

OFFICIAL CASE FILE  
MISSOURI PUBLIC SERVICE COMMISSION

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

TRANSCRIPT

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MISSOURI PUBLIC SERVICE COMMISSION

APR 04 1989

PUBLIC SERVICE COMMISSION

CASE NO. : HO-86-139

In the matter of the investigation of steam  
service rendered by KANSAS CITY POWER & LIGHT  
COMPANY.

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OFFICIAL CASE FILE  
MISSOURI PUBLIC SERVICE COMMISSION

*Missouri Public Service Commission*

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Hearing of the Public Service  
Commission, held at Jefferson City,  
Missouri, on the 27th day of  
March, . . . . . 1989.

CASE NO. HO-86-139

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

BEFORE:

C. GENE FEE, Presiding,  
CHIEF HEARING EXAMINER.  
WILLIAM D. STEINMEIER, Chairman,  
ALLAN G. MUELLER,  
CONNIE B. HENDREN,  
JAMES M. FISCHER,  
COMMISSIONERS.

REPORTED BY:

ERIN C. COFFEY

*Missouri Public Service Commission*

APPEARANCES:

MARK G. ENGLISH, Deputy General Counsel  
JEANNIE SELL LATZ, Attorney at Law  
1330 Baltimore Avenue  
Kansas City, Missouri 64105

FOR: KANSAS CITY POWER & LIGHT COMPANY.

JEREMIAH D. FINNEGAN, Attorney at Law  
Finnegan & Kopp  
4049 Pennsylvania, Suite 300  
Kansas City, Missouri 64111

FOR: KINETIC ENERGY DEVELOPMENT CORPORATION.

MARY ANN YOUNG, General Counsel  
P.O. Box 360  
Jefferson City, Missouri 65102

FOR: STAFF OF THE MISSOURI PUBLIC  
SERVICE COMMISSION.

ALSO APPEARING:

LOUIS C. RASMUSSEN, Executive Vice President  
1330 Baltimore Avenue  
Kansas City, Missouri 64105

FOR: KANSAS CITY POWER & LIGHT COMPANY.

W. T. SCHMIDT  
712 North Second Street, Suite 210  
St. Louis, Missouri 63102

FOR: KINETIC ENERGY DEVELOPMENT CORPORATION.

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PROCEEDINGS

(Written Entries of Appearance Filed.)

EXAMINER FEE: The hearing will come to order, please, in HO-86-139 concerning the steam system of Kansas City Power & Light Company in downtown Kansas City.

Will counsel make their entries of appearance, both written and oral.

MR. ENGLISH: Mark English and Jeannie Sell Latz, 1330 Baltimore Avenue, Kansas City, Missouri, 64105, representing Kansas City Power & Light Company.

MS. YOUNG: Mary Ann Young, Post Office Box 360, Jefferson City, Missouri, 65102, appearing on behalf of the Staff of the Missouri Public Service Commission.

MR. FINNEGAN: Jeremiah D. Finnegan, 4049 Pennsylvania, Suite 300, Kansas City, Missouri, 64111, appearing on behalf of Kinetic Energy Development Corporation.

EXAMINER FEE: It's my understanding that Mr. English proposes to make a statement of counsel for the purpose of fulfilling the Commission's Order of February 24.

Would the same be true of you, Mr. Finnegan?

MR. FINNEGAN: No. I believe Mr. Schmidt will make a statement on behalf of Kinetic.

EXAMINER FEE: Mr. English.

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1 MR. ENGLISH: Thank you, your Honor. Before  
2 I start, I'd like to state that Mr. Louis C. Rasmussen,  
3 Executive Vice President of the company, is here to answer  
4 questions that the Bench may have after the prepared  
5 statement.

6 The purpose of the statement is just to  
7 update the Commission on the activities that have taken  
8 place subsequent to KCPL's filing on December 30 of its  
9 report in this matter apprising the Commission of the  
10 efforts to date at that time.

11 On December 30, KCPL filed its report on its  
12 efforts to sell the steam system. It recounted the creation  
13 and distribution of the request for proposals, the various  
14 proposals KCPL received, the selection of Kinetic's proposal  
15 to purchase the steam distribution system for \$4 million,  
16 and the protracted dealings that followed the selection.  
17 KCPL informed Kinetic on December 30 that its bid was  
18 rejected for failure to sign the agreement within the  
19 designated time frame. KCPL, on December 30, as well filed  
20 a motion to request the Commission find that KCPL complied  
21 with the October 7, 1987, Report and Order and close the  
22 case.

