Exhibit No.:	
Issue:	*Financing*
Witness:	*David Murray*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
File Nos.:	*EA-2013-0098*
	EO-2012-0367
Date Testimony Prepared:	*January 30, 2013*

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION
UTILITY SERVICES DEPARTMENT

REBUTTAL TESTIMONY

OF

DAVID MURRAY

KANSAS CITY POWER & LIGHT COMPANY
KCP&L GREATER MISSOURI OPERATIONS COMPANY
TRANSOURCE MISSOURI, LLC

FILE NOS. EO-2012-0367 and EA-2013-0098

Jefferson City, Missouri
January 2013

**** <u>Denotes Highly Confidential Information</u> ****

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Exhibit NO. 3
File NO. EA-2013-0098

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OF THE REBUTTAL TESTIMONY OF

DAVID MURRAY

KANSAS CITY POWER & LIGHT COMPANY
KCP&L GREATER MISSOURI OPERATIONS COMPANY
TRANSOURCE MISSOURI, LLC

CASE NO. EA-2013-0098

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REBUTTAL TESTIMONY

OF

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TRANSOURCE MISSOURI, LLC

FILE NOS. EO-2012-0367 and EA-2013-0098

Q. Please state your name.

A. My name is David Murray.

Q. Who is your employer?

A. The Missouri Public Service Commission.

Q. What is your current position with the Commission?

A. I am currently the Utility Regulatory Manager of Financial Analysis.

Q. What education, credentials and experience qualify you to provide an expert opinion in regard to regulatory financial matters?

A. Please see Attachment A for a full explanation of my experience, education and credentials.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the direct testimony of Darrin R. Ives. Mr. Ives sponsored testimony in Case No. EO-2012-0367 on behalf of Kansas City Power & Light Company ("KCPL") and KCP&L Greater Missouri Operations Company ("GMO"). I will specifically address the subject matter of KCPL's and GMO's (collectively, the "Companies") ability to finance the 345kV Iatan-Nashua Project and the 345kV Sibley-Nebraska City Project (collectively, "Transmission Projects") if the Companies decided to complete these Transmission Projects on their own. I will also address whether partnering with American

Electric Power Company, Inc. ("AEP") would cause the cost of capital charged to the Transmission Projects to be different than it would be if the Companies chose to complete the Transmission Projects on their own.

ABILITY TO FINANCE THE PROJECTS THROUGH THE COMPANIES

Q. What is one of the primary reasons Mr. Ives provides for the formation of Transource Energy, LLC ("Transource Energy") and the Companies' request to allow Transource Missouri to develop, acquire, construct, finance, own, operate and maintain the Transmission Projects?

A. Mr. Ives indicates that constructing these Transmission Projects through a partnership between Great Plains Energy Incorporated ("GPE")[1] and AEP will reduce the Companies' need for capital at a time when, "significant capital investments are required for environmental retrofits to existing generation facilities to meet new emission requirements as well as for new renewable resources needed to comply with state renewable mandates," and that "[c]onstructing the Projects through Transource will help GPE levelize the episodic nature of capital investment in regional transmission projects, which will allow the Applicants to more effectively manage the significant investments in both the generation and delivery systems used to serve retail service territories."[2]

Q. Does Mr. Ives provide any quantitative analysis to support his position that if the Companies transferred the Transmission Projects, it would significantly increase the Companies' financial flexibility due to lower capital expenditure requirements?

A. No.

[1] The parent company of KCPL and GMO
[2] Ives' Direct Testimony, EO-2012-0367, p. 5, ll. 12-19.

Q. Does Mr. Ives claim that Transource Missouri's ownership of the Transmission Projects will result in a benefit to the public interest?

A. Yes. Mr. Ives claims that transferring the obligations of the Transmission Projects to Transource Missouri will relieve the Companies of financial obligations associated with the Transmission Projects. Mr. Ives claims that reducing these obligations "potentially can have a positive effect on their financing costs for other projects, including generation upgrades necessary to meet renewable energy standards and other environmental mandates."[3]

Q. Did Mr. Ives provide quantitative analysis to support his position that the Companies will have lower financing costs if they are not required to expend capital on the Transmission Projects?

