

Exhibit No.:
Issue: Transmission Facilities and Related Easements
and Rights-of-Way to be Transferred
Witness: Brent C. Davis
Type of Exhibit: Direct Testimony
Sponsoring Party: Kansas City Power & Light Company and
KCP&L Greater Missouri Operations Company
Case No.: EO-2012-0367
Date Testimony Prepared: August 31, 2012

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EO-2012-0367

DIRECT TESTIMONY

OF

BRENT C. DAVIS

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY
AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri
August 2012**

1 **I. Introduction**

2 **Q: Please state your name and business address.**

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

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

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

8 **Q: On whose behalf are you testifying?**

9 A: I am testifying on behalf of KCP&L and KCP&L Greater Missouri Operations
10 Company (“GMO”) (collectively referred to as the “Companies”). KCP&L and
11 GMO both are wholly-owned subsidiaries of Great Plains Energy Incorporated
12 (“GPE”).¹

13 **Q: What are your responsibilities?**

14 A: As Project Director – Transmission and Construction, I have overall responsibility for
15 the construction of the two regional transmission projects that Southwest Power Pool,
16 Inc. (“SPP”) directed KCP&L and GMO to construct.

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

18 A: I received a Bachelor of Science degree in engineering management from the
19 University of Missouri at Rolla in 1980 and a Master in Business Administration

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, addressed in this testimony, 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.

1 degree from Rockhurst University in 1999. I began working at KCP&L in 1981 as a
2 maintenance engineer at the Montrose Generating Station. In 1985, I left KCP&L for
3 a short period of time to accept a position at Dayco Manufacturing in Springfield,
4 Missouri as maintenance superintendent. I returned to KCP&L later that year. Since
5 that time, I have held various engineering and management positions at each of
6 KCP&L's coal-fired generating facilities (*i.e.*, the Montrose, LaCygne, Iatan, and
7 Hawthorn Generating Stations), including serving as Plant Manager at the Montrose
8 and Hawthorn Stations. From June 2006 to November 2007, I was the Project
9 Director for both the Iatan Unit 1 and Unit 2 construction projects. In 2007, I was
10 asked to turn my full attention to the construction of the \$450M Iatan Unit 1
11 environmental retrofit as the Unit 1 Project Director, but remained involved to a
12 certain extent with the \$2B construction of Unit 2. Once the construction was
13 completed on Unit 1, I worked as an advisor on the Unit 2 construction project. In
14 February 2010, I became the Operational Interface/Project Director for Unit 2. In
15 February 2012, I became Project Director – Transmission and Construction.

16 **Q: Have you previously testified in a proceeding before the Missouri Public Service**
17 **Commission (“Commission” or “MPSC”)?**

18 A: Yes, I previously testified before this Commission during each of the Companies' last
19 rate cases (Cases No. ER-2010-0355 and ER-2010-0356), as well as other cases.

20 **Q: What is the purpose of your testimony?**

21 A: The purpose of my testimony is to (i) identify and describe the status of two regional
22 transmission projects SPP directed KCP&L and GMO to construct and which the
23 Companies intend to novate to Transource Missouri, LLC (“Transource Missouri”), a

1 newly formed joint venture of GPE and American Electric Power Company, Inc.
2 (“AEP”); and (ii) describe the construction and cost management process for these
3 two projects.

4 **II. SPP Regional Transmission Projects**

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

7 A: SPP has directed KCP&L and GMO to construct two regionally beneficial
8 transmission projects, known as the Iatan-Nashua 345kV transmission project (“Iatan-
9 Nashua Project”) and the Sibley-Nebraska City 345kV transmission project (“Sibley-
10 Nebraska City Project”) (collectively the “Projects”). The Iatan-Nashua Project is
11 one of the seven (7) SPP regional “Balanced Portfolio” projects, which were
12 approved by SPP in 2009. The Sibley-Nebraska City Project is one of the six (6) SPP
13 regional “Priority Projects,” which were approved by SPP in 2010. Each project is
14 described in detail below. The SPP “Balanced Portfolio” and “Priority Projects” are
15 discussed in the Direct Testimony of Todd E. Fridley.