23 Kinetic then informed KCPL that it had the  
24 financing and was ready to sign the sales agreement. KCPL  
25 arranged a meeting for January 13 among Staff, KCPL and

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1 Kinetic in order to sign the sales agreement and set a  
2 schedule seeking Commission approval. However, at the  
3 January 13 meeting, Kinetic stated that it would not sign  
4 the agreement as presented at that time.

5 The identity of Kinetic's present associate  
6 was disclosed in a letter sent by Trigen Energy Corporation  
7 to Mary Ann Young on January 20 of this year. In that  
8 letter, Trigen essentially stated that it was willing to  
9 accept the \$4 million purchase price offered by Kinetic, but  
10 that it accepted only the basic intent of the terms and  
11 conditions of the sales agreement that KCPL and Kinetic had  
12 been negotiating over the past seven months.

13 A meeting among KCPL, Trigen and Kinetic was  
14 then scheduled for February 2 to discuss the objections  
15 Trigen had to the present sales agreement. KCPL informed  
16 Kinetic and Trigen beforehand that it would not entertain  
17 substantive changes to the sales agreement previously agreed  
18 to between KCPL and Kinetic. On February 1, KCPL received a  
19 lengthy letter from Trigen outlining some of Trigen's  
20 objections to the sales agreement. Most of Trigen's  
21 objections were of a substantive nature, and in some  
22 instances took exception to terms which were in the RFP and  
23 not objected to by Kinetic.

24 The meeting for February 2 was not held. It  
25 was rescheduled to February 27. On February 3, however,

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1 KCPL responded in writing to the Trigen letter identifying  
2 14 topic areas in which Trigen took exception to the  
3 document provisions previously agreed to between KCPL and  
4 Kinetic. In some of the areas, KCPL indicated that there  
5 should not be a problem in agreeing to the changes sought.  
6 However, KCPL declined to entertain substantive changes  
7 again to the current form of the agreement.

8 At the February 27 meeting, the president of  
9 Trigen stated that the transaction as presently structured;  
10 that is, buying steam from KCPL on an interim basis until a  
11 new steam generating facility was built, was not  
12 economically feasible. Trigen thus proposed either to lease  
13 or purchase approximately the northwest portion of  
14 Grand Avenue Station and purchase one of the boilers,  
15 boiler 1A, as the steam supply source for the steam  
16 distribution system. Access to the steam and gas supply  
17 lines within the building, use of the water treatment  
18 facilities, water intake structure and piping, and the oil  
19 tank was also required under the Trigen proposal. KCPL took  
20 the proposal under advisement. Trigen further proposed to  
21 sell steam to KCPL for electric generation purposes in the  
22 turbine generators at Grand and to repurchase the exhaust  
23 steam.

24 On March 1, KCPL responded to the Trigen  
25 proposal by offering to accept one of Kinetic's original

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1 alternative proposals; that is, to purchase the entire steam  
2 system, including Grand Avenue Station, for \$6 million. The  
3 concept was proposed for KCPL again to purchase steam, at  
4 its option, from Kinetic for use in KCPL's turbine  
5 generators at Grand Avenue Station and to resell the  
6 exhaust steam back to Kinetic. KCPL agreed to the concept  
7 for an initial term of two years. Trigen then requested,  
8 and KCPL agreed, to give Trigen's engineers full access to  
9 Grand Avenue Station and its operating personnel. Trigen's  
10 people spent the week of March 13 investigating Grand Avenue  
11 Station, the steam distribution system and the operations  
12 generally of the system. All requests of Trigen's people  
13 were fully honored by KCPL.

14 On March 21, Kinetic informed KCPL that the  
15 Trigen engineers' findings were, in its terms, favorable,  
16 but that a final report had not yet been issued and certain  
17 technical problems were still unresolved. Kinetic believed,  
18 however, that due diligence, documentation revisions and  
19 financing all could be accomplished in time for an April 28  
20 document signing. Kinetic also represented that no major  
21 issues were pending.

22 Should KCPL, Kinetic and Trigen come to an  
23 agreement on the sale of the steam system, the agreement  
24 must still be approved by this Commission and a certificate  
25 of public convenience and necessity be issued to the buyer.