A. No.

Q. What are the Companies' estimated and projected annual capital expenditures for the period 2012 through 2014?

A. In response to Staff Data Request No. 0047[4], the Companies indicate that they estimate total capital expenditures to be ** ________________________________ ** for 2012, 2013 and 2014, respectively.

Q. What percentage of the aggregate capital expenditures above is associated with the proposed Transmission Projects?

A. ** ________________ ** for 2012, 2013 and 2014, respectively.

Q. Did the Companies provide projected capital expenditure information in response to Data Request No. 0047 for any years past 2014?

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[3] Ives' Direct Testimony, p. 19, ll. 13-16.
[4] All Data Requests have been submitted in File No. EA-2013-0098

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A. Yes, but only for specific projects, not for their total projected capital expenditures by year. The Companies provided projected capital expenditure information for the Sibley-Nebraska City Project and certain environmental projects for the period 2015 through 2020.

Q. If the Companies were to maintain ownership of the Transmission Projects, would there be any downward pressure on their credit ratings due to the incremental capital expenditures associated with the Transmission Projects?

A. No. In fact, it appears that the capital expenditures associated with the Transmission Projects would largely maintain the capital expenditure levels that the Companies expect to incur through 2015 for the environmental retrofits for LaCygne. The bulk of the capital expenditures for the Transmission Projects will occur from 2015 through 2017 for the Sibley-Nebraska City Project.

Q. Did the Companies express any concern about potential reduced financial flexibility when they accepted the Notifications to Construct ("NTC")?

A. Not to my knowledge.

Q. When did the Companies accept the NTCs for the Transmission Projects?

A. September 15, 2009 for the Iatan-Nashua Project and September 28, 2010 for the Sibley-Nebraska City Project.

Q. Did the Companies receive any financial advice regarding the potential impact constructing the Transmission Projects would have on their credit ratings?

A. Yes. Goldman Sachs provided a presentation to GPE in March 2012 that evaluated the scenario of the Companies maintaining ownership and constructing the Transmission Projects on a stand-alone basis. According to this presentation, Goldman Sachs advised GPE that it **

> ** (emphasis in original)

Q. Have the Companies affirmed they have the financial wherewithal to complete the Transmission Projects on a standalone basis?

A. Yes. The Companies affirmed this in response to Staff Data Request No. 0007.

Q. What is your understanding of the financial projections GPE has provided to the rating agencies to date with regard to the Companies expending capital for the Transmission Projects?

A. It is my understanding all of the rating agencies contemplated the Companies directly incurring the projected capital expenditures for the Transmission Projects.

Q. When did GPE and AEP announce they were forming a partnership, which would include, but not be limited to, the Transmission Projects?

A. April 4, 2012.

Q. To your knowledge, when is the last time GPE provided financial projections to the rating agencies that contemplated the Companies owning and building the Projects?

A. Based on documents KCPL provided in response to Staff Data Request No. 0018 in Case No. ER-2012-0174, GPE still had the anticipated capital expenditures in the Companies' financial projections in March 2012.

Q. Have the Companies or GPE had any communications with the rating agencies regarding the potential impacts on their credit ratings of different scenarios of ownership and construction of the Transmission Projects, including but not limited to on a standalone basis and in a partnership?

A. No. In response to Staff Data Request No. 0090, the Companies indicated that they have had no communications specifically addressing the potential financial impacts of potential scenarios considered for ownership of the Transmission Projects.

Q. Did the Companies do any of their own internal financial analysis to evaluate the potential financial impacts of the scenarios being considered for ownership and construction of the Transmission Projects?

A. Yes. However, the main focus of this analysis was on which scenario had the potential to create the most shareholder value for GPE's shareholders. The analysis of the impact on credit metrics was a secondary consideration in the analysis.

Q. What was the primary credit metric GPE analyzed for purposes of evaluating the potential impact of the scenarios on GPE's credit quality?

A. The funds from operations ("FFO") to debt ratio. This ratio measures the amount of consistent cash flow generated by a company's operations as it relates to the amount of debt the company has outstanding. It is generally considered to be a ratio that measures the leverage of the company. The higher the ratio, the less financial risk the company has.

Q. What did this analysis show regarding the relative impact on GPE's FFO to debt ratio ("FFO/debt") if the Companies constructed the Projects on a standalone basis, rather than in a joint venture with AEP?

A. ** ____

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Q. How should the Commission consider this information in this case?

