TO: Missouri Public Service Commission Case File
Case No. ES-99-581, Kansas City Power & Light Company

FROM: David W. Elliott

/s/Warren Wood 5-20-03__ /s/Lera L. Shemwell 05-20-03
Energy Department/Date General Counsel's Office/Date

SUBJECT: Staff recommendation for acceptance of Kansas City Power & Light Company's Burner Management System review and additional supplemental information filed in accordance with the Stipulation and Agreement, and that the case may be closed.

DATE: May 20, 2003

Boiler No. 5 at Kansas City Power & Light Company's (KCPL) Hawthorn Generating Station was destroyed in an explosion during the early morning hours on February 17, 1999. The explosion occurred when natural gas entered the off-line boiler and was ignited. On June 1, 1999, Staff filed a request to open a case to receive the incident report that resulted from Staff's investigation of the circumstances that led to the explosion. On June 4, 1999, the Commission opened a docketed case.

The Staff filed three interim incident reports in the case to update the Commission on KCPL's long investigation into the events leading up to the explosion. The first interim report was filed on October 8, 1999, the second was filed on February 4, 2000, and the last was filed on June 6, 2000. Staff filed its final incident report on January 25, 2001. KCPL and Staff filed a Stipulation and Agreement in the case on March 27, 2001, and the Staff filed a memorandum in support of the Stipulation and Agreement on April 5, 2001. The Commission accepted the Stipulation and Agreement by order effective July 22, 2001.

The Stipulation and Agreement required, among other things, that KCPL review the burner management systems on all its generating units and report the results to the Commission. On December 20, 2002, KCPL filed its Burner Management System (BMS) review report in accordance with the Stipulation and Agreement. On January 10, 2003, Staff had a telephone discussion with KCPL personnel and asked for additional information, and for clarification on certain issues in the filed BMS review report. In response to the Staff's concerns, on April 9, 2003, KCPL filed an information supplement to its BMS report.

Staff has reviewed both filings of KCPL regarding the Stipulation and Agreement for this case and believes that KCPL has met the requirements of the Stipulation and Agreement, and recommends that the case be closed. Specific Staff's comments can be found in Schedule 1.

Staff has reviewed the assessment files and has determined that KCPL is not delinquent in payment of its assessment. Staff also has determined that KCPL has submitted its annual report for 2002.

Current open cases for KCPL are:

EO-2000-210, In the Matter of the Application of Kansas City Power & Light for Approval of the Accrual and Funding of Wolf Creek Generating Station Decommissioning Costs at Current Levels

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Attachment A

EE-2003-0282, In the Matter of the Application of Kansas City Power & Light Company for a Variance from the Commission's Rule Requiring Separate Metering for the Bishop Spencer Place

EF-2002-1094, In the Matter of the Application of Kansas City Power & Light Company, a Missouri Corporation, For the Authority to Enter into Interest Rate Management Products

EO-2003-0081, In the Matter of the Application of Kansas City Power & Light Company for Approval of the Accrual and Funding of Wolf Creek Generating Station Decommissioning Costs at Current Levels

EC-2003-0478, Complaint, Industrial Medical Center vs Kansas City Power & Light Company

Staff has reviewed the subject of these cases and believes that approval of the final BMS report and update from KCPL will not affect these open cases.

ATTACHMENTS: Schedule 1

cc: Director - Utility Operations Division
Director - Research and Public Affairs Division
Director – Utility Services Division
General Counsel
Michael Rump, KCPL General Counsel
Office of Public Counsel

SCHEDULE 1

NOTE: Attached are the questions posed by the Staff and KCPL's responses followed by Staff's comments. For readability,
STAFF comments/questions on KCPL's BMS report filed December 20, 2002, are in bold,
KCPL filed responses on April 9, 2003, in response to Staff comments/questions are in italics, and
STAFF comments on the KCPL BMS report update filing of April 9, 2003, are bold and in italics.

A. Specific report questions

1. ** HC
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** *HC*
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Staff believes KCPL has adequately responded to Staff's question and has satisfied the requirement of the Stipulation and Agreement that KCPL evaluate their BMS systems and identify any problems. Staff recommends that the case may be closed. ** HC
HC
HC
HC
HC **

2. ** HC
HC
HC **

** *HC*
HC
HC **

Staff believes KCPL has responded to the question and made corrections to the sentence so that the statement makes sense and is accurate.

3. ** HC
HC **

** *HC*
HC **

NP

Staff believes KCPL has responded to the question and made corrections to the sentence so that the statement makes sense and is accurate.

3. ** HC
HC
HC **

** *HC*
HC
HC **

** ***HC***
HC ** ***Staff considers the procedure currently in place to be adequate and the answer to the question to be sufficient to satisfy the requirements of the Stipulation and Agreement.*** ** ***HC***
HC
HC
HC **

B. Questions relating to the requirements of the stipulation and agreement. The sections of the stipulation and agreement that each question relates to are in parenthesis at the end of each question.

1. ** HC
HC **

** *HC*
HC
HC **

Staff has reviewed Exhibit C, and believes it meets Items 1 and 5 of the Stipulation and Agreement.

2. ** HC
HC **

** *HC*
HC **

** ***HC***
HC
HC
HC
HC
HC

NP

HC ** ***Regardless, Staff has had an opportunity to review the original report and has made comments and has asked questions, resulting in KCPL's filing on April 9, 2003.***

3. ** HC
HC **

** *HC*
HC **

Staff believes this meets the requirement of Item 14 of the Stipulation and Agreement.

4. ** HC
HC **

** *HC* **

** ***HC*** ** ***Staff believes this meets the requirement of Items 4d and 8d of the Stipulation and Agreement.***

5. ** HC **

** *HC*
HC **

KCPL's response to this question is sufficient to comply with the requirement of Items 4c and 8c of the Stipulation and Agreement.

6. ** HC
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In this response, KCPL has satisfied the requirement of Items 1 and 5 of the Stipulation and Agreement.

7. ** HC
HC **

** *HC*
HC **

Staff believes this meets the requirement of Item 12 of the Stipulation and Agreement.

8. ** HC
HC ****

** *HC*
HC
HC **

Staff believes that this explanation complies with the exact wording of Item 1 of the Stipulation and Agreement. ** ***HC***
HC
HC
HC **

C. General questions.

1. ** HC
HC ****

** *HC*
HC
HC
HC **

While this response does comply with the Stipulation, Staff is interested in more detail information to better understand the time frame when this might occur since this response leaves open ended the time frame for any upgrade. ** ***HC***
HC
HC ****Staff agrees that it is reasonable to do all of the work involved at the same time, Staff would just like to know what the time frame is.***

2. ** HC
HC ****

NP

** *HC*
HC **

Staff believes that KCPL's response answers the question.

3. ** HC
HC
HC **

** *HC*
HC **

Staff believes that KCPL's response answers the question.

4. ** HC
HC
HC **

** *HC* **

** *HC*
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Staff believes that KCPL's response answers the question.