Exhibit No.:	
Issue:	Overview, Public Interest, Affiliate Transactions Rule, and NTC valuation
Witness:	Darrin R. Ives
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company
Case No.:	EA-2013-0098 EO-2012-0367
Date Testimony Prepared:	March 6, 2013

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EA-2013-0098 and EO-2012-0367

SURREBUTTAL TESTIMONY

OF

DARRIN R. IVES

ON BEHALF OF

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

Kansas City, Missouri
March 2013

Q: Please state your name and business address.

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

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

A: Yes, I am.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Kansas City Power & Light ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO") (collectively referred to as the "Applicants" or "Companies"). KCP&L and GMO both are wholly-owned subsidiaries of Great Plains Energy Incorporated ("GPE").[1]

Q: Can you please outline the Surrebuttal Testimony that will be provided by the Applicants?

A: The Rebuttal Testimony put forth by the Missouri Public Service Commission ("MoPSC" or "Commission") Staff and the Office of the Public Counsel ("OPC") ignores the dramatic changes that have taken place within the electric industry in recent years that have impacted transmission development in the country. The Iatan-Nashua and Sibley-Nebraska City regional transmission projects ("Projects") are the result of progressive changes in national electric transmission law and policy that have emphasized regional

[1] GPE is a public utility holding company and 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.

and interregional planning and construction of transmission. These changes began even prior to the issuance of Federal Energy Regulatory Commission ("FERC") Order No. 1000 in 2011. Implementing these changes requires ratemaking treatment for regional transmission projects different from the historical cost recovery and revenue crediting that has been used for transmission projects built primarily to serve local, retail load. Staff and OPC rely on the historical ratemaking treatment in evaluating whether Transource Missouri LLC ("Transource Missouri") ownership of the Projects results in a detriment to KCP&L's and GMO's retail customers. This historical rate treatment is inapplicable to these regional Projects.

Staff and OPC rely on a flawed set of assumptions in their analyses to support their recommendation that the Application of KCP&L and GMO for authority to transfer certain transmission property and for other related determinations (Case No. EO-2012-0367) and the Application of Transource Missouri for a Certificate of Convenience and Necessity and Request for Waiver (Case No. EA-2013-0098) (collectively referred to as "Applications") be denied by the MoPSC. The overall purpose of our Surrebuttal Testimony is to demonstrate these flaws and, in doing so, provide responsive testimony and evidence that the proposed transaction is in the public interest for the State of Missouri, including KCP&L's and GMO's retail customers.

Staff witness Charles Hyneman and OPC witness Ryan Kind incorrectly conclude that the proposed transaction will greatly increase the cost of transmission service to the Companies' retail customers. Witness Charles Locke will refute this claim by explaining how Mr. Hyneman and Mr. Kind incorrectly calculate effects on retail customers, focusing on flawed assumptions about ratemaking treatment for the Projects, should the

MoPSC deny the Applications and the Projects are built by GMO. Additionally, I will demonstrate that approval of the Applications will in fact reduce the cost of transmission service to the Companies' retail customers when appropriate ratemaking is applied.

Staff and OPC contend in their Rebuttal Testimony that the Applicants' motivations for creating Transource Energy, LLC ("Transource") are somehow different than the reasons presented in the Applications. Witnesses Michael Deggendorf, Antonio Smyth, Kevin Bryant, and I will respond directly to these allegations. In doing so, we re-emphasize the need for, and the long-term value of, the transaction to electric customers in the State of Missouri.

Staff and OPC also question the specific benefits that Transource Missouri ownership of these Projects will bring to customers in Missouri, including the availability of more efficient financing to transmission-only utilities and the operational cost savings resulting from the participation of American Electric Power Company, Inc. ("AEP"). Witnesses Jerald ("Randy") Boteler and Scott Moore will provide additional evidence in support of the expected financing cost savings and operational cost savings, respectively.

Finally, Staff and OPC have concerns about the proposed waiver of or variance from the MoPSC's Affiliate Transaction Rule ("Rule"). I will address these concerns as well as respond to a number of other specific topics raised by Staff and OPC.

Q: What is the purpose of your Surrebuttal Testimony?

A: I will respond to certain ratemaking matters and positions taken in the Rebuttal Testimony of Mr. Hyneman, Mr. Murray, and Mr. Kind. I will show that they have based their conclusions that the construction of the Projects by Transource Missouri does not promote the public interest and that the transfer of the Projects' facilities from KCP&L

and GMO to Transource Missouri is detrimental to the public interest on: (1) an outdated understanding of electric transmission; (2) an inappropriate Missouri ratemaking methodology; and (3) a lack of understanding of Southwest Power Pool, Inc. ("SPP") cost and revenue allocation. I will then demonstrate how the Applications are in the public interest and provide a supportive quantitative analysis using appropriate ratemaking methodology for regionally cost allocated transmission projects.