A. Mr. Ives did not provide any quantitative information to support his position that the additional capital expenditures would cause a decline in the Companies' financial flexibility. In fact, based on the Companies' own internal financial analysis, the cash flow expected to be produced from the Transmission Projects would cause the Companies' FFO/debt ratios to be healthier, at least near-term. Considering that the projected value for the joint venture with AEP is based on projected capture rates of potential transmission projects in a post FERC Order 1000 competitive environment, it is possible that the FFO/debt ratios may be more strained in the long-term for the joint venture scenario.

<u>COST OF CAPITAL COMPARISON FOR STANDALONE SCENARIO VERSUS JOINT VENTURE SCENARIO</u>

Q. Does Mr. Ives also claim that Transource Missouri will have lower capital costs because it will attract "new and different" sources of capital?

A. Yes. On page 5, line 20, through page 6, line 4, of his direct testimony, Mr. Ives asserts that the separate and transparent nature of a transmission-only company should attract "new and different" sources of capital, which should ultimately lower transmission costs for Missouri customers.

Q. Did Mr. Ives provide quantitative analysis to support his position that Transource Missouri should have lower capital costs due to "new and different" sources of capital?

A. No.

Q. Why could capital costs be lower for the Transmission Projects?

A. My understanding is that the low-risk nature of these projects due to the various incentives allowed by FERC and the predictable revenue stream expected to be received from users of the regional transmission lines, the reward to risk ratio is generally high. Investors view the business risk of the Transmission Projects as being lower than that of traditional vertically-integrated electric utilities, which, assuming the same amount of financial risk for both investments, would result in a lower cost of capital.

Q. Although you agree with Mr. Ives' testimony in this case that transmission investments tend to have lower business risk, has Transource Missouri always taken the position that these Transmission Projects will attract capital at lower costs?

A. No. For purposes of arguing for a higher FERC allowed ROE, Transource Missouri argues that because it is a new entity with no current transmission assets, it has higher risks than usual. Therefore, it needs a higher return. Mr. Ives has not explained the reason for Transource Missouri's change in position on the potential cost of capital for Transource Missouri.

Q. Do you have any support for the view that transmission investments tend to be viewed as less risky compared to vertically-integrated electric utility investments?

A. Yes. Standard & Poor's ("S&P") credit rating commentary for American Transmission Company and ITC Holdings Corporation (both pure-play[5] transmission companies) indicates that because these companies do not have generation assets, they have considerably less operating and technological risk.[6]

Q. Assuming the Companies maintained ownership of the Transmission Projects, how would the lower business risk impact the Companies' consolidated business risk?

A. It would reduce their consolidated business risk.

Q. Assuming the Companies maintained ownership of the Transmission Projects, how would this impact the Companies' financial risk?

A. It depends on how the Transmission Projects are financed. It is my understanding that if the Companies construct and maintain ownership of the Transmission Projects, the capital structure used for FERC rates would be GPE's consolidated capital structure. Consequently, Staff assumes the Companies would capitalize the Transmission Projects similar to GPE's consolidated capital structure. Therefore, the Companies' financial risk would remain the same.

Q. If the Companies' financial risk does not change, but their business risk declines due to the low-risk nature of the Transmission Projects, then how does this impact the Companies' consolidated risk profile?

A. It would lower it.

Q. Would this have the potential of lowering the Companies' cost of capital if they constructed the Transmission Projects and retained ownership?

A. Yes.

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[5] Pure-play means a company that is largely confined to one type of business operation.
[6] Standard & Poor's Ratings Direct Research Report on American Transmission Company (May 27, 2011); and Standard & Poor's Ratings Direct Research Report on ITC Holdings Corporation (December 21, 2011).

Q. Did Mr. Ives consider business risk in his direct testimony when surmising that the Companies' cost of capital may be lower if the Transmission Projects were transferred to Transource Missouri?

A. No. Mr. Ives' direct testimony focuses solely on the additional capital expenditures for the Transmission Projects without giving any consideration to business risk or the Transmission Projects' projected future cash flows.

Q. What are the Companies' current FERC allowed rates of return for transmission service under the SPP open access transmission tariff ("OATT")?

