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June 15, 2000

VIA HAND DELIVERY

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Floor 5A
Jefferson City, MO 65101

FILED²
JUN 15 2000
Missouri Public
Service Commission

Re: **In the matter of the Application of Kansas City Power & Light Company for an Order Authorizing the Transfer of Certain Electric Generation Assets Used to Provide Electric Service to Customers in Missouri and Other Relief Associated with Kansas City Power & Light Company's Plan to Restructure Itself into a Holding Company, Competitive Generation Company, Regulated Utility Company and Unregulated Subsidiary,**
Case No. EM-2000-753

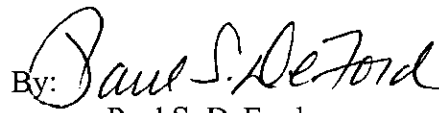
Dear Secretary Roberts:

Enclosed for immediate filing with the Commission is an original and 8 copies of GST Steel Company's Motion to Intervene in the above-captioned matter.

If you have any questions concerning the Motion, please contact the undersigned.

Very truly yours,

LATHROP & GAGE L.C.

By: 
Paul S. DeFord

Enclosures

cc: All parties of record

2652.1

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the matter of the Application of)
Kansas City Power & Light Company)
for an Order Authorizing the Transfer)
of Certain Electric Generation Assets)
Used to Provide Electric Service to)
Customers in Missouri and Other)
Relief Associated with Kansas City)
Power & Light Company's Plan to)
Restructure Itself into a Holding)
Company, Competitive Generation)
Company, Regulated Utility Company,)
And Unregulated Subsidiary)

Case No. EM-2000-753

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Missouri Public
Service Commission

MOTION TO INTERVENE OF GST STEEL COMPANY

Pursuant to the Commission's Order and Notice, dated May 16, 2000, in the above-captioned proceeding and 4 CSR 240-2.075, GS Technologies Operating Co., Inc., doing business in Missouri as GST Steel Company ("GST"), hereby applies to intervene. In support of its motion, GST states the following:

1. The following persons should be included on the official service list in this proceeding, and all communications concerning this motion should be addressed to the following persons:

Paul S. DeFord Mo. #29509
Kurt U. Schaefer Mo. #45829
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2. On May 15, 2000, Kansas City Power & Light Company ("KCPL") filed an Application with the Commission pursuant to Sections 393.190, 393.210, and 393.250, and 4

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CSR 240-2.060(1), (4), (7), (8), (9), (11), (12), and (15) and RSMo. 1994 and Section 32 of the Public Utility Holding Company Act of 1935, as amended requesting authorization to restructure and reorganize itself, merge, transfer assets, and form subsidiary corporations. Essentially, KCPL plans to form a holding company that will include wholly owned power generation ("KCPL Power") and delivery ("KCPL Delivery") subsidiaries. KCPL's generation assets will be transferred to KCPL Power at net book value, regardless of what those assets are actually worth today. KCPL Power will provide competitive wholesale energy supply at market-based rates to all parties except KCPL Delivery. KCPL Power will supply power to KCPL Delivery pursuant to a FERC jurisdictional wholesale Power Supply Agreement.

3. GST operates a steel manufacturing facility located in Kansas City, Missouri, that produces grinding balls, rods, castings and process control systems for the mining industry, as well as high carbon and special grade steel wire rods. In manufacturing these products, GST utilizes an electric arc furnace that consumes extremely large amounts of electric energy. The cost of electricity is a crucial component of GST's cost of production. GST purchases hundreds of millions of kilowatt-hours each year from KCPL pursuant to a Special Contract approved by the Commission in October 1994. GST is one of KCPL's largest retail customers.

4. KCPL asserts that its proposed restructuring is an appropriate response to a more competitive wholesale power market place, but KCPL's application does not specify any benefits to KCPL retail customers. At this point, KCPL offers only that it will not disturb the rate moratorium that is applicable to tariffed rates. KCPL fails to address as well the expected effect on customers after the moratorium expires. KCPL's application does not discuss the effect, if any, that its proposal will have on the cost of electricity to GST under the prevailing

Special Contract. Thus, GST has an interest that may be directly affected by the outcome of this proceeding. That interest cannot be adequately represented by other parties to this proceeding.

5. GST opposes KCPL's application as presently formulated. KCPL's application does not provide most of the information required of such applications by 4 CSR 240- 2.060. Hence, the application is deficient on its face. KCPL proposes to address those requirements through four filings to be made between August 15, 2000 and March 19, 2001. KCPL's piecemeal proposed four-phase filing approach will leave far too many questions unanswered while other critical issues are being decided. GST, as well as all other interested parties, the Commission and its Staff would repeatedly face the prospect that key questions will be answered in the "next filing" and that certain issues or procedures must be handled in a specific manner due to decisions made concerning prior phases. KCPL offers no rational basis for its proposed phased filing approach, and it does not offer plausible reasons as to why a single comprehensive filing disclosing all of its plans should not be required. KCPL's plan cannot be too complicated to be addressed in a single comprehensive filing. The proposed phased approach would unnecessarily complicate the process while significantly increasing the cost of processing and participating in this proceeding.

6. KCPL should be required to disclose the details of its entire plan and file all materials in support of its application before this proceeding moves forward. A full explanation of KCPL's entire plan at the outset is needed to untangle and develop an understanding of the full ramifications of this proposal for all ratepayers. KCPL should be required to file all of its testimony at one time, thereby allowing parties to this proceeding to assess KCPL's restructuring plan as a whole. The Commission must be careful not to take action on any one

issue until KCPL has fully presented its position on all other relevant issues and the parties to this proceeding have had an opportunity to be heard.

7. As noted above, KCPL states that the proposed reorganization will have no effect on the existing moratorium on retail rate changes. KCPL Application at 2. The moratorium, however, does not protect GST and similarly situated Special Contract customers. GST's special contract with KCPL, for example, assumed that KCPL would own its generating facilities. KCPL should be required to demonstrate that its proposal will not produce higher electricity charges to Special Contract customers. Any reorganization that would result in higher costs to GST and other KCPL customers is not in the public interest.

WHEREFORE, GST respectfully requests that the Commission allow it to intervene in this proceeding and become party hereto for all purposes.

Respectfully submitted,



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Dated: June 15, 2000

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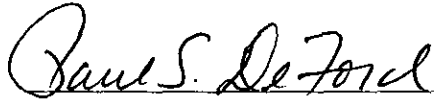
CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, postage prepaid, to all counsel of record as shown on the following service list this 15th day of June, 2000.

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