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1 KCPL has in the past discussed with the Staff a proposed  
2 90-day schedule for processing these applications, from the  
3 filing date to the effective date of the Commission's  
4 Report and Order. KCPL wants to acknowledge the Staff's  
5 commitments, under a present anticipated schedule which set  
6 September 15 of last year as the application filing date, to  
7 expedite its reviews of the applications. KCPL appreciates  
8 the Staff's prior commitments and would hope that such  
9 expedited treatment would still be possible. KCPL's reason  
10 for an expedited schedule is simple. Although KCPL is  
11 confident that if a sales agreement is reached, the  
12 Commission should approve the respective applications of  
13 KCPL and the buyer, it rests with this Commission to find  
14 the proposed transaction in the public interest and to  
15 approve it. There is always the possibility that the  
16 Commission may reject the application, or that the sale may  
17 not close for other reasons. In that event, the steam  
18 customers face a deadline of December 31, 1990, to convert  
19 to another source of heat. In order to give these customers  
20 as much time as practicable to convert, should these  
21 unfortunate contingencies arise, KCPL desires to obtain a  
22 Commission decision as quickly as possible.

23 Despite the appearances of the activities  
24 that have occurred over the last three months, a sale of the  
25 steam system, in our opinion, is really no further along now

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1    than it was three months ago when KCPL filed its motion to  
2    close this docket and, in some aspects, has indeed  
3    regressed. At that time, last December, documentation to  
4    sell the steam distribution system and to supply steam on an  
5    interim basis to Kinetic had been agreed upon, but Kinetic  
6    was unable to obtain financing for the transaction as then  
7    structured. Now, the transaction has been changed from the  
8    sale of the steam distribution system to the sale of the  
9    entire steam system, and many substantive exceptions have  
10   been taken by Trigen which remain to be resolved. KCPL's  
11   good faith efforts to sell the steam system over the past 14  
12   months, I believe, are self-evident, and KCPL will continue  
13   its efforts to sell the system. Kinetic and Trigen  
14   essentially have asked for another month to come to an  
15   agreement, and KCPL has no objection to working for another  
16   month to obtain a sales agreement. However, due to the  
17   unresolved issues, KCPL can give this Commission no  
18   guarantee that the agreement will be signed by April 28, or  
19   indeed will be signed at all. KCPL again will work and will  
20   continue to do, in its good faith efforts, all possible to  
21   come to an agreement, but there must be a point at which  
22   sales efforts end and customer conversion activity begins if  
23   a sales agreement cannot be reached.

24                   This concludes the statement of the  
25   activities KCPL has undertaken in the past three

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1 months. As I mentioned at the beginning, Mr. Rasmussen is  
2 here to answer any questions that the Bench may have  
3 regarding the actions of KCPL.

4 EXAMINER FEE: Mr. Finnegan.

5 MR. FINNEGAN: Yes. Mr. Schmidt will give  
6 his report as to Kinetic's view of the situation.

7 MR. SCHMIDT: I believe the information you  
8 just heard from Mark English was accurate as far as  
9 determining the dates and the specific terms we've been  
10 trying to discuss with KCP&L over the last few months.

11 I believe there are some other issues which  
12 were not mentioned that evolved over the period of time when  
13 we were first selected as the successful bidder on the  
14 system up through December 30. There were some components  
15 of the contract at that stage and the due diligence that we  
16 were performing in placing the financing that brought up  
17 issues that were atypical to a normal transaction of this  
18 nature. Part of those aspects included being able to  
19 rescind the sale within a period of time many years after  
20 the transaction would take place, expanding an aspect of a  
21 noncompete on co-generation which encompassed the Midwest  
22 and possibly even other areas of the country totally outside  
23 of the KCP&L franchise area. And there were aspects of  
24 allocation of costs for KCP&L to provide interim service  
25 while we would place a new power plant in service, which

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1 were costs to the steam system in excess of what had been  
2 previously approved by the Commission over previous years.

3 The nature of these negotiations, in our  
4 opinion, did drastically change after December 30 when it  
5 did include the involvement of the Commission in their  
6 purview. The aspects that we are now trying to resolve with  
7 KCP&L are along a favorable nature as far as resolving the  
8 issues that I just previously described to you that were  
9 fundamental to the transaction before.