Finally, I will also refute Staff and OPC allegations regarding the reasons for forming Transource, the Affiliate Transactions Rule, the impact of the stipulations in the Companies' Regional Transmission Organization ("RTO") participation in Case Nos. EO-2006-0142 and EO-2009-0179 on rate setting principles, the value of Notifications to Construct ("NTCs"), and the ability of GMO to novate the Projects.

Q: Why do you say that Staff has an outdated understanding of electric transmission?

A: Historically, vertically integrated electric utilities have built transmission for the primary purpose of reliably moving the electricity they generate to their native load customers. To the extent they have any excess capacity in those transmission lines, they make it available for wholesale sales of electricity. Staff erroneously assumes this model applies to the Projects underlying these Applications. Nothing could be further from today's reality regarding transmission. Most of today's transmission projects, including the Projects addressed in these cases, are planned regionally and even interregionally, not locally by the incumbent utility. They are designed to move electricity regionally and interregionally, not locally. They are being built to respond to regional and interregional needs to accommodate wholesale sales of electricity and to meet the public policy objectives of numerous states, such as the production and export of wind energy.

Q: Why do you say that Staff has used an inappropriate ratemaking methodology in its analysis in Rebuttal Testimony?

A: Staff employs the MoPSC's historical, retail cost of service ratemaking methodology to analyze how the investment in the Projects "should" be recovered and how the return on the unrecovered investment "should" be earned. Staff ignores the ratemaking methodology employed by SPP to ensure recovery of, and recovery on, regional transmission investment. The historical, retail cost of service ratemaking methodology championed by Staff is inapplicable to the regional transmission projects sponsored by SPP, such as the Projects underlying this case.

Q: Why do you say that Staff does not understand SPP cost and revenue allocation?

A: SPP has reviewed and analyzed the cost and revenue allocation associated with the Projects. Consistent with its tariff, SPP has determined that 96% of the cost of the Projects will be paid by regional, not local GMO, customers. In other words, only 4% of the cost of the Projects will be borne by GMO retail customers. These costs will be recovered by SPP through its tariffed rates. Staff ignores this fact. Instead, Staff assumes that GMO retail customers will be responsible for 100% of the costs of these Projects. Staff then employs an erroneous "crediting" process, which I discuss later in my Testimony, that Staff would have the Commission believe will result in a proper payment by GMO retail customers when in fact they really pay nothing and receive a substantial revenue credit. This outcome is illogical as it concludes that GMO retail customers should receive a windfall solely from construction of regional transmission projects by GMO in its certificated service territory.

I. Rate Treatment and Customer Impact

Q: Please summarize your position on Staff's customer impact analysis related to the Applications.

A: The overarching assumption upon which Staff has based its conclusions -- that the Projects, if not placed in GMO's rate base, will increase costs (instead of creating a windfall as Staff proposes) for retail customers, and therefore it is not in the public interest to permit Transource Missouri to own the Projects -- is premised on an inappropriate ratemaking methodology and an erroneous crediting mechanism.

The quantitative analysis I have prepared and presented as Schedule DRI-8 illustrates that the approval of the Applications are in the public interest. When the proper assumptions and appropriate cost allocation method for regional projects are utilized in the quantitative analysis, the results do not show a detriment as Mr. Hyneman claims. Rather, the results of the quantitative analysis show a benefit to customers if Transource Missouri builds the Projects.

Q: Please explain your analysis.

A: Just as Staff did, I developed an analysis depicting the retail customer impact for the Projects under a GMO ownership scenario as compared to a Transource Missouri ownership scenario, but I applied appropriate ratemaking treatment for regionally cost-allocated transmission projects. As I will explain in more detail later in this testimony, under appropriate ratemaking treatment revenues must follow costs. Revenues from SPP for the regional transmission investments should not be used to subsidize the incumbent utilities' retail customers. When cost allocation is applied in the appropriate manner, GMO customers pay a cost proportional to their load, regardless of who constructs the facilities. To illustrate this point, I used the same model Mr. Hyneman used in his Rebuttal Testimony analysis, provided in Schedule CRH-1.

Q: What were the results of your analysis?

A: My analysis shows that there is a benefit to GMO customers if Transource Missouri builds the Projects, in stark contrast to the significant detriment asserted by Mr. Hyneman and Mr. Kind. The below table illustrates this benefit to customers over a 5-year, 10-year, and 20-year timeframe under three different scenarios: (1) Staff Witness Hyneman's analysis and assumptions; (2) my analysis and assumptions without including additional financing and capital cost savings; and (3) my analysis and assumptions including additional financing and capital cost savings expected under Transource Missouri ownership. The calculations for columns two and three, by year, are reflected on the attached schedules labeled Schedule DRI-8.

