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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Prehearing Conference

July 27, 2001
Jefferson City, Missouri
Volume 1

In the Matter of Kansas City Power &)
Light Company Regarding an Incident) Case No. ES-99-581
at the Hawthorn Station, Kansas City,))
Missouri, on February 17, 1999.)

KEVIN A. THOMPSON, Presiding,
DEPUTY CHIEF REGULATORY LAW JUDGE.

REPORTED BY:

KELLENE K. FEDDERSEN, CSR, RPR
ASSOCIATED COURT REPORTERS, INC.

1 APPEARANCES:

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13 JOHN B. COFFMAN, Deputy Public Counsel
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17 FOR: Office of the Public Counsel
18 and the Public.

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23 FOR: Staff of the Missouri Public
24 Service Commission.

25

1 P R O C E E D I N G S

2 JUDGE THOMPSON: Good morning. We're here for
3 a prehearing conference in the matter of Kansas City Power &
4 Light Company regarding an incident at the Hawthorn Station,
5 Kansas City, Missouri, on February 17, 1999. This is Case
6 No. ES-99-581. My name is Kevin Thompson, and I am the
7 Regulatory Law Judge assigned to preside at this proceeding.

8 I believe, Mr. Dority, you have a matter to
9 take up.

10 MR. DORITY: Yes, thank you, your Honor. Let
11 the record reflect the appearance of Larry W. Dority with
12 Fischer & Dority, PC, 101 Madison, Suite 400, Jefferson
13 City, Missouri 65101, appearing on behalf of Kansas City
14 Power & Light Company.

15 And, your Honor, I would also like to
16 introduce to the bench Gerald A. Reynolds, Senior Regulatory
17 Counsel for Kansas City Power & Light Company. Mr. Reynolds
18 is a member in good standing of the bars of the states of
19 Kansas and Connecticut, and I would like to move that he be
20 admitted for purposes of this proceeding pro hoc vice.

21 I would reference the GST proceeding that has
22 been before this Commission, and I believe he was admitted
23 in that proceeding. I would ask that we take notice of that
24 by reference, Judge.

25 JUDGE THOMPSON: Do I hear any objections?

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1 MR. COFFMAN: No.

2 MS. SHEMWELL: None.

3 JUDGE THOMPSON: Very well. Mr. Reynolds,

4 you'll be admitted pro hoc vice for the purposes of this

5 proceeding. Good morning and nice to see you.

6 MR. REYNOLDS: Good morning.

7 JUDGE THOMPSON: Why don't we take appearances

8 from our other participants.

9 MR. COFFMAN: Thank you. Let the record

10 reflect the appearance of John B. Coffman on behalf of the

11 Office of the Public Counsel, P.O. Box 7800, Jefferson City,

12 Missouri 65102.

13 JUDGE THOMPSON: Thank you, Mr. Coffman.

14 Ms. Shemwell.

15 MS. SHEMWELL: Thank you, your Honor. Good

16 morning. Lera Shemwell representing the Staff of the Public

17 Service Commission, Post Office Box 360, Jefferson City,

18 Missouri 65102.

19 JUDGE THOMPSON: Thank you. Mr. Dority, you

20 had another matter to bring up?

21 MR. DORITY: Yes. Thank you, Judge. On the

22 Order Approving Stipulation & Agreement entered in this

23 matter on July 12, there was one statement contained in that

24 Order that Kansas City Power & Light Company would like to

25 discuss on the record and perhaps have the opportunity to

1 clarify. And with that and your permission, I'll let
2 Mr. Reynolds address that subject.

3 JUDGE THOMPSON: Have at it, Mr. Reynolds.

4 MR. REYNOLDS: On page 2, paragraph 2,
5 beginning -- on line 3 beginning, The Staff promised a
6 formal incident report within 90 to 120 days of receiving
7 the final investigation reports of KCPL and its contractor,
8 Crawford Investigations Services. Well, your Honor, I just
9 want to point out that Crawford is the contractor for one of
10 our insurance companies.

