Thanks.

19 JUDGE WOODRUFF: I'm just going through my  
20 records to make sure everything has been admitted  
21 that's been offered. Okay. For Staff, I show  
22 Exhibit 717, the testimony of Phillip Williams was not  
23 admitted into evidence.

24 MR. DOTTHEIM: At this time then I would  
25 like to request that Exhibit 717 be received into

1 evidence.

2 JUDGE WOODRUFF: 717 has been offered. Are  
3 there any objections to its receipt?

4 (No response.)

5 Hearing none, it will be received into  
6 evidence.

7 (EXHIBIT NO. 717 WAS RECEIVED INTO  
8 EVIDENCE.)

9 JUDGE WOODRUFF: Same situation I show for  
10 719, which was Mr. Traxler's replacement pages.

11 MR. DOTTHEIM: Yes. Well, I certainly would  
12 at this time then request that Exhibit 719, there was  
13 an HC version and a nonproprietary version. At this  
14 time I request that both versions be received into  
15 evidence.

16 JUDGE WOODRUFF: Okay. For some reason I  
17 show 719HC coming in but not the 719 nonproprietary.  
18 I'll ask for objections to either one, 719HC or 719NP.

19 (No response.)

20 Hearing none, they will be received into  
21 evidence.

22 (EXHIBIT NO. 719 AND 719HC WAS RECEIVED INTO  
23 EVIDENCE.)

24 JUDGE WOODRUFF: That's all the exhibits I  
25 show. I show them all having been admitted. Any

1 other matters anyone wants to bring up, then we'll  
2 talk about the briefing schedule? Nothing else.

3 Okay. As far as the briefing schedule, I  
4 propose that I not set a briefing schedule at this  
5 time because of the Empire Retirees settlement  
6 documents coming in. If there are problems with that,  
7 then it would screw up the briefing schedule that I  
8 set today.

9 So what I propose to do is that after the  
10 transcript comes in and after the settlement documents  
11 are shown to all the other parties, at that time I'll  
12 issue an order setting the briefing schedule. I  
13 propose doing something similar to what was done in  
14 the other merger case. I think that was done  
15 approximately 30 days after the transcript. Does that  
16 sound right to everyone?

17 MR. KEEVIL: That's what was originally  
18 agreed to, Judge. I think what we actually wound up  
19 with was a month and a week, for whatever that's  
20 worth.

21 MR. COFFMAN: Just to clarify, I'm hoping  
22 what you're saying regarding the Retirees settlement  
23 is that we would be allowed an opportunity to review  
24 that document to ensure we don't need to request  
25 additional cross-examination or testimony.

1191

1 JUDGE WOODRUFF: That's exactly right. In  
2 fact, I believe what the company was planning on doing  
3 was submitting that to everyone and hopefully asking  
4 everyone if they want to agree to a unanimous  
5 stipulation. If any party does not agree to the  
6 unanimous stipulation, then we'll deal with that at  
7 that time.

8 MR. COFFMAN: And again, we don't anticipate  
9 having a problem with what we believe the settlement  
10 may be with that particular issue as it regards  
11 retiree benefits but are concerned about how that  
12 issue may affect other issues.

13 JUDGE WOODRUFF: And the parties are going  
14 to have an opportunity to look at that.

15 MR. COFFMAN: We certainly appreciate that.

16 JUDGE WOODRUFF: Anything else we need to  
17 deal with on the record?

18 (No response.)

19 All right. With that, then we are  
20 adjourned.

21 WHEREUPON, the hearing of this case was  
22 concluded.

23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

PRE-MORATORIUM RATE CASE

STAFF'S EVIDENCE:

DAVID ELLIOTT  
Direct Examination by Mr. Dottheim 1078

MARK L. OLIGSCHLAEGER 1087

OPC'S EVIDENCE:

MARK BURDETTE  
Direct Examination by Mr. Coffman 1088  
Questions by Chair Lumpe 1090

TED ROBERTSON 1091

ACCESS TO BOOKS & RECORDS COND.

COMPANIES' EVIDENCE:

JOHN McKINNEY 1094

OPC'S EVIDENCE:

RYAN KIND 1094

TRANSMISSION ACCESS AND RELIABILITY

COMPANIES' EVIDENCE:

RICHARD KREUL  
Direct Examination by Mr. Duffy 1100  
Cross-Examination by Mr. Keevil 1102  
Questions by Chair Lumpe 1110  
Questions by Judge Woodruff 1111  
Recross-Examination by Mr. Keevil 1113  
Recross-Examination by Mr. Coffman 1116  
Redirect Examination by Mr. Duffy 1117

DENNIS FLOROM  
Direct Examination by Mr. Duffy 1118  
Cross-Examination by Mr. Keevil 1119  
Redirect Examination by Mr. Duffy 1148



