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April 5, 2001

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P. O. Box 360
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FILED²
APR 5 2001
Missouri Public
Service Commission

RE: Case No. ES-99-581 - Kansas City Power & Light Company

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of the **STAFF MEMORANDUM IN SUPPORT OF STIPULATION AND AGREEMENT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Lera L. Shemwell
Associate General Counsel
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LLS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
APR 5 2001
Missouri Public
Service Commission

In the Matter of Kansas City Power &)
Light Company Regarding an Incident at)
the Hawthorn Station, Kansas City,)
Missouri, on February 17, 1999.)

Case No. ES-99-581

STAFF MEMORANDUM IN SUPPORT OF STIPULATION AND AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), and files this Memorandum in Support of the Stipulation and Agreement (Stipulation), that was filed on March 27, 2001.

Introduction

Boiler No. 5 at Kansas City Power and 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.

Staff investigated the circumstances that led to the explosion. The scope of Staff's investigation was to report the events that led to the explosion of the Hawthorn Boiler #5, and to make recommendations that would reduce the risk that such an incident might happen again. The investigation was not designed to determine the issue of negligence or prudence with respect to the actions of any party.

This Stipulation is intended to define the scope of Staff's recommendations and resolve issues concerning implementation of the recommendations made by Staff. As a signatory, Staff supports Commission approval of the Stipulation.

Procedural History

The Missouri Public Service Commission (Commission) established this case, pursuant to Sections 393.130.1 and 393.140(1), (2), (3), (5), (9) and (10) RSMo (Supp. 1999) for the purpose of receiving information from KCPL concerning the February 17, 1999 Hawthorn Station explosion. Staff filed three interim reports during the investigation. On January 25, 2001, Staff filed its Final Report concerning its investigation of the Hawthorn 5 boiler explosion. On February 26, 2001, KCPL filed its response to the Staff's Final Report ("Response"). In its Response, KCPL requested clarification of some of the terms used in the recommendations that Staff had made in its Final Report and of Staff's expectations concerning completion of the recommendations. On February 22, 2001, and March 9, 2001, Staff and KCPL discussed and agreed to the clarifications, requirements and schedule contained in the Stipulation.

The Agreement

The Stipulation sets out the resolution of issues as to how the recommendations contained in the Final Report are to be implemented by KCPL. Specifically, the Stipulation addresses:

- 1) the way in which KCPL will review the fuel-trip-control logic of the burner management systems of its boilers and the fuel management systems of its combustion turbines(CT). Because the standards and requirements for these systems are different, the Stipulation has separate sections for boilers and CTs.
- 2) the information that is to be submitted in the reports to Staff is detailed for each type of unit. The reporting requirements are defined and Staff is to receive regular interim reports and a final report is to be submitted to the Commission.

- 3) the list of units to be reviewed in this process is attached to the Stipulation. The review is limited to multiple fuel boilers and CTs and Staff agrees that the list includes all of the units that should be reviewed under this process.
- 4) the schedule for performing the reviews is attached to the Stipulation. Staff agreed with KCPL that it was reasonable to perform the review of the systems when units are shut down for regular maintenance. If the expert's review indicates that urgent problems exist, and that a more aggressive approach is necessary, a decision to change the schedule can be made at that time. This approach should minimize customer inconvenience and allow for an orderly approach to the review of each system.

In addition to the items noted above, KCPL is going to review its operating procedures to try to determine whether any of the manuals that employees use contain deficiencies that might result in incorrect or erroneous decisions being made.

KCPL has also agreed to shut off the fuel to any boiler or CT when the unit is shut down and work is being done on the fuel or burner management systems. The fuel and burner control systems are designed to prevent accidents that might result from fuel entering the boiler when fuel should not be present. Manually isolating the fuel line is an additional control designed to prevent that from happening.

Conclusion

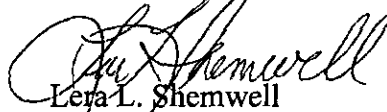
Staff's recommendations in this case are designed to prevent an incident like the Hawthorn 5 explosion from happening again. KCPL has agreed to implement all of Staff's recommendations and the Stipulation resolves the issues related to the way in which the recommendations will be completed. The schedule proposed by KCPL is reasonable in that the

work will be done when units are offline so that customers are not inconvenienced, but if areas of concern are identified, the schedule can be modified to deal with any potentially significant problems. Staff supports Commission approval of the Stipulation.

Respectfully submitted,

DANA K. JOYCE

General Counsel



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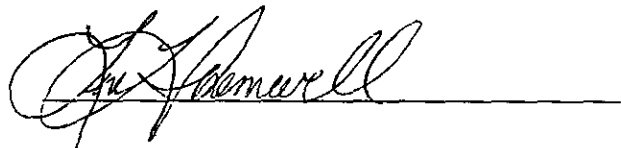
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 5th day of April, 2001.



Service List For
Case No. ES-99-581
Revised: April 5, 2001 (SW)

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