A. FERC currently allows the Companies to use the FERC formula rate methodology, which the FERC authorized in FERC Docket Nos. ER10-230-000 and ER10-230-001. The authorized return on common equity ("ROE") stays constant at 11.1%, but the cost of debt fluctuates year-to-year based on GPE's actual consolidated embedded cost of debt, which was 7.92% at the end of the 2011 Calendar Year. After considering a small amount of preferred stock, this results in an allowed rate of return ("ROR") of approximately 9.32% (see Schedule DM-2).

Q. How does this compare to the Commission's allowed ROR for the Companies in their recent rate cases, Case Nos. ER-2012-0174 and ER-2012-0175?

A. It is much higher. The Commission allowed the Companies a ROR of 8.13%, based on a 9.70% ROE and a 6.44% cost of debt (see Schedule DM-4).

Q. Why was the FERC allowed debt cost so high in 2011?

A. Apparently the Companies were allowed to charge a ROR based on their actual costs of debt. When the Companies provided the inputs for their FERC formula rates, GMO still had $500 million of 11.875% Aquila legacy debt on its books.

Q. What ROR does Transource Missouri propose to charge in its FERC formula rates for the Sibley-Nebraska City project?

A. 9.17% based on a 4.785% return on debt and a 12.1% ROE applied to a hypothetical capital structure consisting of 60% common equity and 40% debt (see Schedule DM-5).

Q. Based on these inputs would Transource Missouri's revenue requirement for ROR be higher or lower than that of the Companies?

A. Higher. The higher after-tax return requirement is driven by the use of a hypothetical capital structure. The lower cost of debt is not enough to offset the higher after-tax ROE.

Q. What would Transource Missouri's allowed return on debt need to be to ensure Transource Missouri's revenues from ROR would be the same as allowed the Companies at a 6.44% cost of debt and 12.1% allowed ROE?

A. 3.935% (see Schedule DM-7).

Q. What if the FERC allowed ROE was 11.1% for the Companies instead?

A. The allowed return on debt would need to be 1.838% (see Schedule DM-8).

Q. What does this demonstrate?

A. It demonstrates that Mr. Ives' testimony that the creation of Transource Missouri and its allowed rate making mechanisms will cause lower transmission costs for Missouri customers, and any other customer in the SPP for that matter, is not supported at least from a ROR perspective.

Q. Does this conclude your rebuttal testimony?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Transource Missouri, LLC for a Certificate of Convenience and Necessity Authorizing it to Construct, Finance, Own, Operate, and Maintain the Iatan-Nashua and Sibley-Nebraska City Electric Transmission Projects	)	File No. EA-2013-0098
		and
In the Matter of the Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company for Approval to Transfer Certain Transmission Property to Transource Missouri, L.L.C. and for other Related Determinations	)	File No. EO-2012-0367

AFFIDAVIT OF DAVID MURRAY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

David Murray, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 11 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

David Murray

David Murray

Subscribed and sworn to before me this 29th day of January, 2013.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070

D. Suzie Mankin

Notary Public

DAVID MURRAY

Educational and Employment Background and Credentials

I am currently the Utility Regulatory Manager of the Financial Analysis Unit for the Missouri Public Service Commission (Commission). I accepted the position of a Public Utility Financial Analyst in June 2000 and my position was reclassified in August 2003 to an Auditor III. I was promoted to the position of Auditor IV, effective July 1, 2006. I was employed by the Missouri Department of Insurance in a regulatory position before I began my employment at the Missouri Public Service Commission.

I was authorized in October 2010 to use the Chartered Financial Analyst (CFA) designation. The use of the CFA designation requires the passage of three rigorous examinations addressing many investment related areas such as valuation analysis, portfolio management, statistical analysis, economic analysis, financial statement analysis and ethical standards. In addition to the passage of the examinations a CFA charterholder must have four years of relevant professional work experience.

In May 1995, I earned a Bachelor of Science degree in Business Administration with an emphasis in Finance and Banking, and Real Estate from the University of Missouri-Columbia. I earned a Masters in Business Administration from Lincoln University in December 2003.

I have been awarded the professional designation Certified Rate of Return Analyst (CRRA) by the Society of Utility and Regulatory Financial Analysts (SURFA). This designation is awarded based upon experience and successful completion of a written examination, which I completed during my attendance at a SURFA conference in April 2007. I also serve as a board member on the SURFA Board of Directors.