11 JUDGE THOMPSON: Rather than KCPL?

12 MR. REYNOLDS: That's correct. And in
13 addition to that, whatever report that's eventually produced
14 by the insurance company, we have -- we have obligated
15 ourselves to provide a copy to the Commission in the event
16 we receive it, but we don't have a legal right to receive
17 it. So it's possible that the insurance company may elect
18 not to provide us with its report.

19 JUDGE THOMPSON: Okay. I understand. Anyone
20 else have a comment on this? Staff, you have no comment on
21 that?

22 MS. SHEMWELL: The fact that Crawford is not
23 their contractor?

24 JUDGE THOMPSON: Well, as to their desire to
25 clarify or correct nunc pro tunc or do something with this

1 particular provision in the Commission's Order.

2 MS. SHEMWELL: Well, Staff has recognized that
3 Crawford is not their contractor but works instead for their
4 insurance company. Certainly if they provide you with a
5 copy, I'm sure they'll provide us with a copy.

6 I would also apologize to the Commission. The
7 last sentence says that we were ordered to file those
8 reports when received, and I apologize, your Honor. I must
9 have missed that Order. Our understanding was that we would
10 file the KCPL report, that we were to do so. Staff made the
11 decision to file it as a single package with our report.
12 Apparently that did not please the Commission, and I
13 apologize for that.

14 JUDGE THOMPSON: Well, this is simply the
15 procedural history, and the intent was simply to trace what
16 had been going on since the incident occurred and the
17 appearance finally of this Commission's final Order. I
18 realize that -- thanks for pointing it out.

19 I realize now that it's in error to describe
20 Crawford as the contractor of KCPL. It doesn't strike me as
21 being a matter of great significance. If you request a nunc
22 pro tunc correction at this time, certainly we'll be happy
23 to issue a notice of correction.

24 MR. REYNOLDS: Yes, KCPL would appreciate it.

25 JUDGE THOMPSON: Okay. Then we'll go ahead

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1 and do that. Sir, you have something?

2 MR. COFFMAN: Yeah. Another, I guess to be
3 considered a point of clarification on the stipulation, too.
4 I have no objection to Mr. Reynolds's request in clarifying
5 that matter. We accept that. That's fine.

6 While we're on this topic, I might just
7 respectfully request, if the Commission's going to issue
8 another Order, that it might consider pointing out that the
9 stipulation it approved did note paragraph 17, I believe,
10 that no party is precluded from challenging the prudence or
11 reasonableness of KCPL's actions, and would just suggest
12 that the Commission could put boilerplate language that it
13 does in many orders noting that the approval of the
14 stipulation does not in any way preclude or predetermine
15 what the Commission might do with regard to ratemaking
16 issues in the future.

17 JUDGE THOMPSON: Okay. Comments, responses?

18 MR. REYNOLDS: No objection.

19 JUDGE THOMPSON: No objection to that. All
20 right. Okay. Anyone have any other mistakes in this Order
21 they would like to point out?

22 The reason we're here today is simply so that
23 we can find a way to declassify as much of the information
24 in this case as fairly can be declassified. At the agenda
25 meeting where the Commission voted out the Order, the

1 Commission was concerned that there be appropriate public
2 access to portions -- to factual information in this record
3 in the event that there is any public interest in the
4 explosion that occurred at Hawthorn Station.

5 So we have convened this prehearing conference
6 to give the parties an opportunity to discuss that and to
7 discuss how they want to go about doing it or what items
8 that they believe can be made public and what items ought
9 not to be made public.

10 Certainly we are sensitive to the Company's
11 legitimate concerns for competitive sensitive information
12 and things of that sort. At the same time, I think that if
13 a historian 20 years from now would like to investigate the
14 facts that the Commission based this Order on, I think that
15 it's of some public interest and should be available.

16 So I will leave you all to discuss those
17 matters unless you have something to bring to my attention.

18 MS. SHEMWELL: Yes, your Honor. I think we --

19 JUDGE THOMPSON: Another mistake perhaps.

20 MS. SHEMWELL: No, your Honor. I believe we
21 have all reached agreement --

22 JUDGE THOMPSON: Great.

23 MS. SHEMWELL: -- and have a method to suggest
24 to you for accomplishing the removal of the HC designation.

25 JUDGE THOMPSON: And are you ready to suggest

1 that now?

