Exhibit No.: GMO-24
Issue: Transition Costs Amortization and Synergy Savings Tracking Model
Witness: Darrin R. Ives
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: KCP&L Greater Missouri Operations Company
Case No.: ER-2010-0356
Date Testimony Prepared: December 15, 2010

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2010-0356

REBUTTAL TESTIMONY

OF

DARRIN R. IVES

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

Kansas City, Missouri
December 2010

KCPL Exhibit No. GMO-24
Date 2/3/11 Reporter LMB
File No. ER 2010-0356

REBUTTAL TESTIMONY

OF

DARRIN R. IVES

Case No. ER-2010-0356

Q: Please state your name and business address.

A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: Are you the same Darrin R. Ives who prefiled Direct Testimony in this matter?

A: Yes.

Q: What is the purpose of your rebuttal testimony?

A: In my testimony I will address the testimony provided by Ted Robertson submitted on behalf of the Office of the Public Counsel ("OPC") on the topic of Aquila, Inc. Purchase Transition Costs. I will also provide rebuttal testimony in response to testimony provided in the Missouri Public Service Commission Staff ("Staff") Report under the heading "Transition Cost Recovery Mechanism" as prepared by Staff witness Keith A. Majors.

Q: Can you summarize the testimony of OPC witness Ted Robertson regarding Aquila, Inc. Purchase Transition Costs?

A: Yes. Mr. Robertson accurately describes the Commission's Final Conclusions Regarding Transaction and Transition Costs Recovery as provided on page 241 of the Commission's Merger Report and Order, which he summarizes as "the Commission authorized Company to defer 'Transition Costs' associated with the integration of the entities and once accumulated to amortize the deferred balance over five years." Mr. Robertson goes on to state, "Pursuant to the Commission's authorization, Company has deferred transition costs and will amortize those costs over five years beginning with the effective date of the Commission's authorization in the instant case." Mr. Robertson then indicates that the OPC will not oppose what the Commission authorized for this issue.

Q: Is OPC's position regarding deferral and amortization of transition costs in this case consistent with the Company's position?

A: Yes, it is consistent with the Company's request in this case, and as noted in the Company's and Mr. Robertson's direct testimony, it is consistent with the Commission's Report and Order in the Merger case.

Q: Have you read the Staff's Report filed on November 17, 2010?

A: I have reviewed the Staff Report and my rebuttal testimony will be responding to section XI, Transition Cost Recovery Mechanism, as offered by Staff witness Keith A. Majors.

Q: Can you please summarize Mr. Majors' offered testimony?

A: Yes. In the simplest form, Mr. Majors testifies that he believes KCP&L and GMO have already recovered all of the transition costs associated with the acquisition of Aquila through regulatory lag. Therefore, Staff has not included any amount of amortized transition costs in its cost of service for GMO. Mr. Majors makes several points in his testimony that I will address more fully in this rebuttal testimony; however, his main points reflect significant revisionist history regarding the Merger case and his testimony and positions disregard the facts of the Merger case as well as much of the content of the Commission's Report and Order in that case.

Q: On page 212 of the Staff Report, Mr. Majors indicates that the Commission did not specify the method with which this recovery (transition costs – added for clarity) is to be accomplished. Do you agree?

A: No. This is the first instance I'll address of Staff's revisionist history of the Merger case. As noted in the direct testimony of OPC witness Mr. Robertson, as well as in my direct testimony, the Commission addressed recovery of transition costs on page 241 in its Merger Report and Order. On page 241 the Commission stated:

> 3. Final Conclusions Regarding Transaction and Transition Cost Recovery
>
> Substantial and competent evidence in the record as a whole supports the conclusions that: (1) the Applicants' calculation of transaction and transition costs are accurate and reasonable; (2) in this instance, establishing a mechanism to allow recovery of the transaction costs of the merger would have the same effect of artificially inflating rate base in the same way as allowing recovery of an acquisition premium; and (3) the uncontested recovery of transition costs is appropriate and justified. The Commission further concludes that it is not a detriment to the public interest to deny recovery of the transaction costs associated with the merger and not a detriment to the public interest to allow recovery of transition costs of the merger. **If the Commission determines that it will approve the merger when it performs its balancing test (in a later section in this Report and Order), the Commission will authorize KCPL and Aquila to defer transition costs to be amortized over five years.** (Emphasis added by GMO)

Q: Do you concur with Mr. Majors' assertion that the Commission made clear that KCP&L and GMO would have to demonstrate the "reasonableness and prudence" of any transition costs?

