Exhibit No.:	
Issue:	Iatan-Nashua and Sibley-Nebraska City Construction and Cost Management Projects
Witness:	Brent C. Davis
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Transource Missouri, LLC
Case No.:	EA-2012-
Date Testimony Prepared:	August 31, 2012

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EA-2012-

DIRECT TESTIMONY

OF

BRENT C. DAVIS

ON BEHALF OF

TRANSOURCE MISSOURI, LLC

August 2012

I. Introduction

Q: Please state you name and business address.

A: My name is Brent C. Davis. My business address is 1200 Main Street, Kansas City, Missouri, 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Kansas City Power & Light Company ("KCP&L") as Project Director – Transmission and Construction.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations Company ("GMO") (collectively referred to as the "Companies"). KCP&L and GMO both are wholly-owned subsidiaries of Great Plains Energy Incorporated ("GPE").[1] I am also testifying on behalf of Transource Energy, LLC ("Transource") and Transource Missouri, LLC ("Transource Missouri"), the former being a newly-formed joint venture between GPE and American Electric Power Company, Inc. ("AEP").

Q: What are your responsibilities?

A: As Project Director – Transmission and Construction, I have overall responsibility for the construction of the two regional transmission projects that have been assigned to KCP&L and GMO by the Southwest Power Pool, Inc. ("SPP").

[1] GPE is a public utility holding company that does not own or operate any significant assets other than the stock of its operating subsidiaries KCP&L and GMO. KCP&L, through its employees and resources, is currently taking steps to move forward on the Projects on behalf of itself, as well as on behalf of GMO, pursuant to the terms and conditions set forth in the October 10, 2008 Joint Operating Agreement between KCP&L and GMO. Subsequent references in this testimony to GMO's responsibilities with respect to the Projects are made in this context.

Q: Please describe your education, experience and employment history.

A: I received a Bachelor of Science degree in engineering management from the University of Missouri at Rolla in 1980 and a Master in Business Administration degree from Rockhurst University in 1999. I began working at KCP&L in 1981 as a maintenance engineer at the Montrose Generating Station. In 1985 I left KCP&L for a short period of time to accept a position at Dayco Manufacturing in Springfield, Missouri as maintenance superintendent. I returned to KCP&L later that year. Since that time, I have held various engineering and management positions at each of KCP&L's coal-fired generating facilities (*i.e.*, the Montrose, LaCygne, Iatan, and Hawthorn Generating Stations), including serving as plant manager at the Montrose and Hawthorn Stations. From June 2006 to November 2007, I was the Project Director for both the Iatan Unit 1 and Unit 2 construction projects. In 2007, I was asked to turn my full attention to the construction of the $450M Iatan Unit 1 environmental retrofit as the Unit 1 Project Director, but remained involved to a certain extent with the $2B construction of Unit 2. Once the construction was completed on Unit 1, I was asked to work as an advisor on the Unit 2 construction project. In February 2010, I was asked to become the Operational Interface/Project Director for Unit 2. In February 2012, I was named Project Director – Transmission and Construction.

Q: Have you previously testified in a proceeding before the Missouri Public Service Commission ("Commission" or "MPSC")?

A: Yes, I previously testified before this Commission during each of the Companies' last rate cases (Case Nos. ER-2010-0355 and ER-2010-0356), as well as other cases.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to (i) identify and describe the status of two regional transmission projects SPP directed KCP&L and GMO to construct and which the Companies intend to novate to Transource Missouri; and (ii) describe the construction and cost management process for these two projects.

II. SPP Regional Transmission Projects

Q: Please identify the two regional transmission projects SPP directed KCP&L and GMO to construct.