16 **A. Iatan-Nashua Project**

17 **Q: Please describe the Iatan-Nashua Project.**

18 A: The Iatan-Nashua Project involves the construction of a new 345kV transmission line
19 in northwest Missouri. The transmission line will extend approximately thirty (30)
20 miles from an existing substation at the Iatan power plant near Weston, Missouri
21 (“Iatan Substation”), to the Nashua 161kV substation near Smithville, Missouri
22 (“Nashua Substation”). The 161kV Nashua Substation will be expanded and
23 upgraded to accommodate both the new 345kV Iatan-Nashua line, and the connection

1 with the existing St. Joseph-Hawthorn 345kV transmission line, by installing a new
2 345/161kV autotransformer between the existing 161kV substation and the 345kV
3 facilities at the Nashua Substation. SPP has issued Notifications to Construct
4 (“NTCs”) for the Iatan-Nashua Project to both KCP&L and GMO; these NTCs are
5 attached hereto as Schedule BCD-1.² The estimated cost of the project is
6 \$64,800,000, which is a control budget estimate by which the project will be
7 measured. A map of the Iatan-Nashua Project is attached hereto as Schedule BCD-2.

8 **Q: Why is the Iatan-Nashua Project necessary?**

9 A: As explained in detail in the Direct Testimony of Mr. Fridley, the Iatan-Nashua
10 Project is a 345kV transmission project that will reduce congestion on the region’s
11 transmission system and provide essential transmission capacity for long-term
12 efficient delivery of energy within the region. In 2009, SPP identified the Iatan-
13 Nashua Project as one of the “[m]ajor 345kV projects” currently proposed in SPP in
14 its Transmission Expansion Plan.³ Studies have demonstrated that the benefits of the
15 Balanced Portfolio projects outweigh the costs⁴ and the projects will relieve
16 congestion by addressing “many of the top constraints in the SPP.”⁵

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).

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.

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

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

12 On April 17, 2012, SPP issued revised NTCs to both KCP&L and GMO
13 directing them to coordinate with each other regarding the portion of the project each
14 company would construct. Copies of these NTCs have been provided as part of
15 Schedule BCD-1 at pp. 1-6. On June 22, 2012, KCP&L submitted a response to the
16 revised NTC indicating it would construct the identified network upgrades at its Iatan
17 Substation, and its 161kV Nashua Substation. As noted above, a new 345/161kV
18 autotransformer will be installed at the Nashua Substation between the existing
19 161kV substation and the new 345kV facilities. On the same day, GMO also
20 submitted a response indicating it would construct the 345kV transmission line
21 between the substations. The Companies’ responses to the revised SPP NTCs are
22 attached hereto as Schedule BCD-4.

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

9 In response, our team identified a portion of KCP&L’s existing 161kV
10 transmission line between KCP&L’s Nashua Substation and GMO’s Alabama
11 substation in St. Joseph, Missouri (“Alabama-Nashua Line”) that could be used for a
12 portion of the Iatan-Nashua Project. A map of the Iatan-Nashua Project showing the
13 Alabama-Nashua Line is attached hereto as Schedule BCD-5. It was, however,
14 necessary to seek this Commission’s approval to transfer KCP&L’s Alabama-Nashua
15 Line to GMO in Case No. EO-2012-0479, in order to facilitate the Companies’ plan
16 to have GMO construct the entire 345kV Iatan-Nashua line because it was wholly
17 within GMO’s service area.

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

⁶ Additional information about the Companies’ route selection process and public outreach is available at <http://www.kcpl.com/iatannashua/>.

1 **Q: Has the Company discussed its construction and ownership plans for the Iatan-**
2 **Nashua Project with the MPSC Staff and the Office of the Public Counsel**
3 **(“OPC”)?**

4 A: Yes. As the Commission is aware, KCP&L and GMO have been actively exploring
5 options for constructing the Iatan-Nashua Project. At OPC’s request, the
6 Commission opened Case No. EO-2012-0271 to investigate the siting and safety of
7 the Iatan-Nashua Project. In that proceeding, the Companies agreed to certain
8 ongoing communication and reporting requirements recommended by Staff with
9 regard to the construction of the Iatan-Nashua Project, including the status of the
10 ownership of this Project.⁷ Additionally, the Company met with the Commission
11 Staff and OPC on May 22, 2012 in Jefferson City to discuss its construction and
12 ownership plans for the Iatan-Nashua Project.