10 We have presented to KCP&L that we can  
11 evaluate the new concepts that we're now negotiating on and  
12 be prepared with financing and complete a sale contract near  
13 the end of April. And, at that point in time, we would have  
14 completed the necessary tasks to move forward on the  
15 project. We have not identified any issues as far as the  
16 condition of the system, the customer base, or the necessary  
17 economics that we'll be pursuing that would lead us to  
18 believe that this system cannot be financially viable and  
19 provide reliable and cost effective service to the customers  
20 in the future. However, the normal course of developing a  
21 project and evaluating those tasks, negotiating the  
22 contract, completing the due diligence and the financing,  
23 has led us to the stage that we're at today.

24 Along with me today is a representative from  
25 Trigen Energy Corporation, a company that we have a

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1 definitive agreement with, who has the resources, both  
2 engineering, operationally and financially, to complete the  
3 transaction that we're currently negotiating with KCP&L.  
4 And we're optimistic, based upon the concept that's on the  
5 table today with KCP&L, that the transaction can be  
6 completed in a very time effective way to the best interests  
7 of the customers and ourselves.

8 At this stage of our negotiations, I think  
9 there are some major issues yet to be resolved that we  
10 cannot guarantee we'll come to terms with KCP&L and, at this  
11 stage, would suggest that possibly we report again to you on  
12 our status around mid-May. That would be the best of our  
13 ability at this stage, based upon the issues that we're  
14 dealing with as far as acquiring now the Grand Avenue  
15 Station, to determine the best position we'll be in as far  
16 as completing the transaction.

17 The concept of now providing Grand Avenue  
18 available to the system does address a major issue as far as  
19 continuity of service and reliability of service to the  
20 customers. Our original concept that we were discussing  
21 with KCP&L did involve siting, permitting, constructing a  
22 new power station for the facility, which is still a  
23 consideration in our long-term plans. However, using  
24 the Grand Avenue Station on an interim basis will alleviate  
25 some of the issues that I was previously describing that we

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1 were dealing with KCPL previous to December 30.

2 I or a representative of Trigen will be  
3 happy to answer any questions you may have.

4 EXAMINER FEE: Does the Staff have anything?

5 MS. YOUNG: Just very briefly. I'd like  
6 to indicate that primarily we have, since the time of the  
7 filings in December, been kept apprised by the parties as to  
8 the status of the proceedings.

9 We would continue to hold ourselves willing  
10 to give expedited consideration to any applications that are  
11 filed in the event that the sale is successfully negotiated  
12 by the parties. And, of course, that would be determined by  
13 any additional requirements placed upon the Staff in  
14 the interim since we're not sure when any such filings would  
15 be made at this time. But we would stand committed to give  
16 expedited consideration to any applications to sell and for  
17 certificates that would be filed by the parties. And also  
18 we would have no objection to the time frames that have  
19 been suggested by the parties in their statements this  
20 morning for continued negotiation and processing of the  
21 results of the negotiations.

22 Thank you.

23 COMMISSIONER MUELLER: I don't know who to  
24 ask the question of, but maybe somebody could volunteer  
25 the answer.

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1                   How was the purchase price of \$6 million  
2 determined, and was that broken down in segments as far as  
3 the generation section and the steam transport system?

4                   MR. ENGLISH: Judge, when KCPL received  
5 responses for RFP last March 25, Kinetic proposed alternative  
6 proposals. One was to purchase the steam distribution system  
7 for \$4 million and the other proposal was to purchase the  
8 entire system, including Grand Avenue Station, for \$6 million.  
9 So that is where KCPL, at least, got the \$4 million and  
10 \$6 million. And how that came about and how that was  
11 valued, we have not asked Kinetic for that.

12                  MR. SCHMIDT: We can probably give you an  
13 indication. Through the request for proposals, KCP&L had  
14 described certain properties that would be part of the  
15 transaction. The price that we bid was a combination of  
16 similar transactions for other steam systems, the book value  
17 of the facility, and our estimates and assessments of the  
18 economic liability or the ability for it to cash flow and  
19 generate cash to cover a certain purchase price. The  
20 combination of those three and the competitive nature of the  
21 situation that was set for this facility determined the  
22 price.

23                  COMMISSIONER MUELLER: Well, I'll let it go.

24                  COMMISSIONER HENDREN: Has the company  
25 continued to look at the other bids that came in from the

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1 RFP and, if so, what has been that process?

2 MR. ENGLISH: No, we have not, Judge. When  
3 we made the commitment last May 24 to go with Kinetic, that  
4 was our commitment, to seek a sale to Kinetic. And from May  
5 until the end of December, we did not contact any other  
6 bidder, nor did any other bidders contact KCPL.