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
10/10/2012	ER-2012-0175	KCP&L Greater Missouri Operations	Surrebuttal	Rate of Return
10/8/2012	ER-2012-0174	Kansas City Power & Light Company	Surrebuttal	Rate of Return
9/12/2012	ER-2012-0175	KCP&L Greater Missouri Operations	Rebuttal	Rate of Return
9/7/2012	ER-2012-0166	Union Electric Company d/b/a Ameren Missouri	Surrebuttal	Rate of Return
9/5/2012	ER-2012-0174	Kansas City Power & Light Company	Rebuttal	Rate of Return
8/14/2012	ER-2012-0166	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Rate of Return
8/9/2012	ER-2012-0175	KCP&L Greater Missouri Operations	Cost of Service Report	Rate of Return Capital Structure
8/2/2012	ER-2012-0174	Kansas City Power & Light Company	Cost of Service Report	Rate of Return Capital Structure
7/6/2012	ER-2012-0166	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report	Rate of Return Capital Structure
04/15/2011	ER-2011-0028	Union Electric Company d/b/a Ameren Missouri	Surrebuttal	Rate of Return Capital Structure
03/25/2011	ER-2011-0028	Union Electric Company d/b/a Ameren Missouri	Rebuttal	Rate of Return Capital Structure
02/28/2011	ER-2010-0356	KCP&L Greater Missouri Operations Company	True-up Rebuttal	Rate of Return Capital Structure
02/28/2011	ER-2010-0355	Kansas City Power & Light Company	True-up Rebuttal	Rate of Return Capital Structure
02/22/2011	ER-2010-0356	KCP&L Greater Missouri Operations Company	True-up Direct	Rate of Return Capital Structure
02/22/2011	ER-2010-0355	Kansas City Power & Light Company	True-up Direct	Rate of Return Capital Structure
02/08/2011	ER-2011-0028	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report	Rate of Return Capital Structure
1/12/2011	ER-2010-0356	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
1/05/2011	ER-2010-0355	Kansas City Power & Light Company	Surrebuttal	Rate of Return Capital Structure
12/15/2010	ER-2010-0356	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
12/08/2010	ER-2010-0355	Kansas City Power & Light Company	Rebuttal	Rate of Return Capital Structure
11/17/2010	ER-2010-0356	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
11/10/2010	ER-2010-0355	Kansas City Power & Light Company	Cost of Service Report	Rate of Return Capital Structure
05/06/2010	WR-2010-0131	Missouri-American Water Company	Surrebuttal	Rate of Return Capital Structure
04/15/2010	WR-2010-0131	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
03/09/2010	WR-2010-0131	Missouri-American Water Company	Cost of Service Report	Rate of Return Capital Structure
03/05/2010	ER-2010-0036	Union Electric Company d/b/a AmerenUE	Surrebuttal	Rate of Return Capital Structure
02/11/2010	ER-2010-0036	Union Electric Company d/b/a AmerenUE	Rebuttal	Rate of Return Capital Structure
12/18/2009	ER-2010-0036	Union Electric Company d/b/a AmerenUE	Cost of Service Report	Rate of Return Capital Structure
10/14/2009	GR-2009-0355	Missouri Gas Energy	Surrebuttal	Rate of Return Capital Structure
09/28/2009	GR-2009-0355	Missouri Gas Energy	Rebuttal	Rate of Return Capital Structure
08/21/2009	GR-2009-0355	Missouri Gas Energy	Cost of Service Report	Rate of Return Capital Structure
04/09/2009	HR-2009-0092	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure
04/09/2009	ER-2009-0090	KCP&L Greater Missouri Operations Company	Surrebuttal	Rate of Return Capital Structure
04/07/2009	ER-2009-0089	Kansas City Power & Light Company	Surrebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
03/13/2009	HR-2009-0092	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
03/13/2009	ER-2009-0090	KCP&L Greater Missouri Operations Company	Rebuttal	Rate of Return Capital Structure
03/11/2009	ER-2009-0089	Kansas City Power & Light Company	Rebuttal	Rate of Return Capital Structure
02/13/2009	HR-2009-0092	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
02/13/2009	ER-2009-0090	KCP&L Greater Missouri Operations Company	Cost of Service Report	Rate of Return Capital Structure
02/11/2009	ER-2009-0089	Kansas City Power & Light Company	Cost of Service Report	Rate of Return Capital Structure
08/01/2008	HR-2008-0300	Trigen-Kansas City Energy Corporation	Cost of Service Report	Rate of Return Capital Structure
01/18/2008	GR-2008-0060	Missouri Gas Utility, Inc.	Cost of Service Report	Rate of Return Capital Structure