A: Yes, I do agree that footnote 930 to the page 241 Merger Report and Order reference provided above is clear that the Commission will give consideration to the recovery of transition costs in future rate cases making an evaluation as to their reasonableness and prudence. Footnote 930 goes on to state, "At that time, the Commission will expect that KCPL and Aquila demonstrate that the synergy savings exceed the level of the amortized transition costs included in the test year cost of service expenses in future rate cases."

Assessing the reasonableness and prudence is what we are doing in the context of this case. Additionally, these are the first cases for the companies in which the entire test year for the cases reflects synergy savings.

Q: Has the Staff or any intervenor raised concerns over the reasonableness or prudence of the transition costs incurred?

A: No, they have not. The Staff's primary testimony regarding transition costs suggests that transition costs should be recovered through the synergy savings retained by the companies through regulatory lag. The Staff does not reflect a concern with reasonableness and prudence but rather disregards the Commission's Merger Report and Order and suggests the Commission also disregard the transition costs recovery in rates discussed at length in its Merger Report and Order.

Q: Mr. Majors asserts on page 213 of the Staff Report that KCP&L and GMO have received the benefits of any costs savings arising from the acquisition well in advance of those savings being passed on to the customers of those entities? Do you agree?

A: I do agree. This was the intended treatment of synergy savings in the Commission's Merger Report and Order. There is much discussion in the Merger Report and Order regarding the companies' ability to recover synergy savings through regulatory lag, with the clearest reference included as conclusion (4) on page 238 of the Report and Order. In fact, a review of the conclusions provided by the Commission on page 238 is provided below to support the appropriateness of synergy savings recovery by the companies under regulatory lag. On page 238, the Commission states:

> The Commission further determines that substantial and competent evidence in the record as a whole supports the conclusions that: (1) the

> projected synergies are accurate, realistic and achievable at a very high level of confidence and probability; (2) the synergies actually realized from the merger have a very high probability of exceeding the Applicants' estimates; (3) the synergies exceed transaction and transition costs and the method proposed for recovery of transaction and transition costs does not place the ratepayers at risk (the Commission will address transaction and transition cost recovery in a separate section of this order); **(4) because the Applicants have agreed to recover any merger savings through "regulatory lag" as part of the traditional ratemaking process there is no net detriment to customers;** and (5) the resulting synergies from the operational integration of KCP&L and Aquila will afford substantial benefits to the companies' customers.
>
> (emphasis added by KCP&L)

Q: Can you please address conclusions (1) through (3) from page 238 of the Merger Report and Order?

A: As discussed in my direct testimony and described in detail by Mr. Majors on page 212 of the Staff Report, the Company implemented a synergy savings tracking model as ordered by the Commission in the Merger case. The results from this tracking model clearly demonstrate that the synergy savings achieved in calendar year 2009 significantly exceed the annual transition costs amortization requested by GMO and confirm the synergy savings estimates provided by the companies in the Merger case. As described in the Staff Report by Mr. Majors, the KCP&L/GMO synergy model shows that the annual synergies realized comparing the years 2006 and 2009 total $48.5 million. The comparison of the five-year proposed amortization of the transition costs of $10.4 million (total transition costs less the amount over the Kansas limit and corporate retained) to the annual non-fuel O&M synergies described in the KCP&L/GMO tracking model of $48.5 million shows that KCP&L/GMO believes that it has definitely proven that synergy savings exceed the level of amortized transition costs.

Q: Can you please address conclusion (4) from page 238 of the Merger Report and Order?

A: The companies' filed position in these rate cases, consistent with the Merger case, requested that synergy savings be shared through regulatory lag. In other words, synergy savings would be flowed-through to customers as they are reflected in the companies' cost of service in this and future rate cases. As noted in conclusion (4), the Commission recognized the appropriateness of this treatment by stating, "because the Applicants have agreed to recover any merger savings through 'regulatory lag' as part of the traditional ratemaking process there is no net detriment to customers".