2 MS. SHEMWELL: I believe that we are.

3 JUDGE THOMPSON: Great.

4 MR. COFFMAN: We had enough time while you
5 were out of the room, I think, to --

6 JUDGE THOMPSON: I'm finding that getting here
7 15 minutes late can be useful. I really am.

8 MS. SHEMWELL: I think we're all in agreement
9 that everything may be released as nonproprietary except
10 that KCPL is requesting that the schedules of outages which
11 are future outages that are attached, I believe, in two
12 places, one to the Stipulation & Agreement, which is
13 provided to show the calendar of how the event or the
14 activities that are covered in the Stipulation & Agreement
15 will be done.

16 They consider that to be competitive, and I
17 believe there are two places. Otherwise, everything can
18 become nonproprietary.

19 MR. REYNOLDS: And the second place is a
20 pleading filed on February 26 of 2001 titled the Response of
21 Kansas City Power & Light Company. It also has attached as
22 an exhibit the outage schedule.

23 JUDGE THOMPSON: All right. Sir?

24 MR. COFFMAN: Yeah. I believe that those are
25 the same documents, the same two pages on each of those

1 documents and --

2 JUDGE THOMPSON: And they're identical, it
3 just occurs in the record twice.

4 MR. COFFMAN: Yeah. And we'd like to thank
5 KCPL for being willing to declassify the rest of it. I
6 think this is a very limited thing that we do agree is of a
7 sensitive nature and can appropriately remain highly
8 confidential.

9 We note that the information as far as we know
10 has only been released to one other entity, and that would
11 be the Southern Power Pool -- Southwest Power Pool, SPP
12 and --

13 JUDGE THOMPSON: Do they treat it as
14 confidential?

15 MR. COFFMAN: Well, we had time before the
16 hearing to confirm that they do treat it as classified as
17 well.

18 JUDGE THOMPSON: Okay. So it's not publicly
19 available?

20 MR. REYNOLDS: That's correct.

21 JUDGE THOMPSON: Very good. What I would
22 request you do, I think I know what you're referring to, but
23 I want to be absolutely certain. So if someone could give
24 me a written pleading with as specific a citation as they
25 possibly can to the two documents where this attachment

1 occurs. Give me the documents by caption and date, the
2 attachment by number. Tell me how many pages there are.

3 If you want, you can make this pleading highly
4 confidential and attach a copy of the pages to it. I'm sure
5 I can match pages and make sure I get the exact right thing,
6 okay, so that we won't have to be here in a month doing some
7 more mistakes. Very good.

8 MS. SHEMWELL: We have a suggested method of
9 doing this, your Honor.

10 JUDGE THOMPSON: What is that?

11 MS. SHEMWELL: That is that we would put a
12 label over the HC with a notation that it was -- HC
13 designation was removed by order dated such and such,
14 whatever the date of the order. That way it will show the
15 progress of the report and leave a trail of when it was
16 released. That will save us from refiling.

17 JUDGE THOMPSON: There's no intention to have
18 anybody refile anything. I don't know exactly what method
19 they use in the records room when something is declassified,
20 and it would be a nightmare for me to depart from whatever
21 method it is that they typically use or contemplate.

22 So I will simply say that the items already
23 filed will be appropriately reclassified and designated and
24 marked by the records room following whatever procedures it
25 is that they have in place, which I cannot disturb or

1 override. Okay?

2 MS. SHEMWELL: Thank you, your Honor.

3 JUDGE THOMPSON: I doubt whether the
4 Commission could override those procedures, records rooms
5 being what they are.

6 Anything else at this time?

7 MS. SHEMWELL: No, your Honor.

8 JUDGE THOMPSON: Thank you very much. I
9 appreciate your spirit of cooperation today. We'll get the
10 notice of correction out, and I guess I'll see some of you
11 this afternoon. Thank you.

12 WHEREUPON, the recorded portion of the
13 prehearing conference was concluded.

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