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

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 Denying Motion Local Public Hearing at 4-5 (issued Mar. 14, 2012) (directing Applicant to file quarterly updates beginning on March 30, 2012 that include the progress of the planning, design, and construction of 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=962111&p=irol-news&nyo=0>.

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

2 A: The final route has been determined, and detailed surveying of the proposed route to
3 support the upcoming rights-of-way/easement negotiations is nearly complete.
4 Detailed design and engineering work continues on the Project, with a bulk of the
5 work being performed in-house by the KCP&L Transmission Engineering
6 Department. The Project essentially is comprised of four components—*i.e.*, the East
7 Segment, the West Segment, the Middle Segment, and the substation upgrades. The
8 initial engineering and design work is focused on the East and West Segments where
9 the Company has existing rights-of-way/easements that will be utilized for the
10 project. Engineering and design will not be finalized for the Middle Segment,
11 however, until all of the rights-of-way/easements are obtained, which is currently
12 scheduled for the last quarter of 2013. The Companies have contracted with Burns &
13 McDonnell to acquire the rights-of-way/easements needed for the project. The
14 material procurement process in support of construction has begun with foundation
15 construction expected to begin in late 2012 on the West Segment and line
16 construction is expected to commence in the first quarter of 2013. A copy of the
17 Level 1 Project Schedule is attached hereto as Schedule BCD-6. The Level 1 Project
18 Schedule sets forth the milestones for the engineering, procurement, and construction
19 activities that will need to be completed to achieve the June 2015 in-service date.

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

22 A: As noted above, this project essentially has four components: (i) the East Segment;
23 (ii) the West Segment; (iii) the Middle Segment, which together constitute the GMO

1 portion of the Iatan-Nashua Project; and (iv) the substation upgrades, which constitute
2 the KCP&L portion of the Iatan-Nashua Project. A map of the whole Iatan-Nashua
3 Project is attached hereto as Schedule BCD-2. Each component is described in turn
4 below.

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

15 *Second*, the West Segment begins at the Iatan Substation located in Platte
16 County near Weston, Missouri, extending in a northeasterly direction for about five
17 (5) miles. A detailed map of the West Segment is attached hereto as Schedule BCD-
18 8. This segment of the new 345kV transmission line will utilize GMO’s existing
19 345kV Iatan-St. Joseph transmission line rights-of-way supplemented by additional
20 rights-of-way as needed for the new construction. Transource Missouri may also
21 obtain rights-of-way as necessary once the line Certificate of Convenience and
22 Necessity (“CCN”) is granted to Transource Missouri for the Projects. To facilitate
23 construction of the new 345kV transmission line from the Iatan Substation, the

1 Companies intend to install new transmission structures that will be able to
2 accommodate both GMO's existing 345kV Iatan-St. Joseph line, as well as the West
3 Segment of the new 345kV Iatan-Nashua line. Consequently, the existing
4 transmission structures along approximately five (5) miles of the Iatan-St. Joseph line
5 will be retired and removed and the existing line will be attached to the new
6 structures. Subsequently, the West Segment of the new 345kV transmission line will
7 be added to the new structures as part of the construction of the Iatan-Nashua Project.
8 In sum, both the West Segment of the new 345kV Iatan-Nashua line, and a portion of
9 the existing Iatan-St. Joseph line, will share the new structures. At this time, we
10 expect the existing Iatan-St. Joseph line to remain energized and in-service while it is
11 moved from the existing structures to the new jointly used structures. Construction
12 on this segment is expected to begin in the spring of 2013.

13 *Third*, the Middle Segment will connect the East and West Segments, running
14 approximately twelve (12) miles east-to-west through an area without any existing
15 rights-of-way/easements—*i.e.*, the Middle Segment is “greenfield.” A detailed map
16 of the Middle Segment is attached hereto as Schedule BCD-9. Negotiations with
17 landowners in this “greenfield” area currently are scheduled to begin in the spring of
18 2013.