07/31/2007	WR-2007-0216	Missouri-American Water Company	Surrebuttal	Rate of Return Capital Structure
07/13/2007	WR-2007-0216	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
06/05/2007	WR-2007-0216	Missouri-American Water Company	Direct	Rate of Return Capital Structure
12/27/2006	GR-2006-0422	Missouri Gas Energy	True-up Direct	Rate of Return Capital Structure
12/11/2006	GR-2006-0422	Missouri Gas Energy	Surrebuttal	Rate of Return Capital Structure
11/21/2006	GR-2006-0422	Missouri Gas Energy	Rebuttal	Rate of Return Capital Structure
10/13/2006	GR-2006-0422	Missouri Gas Energy	Direct	Rate of Return Capital Structure
08/18/2006	ER-2006-0315	Empire District Electric Co.	Surrebuttal	Rate of Return Capital Structure
07/28/2006	ER-2006-0315	Empire District Electric Co.	Rebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
06/23/2006	ER-2006-0315	Empire District Electric Co.	Direct	Rate of Return Capital Structure
12/13/2005	ER-2005-0436	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Surrebuttal	Rate of Return Capital Structure
11/18/2005	ER-2005-0436	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Rebuttal	Rate of Return Capital Structure
10/14/2005	ER-2005-0436	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Direct	Rate of Return Capital Structure
11/24/2004	ER-2004-0570	Empire District Electric Co.	Surrebuttal	Rate of Return Capital Structure
11/04/2004	ER-2004-0570	Empire District Electric Co.	Rebuttal	Rate of Return Capital Structure
09/20/2004	ER-2004-0570	Empire District Electric Co.	Direct	Rate of Return
07/19/2004	GR-2004-0209	Missouri Gas Energy	True-Up Direct	Rate of Return Capital Structure
06/14/2004	GR-2004-0209	Missouri Gas Energy	Surrebuttal	Rate of Return Capital Structure
05/24/2004	GR-2004-0209	Missouri Gas Energy	Rebuttal	Rate of Return Capital Structure
04/15/2004	GR-2004-0209	Missouri Gas Energy	Direct	Rate of Return Capital Structure
03/11/2004	IR-2004-0272	Fidelity Telephone Company	Direct	Rate of Return Capital Structure
02/13/2004	GR-2004-0072	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Rebuttal	Rate of Return Capital Structure
02/13/2004	ER-2004-0034	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Surrebuttal	Rate of Return Capital Structure
02/13/2004	HR-2004-0024	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks-L&P	Surrebuttal	Rate of Return Capital Structure
01/26/2004	HR-2004-0024	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks L&P	Rebuttal	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
01/26/2004	ER-2004-0034	Aquila, Inc. dba Aquila Networks-MPS and Aquila Networks L&P	Rebuttal	Rate of Return Capital Structure
01/09/2004	WT-2003-0563	Osage Water Company	Rebuttal	Rate of Return Capital Structure
01/09/2004	ST-2003-0562	Osage Water Company	Rebuttal	Rate of Return Capital Structure
01/06/2004	GR-2004-0072	Aquila, Inc.	Direct	Rate of Return Capital Structure
12/19/2003	ST-2003-0562	Osage Water Company	Direct	Rate of Return Capital Structure
12/19/2003	WT-2003-0563	Osage Water Company	Direct	Rate of Return Capital Structure
12/09/2003	ER-2004-0034	Aquila, Inc.	Direct	Rate of Return Capital Structure
12/09/2003	HR-2004-0024	Aquila, Inc.	Direct	Rate of Return Capital Structure
12/05/2003	WC-2004-0168	Missouri-American Water Co	Surrebuttal	Rate of Return Capital Structure
12/05/2003	WR-2003-0500	Missouri-American Water Co	Surrebuttal	Rate of Return Capital Structure
11/10/2003	WR-2003-0500	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
11/10/2003	WC-2004-0168	Missouri-American Water Company	Rebuttal	Rate of Return Capital Structure
10/03/2003	WC-2004-0168	Missouri-American Water Company	Direct	Rate of Return Capital Structure
10/03/2003	WR-2003-0500	Missouri-American Water Company	Direct	Rate of Return Capital Structure
03/17/2003	GM-2003-0238	Southern Union Co. dba Missouri Gas Energy	Rebuttal	Insulation
10/16/2002	ER-2002-424	The Empire District Electric Company	Surrebuttal	Rate of Return Capital Structure
09/24/2002	ER-2002-424	The Empire District Electric Company	Rebuttal	Rate of Return Capital Structure
08/16/2002	ER-2002-424	The Empire District Electric Company	Direct	Rate of Return Capital Structure
08/06/2002	TC-2002-1076	BPS Telephone Company	Direct	Rate of Return Capital Structure