Q: Please address conclusion (5) from page 238 of the Merger Report and Order?

A: Consistent with the companies' position in the Merger case, the resulting synergies from the operational integration of KCP&L and Aquila will afford substantial benefits to the companies' customers. Based on the charter database provided in response to Staff Data Request No. 146 in KCP&L's current case, ER-2010-0355, as referred to by Staff witness Majors on pages 217 and 218 of the Staff Report, and assuming ratepayers have received $0 benefit from synergies prior to rates effective from this case, the Company projects that cumulative regulated synergy savings would be $344.2 million through the second quarter of 2013 (the first five years post-acquisition) with 47.5 %, or $163.6 million, of that total returned to ratepayers.

For this projection, synergies were projected from the second quarter of 2010 to the second quarter of 2013 using an inflator of 3.1%, consistent with the Merger case. The inflation assumption is reasonable as the charter database as referred to by Staff witness Majors represents actual synergy savings achieved by quarter and inflating by

3.1% reflects maintenance of the synergies over the remainder of the five-year period as adjusted for inflation.

This simple analysis demonstrates substantial benefits to the companies' customers consistent with the companies' proposal in the Merger case, which was supported in the Commission's Merger Report and Order. Additionally, the customer benefit is understated in this analysis as it assumes no newly identified synergies over the remainder of the five-year period, which would flow back to ratepayers in future rate cases as they are reflected in a future test year cost of service. Also, as mentioned, this analysis reflects $0 benefit to ratepayers from synergy savings achieved prior to rates effective from this case. In cases ER-2009-0089 and ER-2009-0090, KCP&L's and GMO's last rate cases with rates effective September 1, 2009, the cases were settled with no mention in the Stipulation and Agreements with regard to synergy savings or transition costs; however, synergy savings related to FTE reductions (including related benefits), facilities retirements (removal from rate base and cost of service) and lower insurance costs for the combined companies' were included in both the companies' and Staff's direct filed cases.

From Staff's testimony, this is supported by Mr. Majors' comments on page 215 of the Staff Report where he states, "The test year update includes only selected data, such as rate base, payroll, and insurance, among other known and measurable items commonly included in a test year update." Consideration of return of these savings to ratepayers in rates effective from the ER-2009-0089 and ER-2009-0090 cases results in ratepayers receiving greater than 50% of the cumulative regulated synergy savings over the five-year period post-acquisition.

Finally, consideration of synergy savings inclusion in rates effective from the ER-2009-0089 and ER-2009-0090 cases and projected over the first 10 years post-acquisition would return $625.6 million in synergies to ratepayers or 80.6% of the projected $776.7 million in cumulative regulated synergy savings over the first 10 years post-acquisition. This demonstrates that once returned to ratepayers as reflected in test year cost of service, the synergy savings are perpetual benefits to the ratepayers, with no further retention by the Company and its shareholders.

In summary, projecting synergy savings forward, based on actual synergy savings through June 30, 2010, as provided in response to Staff data request 146 in KCP&L's case ER-2010-0355 and utilized in the Staff Report in this case, customer benefits from synergy savings over the first five years post-transaction will be more than 3 times the $51.8 million of transition costs the companies seek to recover. Moreover, customer benefits from synergy savings over the first ten years post-transaction will be more than 12 times the level of transition costs recovery requested. It should be noted that these levels of customer benefits are conservative based on the reasons I stated above.