Benefit to GMO Customers if Transource Missouri Builds the Projects			
	(1) Hyneman	**(2) Ives (No Savings)**	**(3) Ives (Savings)**
5-Year	($26,858,019)	$265,577	$439,361
10-Year	($47,900,378)	$473,648	$783,586
20-Year	($75,659,332)	$748,134	$1,237,685

As the table illustrates, my analysis shows no detriment to customers even in the unlikely and pessimistic scenario of no financing or capital cost savings from Transource Missouri. If reasonable estimates of these benefits are included, then an even larger benefit to customers is shown if Transource Missouri builds the Projects. By approving the applications, GMO's retail customers will benefit by lower costs as shown in column (3) in the table above.

Q: Why does your analysis differ from Mr. Hyneman's analysis?

A: My analysis uses the appropriate cost allocation method for the regional Projects, which in turn, matches retail costs to the wholesale cost allocation under SPP's transmission tariff. Mr. Hyneman's analysis used a ratemaking methodology based on a subsidization of GMO retail customers, resulting in a mismatch of costs. Mr. Locke demonstrates in his Surrebuttal Testimony how Staff's faulty assumptions and flawed methodology for state jurisdictional ratemaking, including Full Revenue Crediting, leads to inaccurate, unreasonable, and unfair conclusions. In short, a $380 million transmission Project such as the Sibley-Nebraska City Project, 96% of which is paid for by SPP customers other than GMO cannot be put in GMO's retail rate base in the manner proposed by Staff and OPC and produce a reasonable assignment of costs and revenues.

Specifically, my analysis of the costs to GMO retail customers reflects their 4% load ratio share and reflects appropriate ratemaking in each scenario. By correcting for Staff and OPC's inappropriate and flawed ratemaking assumptions and methodology, I have corrected Mr. Hyneman's analysis to present an apples-to-apples comparison for evaluation of GMO versus Transource Missouri ownership of the Projects, utilizing appropriate ratemaking treatment for regionally cost-allocated transmission projects.

Q: Have you made any other changes to the input variables from Mr. Hyneman's calculations for the purpose of this new analysis?

A: Yes. These changes affect Mr. Hyneman's GMO retail rate base calculation and GMO's wholesale calculation. In addition, I have added a specific calculation of Transource Missouri wholesale rates, both with and without financing and capital cost savings.

Q: Please summarize your updated inputs for the GMO retail calculation.

A: The inputs are based on the results of GMO's most recent rate case (Case No. ER-2012-0175). The capital structure has been adjusted to 50% equity/50% debt, to reflect GMO's long-term goal for this balanced capital structure.

Q: Please summarize your updated inputs for the GMO wholesale calculation.

A: The capital structure equity percentage is set at 50% to reflect GMO's stated long-term goal for this capital structure. The GMO embedded cost of debt of 5.77% is a projection based on the actual cost of debt as of the end of 2012, adjusted for planned financing in 2013 at indicative interest rates provided by investment banks, and further adjusted for the incremental cost of financing the Projects. The incremental cost of financing for the Projects is 5.25%, and is based on a projection for GMO debt financing using a current indicative rate adjusted for an estimated increase in US treasury rates by 2017 based on a forward curve from Bloomberg. Reflecting Direct Testimony that GMO anticipates it would receive the same FERC Project incentives, the GMO Wholesale Return on Equity ("ROE") of 12.1% for the Sibley-Nebraska City Project includes GMO's current 10.6% base ROE, plus a 50 basis point incentive for RTO membership and a 100 basis point incentive specific to the Project. The 11.1% ROE for the Iatan-Nashua Project includes the 10.6% base ROE and the 50 basis point incentive for RTO membership.

Q: Please summarize your inputs for the Transource Missouri wholesale calculation.

A: The Transource Missouri inputs reflect the filed settlement in Transource Missouri's FERC proceeding (Docket No. ER12-2554-000). It is important to point out that these parameters were not available until this settlement was filed with FERC on February 27, 2013. The ROE for the Sibley-Nebraska City Project is 11.30%, which includes a 9.8%

base ROE, plus a 50 basis point incentive for RTO membership and a 100 basis point incentive specific to the Project. The ROE for the Iatan-Nashua Project is 10.3%, which includes the 9.8% base ROE and the 50 basis point incentive for RTO membership. The post-construction cap of 55% on the equity component of its capital structure is reflected in the analysis.

For cost of debt, we used two inputs. For the "no savings" case (column 2 above), the cost of debt was projected to be 5.25%, which is the same incremental rate assumed in the GMO wholesale calculation. For the "savings" case (column 3 above), the cost of debt was adjusted down to 5.10% to reflect the 15 basis point lower cost of capital for transmission-only companies, as supported by Witness Boteler in his Surrebuttal Testimony. Although Witness Boteler testified to a potential savings between 15 and 30 basis points, for conservatism, I used the low end of this range for my analysis. To the extent Transource Missouri were able to obtain savings beyond this 15 basis point level, those savings would directly flow to the customer and result in an even higher overall savings as compared to the GMO ownership scenario.