A: SPP has directed KCP&L and GMO to construct two regionally beneficial transmission projects, known as the Iatan-Nashua 345kV transmission project ("Iatan-Nashua Project") and the Sibley-Nebraska City 345kV transmission project ("Sibley-Nebraska City Project") (collectively the "Projects"). The Iatan-Nashua Project is one of the seven (7) SPP regional "Balanced Portfolio" projects, which were approved by SPP in 2009. The Sibley-Nebraska City Project is one of the six (6) SPP regional "Priority Projects," which were approved by SPP in 2010. Each project is described in detail below. The SPP "Balanced Portfolio" and "Priority Projects" are discussed in the Direct Testimony of Todd E. Fridley in Case No. EO-2012-0367.

A. Iatan-Nashua Project

Q: Please describe the Iatan-Nashua Project.

A: The Iatan-Nashua Project involves the construction of a new 345kV transmission line in northwest Missouri. The transmission line will extend approximately thirty (30) miles from an existing substation at the Iatan power plant near Weston, Missouri ("Iatan Substation"), to the Nashua 161kV substation near Smithville, Missouri ("Nashua Substation"). The 161kV Nashua Substation will be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua line, and the connection with the existing St. Joseph-Hawthorn 345kV transmission line, at the Nashua Substation by installing a new 345/161kV autotransformer between the existing 161kV substation and the 345kV facilities at the Nashua Substation. SPP has issued Notifications to Construct ("NTCs") for the Iatan-Nashua Project to both KCP&L and GMO; these NTCs are attached hereto as Schedule BCD-1.[2] The estimated cost of the project is $64,800,000, which is a control budget by which the project will be measured. A map of the Iatan-Nashua Project is attached hereto as Schedule BCD-2.

Q: Why is the Iatan-Nashua Project necessary?

A: As explained in detail in the Direct Testimony of Todd E. Fridley in Case No. EO-2012-0367, the Iatan-Nashua Project is a 345kV transmission project that will reduce congestion on the region's transmission system and provide essential

[2] There are three NTCs associated with the Iatan-Nashua Project as follows: (1) the 345kV line (Network Upgrade 50449 under NTC-200189), which was issued to GMO (Schedule BCD-1 at pp. 1-3); (2) the upgrades at the Iatan and Nashua Substations (Network Upgrade 10935 under NTC-200188), which was issued to KCP&L (Schedule BCD-1 at pp. 4-6); and (3) the new 345/161kV transformer at Nashua Substation (Network Upgrade 10945 under NTC-20042), which was issued to KCP&L (Schedule BCD-1 at pp. 7-9).

transmission capacity for long-term efficient delivery of energy within the region. In 2009, SPP identified the Iatan-Nashua Project as one of the "[m]ajor 345kV projects" currently proposed in SPP in its Transmission Expansion Plan.[3] Studies have demonstrated that the benefits of the Balanced Portfolio projects outweigh the costs[4] and the projects will relieve congestion by addressing "many of the top constraints in the SPP."[5]

Q: Who currently is responsible for the construction of the Iatan-Nashua Project?

A: Both KCP&L and GMO currently are Designated Transmission Owners ("DTOs") for the Iatan-Nashua Project. As discussed in more detail in the Companies' Quarterly Reports filed in Case No. EO-2012-0271, SPP initially issued an NTC to KCP&L on June 19, 2009 because KCP&L owns and operates both of the substations at the end points of the new 345kV transmission line. However, after spending more than a year evaluating routing options and meeting with the public, it became clear that the new 345kV transmission line would be located entirely within GMO's service territory. As a result, at KCP&L's request, SPP modified the Iatan-Nashua NTCs to include GMO as a DTO for this project. KCP&L's letter to SPP requesting this modification is attached hereto as Schedule BCD-3.

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[3] *See* 2009 SPP Transmission Expansion Plan, A Report of the SPP Regional Transmission Organization, at 6-7, *available at*http://www.spp.org/section.asp?group=1905&pageID=27.

[4] SPP's description of the Balanced Portfolio is available at http://www.spp.org/section.asp?pageID=120.