CASE PROCEEDING PARTICIPATION

DAVID MURRAY

Date Filed	Case Number	Company Name	Testimony Type	Issue(s)
01/22/2002	ER-2001-672	UtiliCorp United Inc. dba Missouri Public Service	Surrebuttal	Rate of Return Capital Structure
01/22/2002	EC-2002-265	UtiliCorp United Inc. dba Missouri Public Service	Surrebuttal	Rate of Return Capital Structure
01/08/2002	ER-2001-672	UtiliCorp United Inc. dba Missouri Public Service	Rebuttal	Rate of Return Capital Structure
01/08/2002	EC-2002-265	UtiliCorp United Inc. dba Missouri Public Service	Rebuttal	Rate of Return Capital Structure
12/06/2001	ER-2001-672	UtiliCorp United Inc. dba Missouri Public Service	Direct	Rate of Return Capital Structure
12/06/2001	EC-2002-265	UtiliCorp United Inc. dba Missouri Public Service	Direct	Rate of Return Capital Structure
05/22/2001	GR-2001-292	Missouri Gas Energy, A Division of Southern Union Company	Rebuttal	Rate of Return Capital Structure
04/19/2001	GR-2001-292	Missouri Gas Energy, A Division of Southern Union Company	Direct	Rate of Return Capital Structure
03/01/2001	TT-2001-328	Oregon Farmers Mutual Telephone Company	Rebuttal	Rate of Return Capital Structure
02/28/2001	TR-2001-344	Northeast Missouri Rural Telephone Company	Direct	Rate of Return Capital Structure
01/31/2001	TC-2001-402	Ozark Telephone Company	Direct	Rate of Return Capital Structure

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Capital Structure as of December 31, 2011
for Great Plains Energy Based on FERC Form 1

($ in 000's)

Capital Component		Dollar Amount	Percentage of Capital
Common Stock Equity	$	2,988,376	46.55%
Preferred Stock	$	39,000	0.61%
Long-Term Debt	$	3,391,689	52.84%
Total Capitalization	**$**	**6,419,065**	**100.00%**

Source: KCPL and KCP&L GMO's FERC Form 1 Filings for 2011.

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Allowed Rate of Return as of December 31, 2011 for KCPL/GMO FERC Formula Rates

			Rate of Return Using Common Equity Return of:	
Capital Component	Percentage of Capital	Embedded Cost	Before-tax **11.10%**	After-tax[1] **11.10%**
Common Stock Equity	46.55%	-----	**5.17%**	**8.29%**
Preferred Stock	0.61%	4.221%	**0.03%**	**0.04%**
Long-Term Debt	52.84%	7.819%	**4.13%**	**4.13%**
Total	**100.00%**		9.32%	12.47%

Source: KCPL and KCP&L GMO's FERC Form 1 Filings for 2011.

Note:
1. Tax rate = 37.70%, which results in a tax factor of 1.6051

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Ratemaking Capital Structure as of August 31, 2012
for KCPL and GMO pursuant to Commission's Report and Order
in Case Nos. ER-2012-0174 and ER-2012-0175

($ in 000's)

Capital Component		**Dollar Amount**	**Percentage of Capital**
Common Stock Equity	$	3,348,346	52.25%
Preferred Stock	$	39,000	0.61%
Long-Term Debt	$	3,020,412	47.14%
Short-Term Debt	$	-	0.00%
Total Capitalization	**$**	**6,407,758**	**100.00%**

Source: True-up data provided by KCPL in Response to Staff Data Request No. 527 and the Missouri Public Service Commission's Report and Order Issued on January 9, 2013.