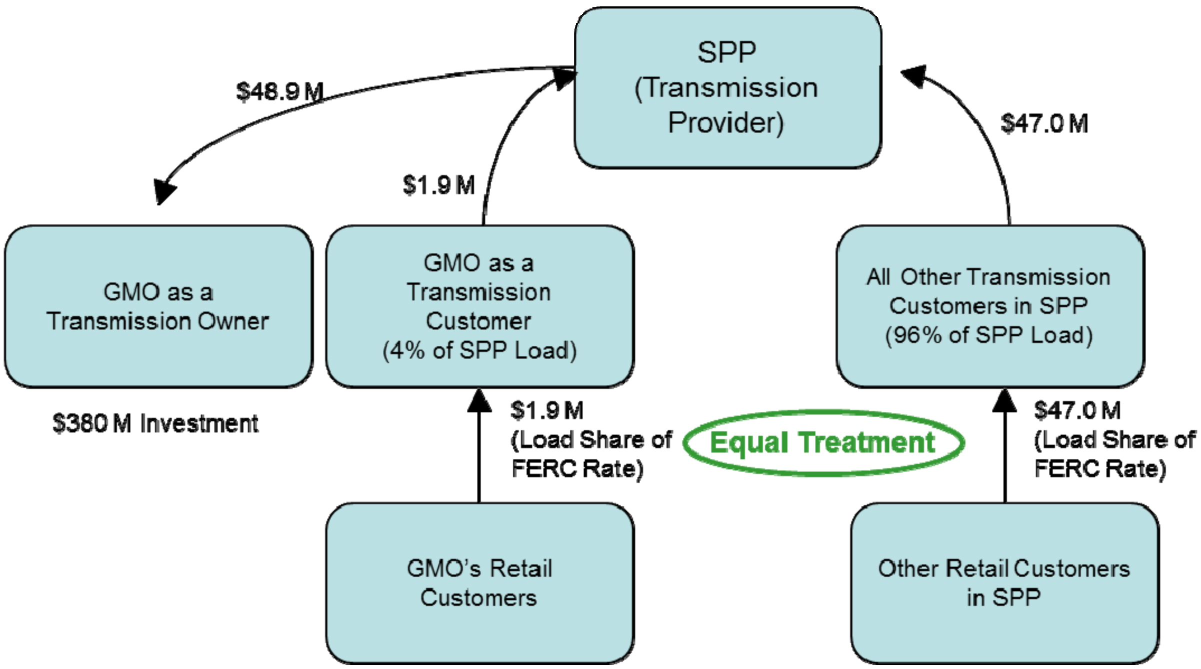
Finally, in the "savings" case, the capital cost of the Sibley-Nebraska City project was reduced by 1.58% to reflect the potential cost savings supported by Witness Moore in his Surrebuttal Testimony. I arrived at this reasonable estimate of savings as follows: Witness Moore states in his Surrebuttal Testimony that AEP is able to negotiate 5% to 7% savings versus standard pricing on materials and up to 10% in certain cases. I assumed 6% savings on materials and multiplied this by the approximately 26% of the total capital cost of the Sibley-Nebraska City Project representing materials, to arrive at the 1.58% potential cost savings used in my analysis.

Q: Please summarize the appropriate ratemaking methodology for regional transmission investments.

A: As described in detail in the Surrebuttal Testimony of Charles Locke, SPP Transmission Customers, including KCP&L and GMO, must pay their respective load ratio share of regionally funded transmission projects. SPP bills its Transmission Customers for their load ratio share under Schedule 11 of its FERC-approved Open Access Transmission Tariff ("SPP Tariff"). The costs of these SPP-directed, regional transmission investments, whether they are made by incumbent utilities or transmission-only companies, are appropriately recovered in full pursuant to the SPP Tariff. There is no need to also include these Projects in retail rate base. Even if the regional transmission is constructed by an incumbent utility within its certificated service territory, the investment is not recovered through inclusion in retail rate base but rather through the SPP Tariff. Accordingly, Full Revenue Crediting for facilities constructed by an incumbent utility within its service territory is inappropriate.

Indeed, revenues must follow costs. Revenues for regional transmission investments come from SPP's Transmission Customers and are paid by SPP under the SPP Tariff to the Transmission Owner making the investment. Revenues from SPP for the regional transmission investments should not be used to subsidize incumbent utilities' retail customers. When cost allocation is applied in the appropriate manner, as explained by Mr. Locke, GMO customers pay a cost proportional to their load, regardless of who constructs the facilities. When the appropriate methodology is used to calculate the impact of these two Projects on GMO's customers, the alleged detriment identified in Mr. Hyneman's model is non-existent.

The diagram below illustrates the correct relationship of cost and recovery, as well as how retail customers receive equal treatment when the retail ratemaking is consistent with cost responsibility under the SPP Tariff.



Q: Why is Mr. Hyneman's methodology flawed and inappropriate?