[5] Direct Testimony of Todd E. Fridley, Case No. EO-2012-0367, Schedule TEF-2, 2009 SPP Balanced Portfolio Report at 35.

On April 17, 2012, SPP issued revised NTCs to both KCP&L and GMO directing them to coordinate with each other regarding the portion of the project each company would construct. Copies of these NTCs have been provided as part of Schedule BCD-1 at pp. 1-6. On June 22, 2012, KCP&L submitted a response to the revised NTC indicating it would construct the identified network upgrades at its Iatan Substation and its 161kV Nashua Substation. As noted above, a new 345/161kV autotransformer will be installed at the Nashua Substation between the existing 161kV substation and the new 345kV facilities. On the same day, GMO also submitted a response indicating it would construct the 345kV transmission line between the substations. The Companies' responses to the revised SPP NTCs are attached hereto as Schedule BCD-4.

The Companies spent more than a year evaluating routing options and listening to customer concerns to aid in selecting the construction route for the Iatan-Nashua Project. Our team collected more than 300 resident surveys, conducted five public meetings with more than 400 attendees, personally spoke with hundreds of residents and business owners and mailed almost 2,000 letters soliciting additional input and feedback. Based on the information that was gathered, there was a strong preference for utilizing existing lines, easements and rights-of-way as a first course of action to minimize the disturbance to landowners and wildlife habitats.[6]

In response, our team identified a portion of KCP&L's existing 161kV transmission line between KCP&L's Nashua Substation and GMO's Alabama

[6] Additional information about the Companies' route selection process and public outreach is available at http://www.kcpl.com/iatannashua/.

substation in St. Joseph, Missouri ("Alabama-Nashua Line") that could be used for a portion of the Iatan-Nashua Project. A map of the Iatan-Nashua Project showing the Alabama-Nashua Line is attached hereto as Schedule BCD-5. It was, however, necessary to seek this Commission's approval to transfer KCP&L's Alabama-Nashua Line to GMO in Case No. EO-2012-0479, in order to facilitate the Companies' plan to have GMO construct the entire 345kV Iatan-Nashua line because it was wholly within GMO's service area.

On August 8, 2012, Commission Staff filed its recommendation in support of the Applicants' request to transfer the Alabama-Nashua Line from KCP&L to GMO. The Commission granted the Companies' application to transfer the Alabama-Nashua Line from KCP&L to GMO on August 15, 2012.

Q: Has the Company discussed its construction and ownership plans for the Iatan-Nashua Project with the MPSC Staff and the Office of the Public Counsel ("OPC")?

A: Yes. As the Commission is aware, KCP&L and GMO have been actively exploring options for constructing the Iatan-Nashua Project. At OPC's request, the Commission opened Case No. EO-2012-0271 to investigate the siting and safety of the Iatan-Nashua Project. In that proceeding, the Companies agreed to certain ongoing communication and reporting requirements recommended by Staff with regard to the construction of the Iatan-Nashua Project, including the status of the ownership of this Project.[7] Additionally, the Company met with the

[7] *In the Matter of an Investigation into the Siting and Safety of a Proposed Transmission Line in Platte County, Missouri*, Case No. EO-2012-0271, Order Directing Filing and Directing Filing and Denying Motion Local Public Hearing at 4-5 (issued Mar. 14, 20012) (directing Applicant to file quarterly updates beginning on March 30, 2012 that include the progress of the planning, design, and construction of

Commission Staff and OPC on May 22, 2012 in Jefferson City to discuss its construction and ownership plans for the Iatan-Nashua Project.

Furthermore, the Companies previously have indicated their intent to terminate and release their respective obligations as DTOs, and to designate Transource Missouri as the alternate DTO responsible for constructing and owning the Iatan-Nashua Project (as well as the Sibley-Nebraska City Project).[8]

Q: What is the current status of the Iatan-Nashua Project?