19 *Fourth*, in order to facilitate the construction and operation of the new 345kV
20 Iatan-Nashua transmission line, certain upgrades will need to be made at each
21 substation terminus. Notably, the existing 161kV Nashua Substation will
22 be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua
23 line, and connection with the existing St. Joseph-Hawthorn 345kV transmission line,

1 by installing a new 345/161kV autotransformer between the existing 161kV
2 substation and the 345kV facilities at the Nashua Substation. Additionally, upgrades
3 will be required to connect the new 345kV transmission line to the Iatan Substation.
4 As previously noted, the substation upgrades will be performed by KCP&L.

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

7 A: Yes. In accordance with the Commission's March 14, 2012 Order Directing Filing in
8 Case No. EO-2012-0271, the Companies are submitting quarterly reports on the
9 status of the Iatan-Nashua Project to the Commission in that case. The Companies
10 submitted the first quarterly report on March 30, 2012 and the second quarterly report
11 on the June 29, 2012 (revised on July 3, 2012). It is anticipated that these status
12 reports will continue to be provided by Transource Missouri after the Iatan-Nashua
13 Project is novated to Transource Missouri. In addition to the Companies' reporting in
14 Case No. EO-2012-0271, the Companies also provide project updates to SPP on a
15 quarterly basis.⁹

16 **B. Sibley-Nebraska City Project**

17 **Q: Please describe the Sibley-Nebraska City Project.**

18 A: The Sibley-Nebraska City Project involves construction of a new single circuit 345kV
19 transmission line in northwest Missouri and southeast Nebraska extending
20 approximately 175 miles from Omaha Public Power District's ("OPPD") Nebraska
21 City substation located at the Nebraska City generating station to a new intermediate
22 345kV substation near Maryville, Missouri, and continuing on to GMO's existing

⁹ 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>.

1 345kV substation located near Sibley, Missouri. The new 345kV substation near
2 Maryville will include reactive resources for voltage control and provide a potential
3 interconnection point for new renewable generation resources.

4 GMO is responsible for approximately 170 miles of the Sibley-Nebraska City
5 Project from GMO's Sibley generating station to the interception point with OPPD at
6 the Missouri-Nebraska state line. OPPD is responsible for the portion of the line
7 from this interception point to OPPD's Nebraska City Substation. The Sibley-
8 Nebraska City Project is identified as a Priority Project in the April 27, 2010 SPP
9 Priority Projects Phase II Final Report.¹⁰ The current estimated cost of GMO's
10 portion of the Project is approximately \$380M. The total estimated cost of the line,
11 including the portion that will be constructed by OPPD, is approximately \$400M.
12 These estimates are not control budget estimates; control budget estimates will be
13 developed once the route has been selected. A map of the study area for the Sibley-
14 Nebraska City Project is included as Schedule BCD-10.

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

16 A: As explained in detail in the Direct Testimony of Mr. Fridley, the Sibley-Nebraska
17 City Project was one of six projects approved by the SPP Board of Directors to
18 "reduce grid congestion, improve the Generation Interconnection and Aggregate
19 Study processes, and better integrate SPP's east and west regions."¹¹ SPP identified
20 the following benefits:

21 [The Priority Projects] will reduce congestion, as demonstrated in the APC
22 [adjusted production cost] analysis and by the levelization of Locational

¹⁰ 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.

¹¹ Id. at 3.

1 Marginal Prices (LMPs) across the SPP footprint. . . . Priority Projects will
2 improve the Aggregate Study process by creating additional transfer
3 capability and allowing additional transmission service requests to be
4 enabled. The addition of 3,000-5,000 MW of wind energy as well as new
5 non-renewable generation will result from these projects. First
6 Contingency Incremental Transfer Capability calculations determined that
7 Priority Projects would increase the ability to transfer power in an
8 eastward direction for two-thirds of the eastward paths by connecting
9 SPP’s western and eastern areas.¹²

10 The SPP Board of Directors approved the Priority Projects, and SPP issued NTCs for
11 the Sibley-Nebraska City Project to GMO and OPPD for their respective portions. A
12 copy of the NTC issued to GMO, and GMO’s acceptance, are attached hereto as
13 Schedule BCD-11.

14 **Q: What is the status of this Project?**

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

¹² Id. at 6.