A: In effect, Mr. Hyneman makes the extraordinary claim that it is appropriate for GMO's retail customers to be subsidized by the regionally cost-allocated transmission Projects. In his analysis, the amount of revenue credit more than offsets 100% of the GMO retail customers' 4% load ratio share of costs, improperly creating a net credit to GMO's retail customers for the Projects being built. In short, his analysis results in an unwarranted and unfair windfall to GMO's customers rather than GMO's customers being responsible to pay their load share of the regional Projects for which they will realize proportionate benefits.

This inappropriate subsidization of GMO's retail customers is inequitable in its customer impacts because it results in others throughout SPP paying the full SPP Tariff rate while GMO's retail customers effectively receive a payment. It also results in a "double dip" because GMO retail customers receive both (1) improved reliability and access to lower cost generation resources (including new access to wind and other renewable resources) which was the basis for the Projects being approved, and (2) an inappropriate financial gain through reduced retail rates created by the Full Revenue Credit ratemaking assumption employed by Mr. Hyneman. Furthermore, this subsidization takes retained earnings of GMO from funds appropriately earned and received under the FERC-approved SPP Tariff. The approach advanced by Mr. Hyneman and Mr. Kind results in unreasonable and improper ratemaking for such regionally cost-allocated transmission assets. In his Surrebuttal Testimony, Mr. Locke more fully discusses the inappropriateness of the Staff and OPC proposed ratemaking methodology.

Q: How does Staff's and OPC's analysis unfairly benefit GMO's customers?

A: Mr. Hyneman and Mr. Kind assume that just because regional transmission lines are located in Missouri and are owned by an incumbent utility, the utility's retail customers are entitled to credits for revenues received by the utility from SPP's Transmission Customers pursuant to the SPP Tariff. On the contrary, revenue received by a utility based on established rates does not belong to customers. For example, in the Report and Order in the most recent Ameren Missouri rate case (Case No. ER-2012-0166), the MoPSC addressed whether a portion of the income tax benefit realized on dividends paid on Ameren Corporation shares held in Employee Stock Ownership Plan ("ESOP") accounts reduce Ameren Missouri's revenue requirement. Staff and Intervenors argued that since Ameren Missouri earns those dividends from rates paid by customers, a portion of the tax benefits derived from those dividend payments should flow back to Ameren Missouri's customers. The MoPSC determined that such arguments were not well founded.

The MoPSC's Conclusion of Law in the Ameren rate case stated as follows:

> The law in Missouri is crystal-clear: 'When the established rate of a utility has been followed, the amount so collected becomes the property of the utility, of which it cannot be deprived by either legislative or judicial action without violating the due process provisions of the state and federal constitutions.' Once Ameren Missouri has earned and retained a profit, ratepayers no longer have a claim to those earnings, whether they are passed to a parent corporation in the form of dividends or spent or invested in some other way by the company.

In further support of its decision, the Commission noted in its order that:

> Ameren Corporation pays its dividends out of its retained earnings at the sole discretion of its Board of Directors. Some of the money in its retained earnings may have ultimately been derived from money collected from ratepayers for the sale of electricity, but Ameren Corporation could just as easily use funds derived from one of its other subsidiaries to pay a dividend.

The MoPSC also stated:

> The important fact is that retained earnings belong to the company and its shareholders, not to ratepayers. Ameren Corporation can do whatever it wants with its retained earnings. If it chooses to use those earnings to declare a dividend to its shareholders, it may do so. If it chooses to use those retained earnings to throw a giant party or invest in property on the moon, it must answer only to its shareholders, not to this Commission, and not to ratepayers.

The language in the order clearly states that when the established rate of a utility has been followed, the amount so collected becomes the property of the utility, not the customers. This is directly on point with the situation posited by Mr. Hyneman here, where KCP&L and GMO would receive revenues as Transmission Owners for regional transmission investments under the SPP Tariff. Mr. Hyneman's assertion that these revenues should instead flow back to the retail customers to offset their obligations as a transmission customer is inconsistent with the Commission's view on utility retained earnings in the recent Ameren Order, and should not be adopted by the MoPSC. Rather, it reduces the economic incentive for incumbent utility transmission owners to build regional transmission projects in Missouri.

Q: Do the existence of the Stipulation and Agreements and Service Agreements for KCP&L and GMO referenced by Staff Witness Stahlman at page 3 of his Rebuttal Testimony preclude the appropriate ratemaking treatment you are advocating for the regional Projects?

A: No. Mr. Locke describes in his Surrebuttal Testimony why these agreements do not preclude the appropriate ratemaking treatment for the regional Projects.

Q: OPC witness Kind asserts at page 10 of his Rebuttal Testimony that the rate regulation framework for these Projects, if owned by GMO, would be similar to the practice of crediting Missouri retail customers for the revenues from off-system sales margins from generation assets that Missouri customers fund through rates. Do you agree with this analogy?