A: The final route has been determined, and detailed surveying of the proposed route to support the upcoming rights-of-way/easement negotiations is nearly complete. Detailed design and engineering work continues on the Project, with a bulk of the work being performed in-house by the KCP&L Transmission Engineering Department. The Project essentially is comprised of four components—*i.e.*, the East Segment, the West Segment, the Middle Segment, and the substation upgrades. The initial engineering and design work is focused on the East and West Segments where the Company has existing rights-of-way/easements that will be utilized for the project. Engineering and design will not be finalized for the Middle Segment, however, until all of the rights-of-way/easements are obtained, which is currently scheduled for the last quarter of 2013. The Companies have contracted with Burns & McDonnell to acquire the rights-of-way/easements needed for the project. The material procurement process in

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this Project, the status of the ownership of this Project, and a summary of the Companies' contact with the public during the previous quarter).

[8] *In the Matter of an Investigation into the Siting and Safety of a Proposed Transmission Line in Platte County, Missouri*, Case No. EO-2012-0271, Companies' Quarterly Report at p. 8 (filed June 29, 2012 as revised July 3, 2012); *see also* Great Plains Energy News Release (dated April 4, 2012), *available at* http://phx.corporate-ir.net/phoenix.zhtml?c=96211&p=irol-news&nyo=0.

support of construction has begun with foundation construction expected to begin in late 2012 on the West Segment and line construction is expected to commence in the first quarter of 2013. A copy of the Level 1 Project Schedule is attached hereto as Schedule BCD-6. The Level 1 Project Schedule sets forth the milestones for the engineering, procurement, and construction activities that will need to be completed to achieve the June 2015 in-service date.

Q: You mentioned above that the Iatan-Nashua Project is comprised of four components. Please describe each component in more detail.

A: As noted above, this project essentially has four components—(i) the East Segment; (ii) the West Segment; (iii) the Middle Segment, which together constitute the GMO portion of the Project; and (iv) the substation upgrades, which constitute the KCP&L portion of the Iatan-Nashua Project.[9] A map of the whole Iatan-Nashua Project is attached hereto as Schedule BCD-2. Each component is described in turn below.

First, the East Segment begins at KCP&L's Nashua Substation located in Clay County near Smithville, Missouri, extending in a northwesterly direction for approximately fifteen (15) miles. A map of the East Segment is attached hereto as Schedule BCD-7. This segment of the new 345kV transmission line will utilize existing rights-of-way that currently are used for a portion of the existing 161kV Alabama-Nashua Line that, as discussed above, was recently transferred from KCP&L to GMO. This fifteen (15) mile segment of the Alabama-Nashua Line will be retired and removed and will be replaced by the new 345kV

[9] A map of the whole Iatan-Nashua Project is attached hereto as Schedule BCD-2.

transmission line, which will be constructed on existing rights-of-way supplemented by additional rights-of-way as needed.

Second, the West Segment begins at the Iatan Substation located in Platte County near Weston, Missouri, extending in a northeasterly direction for about five (5) miles. A detailed map of the West Segment is attached hereto as Schedule BCD-8. This segment of the new 345kV transmission line will utilize GMO's existing 345kV Iatan-St. Joseph transmission line rights-of-way supplemented by additional rights-of-way as needed for the new construction. Transource Missouri may also obtain rights-of-way as necessary once the line Certificate of Convenience and Necessity ("CCN") is granted to Transource Missouri for the Projects. To facilitate construction of the new 345kV transmission line from the Iatan Substation, the Companies intend to install new transmission structures that will be able to accommodate both GMO's existing 345kV Iatan-St. Joseph line, as well as the West Segment of the new 345kV Iatan-Nashua line. Consequently, the existing transmission structures along approximately five (5) miles of the Iatan-St. Joseph line will be retired and removed and the existing line will be attached to the new structures. Subsequently, the West Segment of the new 345kV transmission line will be added to the new structures as part of the construction of the Iatan-Nashua Project. In sum, both the West Segment of the new 345kV Iatan-Nashua line, and a portion of the existing Iatan-St. Joseph line, will share the new structures. At this time, we expect the existing Iatan-St. Joseph line to remain energized and in-service while it is moved from the existing structures to the new jointly used

structures. Construction on this segment is expected to begin in the spring of 2013.