Q: **On page 213 of the Staff Report, Mr. Majors states that the Staff believes that the Commission, in its order regarding the acquisition of Aquila, set out a standard that must be met to allow a recovery of the transition costs. He states that the standard was to require KCP&L (should be GMO, as corrected by the Company) to not only make a showing that savings existed in excess of the transition costs before any recovery in rates would be permitted, but a demonstration that the Company has not already benefited from those savings sufficiently to already recover the transition costs. Do you agree with this statement?**

A: I definitely do not. In simplest terms, Mr. Majors' position is that it is impossible for the Company to recover transition costs. According to Mr. Majors, on one hand the Company, as required in the Merger Report and Order, must demonstrate that synergy savings exceed the transition costs in order to recover the transition costs. However, on the other hand, Mr. Majors now also argues that the Company is not entitled to recover transition costs ***because*** it has demonstrated that synergy savings have exceeded the costs and therefore, the Company has already recovered the transition costs through regulatory lag. His example in the Staff Report is, "It would not be reasonable to recover the transition costs if GPE, KCPL and GMO have already recovered those costs through savings retained for the Company." This is another case of revisionist history by the Staff in addition to a faulty circular logic which was clearly not intended by the Commission or articulated in the Merger Report and Order. If this were the Commission's intent, they would have simply ordered no recovery of transition costs from customers, which is the only conclusion such a standard as proposed by Staff could provide. I have described earlier in my testimony the sections of the Commission's Merger Report and Order that provide for deferral and recovery through amortization over five years of transition costs and for Company recovery of synergy savings through regulatory lag. I will not repeat those discussions again here.

Q: Staff witness Majors asserts that the Company has reaped $168 million of corporate retained synergies through June 30, 2010, from the acquisition, while retaining a mere $500 thousand of transition costs.

A: The amount of corporate retained synergies referenced by Staff witness Majors is accurate and consistent with projected amounts identified by the Applicants in the Merger case. However, an understanding of the transaction is necessary to understand corporate retained synergies. Synergies are determined by first looking at 2006 base year costs for Aquila and KCP&L. GPE acquired the legal entity Aquila, Inc., not just the regulated Missouri operations. In 2006, there were significant costs incurred by Aquila, Inc. that were either corporate retained costs (not allocable to any regulated jurisdictions) or costs that were allocated to regulated jurisdictions other than Missouri. These costs were not subject to recovery from Missouri ratepayers prior to the acquisition and would not be eligible to be recovered from Missouri ratepayers post-acquisition. Therefore, the risks of not realizing these synergy savings were fully borne by the Company and its shareholders and the resultant synergy savings achieved should similarly fully benefit the Company and its shareholders. It is inappropriate to view those savings as an offset to costs the Commission said the Company could recover.

Q: What about Mr. Majors' assertion that the Company retained only $500 thousand of transition costs to achieve these savings?

A: As described, one pool of these savings was a result of eliminating Aquila corporate retained costs. When the corporations were combined on July 14, 2008, many of these costs were eliminated immediately by severing duplicate vendor relationships. Additionally, many of the corporate retained costs in the Aquila 2006 base year were specific to their activities in attempting to sell their businesses and, therefore, were not repetitive in nature and easily eliminated going forward. The other primary pool of corporate retained savings dealt with 2006 Aquila costs allocated to other regulated jurisdictions. Therefore, as costs were eliminated or reduced, the portion allocable to other jurisdictions was also eliminated. Finally, as discussed at length in the Merger case and provided in my direct testimony in this case, the definition of transition costs as used in this case is as follows: These are costs incurred to successfully coordinate and integrate the utility operations of KCP&L and GMO. These costs are necessary to achieve the synergy savings that are reflected in GMO's test year cost of service that will be flowed-through to customers in rates effective as a result of this case. These costs include non-executive severance costs for employees terminated as a result of the merger, facilities integration costs, and incremental third-party and other non-labor expenses incurred to support the integration of the companies.

As previously mentioned, GPE acquired Aquila, Inc., not just the regulated Missouri operations. However, with the exception of the need to eliminate corporate retained and other jurisdictional costs as described above, the entirety of the integration activities centered around integrating the regulated utility operations of KCP&L and Aquila as well as the integration of corporate functions. At the time of acquisition, GPE acquired no active non-regulated operations from Aquila. The only non-regulated operations warranting integration activity were the Aquila merchant operations, which were in wind-down mode at the time of the acquisition, resulting in limited transition costs incurred related to the integration of the merchant operations.

