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September 2, 2000

FEDERAL EXPRESS

Mr. Dale H. Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, Missouri 65101 FILED<sup>2</sup>
SEP 2 8 2000

Service Commission

Re: Kansas City Power & Light Company
Case No. EM-2000-753

Dear Mr. Roberts:

Enclosed are the original and eight (8) conformed copies of Late-Filed Application to Intervene of Praxair, Inc., which please file in the above matter and call to the attention of appropriate Commission personnel.

An additional copy of the **initial page** of the material to be filed is enclosed, which kindly mark as received and return to me in the enclosed envelope as proof of filing.

Thank you for your attention to this important matter. If you have any questions, please call.

Sincerely yours,

FINNEGAN, CONRAD & PETERSON, L.C.

Stuart W. Conrad

SWC:s

Enclosures

cc: All Parties

RLJ Woodruff

44983.1

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

FILED<sup>2</sup>
SEP 2 8 2000

In the matter of the Application of
Kansas City Power & Light Company
for an Order Authorizing the Trans-
fer of Certain Electrical Genera-
tion Assets Used to Provide Elec-
tric Service to Customers in Mis-
souri and Other Relief Associated
with Kansas City Power & Light
Company's Plan to Restructure It-
self into a Holding Company, Com-
petitive Generation Company, Regu-
lated Utility Company and Unregu-
lated Subsidiary.

Missouri Public Service Commission

EM-2000-753

## LATE-FILED APPLICATION TO INTERVENE OF PRAXAIR, INC.

COMES NOW PRAXAIR, INC. ("Praxair") pursuant to 4

C.S.R. 240-2.075 and applies to intervene herein and become a

party hereto for all purposes in respect to the filing made

herein by Kansas City Power & Light Company ("KCPL") on or about

May 15, 2000. In support thereof, Praxair respectfully states:

- 1. Praxair is a large industrial electric customer of KCPL. Praxair operates a major air liquefaction and constituent gas production facility in Kansas City, Missouri. Praxair is the successor in interest to the Linde Division of Union Carbide Corporation.
- 2. Through Praxair's own prior interventions and those of its predecessor, Praxair's interests in proceedings affecting the rates, terms and conditions of electric service from KCPL have been previously recognized by the Missouri Public

45639.1

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Service Commission in permitting its intervention in numerous rate design and electric rate proceedings concerning KCPL and other Missouri utilities.

3. Correspondence or communications regarding this application, including service of all notices and orders of this Commission, should be addressed to:

Stuart W. Conrad, Esq.
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3100 Broadway
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- 4. On May 15, 2000, KCPL filed with the Commission an application requesting that the Commission authorize KCPL to restructure itself into a holding company, a competitive generation company, a regulated utility, and an unregulated subsidiary. No direct rate effect appears to have been proposed or requested by KCPL in the application. KCPL generally states that its proposal is both motivated and justified by recent changes in the structure and organization of the electricity production industry and that its proposed reorganization is both in anticipation of and in preparation for those anticipated changes.
- 5. Praxair is a current retail ratepayer of KCPL and receives electrical energy pursuant to a contract with KCPL<sup>1/</sup>

<sup>1/</sup>The terms of that contract are competitively sensitive and are considered by Praxair to be confidential.

that has been approved by this Commission and under other terms and conditions of service as contained in KCPL's tariffs on file with and approved by this Commission. Praxair is directly interested in this proposed reorganization and restructuring, the terms and conditions thereof, and the transaction's anticipated impact on ratepayers generally and upon Praxair specifically.

- 6. The nature of Praxair's manufacturing processes make the costs of electricity a highly significant portion of Praxair's manufacturing costs and, as a major electric customer of KCPL, Praxair is in a position to be directly affected by the proposed restructuring and reorganization and may be bound or adversely affected by any Commission order issued in this proceeding. Because KCPL provides non-firm electricity to Praxair under a separate contract and related rate schedules and because of Praxair's demand and high load factor, Praxair is in the special and unique position of representing an interest that is not and cannot be represented adequately by any other existing party and which interest is direct and immediate and clearly differs from that of the general public. Therefore, it will aid the Commission and protect and advance the public interest that Praxair be permitted to intervene and participate in this proceeding so as to protect its interest that no other party is in a position properly to protect and adequately represent.
- 7. For purposes of 4 C.S.R. 240-2.075(2), Praxair states that it opposes the discriminatory pricing of electricity

and related utility services. Praxair supports industry structures that foster and encourage competition within the electric industry and that will result in lower prices for the supplies of energy that Praxair needs to operate its business profitably. As detailed below, however, Praxair has only recently become aware of this filing by KCPL and has not completed its review and analysis of the initial Application, the proposed transaction's potential impact on Praxair and Praxair's business operations, or of the comments and pleadings of other parties previously submitted in this matter. Accordingly, Praxair presently cannot state with certainty whether it supports or opposes the specific KCPL proposal or any portions thereof as the proposal has been submitted in this proceeding.