A: No. Mr. Kind describes a generation asset that was developed to serve the needs of retail customers and 100% of which was paid for by retail customers. In that situation, retail customers may get value from the sales made from that generation facility. This is somewhat analogous to historical treatment for transmission built for local reliability. The generator scenario, however, is not analogous to regionally allocated transmission projects. In the case of regionally allocated transmission projects, the transmission asset is developed to serve the needs of SPP's regional Transmission Customers, who will pay for the Project. The GMO retail customers are responsible for only 4% of the Project cost, which is their load share. Therefore, they are not entitled to 100 % revenue credit associated with the Project. Thus, Mr. Kind's analogy does not hold true for regionally allocated projects such as the Projects and would be inconsistent with the SPP Tariff.

These regional Projects will provide region-wide benefits for SPP's members, including a reduction of transmission congestion resulting in lower cost power supply and facilitation of the addition of renewable and non-renewable generation to the grid. These regional Projects provide a benefit to the entire SPP RTO region, not just the local service territory, and therefore are paid for by customers throughout the SPP region, including GMO customers, based on their load share. For example, Oklahoma Gas and Electric's customers are paying approximately 13-14% of the cost of these Projects. These regional benefits are also described in the Surrebuttal Testimony of Mr. Locke.

Due to their regional nature, the costs of these Projects will be borne by all SPP Transmission Customers, pursuant to the cost allocation methodologies developed by SPP and approved by FERC. The cost of these Projects will, and should be, borne regionally by utility customers across SPP. All of the costs of service will be recovered by the Transmission Owner under the SPP Tariff. In this circumstance, there is no need to include the Projects in retail rate base; GMO customers will pay for their share of the Projects through payments to the SPP, not through recovery of costs in retail rate base. GMO customers will, and should, pay only GMO's respective load ratio share of their cost, regardless of who builds them.

Under Staff's and OPC's presumed ratemaking approach to regional transmission projects, GMO retail customers would not pay their load ratio share of the Project costs. To the contrary, Staff and OPC would have them receive an unwarranted and unreasonable windfall from the construction of the Projects in addition to the benefits that result from these transmission grid improvements as previously discussed. As noted, these Transmission Customer benefits are essentially ignored by Staff and OPC in their Rebuttal Testimony.

II. Reasons for Forming Transource

Q: Mr. Hyneman challenges the validity of five reasons why GPE and AEP formed Transource at pages 39-41 of his Rebuttal Testimony. Please respond to Mr. Hyneman's challenges.

A: Surrebuttal witness Kevin Bryant will address the allegations related to the first and second reasons why GPE and AEP formed Transource in his Surrebuttal Testimony. Surrebuttal witnesses Randy Boteler, Scott Moore, and I will address Mr. Hyneman's allegations related to the third, fourth, and fifth reasons for forming Transource.

Q: Mr. Hyneman at page 40 of his Rebuttal Testimony, and Mr. Murray at page 8 of his Rebuttal Testimony, suggest that the Applicants have no analysis or evidence to support the claim that Transource Missouri should attract new and different sources of capital to its business and therefore lower transmission costs for Missouri customers. Do you have information to support this claim?

A: Yes. I did not provide specifics in my Direct Testimony because Transource Missouri is a new company and thus does not have specific experience accessing capital markets that could form the basis of a quantitative analysis. However, Surrebuttal witness Boteler testifies to AEP's experience in relevant, comparable ventures. In particular, he explains the financial benefits of transmission-only businesses from a cost of debt perspective.

Q: Mr. Hyneman at page 40 suggests that because KCP&L is an experienced utility, it is not clear why KCP&L and GMO could not compete without AEP as a partner in a post-FERC Order No. 1000 environment. How do you respond to Mr. Hyneman?

A: With the removal of the right of first refusal, KCP&L and GMO would be competing for future projects against considerably larger companies with greater buying power and procurement advantages. Because they lack the size and scale of other potential competitors, having to compete directly with larger companies puts KCP&L and GMO at a significant disadvantage in a post-FERC Order No. 1000 environment. A simple economic argument supports better pricing opportunities with larger volume, and lower costs to construct competitively-bid transmission projects for such larger companies. This is further explained by Applicant witness Moore in his Surrebuttal Testimony.

Q: Has the MoPSC acknowledged how increased scale and scope of an organization can lead to procurement savings?

A: Yes. In its July 1, 2008 Order in Case No. EM-2007-0374 ("Merger Case"), the Commission adopted GPE and KCP&L witness Zabors' pre-filed testimony in support of the overall synergy calculations of GPE's merger with Aquila, Inc. as a finding of fact[2]. In his testimony in the Merger Case, Mr. Zabors stated:

> The $50 million [Supply Chain Synergy] savings over the five-year period represents procurement savings resulting from economies of scale and improved logistics. The integration will lead to procurement savings from greater scale and scope, more effective use of contracted services in operations, and also enable cost-effective investments in

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[2] Report and Order, Case No. EM-2007-0374, p. 93, ¶ 237, (July 1, 2008).

centralization of physical storage and better management of inventory.[3]

The merger of these Companies has resulted in synergy savings that exceeded those projected. Taking this a step further, the size and scale of the Companies' spend is dwarfed when compared to a much larger company like AEP. The table below illustrates the significant difference in spend between the two companies.