7 When KCPL filed its report December 30  
8 stating at that time the cessation of negotiations, we did  
9 not receive in response any type of contact from Catalyst  
10 Thermal Energy Corporation, which was the only other  
11 proposer that actually set a price on the system. So since  
12 we committed to try to sell to Kinetic, that is the only  
13 entity that KCPL, at least, has been talking to.

14 COMMISSIONER HENDREN: Have you received any  
15 inquiries from people who were not in the original bidding  
16 process?

17 MR. ENGLISH: With respect to people other  
18 than the entities that Kinetic has been associated with from  
19 time to time, the answer is no. So Trigen Energy  
20 Corporation and Harbert Corporation last October were the  
21 only other entities that Kinetic has brought in. But other  
22 than those people, I am not aware of any contacts that other  
23 entities have made to KCPL with respect to the purchase of  
24 the system.

25 COMMISSIONER HENDREN: Will you talk with

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1 the other bidder if this process comes to an unsuccessful  
2 end?

3 MR. ENGLISH: It is our expressed intent not  
4 to, and that is due to the fact that the certificate of  
5 convenience and necessity that KCPL has to serve steam in  
6 downtown Kansas City expires at the end of 1990. The  
7 negotiation process would be, I would expect, somewhat time  
8 consuming. There is no bid outstanding at the moment. KCPL  
9 rejected Catalyst Thermal's bid last May, so there's nothing  
10 on the table from them.

11 It would take some doing in order to start  
12 any type of negotiation, and I do not know whether or not it  
13 would be possible to come to an agreement at this time with  
14 Catalyst or with any purchaser. And the days that we take  
15 in order to negotiate perhaps another sale take away days  
16 that our customers would need in order to convert if our  
17 efforts were unsuccessful. We have anticipated and done  
18 some preliminary studies which indicate that it will take  
19 quite some time for some of our customers to convert either  
20 to electricity or to gas heating, so we're concerned about  
21 the time that is passing.

22 COMMISSIONER HENDREN: Thank you.

23 MR. ENGLISH: Thank you, Judge.

24 COMMISSIONER FISCHER: Kinetic indicated  
25 they felt that another report to the Public Service

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1 Commission in mid-May would be realistic. Would that be the  
2 company's view as well, or do you have any objection to  
3 that?

4 MR. RASMUSSEN: Judge, we, as you know, have  
5 extended--continued to extend the negotiating process in a  
6 good faith effort to sell, but I think the evidence is clear  
7 in the record over many years of the time it takes for our  
8 customers to convert.

9 In the interest of proving again our good  
10 faith effort, we're willing to extend another 30 days for  
11 the purpose of, on April 28, having a document signed, a  
12 check received and to go forward with a reasonable time  
13 frame of 90 days for Commission activity. We feel that  
14 extending that any further would be very extreme in the  
15 sense of what burdens it would place on the remaining 115  
16 customers we have now.

17 So we feel a time--there's an end. There  
18 has to be an end. We are willing to go further another 30  
19 days on the statements that Mr. Schmidt has made. And he  
20 feels very optimistic that we have no remaining large items  
21 to discuss. But we feel that, on April 28, we should submit  
22 to this Commission a signed agreement that's in accordance  
23 with the RFPs that were sent out last May 24, to my memory--  
24 it's off maybe a day or two, but at that time--and go  
25 forward.

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1                   No, we do not feel we need another report to  
2 the Commission on May 15. On the 28th, we feel we should  
3 have a signed agreement and that should be in itself the  
4 report to the Commission.

5                   COMMISSIONER FISCHER: So, at this point,  
6 the difference between the parties in the hearing room is  
7 that the company wants a deadline certain for the package to  
8 be completed, that being April 28, and Kinetic is suggesting  
9 a report two weeks later on where things stand, not  
10 necessarily a deadline of May 15 or anything else, just  
11 another report to the Commission?

12                  MR. RASMUSSEN: Judge, may I state something  
13 about that? That date was not arbitrarily or capriciously  
14 picked. That date was the date that was mentioned to me  
15 over the phone as being realistic by representatives of  
16 Trigen.

17                  MR. SCHMIDT: We concur that we feel we can  
18 complete the necessary tasks in evaluating the Grand Avenue  
19 Station as part of the transaction and be prepared to enter  
20 into definitive agreements with KCP&L at the end of April.  
21 In other words, I stated our experience with them previous  
22 to December 30 was not of a nature that we felt that they  
23 were a willing seller. They were ordered to sell the system  
24 by the Commission.