Third, the Middle Segment will connect the East and West Segments, running approximately twelve (12) miles east-to-west through an area without any existing rights-of-way/easements—*i.e.*, the Middle Segment is "greenfield." A detailed map of the Middle Segment is attached hereto as Schedule BCD-9. Negotiations with landowners in this "greenfield" area currently are scheduled to begin in the spring of 2013.

Fourth, in order to facilitate the construction and operation of the new 345kV Iatan-Nashua transmission line, certain upgrades will need to be made at each substation terminus. Notably, the existing 161kV Nashua Substation will be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua line, and connection with the existing St. Joseph-Hawthorn 345kV transmission line, by installing a new 345/161kV autotransformer between the existing 161 kV substation and the 345kV facilities at the Nashua Substation. Additionally, upgrades will be required to connect the new 345kV transmission line to the Iatan Substation. As previously noted, the substation upgrades will be performed by KCP&L.

Q: Are the Companies providing regular status reports to the Missouri Commission regarding the planning, design, and construction of the Iatan-Nashua Project?

A: Yes. In accordance with the Commission's March 14, 2012 Order Directing Filing in Case No. EO-2012-0271, the Companies are submitting quarterly reports

on the status of the Iatan-Nashua Project to the Commission in that case. The Companies submitted the first quarterly report on March 30, 2012 and the second quarterly report on the June 29, 2012 (revised on July 3, 2012). It is anticipated that these status reports will continue to be provided by Transource Missouri after the Iatan-Nashua Project is novated to Transource Missouri. In addition to the Companies' reporting in Case No. EO-2012-0271, the Companies also provide project updates to SPP on a quarterly basis.[10]

B. Sibley-Nebraska City Project

Q: Please describe the Sibley-Nebraska City Project.

A: The Sibley-Nebraska City Project involves construction of a new single circuit 345kV transmission line in northwest Missouri and southeast Nebraska extending approximately 175 miles from Omaha Public Power District's ("OPPD") Nebraska City substation located at the Nebraska City generating station to a new intermediate 345kV substation near Maryville, Missouri, and continuing on to GMO's existing 345kV substation located near Sibley, Missouri. The new 345kV substation near Maryville will include reactive resources for voltage control and provide a potential interconnection point for new renewable generation resources.

GMO is responsible for approximately 170 miles of the Sibley-Nebraska City Project from GMO's Sibley generating station to the interception point with OPPD at the Missouri-Nebraska state line. OPPD is responsible for the portion of the line from this interception point to OPPD's Nebraska City Substation. The Sibley-Nebraska City Project is identified as a Priority Project in the April 27,

[10] The SPP quarterly reports contain information on all of the Balanced Portfolio projects and are publicly available at http://www.spp.org/section.asp?group=1867&pageID=27.

2010 SPP Priority Projects Phase II Final Report.[11] The current estimated cost of GMO's portion of the Project is approximately $380M. The total estimated cost of the line, including the portion that will be constructed by OPPD, is approximately $400M. These estimates are not control budget estimates; control budget estimates will be developed once the route has been selected. A map of the study area for the Sibley-Nebraska City Project is included as Schedule BCD-10.

Q: Why is the Sibley-Nebraska City Project necessary?