10-Year Comparison Investment in New Utility Plant		
	GPE Operating Subsidiaries	**AEP Operating Subsidiaries**
Utility Plant Spend	$4.7 Billion	$14.6 Billion
Transmission Plant Spend	$260 Million*	$3.7 Billion

*Approximately $380 Million including pre-acquisition Aquila additions

As highlighted in my Direct Testimony, the procurement benefit from adding a partner with the size and scale of AEP is one of the reasons this partnership is attractive to GPE. Through the partnership with AEP, Transource Missouri will be able to leverage several of these benefits, which are further explained in the Surrebuttal Testimony of Applicant witnesses Moore and Boteler.

[3] Direct Testimony of Robert T. Zabors, Case No. EM-2007-0374, p. 11; ll. 17-21.

Q: Do Staff's statements, at page 13 of Witness Alan Bax's Rebuttal Testimony and at page 4 of Mr. Hyneman's Rebuttal Testimony, that the Projects are not FERC Order No. 1000 projects have any merit on how they are handled from a ratemaking perspective?

A: No. Both the Projects at issue here and similar post-FERC Order No. 1000 regional projects are regionally funded high-voltage transmission projects. For ratemaking purposes, both would be treated the same. There is no question that these Projects are reflective of the types of projects that FERC Order No. 1000 addresses. As witness Locke describes in his Surrebuttal Testimony, SPP directed these Projects as part of a new regional environment that anticipated FERC Order No. 1000. It is only due to timing of the implementation of FERC Order No. 1000 that GMO and KCP&L have a right of first refusal for these two Projects. However, that right has no bearing on the appropriate ratemaking treatment for regionally cost-allocated transmission projects.

Q: At page 41 of his Rebuttal Testimony Mr. Hyneman states he could not find any evidence to support the Applicants' claim that Transource provides additional expertise in the construction of projects which could lower project costs. Is there any evidence that AEP's experience and expertise will lower the cost of the Projects?

A: Yes. In his Surrebuttal Testimony, Applicant witness Moore provides examples of how AEP's expertise and supplier relationships are a benefit to the partnership and can result in overall lower costs for the Projects.

Q: Mr. Hyneman asserts that, contrary to providing evidence of lowering construction costs, Transource Missouri has admitted it may have to incur higher costs to obtain new rights of way and renegotiate existing rights of way than would KCP&L or GMO if they were to construct the Projects. Do you agree that the examples mentioned in Transource Missouri's August 31, 2012 filing to FERC support this claim?

A: No. Mr. Hyneman references a statement at page 41-42 of his Rebuttal Testimony that addresses a 12-mile greenfield middle segment of the proposed route of the Iatan-Nashua Project, and highlights the statement: "These individual negotiations can prove costly and time consuming with possible changes to the preferred route to accommodate any difficulties in obtaining the necessary rights-of-way." In general, the section of the route described will require the same new rights-of-way mentioned whether GMO or Transource Missouri builds that section of line.

Q: Are you suggesting that there will be no cost increases of any kind if Transource Missouri builds the two Projects as opposed to KCP&L or GMO?

A: No. Given that there are many variables in such complex business transactions, it is possible that there could be certain cost increases attributable to Transource Missouri building the Projects. For example, there may be a need to obtain an additional right of way for some points along the Projects' route in the event that both Transource Missouri and KCP&L or GMO would need rights to the same section of line. However, if such a specific cost increase were to occur, it would be more than offset by the other benefits identified in the testimony of the Applicants, resulting in an overall benefit to customers and certainly no net detriment because Transource Missouri is building the Projects.

Q: Mr. Kind asserts at page 18 of his Rebuttal Testimony that the granting of a CCN for Transource Missouri will not promote the public interest because it will "reduce the ability of this Commission to effectively regulate and oversee the operations and maintenance of the transmission facilities that are vital to the provision of safe and adequate service to the customers of KCPL and GMO and the rest of the public." Do you agree?

A: No. The MoPSC's oversight would not be reduced as Mr. Kind describes. Because all costs associated with the Projects will be recovered pursuant to a FERC-jurisdictional rate, it is my understanding that the MoPSC does not have authority to disallow any costs associated with regional transmission projects. This is true regardless of whether KCP&L and GMO own the Projects or Transource Missouri owns the Projects. However, the implementation protocols that underlie both the Companies' and Transource Missouri's respective FERC-accepted formula rates require them to calculate each year the appropriate rate to be charged to customers for the following calendar year. The companies must then publish the proposed rate so that interested stakeholders, such as the MoPSC, may comment on and, if necessary, challenge elements of a rate. Furthermore, regional transmission projects that are rate regulated by FERC still provide the opportunity for the MoPSC to be involved in the review process, such as through the Regional State Committee within SPP and Federal Power Act Section 206 complaint filings at FERC regarding transmission formula rates.

