



January 21, 1981

TO: Mr. J. R. Miller

SUBJECT: Steam Service

Please find attached copies of the following:

1. A memo from Mr. D. T. McPhee dated January 2, 1980, and attachments, discussing a request for steam service for the Jackson County Jail and the Missouri Court of Appeals building;
2. A memo from Mr. R. H. Graham dated December 24, 1980, discussing the possibility of furnishing steam service for the Corn Products Plant at 1001 Bedford.

As you requested, System Planning has reviewed both concepts and it is the purpose of this memo to develop a recommended course of action for each. This review was performed within Mr. Frank Branca's group.

Steam Service for Jackson County Jail

According to the attached correspondence, the Jackson County Jail would impose a peak steam demand of 1600/lb/hour which can easily be served by Grand Avenue Station from existing facilities. Because the Company has a filed rate and the building is adjacent to the existing steam system, in accordance with Section 3.01 of KCPL's Rules and Regulations, I do not believe service can be refused. This has been discussed with the Law Department and the Rates Department, and both concur with this opinion.

The customer should be advised that due to the age of Grand Avenue and the steam system, the future cost of steam will be rather high. If the electric portion of Grand Avenue is retired in 1990, as planned, or if an alternate facility for steam supply becomes necessary, the steam customer will bear full cost responsibility in the future.

Steam Service to Corn Products

Service to Corn Products is a different situation. Based upon the 400,000/lb/day usage, it is assumed that peak demand would be between 20,000 to 30,000/lb/hour. Again, Grand Avenue Station has the necessary steaming capability from existing facilities. In this case, however, because the customer is not adjacent to an existing steam system, KCPL does not have an obligation to serve or to extend facilities to make service possible.

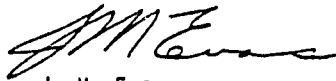
Exhibit No. 22
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Corn Products, located in North Kansas City, would require a costly line extension including a river crossing. In view of the uncertain future of Grand Avenue and the aging steam system, the system should not be extended beyond the existing "downtown" boundary. New market penetration, together with this obligation to serve, should be discouraged at this time.

System Planning intends to perform a comprehensive study of the downtown steam system and to develop a recommendation for its final disposition. Due to Manpower limitations and the priority of other projects currently underway, this study has not yet begun. Until such time as the Company develops a strategy for the future of the existing steam system, it is System Planning's recommendation that KCPL's obligation to provide steam service not be expanded.

Please contact me or Mr. Branca if there are any further questions.



J. M. Evans

JME:tlp

cc: Mr. F. L. Branca

Attachment

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