1	STAFF'S EVIDENCE:	
2	JAMES KETTER	
	Direct Examination by Mr. Dottheim	1161
3	Cross-Examination by Mr. Keevil	1163
4	CITY UTILITIES OF SPRINGFIELD'S EVIDENCE:	
5	WHITFIELD A. RUSSELL	
	Direct Examination by Mr. Keevil	1167
6	Cross-Examination by Mr. Duffy	1168
	Redirect Examination by Mr. Keevil	1170
7		
	MARKET POWER/COND.	
8		
	COMPANIES' EVIDENCE:	
9		
	JOHN McKINNEY	
10	Voir Dire Examination by Mr. Keevil	1172
	Cross-Examination by Mr. Coffman	1173
11	Questions by Judge Woodruff	1182
12	OPC'S EVIDENCE:	
13	RYAN KIND	
	Direct Examination by Mr. Coffman	1185
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

E X H I B I T S

MARKED REC'D

EXHIBIT NO. 11		
Surrebuttal Testimony of Robert C. Kehm	1077	1077
EXHIBIT NO. 4		
Direct Testimony of John McKinney		1173
EXHIBIT NO. 5		
Rebuttal Testimony of John McKinney		1173
EXHIBIT NO. 18		
Surrebuttal Testimony of Frank DeBacker		1099
EXHIBIT NO. 23		
Direct Testimony of Jams E. Karlin	1077	1077
EXHIBIT NO. 24		
Direct Testimony of Richard C. Kreul	1118	1101
EXHIBIT NO. 25		
Surrebuttal Testimony of Dennis A. Florom	1118	1160
EXHIBIT NO. 26		
Direct Testimony of Robert Holzworth		1099
EXHIBIT NO. 27		
Summary of Synergy Benefits, net of Costs to Achieve, UtiliCorp/Empire District Electric Company		1100
EXHIBIT NO. 29		
Direct Testimony of Frank DeBacker		1099
EXHIBIT NO. 200		
Rebuttal Testimony of Mark Burdette	1088	1090
EXHIBIT NO. 201		
Rebuttal Testimony of Ryan Kind	1094	1187
EXHIBIT NO. 201HC		
Rebuttal Testimony of Ryan Kind Highly Confidential	1094	1187

1195

1	EXHIBIT NO. 202		
2	Rebuttal Testimony of Ted Robertson	1091	
3	EXHIBIT NO. 202HC		
4	Rebuttal Testimony of Ted Robertson		
5	Highly Confidential	1091	
6	EXHIBIT NO. 203		
7	Rebuttal Testimony of Russell W.		
8	Trippensee	1093	1093
9	EXHIBIT NO. 208HC		
10	UtiliCorp's Response to OPC Date		
11	Request No. 3589	1175	1182
12	EXHIBIT NO. 300		
13	Rebuttal Testimony of Whitfield A.		
14	Russell	1167	1185
15	EXHIBIT NO. 301		
16	Transcript of Cross-Examination of		
17	Richard C. Kreul in Case No.		
18	EM-2000-292	1104	1106
19	EXHIBIT NO. 302		
20	E-Mail Memo to Sedina Eric from		
21	Dennis Florom	1141	1143
22	EXHIBIT NO. 701		
23	Rebuttal Testimony of David Elliott	1078	1086
24	EXHIBIT NO. 701HC		
25	Rebuttal Testimony of David Elliott		
26	Highly Confidential	1078	1086
27	EXHIBIT NO. 706		
28	Rebuttal Testimony of James L. Ketter	1163	
29	EXHIBIT NO. 711		
30	Rebuttal Testimony of Robert A. McKiddy	1097	
31	EXHIBIT NO. 712		
32	Rebuttal Testimony of Mark Oligschlaeger	1087	
33	EXHIBIT NO. 713		
34	Rebuttal Testimony of Michael S.		
35	Proctor	1166	1167

1	EXHIBIT NO. 714		
2	Cross-Surrebuttal Testimony of		
	Michael S. Proctor	1166	1167
3	EXHIBIT NO. 717		
4	Rebuttal Testimony of Phillip K.		
	Williams		1190
5	EXHIBIT NO. 718		
6	Agreement and Plan of Merger between		
	UtiliCorp and St. Joe	1188	
7	EXHIBIT NO. 719		
8	Steven Traxler's Replacement Pages		1190
	EXHIBIT NO. 719HC		
9	Steven Traxler's Replacement Pages		
10	Highly Confidential		1190
	EXHIBIT NO. 721		
11	Errata Sheet to James Ketter's		
12	Testimony		1163
	EXHIBIT NO. 723		
13	Replacement Pages for Rebuttal		
14	Testimony of David W. Elliott	1078	1086
	EXHIBIT NO. 723HC		
15	Replacement Pages for Rebuttal		
16	Testimony of David W. Elliott		
	Highly Confidential	1078	1086
17			
18			
19			
20			
21			
22			
23			
24			
25			