Q: **On page 221 of the Staff Report, Mr. Majors asserts that Staff believes the Commission expected KCPL and GMO to begin amortizing the transition costs beginning with the first rate cases post-GPE's acquisition of Aquila. Do you agree?**

A: I do not. As pointed out by Mr. Majors, in paragraph 327 on page 122 of the Merger Report and Order, it states:

> Applicants request that the Commission allow the surviving entities to defer both transaction and transition costs and to amortize them over a five-year period beginning with the first rate cases post-transaction....

He also correctly points out that in its Conclusions of Law section of the same Report and Order on page 239, the Commission stated:

> The Applicants have requested that the Commission authorize the recovery of the transaction and transition costs associated with the merger by amortizing them over a five-year period. This period would begin with the first rate cases post-transaction for Aquila and KCPL subject to "true up" of actual transition and transaction costs in future cases.

Most importantly, Mr. Majors recognizes footnote 930 on page 241 of the same Report and Order, in which the Commission stated:

> The Commission will give consideration to their [transition costs] recovery in future rate cases making an evaluation as to their reasonableness and prudence. At that time, the Commission will expect that KCPL and Aquila demonstrate that the synergy savings exceed the level of the amortized transition costs included in the test year cost of service expenses **in future rate cases**. (Emphasis added by GMO).

In requesting that amortization begin in the first rate cases post-transaction, the Applicants clearly anticipated that transition costs recovery would be addressed in those first rate cases post-transaction. In reviewing the Commission's statements in the Report and Order as provided above, it is apparent that the Commission also considered that the prudence and reasonableness of the transition costs, and Applicants' opportunity to demonstrate that synergy savings exceeded any transition costs amortization requested, would be addressed in the first rate cases post-transaction. However, the first rate cases did not resolve the prudence and reasonableness question, nor did the Commission have the opportunity to rule that the Applicants' demonstrated synergy savings exceeded requested transition costs amortization. Therefore, these issues are being addressed in the current rate cases.

In addition, the first rate cases post-transaction for the Applicants, KCP&L case ER-2009-0089 and GMO case ER-2009-0090, were settled cases and the Stipulation and Agreements were silent with respect to synergy savings and transition costs. There was significant testimony by the Staff indicating that they were not supportive of transition costs recovery, in large part because they did not believe the Company had implemented a synergy tracker consistent with the Commission's order in the Merger case. While the Company vigorously contested this assertion in its testimony, there was no discussion in the Agreements, or the Commission's orders approving the Agreements, and no ability for the Company to demonstrate to the Commission that synergy savings, as reflected in the ordered tracking mechanism, exceeded the requested amortization. This silence in the Agreements and Orders in the last rate cases also means that the Commission did not have the opportunity to evaluate the reasonableness and prudence of the transition costs as articulated in footnote 930 of the Merger Report and Order. Therefore, that is what we are doing in these current rate cases. In effect, the instant cases are the first rate cases post-transaction in which the issue of transition costs may be considered by the Commission.

Q: Did the Merger Report and Order contain any additional findings that you believe support deferral of the transition costs until they are recovered in rates?

A: Yes. As reflected on page 235 in the Merger Report and Order, the Commission acknowledged the Companies' position regarding transition costs recovery as follows:

> Because the Applicants do not seek recovery of Transaction or Transition Costs in rates unless the synergies achieved equal or exceed the level of such amortized costs, ratepayers are not subject to any risk regarding the recovery of these costs in rates.

This reflects recognition by the Commission that recovery of the deferred transition costs in rates does not pose risk to ratepayers, as the Commission will have evaluated the prudence and reasonableness of the costs and the Applicants will have demonstrated through the ordered synergy tracking mechanism that synergy savings achieved exceeds the level of annualized transition costs amortization. As I mentioned, the prudence and reasonableness issue and synergy savings determination are being addressed in the current cases. Beginning amortization prior to resolution of these issues in the current rate cases would remove the companies' ability to recover the amount of transition costs amortized prior to an amount being established in rates. This is clearly inconsistent with the Applicants' request in the Merger case for recovery of transition costs and I believe it is inconsistent with the Commission's Merger Report and Order and its discussion of recovery of transition costs in rates.