A: As explained in detail in the Direct Testimony of Todd E. Fridley in Case No. EO-2012-0367, the Sibley-Nebraska City Project was one of six projects approved by the SPP Board of Directors to "reduce grid congestion, improve the Generation Interconnection and Aggregate Study processes, and better integrate SPP's east and west regions."[12] SPP identified the following benefits:

> [The Priority Projects] will reduce congestion, as demonstrated in the APC [adjusted production cost] analysis and by the levelization of Locational Marginal Prices (LMPs) across the SPP footprint. . . . Priority Projects will improve the Aggregate Study process by creating additional transfer capability and allowing additional transmission service requests to be enabled. The addition of 3,000-5,000 MW of wind energy as well as new non-renewable generation will result from these projects. First Contingency Incremental Transfer Capability calculations determined that Priority Projects would increase the ability to transfer power in an eastward direction for two-thirds of the eastward paths by connecting SPP's western and eastern areas.[13]

The SPP Board of Directors approved the Priority Projects, and SPP issued NTCs for the Sibley-Nebraska City Project to GMO and OPPD for their respective

[11] The SPP Priority Projects Phase II Final Report has been attached to the Direct Testimony of Todd E. Fridley in Case No. EO-2012-0367 as Schedule TEF-4.

[12] *Id*. at 3.

[13] *Id*. at 6.

portions. A copy of the NTC issued to GMO, and GMO's acceptance, are attached hereto as Schedule BCD-11.

Q: What is the status of this Project?

A: The study area boundary has been determined. As noted above, a map of the study areas for the Sibley-Nebraska City Project is provided as Schedule BCD-10. Advisory Group meetings with representatives of governmental agencies and others were held during July 2012. Local Leader meetings and public open houses were held during August 2012. Informational materials regarding the Sibley-Nebraska City Project (referred to in the materials as the "Midwest Transmission Project"), were provided at the public open houses, and are included in Schedule BCD-12. GMO and OPPD have had preliminary discussions with the U.S. Army Corps of Engineers regarding the Missouri River crossings at Sibley and at the interception point near the border of Missouri and Nebraska. GMO and OPPD have established a website (www.midwesttransmissionproject.com) to make information about the Sibley-Nebraska City Project available to the public.

Q: Is GMO required to report on the Sibley-Nebraska City Project's status?

A: Yes. Like the Iatan-Nashua Project, GMO provides quarterly updates to SPP on the status of this project.[14]

[14] The SPP quarterly reports contain information on all of the Priority Projects and are publicly available at http://www.spp.org/section.asp?group=1867&pageID=27.

III. Construction and Cost Management Process for the Projects

Q: What is KCP&L's construction management oversight process for the Projects?

A: KCP&L has a multi-function, multi-discipline project management team, consisting of employees and contractors with wide-ranging expertise in areas including transmission planning, engineering, construction, procurement, real estate, environmental, legal, regulatory, communications, and public affairs. This project team meets regularly to discuss the status of the Projects. In addition, the construction management leadership meets with an Executive Oversight Committee on a monthly basis to keep leadership up-to-date on the Projects.

Q: Is there coordination with OPPD?

A: Yes. There are weekly conference calls and monthly meetings with OPPD to coordinate the joint aspects of the Sibley-Nebraska City Project. These coordinated efforts with OPPD will continue until the details of the routing and interception point are finalized.

Q: How is KCP&L managing the cost controls and scheduling for the Projects?

A: KCP&L is utilizing cost and schedule control processes for these Projects very similar to those that it utilized for the recent Iatan Units 1 and 2 construction projects and that it is currently utilizing for the LaCygne environmental upgrade construction project. Both the Commission and Staff should be familiar with these processes in the context of those other construction projects.

Q: Please describe KCP&L's construction management process/contracting strategy for the Projects?

A: The construction management process/contracting strategy for the Projects is to utilize a multi-contract approach for the various components of the Projects: project management, routing and siting, rights-of-way acquisition, procurement, engineering, and construction.

- For the Iatan-Nashua Project, KCP&L is responsible for project management, procurement, and engineering components internally. KCP&L has contracted with Burns & McDonnell to assist with the execution of the routing and siting and rights-of-way acquisition components and will contract with a transmission line constructor for the construction component.
- For the Sibley-Nebraska City Project, KCP&L, on GMO's behalf, plans to manage the project management component and possibly the procurement and engineering components internally. GMO has contracted with Burns & McDonnell to assist with the execution of the routing and siting and plans to utilize a contractor for the rights-of-way acquisition component. GMO will contract with a transmission line constructor for the construction component. GMO may also contract with the constructor for certain aspects of the procurement component and may contract for certain aspects of the engineering component.