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Allowed Rate of Return as of August 31, 2012 for KCPL/GMO Pursuant to Commission's Report and Order in Case Nos. ER-2012-0174 and ER-2012-0175

Capital Component	Percentage of Capital	Embedded Cost	Allowed Rate of Return Using Common Equity Return of: Before-tax 9.70%	After-tax[1] 9.70%
Common Stock Equity	52.25%	-----	**5.07%**	**8.14%**
Preferred Stock	0.61%	4.291%	**0.03%**	**0.04%**
Long-Term Debt	47.14%	6.442%	**3.04%**	**3.04%**
Total	**100.00%**		**8.13%**	**11.21%**

Sources:
Commission's Report and Order in Case Nos. ER-2012-0174 and ER-2012-0175 and KCPL's responses to Staff Data Request Nos. 525 and 527 in Case No. ER-2012-0174.

Note:
1. Tax rate = 37.70%, which results in a tax factor of 1.6051

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Rate of Return
for Transource Missouri, LLC

Capital Component	Percentage of Capital	Embedded Cost	Rate of Return Using Common Equity Return of: Before-Tax **12.10%**	After-Tax[1] **12.10%**
Common Stock Equity	60.00%	-----	**7.26%**	**11.65%**
Preferred Stock	0.00%	0.000%	**0.00%**	**0.00%**
Long-Term Debt	40.00%	4.785%	**1.91%**	**1.91%**
Total	**100.00%**		**9.17%**	**13.57%**

Source:
FERC Docket No. ER12-2554-000

Note:
1. Tax rate = 37.70%, which results in a tax factor of 1.6051

Schedule DM-5

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

FERC Formula Rate Based on August 31, 2012 Data for KCPL/GMO

			Rate of Return Using Common Equity Return of:			
Capital Component	Percentage of Capital	Embedded Cost	Before-tax 12.10%	After-tax[1] 12.10%	Before-tax 11.10%	After-tax[1] 11.10%
Common Stock Equity	52.25%	-----	6.32%	10.15%	5.80%	9.31%
Preferred Stock	0.61%	4.291%	0.03%	0.04%	0.03%	0.04%
Long-Term Debt	47.14%	6.442%	3.04%	3.04%	3.04%	3.04%
Total	100.00%		9.39%	13.23%	8.86%	12.39%

Sources:
Commission's Report and Order in Case Nos. ER-2012-0174 and ER-2012-0175 and KCPL's responses to Staff Data Request Nos. 525 and 527 in Case No. ER-2012-0174.

Note:
1. Tax rate = 37.70%, which results in a tax factor of 1.6051

Schedule DM-6

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Rate of Return Revenue Requirement for Transource Equal to KCPL/GMO

Capital Component	Percentage of Capital	Embedded Cost	Rate of Return Using Common Equity Return of: Before-Tax 12.10%	After-Tax[1] 12.10%
Common Stock Equity	60.00%	-----	7.26%	11.65%
Preferred Stock	0.00%	0.000%	0.00%	0.00%
Long-Term Debt	40.00%	**3.935%**	1.57%	1.57%
Total	**100.00%**		8.83%	13.23%

Sources:
Commission's Report and Order in Case Nos. ER-2012-0174 and ER-2012-0175 and KCPL's responses to Staff Data Request Nos. 525 and 527 in Case No. ER-2012-0174.

Note:
1. Tax rate = 37.70%, which results in a tax factor of 1.6051

Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Transource Missouri, LLC
File Nos EO-2012-0367 and EA-2013-0098

Rate of Return
for Transource Missouri, LLC

			Rate of Return Using Common Equity Return of:	
Capital Component	Percentage of Capital	Embedded Cost	Before-Tax 12.10%	After-Tax[1] 12.10%
Common Stock Equity	60.00%	-----	7.26%	11.65%
Preferred Stock	0.00%	0.000%	0.00%	0.00%
Long-Term Debt	40.00%	**1.838%**	0.74%	0.74%
Total	**100.00%**		8.00%	12.39%

Sources:
Commission's Report and Order in Case Nos. ER-2012-0174 and ER-2012-0175 and KCPL's responses to Staff Data Request Nos. 525 and 527 in Case No. ER-2012-0174.

Note:
1. Tax rate = 37.70%, which results in a tax factor of 1.6051