25                  I think they have been responsive to the

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1 requests that we have asked. However, I feel that if we do  
2 not reach a definitive agreement by the end of April, we  
3 would have completed all the necessary due diligence tasks  
4 and the necessary tasks towards financing, but there may be  
5 an issue worth reviewing by the Commission at that point in  
6 time. And I felt two weeks after our deadline that we  
7 agreed to meet with KCP&L would be adequate time for both  
8 parties to prepare and report back again.

9 COMMISSIONER FISCHER: Would that need to be  
10 a formal process, or could you communicate where you stand  
11 through our Staff and therefore find a common ground?

12 MR. SCHMIDT: I'm optimistic that we'll have  
13 a definitive agreement at the end of April. But, like  
14 KCP&L, we can't guarantee it until the parties have actually  
15 reached the final terms.

16 I think reporting to the Staff is adequate  
17 for our interests.

18 COMMISSIONER FISCHER: That's all I have.

19 CHAIRMAN STEINMEIER: Mr. Schmidt, I'm not  
20 sure I understood. Does Kinetic have some date in mind at  
21 which this process concludes, period, whether successfully  
22 or unsuccessfully, and what was that date?

23 MR. SCHMIDT: Based upon KCP&L and ourselves  
24 completing all the necessary terms of the contract, we'll be  
25 prepared--the completion of engineering and financial

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1 aspects by the end of April and that there is not some issue  
2 that, for some reason, the two companies cannot agree to  
3 that may be atypical to a normal transaction, we will be  
4 prepared to move ahead at the end of April, enter into the  
5 schedule that Lou Rasmussen described earlier as far as  
6 coming to the Commission, hopefully completing that in about  
7 a 90-day process, and closing the transaction thereafter.

8 CHAIRMAN STEINMEIER: Thank you.

9 COMMISSIONER MUELLER: I'd like to ask the  
10 company, if this system is abandoned and the sale does not  
11 go through, is there any requirement by the City to remove  
12 the steam transport system as they do in some other  
13 utilities such as--I know water lines are required to be  
14 removed from the ground. Will that be a requirement then  
15 put on the company to remove the transport system?

16 MR. ENGLISH: Judge, at the moment we're  
17 operating the steam system without a franchise. And that  
18 decision was deliberate because at that time, being the 1986  
19 time frame, we were looking to terminate steam service.

20 Should the sale not be successful, KCPL  
21 still has a perpetual electric franchise in Kansas City,  
22 Missouri, and we would be looking at either the ultimate  
23 removal of the facilities if required by the City or to  
24 convert their use to some sort of conduit for cabling. So  
25 there is no specific requirement of KCPL, but we don't have

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1 a state franchise at the moment.

2 COMMISSIONER MUELLER: Do you know if  
3 there's a specific requirement by city ordinance?

4 MR. ENGLISH: I'm not aware of any, Judge.

5 COMMISSIONER MUELLER: Thank you.

6 COMMISSIONER HENDREN: What do you estimate  
7 the cost for removal?

8 MR. ENGLISH: I do not know.

9 COMMISSIONER HENDREN: No estimate  
10 whatsoever?

11 MR. ENGLISH: None that I am aware  
12 of. We can ballpark the estimate and provide it  
13 to you, Judge, later on.

14 COMMISSIONER HENDREN: What about if it's  
15 converted to conduit for cable? What would that--

16 MR. ENGLISH: I don't believe that the  
17 discussion has gone further than taking a look at  
18 alternative uses for the piping.

19 EXAMINER FEE: Is there anything the parties  
20 would like to offer further at this time?

21 MR. ENGLISH: No, your Honor.

22 EXAMINER FEE: All right. It's the  
23 Commission's desire that the company and Kinetic would  
24 report to the Staff the results, or the lack thereof, of  
25 further negotiations.

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1                   And is it possible for the Staff to  
2 recommend to the Commission, within 15 days or less after  
3 that date, as to what action it should take, either to  
4 prolong or to close this docket?

5                   MS. YOUNG: That's possible, yes.

6                   EXAMINER FEE: All right. Kinetic and the  
7 company shall report to the Staff the results of further  
8 negotiations on or before April the 28th. And the Staff  
9 should recommend to the Commission within 15 days thereafter  
10 any further action in this docket.

11                   Is there anything further?

12                   (No response.)

13                   EXAMINER FEE: We're adjourned.  
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