Q: Please describe the cost control processes.

A: Cost uncertainty is always a concern on any construction project, but there is likely to be added concern on these regional transmission Projects because

stakeholders (transmission customers and regulators) from all the states in the SPP region are impacted by the cost of the Projects. Cost control processes used by the Companies for the Projects will provide detailed scope for major procurement packages, obtain unit pricing for unforeseen changes, and maintain strong project and budget controls.

Q: Please describe the schedule control processes.

A: Schedule delays for these Projects are major concerns because these Projects were identified by SPP as necessary for regional reliability, to reduce transmission congestion, and to facilitate more efficient flow of power throughout the region. Schedule control processes for these Projects include maintaining strict timeline requirements in contracts (including liquidated damages provisions and incentive structures) and procuring experienced owner's engineer assistance when necessary to help ensure schedule adherence.

Q: Will AEP provide services prior to the novation of the Projects?

A: As described in more detail in the Direct Testimony of Darrin R. Ives in Case No. EO-2012-0367, the Companies may request siting, land acquisition, engineering, design, and/or construction services for the Iatan-Nashua and Sibley-Nebraska City Projects from AEP's subsidiary service company, American Electric Power Service Corporation ("AEPSC") through project specific Support Agreements. Pursuant to the Support Agreements, such services, if requested by the Companies, would be provided at cost by AEPSC. The Support Agreements make available to the Companies AEP's significant high-voltage transmission project knowledge and experience.

Q: How will AEPSC provide services after the novation of the Projects?

A: After the novation, both KCP&L and AEPSC will provide services to Transource Missouri through an Intercompany Support Agreement that relies on the Services Agreements each Company has with Transource Energy, LLC ("Transource"). At this time, the parties anticipate that KCP&L will continue to provide the ongoing construction management and cost control management for the Projects, but it allows the Companies to rely on AEPSC for support where there are clear synergies and cost savings. Notably, even after the novation to Transource Missouri, KCP&L will continue to be responsible for the operation and maintenance of the Projects. The Service Agreements are more fully described in the Direct Testimony of Darrin R. Ives in Case No. EO-2012-0367.

Q: What benefits will Transource Missouri bring to the construction process for the Projects?

A: The formation of Transource by GPE and AEP creates synergies and potential cost savings through the combined strength of the Companies' local relationships and operational experience and AEP's expertise with large transmission projects. Specifically, AEP's experience and expertise in developing high-voltage transmission projects throughout the country should provide prompt access to supplies and equipment, engineering and design strength that should benefit the Projects, and potentially result in lower overall construction costs. The benefits of the Transource Missouri venture are more fully described in the Direct Testimony of Mr. Ives in Case No. EO-2012-0367 and in the Direct Testimonies of Michael

P. Deggendorf, Antonio P. Smyth, Lisa M. Barton, and Scott P. Moore filed in the instant case.

Q: Does this conclude your testimony?

A: Yes, it does.

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.	))))))	Case No. _____

AFFIDAVIT OF BRENT C. DAVIS

STATE OF MISSOURI)
) **ss**
COUNTY OF JACKSON)

Brent C. Davis, being first duly sworn on his oath, states:

1. My name is Brent C. Davis. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company ("KCP&L") as Project Director – Transmission & Construction.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf KCP&L, KCP&L Greater Missouri Operations Company, and Great Plains Energy Incorporated, as well as Transource Energy, LLC and Transource Missouri, LLC consisting of nineteen (19) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Brent C. Davis

Subscribed and sworn before me this 31st day of August, 2012.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4 2015

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2015
Commission Number: 11391200