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

2 A: Yes. Like the Iatan-Nashua Project, GMO provides quarterly updates to SPP on the
3 status of this project.¹³

4 **III. Construction and Cost Management Process for the Projects**

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

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

13 **Q: Is there coordination with OPPD?**

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

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

19 A: KCP&L is utilizing cost and schedule control processes for these Projects very
20 similar to those that it utilized for the recent Iatan Units 1 and 2 construction projects
21 and that it is currently utilizing for the LaCygne environmental upgrade construction

¹³ 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>.

1 project. Both the Commission and Staff should be familiar with these processes in
2 the context of those other construction projects.

3 **Q: Please describe KCP&L's construction management process/contracting**
4 **strategy for the Projects.**

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

9 • For the Iatan-Nashua Project, KCP&L is responsible for project management,
10 procurement, and engineering components internally. KCP&L has contracted
11 with Burns & McDonnell to assist with the execution of the routing and siting and
12 rights-of-way acquisition components and will contract with a transmission line
13 constructor for the construction component.

14 • For the Sibley-Nebraska City Project, KCP&L, on GMO's behalf, plans to control
15 the project management component and possibly the procurement and
16 engineering components internally. GMO has contracted with Burns &
17 McDonnell to assist with the execution of the routing and siting and plans to
18 utilize a contractor for the rights-of-way acquisition component. GMO will
19 contract with a transmission line constructor for the construction component.
20 GMO may also contract with the constructor for certain aspects of the
21 procurement component and may contract for certain aspects of the engineering
22 component.

1 **Q: Please describe the cost control processes.**

2 A: Cost uncertainty is always a concern on any construction project, but there is likely to
3 be added concern on these regional transmission Projects because stakeholders
4 (transmission customers and regulators) from all the states in the SPP region are
5 impacted by the cost of the Projects. Cost control processes used by the Companies
6 for the Projects will provide detailed scope for major procurement packages, obtain
7 unit pricing for unforeseen changes, and maintain strong project and budget controls.

8 **Q: Please describe the schedule control processes.**

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

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

17 A: As described in more detail in the Direct Testimony of Darrin R. Ives in Case No.
18 EO-2012-0367, the Companies may request siting, land acquisition, engineering,
19 design, and/or construction services for the Projects from AEP's subsidiary service
20 company, American Electric Power Service Corporation ("AEPSC"), through project
21 specific Support Agreements. Pursuant to the Support Agreements, such services, if
22 requested by the Companies, would be provided at cost by AEPSC. The Support

1 Agreements make available to the Companies AEP's significant high-voltage
2 transmission project knowledge and experience.

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

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

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

16 A: The formation of Transource by GPE and AEP creates synergies and potential cost
17 savings through the combined strength of the Companies' local relationships and
18 operational experience and AEP's expertise with large transmission projects.
19 Specifically, AEP's experience and expertise in developing high-voltage transmission
20 projects throughout the country should provide prompt access to supplies and
21 equipment, engineering, and design strength that should benefit the Projects, and
22 potentially result in lower overall construction costs. The benefits of the Transource
23 Missouri venture are more fully described in the Direct Testimony of Mr. Ives in

1 Case No. EO-2012-0367 and in the Direct Testimonies of Michael P. Degendorf,
2 Antonio P. Smyth, Lisa M. Barton, and Scott P. Moore that accompany Transource
3 Missouri's Application for a line CCN, filed concurrently with this Application.

4 **Q: Does this conclude your testimony?**

5 A: Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Kansas City)
Power & Light Company and KCP&L Greater) Case No. EO-2012-0367
Missouri Operations Company Regarding)
Arrangements for the Construction of Certain)
Transmission Projects.)

AFFIDAVIT OF BRENT C. DAVIS

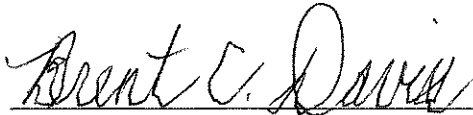
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

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 as Project Director – Transmission & Construction.

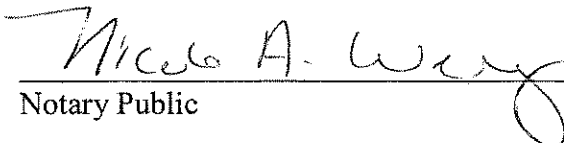
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of eighteen (18) pages, having been prepared in written form for introduction into evidence in the above-captioned 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.



Notary Public

My commission expires: Feb. 4, 2015