Q: **Is Mr. Majors' recommendation to begin amortization of appropriately deferred regulatory assets prior to recovery in rates consistent with the concepts outlined in SFAS 71?**

A: No, it is not. The Company follows the guidance provided under generally accepted accounting standards ("GAAP") in accounting for rate-regulated activities as outlined in ASC 980 (formerly SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation"). Paragraph 9 of SFAS No. 71 under the heading General Standards of Accounting for the Effects of Regulation states as follows:

> Rate actions of a regulator can provide reasonable assurance of the existence of an asset. An enterprise shall capitalize all or part of an incurred cost that would otherwise be charged to expense if both of the following criteria are met:

a. It is probable that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes.

b. Based on available evidence, the future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs....

It is clear in this paragraph that in order to have a deferred regulatory asset, the expectation must be that future revenues will return an amount at least equal to the deferred amount. There were no such amounts authorized in the Stipulation and Agreements in the ER-2009-0090 settled case. Therefore, beginning amortization at September 1, 2009, the effective date of rates from the ER-2009-0090, would have amortized amounts not reflected in rates. In other words, there would have been no matching of the amortization expense with revenues in rates. This scenario fails the two criteria outlined in paragraph 9 above that are required for the recognition of a regulatory asset, in particular sub-bullet a) which says it is probable that future revenue will be received in an amount at least equal to the capitalized cost (regulatory asset).

As further evidence of the definition of a regulatory asset in SFAS No. 71, paragraph 34 in Appendix B: Application of General Standards to Specific Situations states:

> The regulator's action provides reasonable assurance of the existence of an asset (paragraph 9). Accordingly, the regulated enterprise would capitalize the cost and **amortize it over the period during which it will be allowed for rate-making purposes**.
>
> (emphasis added by GMO)

Paragraph 34 reinforces the concept that under SFAS No. 71, regulatory assets are to be amortized over the period that future revenues are allowed for recovery of the deferred costs. It is clear that Mr. Majors' assertion that GMO should amortize these deferred costs over periods prior to inclusion of recovery in rates is inconsistent with the concepts under generally accepted accounting principles for rate-regulated activities.

Q: Please summarize your rebuttal testimony.

A: The Company has significant issues with the revisionist history offered by Staff witness Keith A. Majors in regard to the treatment of synergy savings and transition costs recovery as compared to the actual content of the Commission's Merger Report and Order in the Merger case. As provided in my Direct Testimony in this case and as further discussed in this Rebuttal Testimony, the Commission's Merger Report and Order is clear that the Commission allowed for the deferral of transition costs for recovery over five years. The Commission's Merger Report and Order is also clear that the Applicants' recovery of any merger savings through "regulatory lag" as part of the traditional ratemaking process results in no net detriment to customers.

Based on these factors, I respectfully request that the Commission authorize transition costs amortization in this case in the amount of $3.5 million for GMO-MPS and $0.9 million for GMO-L&P. This level of amortization reflects recovery over a five-year period of GMO-MPS' and GMO-L&P's share of transition costs projected through December 31, 2010 ($17.7 million and $4.5 million, respectively), incurred during integration and coordination of GMO's operations with KCP&L's. I also request that the Commission acknowledge the appropriateness of the Company beginning amortization of this deferred cost (regulatory asset) concurrently with the authorization of recovery in rates, consistent with generally accepted accounting principles for rate-regulated activities. I also respectfully request the Commission to find that the Company's synergy tracking model, maintained as ordered by the Commission in the Merger case, supports the Company's assertion that synergy savings exceed the level of transition costs amortization requested in this case.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of KCP&L Greater Missouri Operations Company to Modify Its Electric Tariffs to Effectuate a Rate Increase	)))	Docket No. ER-2010-0356

AFFIDAVIT OF DARRIN R. IVES

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

Darrin R. Ives, being first duly sworn on his oath, states:

1. My name is Darrin R. Ives. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Assistant Controller of Great Plains Energy Incorporated.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of KCP&L Greater Missouri Operations Company consisting of Seventeen (17) 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.

D R Ives
Darrin R. Ives

Subscribed and sworn before me this 15th day of December, 2010.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4 2011

" NOTARY SEAL "
Nicole A. Wehry, Notary Public
Jackson County, State of Missouri
My Commission Expires 2/4/2011
Commission Number 07391200