#### SHOWING OF GOOD CAUSE FOR LATE-FILED INTERVENTION

- 8. Pursuant to 4 C.S.R. 240-2.075(5), Praxair states as follows:
- 9. Praxair is an international corporation and has hundreds of business locations outside the State of Missouri and its corporate headquarters is located in Connecticut. Praxair's operations in Kansas City are manufacturing and production-related only. In particular, energy-related managerial functions within Praxair are centralized at Praxair's New York national operations center.

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10. Relevant management personnel within Praxair only became aware of KCPL's restructuring proposals late in the week of September 17, 2000. Because relevant management personnel for Praxair are not based in Kansas City, or even in the State of Missouri, local news items concerning the filing, if any were published, were not routed to Praxair's national operations center and did not come to the attention of energy management personnel there. Further, customary notifications to local county or city officials, to local newspapers, to members of the General Assembly were not routed to the attention of Praxair's local plant management or to energy managers at Praxair's national operations center.2/ Praxair's lack of timely awareness of this filing is not the result of any lack of concern or diligence on the part of Praxair, but rather is the result of the notification procedure employed, the non-local situs of Praxair's energy management team and national operations center, and the respective responsibilities of the local plant operations team.

11. Upon becoming aware of KCPL's filing, Praxair has moved to promptly obtain necessary internal approvals, arrange

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<sup>2/</sup>In its May 16, 2000 Order and Notice, the Commission directed that a copy of that Order be sent to the county commissions for all counties located with the service area of KCPL and to the city government of Kansas City, Missouri. Notice of the Application was also to be sent to the members of the General Assembly representing each county within KCPL's service area and to the newspapers serving each county per Missouri's "Blue Book." Notice was also directed to each electric company regulated by the Commission. No general public notice, nor billing notice was directed, nor to our understanding, was issued by KCPL.

for representation by counsel and submit this Application to the Commission.

- the Missouri Public Counsel and for the Staff of the Commission.

  Those attorneys have stated that their respective clients do not object to Praxair's Late-Filed Application to Intervene. Attorneys for KCPL have been contacted, but have not stated their position with respect to this Application. Praxair counsel is in the process of contacting attorneys for other parties to seek their consent or non-opposition. That process is continuing, but the timing of completion of that process is uncertain and Praxair wishes to submit this Application at the earliest reasonable date to avoid further time running.
- 13. Praxair states that it has reviewed the Procedural Schedule ordered by the Commission on August 1, 2000 and has no disagreement therewith. If permitted to intervene herein, Praxair will accept the state and status of the record and procedural schedule herein as the same presently exists. Accordingly, permitting Praxair's intervention will neither delay nor impede the progress of the proceeding, nor delay nor affect events already scheduled.
- 14. Although interventions were originally scheduled to be submitted in mid-June, and (based on the procedural schedule) one initial conference has been held, it is believed that the proceeding is yet in an early or developmental stage. This

Application is submitted sufficiently early in the proceeding that, given the status and nature of the proceeding and the commitments tendered by Praxair herein regarding the existing schedule, and further given that there is no operation of law date that would be affected by this Application, no other party will or could be prejudiced as a result of the Commission granting this Application.

WHEREFORE, Praxair, Inc., having demonstrated basis for

WHEREFORE, Praxair, Inc., having demonstrated basis for its intervention pursuant 4 C.S.R. 240-2.075 generally, and further shown good cause for this Application being filed out-of-time pursuant to 4 C.S.R. 240-2.075(5), prays that it be permitted to intervene herein and be made a party hereto with all rights to have notice of and participate in future hearings to present evidence, cross-examine witnesses, file briefs and participate in argument, should any be had; and for all other needful and proper relief appropriate in the premises.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

Stuart W. Conrad Mo. Bar #23966

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ATTORNEYS FOR PRAXAIR, INC.

EM-2000-753

#### **VERIFICATION**

STATE OF MISSOURI	)	
	)	SS
COUNTY OF JACKSON	)	

Comes now Stuart W. Conrad, and having been first duly sworn, states that he is counsel for the within applicant for intervention and has been duly authorized by appropriate authorities thereof to file this Application; that he has read and is familiar with the contents thereof and that the statements therein made are true and correct to the extent of his knowledge, information and belief.

Stuart W. Conrad

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal at my office in Kansas City, Jackson County, Missouri on this 27th day of September, 2000.

Notary Public Within and for said County and State

(SEAL)

My Commission Expires:

now. 3, 2003



EM-2000-753

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Late-Filed Application for Leave to Intervene by U.S. mail, postage prepaid addressed to all parties through their attorneys of record as provided to undersigned counsel by the Office of the Secretary of the Commission.

Stuart W. Conrad

Dated: September 27, 2000