Additionally, Transource Missouri will construct, operate, and maintain these Projects consistent with all applicable safety and reliability standards and in a prudent manner. It is important to note here that both GPE and AEP have operating utilities with years of experience doing this work and doing it well. One of the benefits of this transaction is that KCP&L and GMO retain the ability to maintain and operate lines in their certificated service territories, including maintaining responsibility for North American Electric Reliability Corporation ("NERC") Critical Infrastructure Protection Standards ("CIPS") compliance. This was an important factor in GPE's decision to partner with AEP in order for KCP&L and GMO to retain this opportunity to maintain and operate lines in their certificated service territories in a FERC Order No. 1000 competitive transmission environment.

Finally, to address any safety and prudence concerns of the MoPSC, Transource Missouri has agreed to provide the Commission, as necessary to perform its statutory duties, access to a number of documents, including: (i) Work papers of the external auditors of Transource and of Transource Missouri; (ii) Total Company and Missouri Jurisdictional Financial Statements on a Quarterly Basis of Transource and of Transource Missouri; (iii) Monthly Operating/Financial Reports of Transource and of Transource Missouri (used for internal reporting of the utility ongoing operations and earnings results); and (iv) Construction and Operating Budgets for the Current and Succeeding Three Years of Transource and of Transource Missouri. Transource Missouri also has agreed to work with Staff to provide office space in Columbus, Ohio if it is more efficient for the Staff to perform its statutory duties in Columbus, rather than by reviewing copies of book and records provided in Missouri.

III. Affiliate Transactions Rule

Q: Mr. Hyneman suggests at page 53 of his Rebuttal Testimony that the MoPSC not grant KCP&L and GMO a waiver of or variance from the Rule. Do you agree?

A: No. The Applicants and Transource through its regulated utility subsidiaries such as Transource Missouri will be engaged in regulated operations. Consistent with the intent of the Rule, at-cost transactions between these companies would not result in any subsidization of non-regulated activities by regulated customers and would result in lower overall costs of the Projects for customers.

Q: Do you agree with Mr. Hyneman's statements at page 50 of his Rebuttal Testimony that the Rule "provides [the] public the assurance that utility rates are not adversely impacted by the utilities' non-regulated activities" and that without the protections afforded by the Rule "ratepayers would clearly be subsidizing non-regulated operations"?

A: I agree that the Rule assures the public that retail rates are not adversely impacted by non-regulated activities. However, no such risk exists in the transactions that are to occur between Transource, Transource Missouri, KCP&L, and GMO. This is because Transource, through its regulated utility subsidiaries like Transource Missouri, will be engaged in *regulated operations*, under both the MoPSC and FERC. Transource was established to develop, acquire, construct, finance, own, operate, and maintain regulated regional electric transmission projects through its regulated utility subsidiaries. Upon approval of Transource Missouri's CCN application and transfer of the transmission property as requested by KCP&L and GMO, Transource Missouri will own transmission property in the State of Missouri and, thus, will be a public utility regulated by the

MoPSC. Because Transource Missouri's operations in Missouri will be regulated by the MoPSC pursuant to the CCN and Transource Missouri will be rate-regulated by FERC, there can be no impact of non-regulated activities on Missouri rates resulting from Transource Missouri's operations.

I also agree that the Rule addresses the risk of customers subsidizing non-regulated operations. Again, however, no such risk exists in the transactions that are to occur between Transource Missouri and KCP&L and GMO, as the operations of Transource Missouri are regulated operations. Even if the MoPSC were to find that Transource Missouri's operations are non-regulated for the purposes of the Rule, and that Transource Missouri is an affiliate of KCP&L for the purposes of the Rule, the at-cost transactions between those companies would not result in any subsidization by customers. Such transactions would be at-cost, would result in lower overall costs for customers as at-cost transactions allow utility affiliates to efficiently share staff and resources, and do not include a markup for profit.

Q: Do you agree with Mr. Hyneman's Rebuttal Testimony at pages 55-56, and Mr. Kind's Rebuttal Testimony at page 15, that Transource Missouri is a "non-regulated affiliate" of KCP&L and GMO?

A: No. As I describe above, Transource Missouri will be engaged in regulated operations. Furthermore, arguably KCP&L, GMO, Transource, and its regulated utility subsidiaries like Transource Missouri are not "affiliated entities" for the purposes of the Rule, as the 10% ownership interest that triggers a presumption of control is rebuttable, per 4 CSR 240-20.015(1)(C). If these companies are not "affiliated entities" as that term is defined in 4 CSR 240-20.015(1)(A), then the Rule would not apply to transactions between those companies.

Q: At pages 53-54 of his Rebuttal Testimony, Mr. Hyneman attempts to distinguish between operations that are regulated by state authorities and those that are regulated by federal authorities. Do you agree with this distinction?

A: I believe that this is a distinction without any consequence in this case. Because Transource Missouri's operations in Missouri will be regulated by the MoPSC pursuant to the CCN, it clearly is state-regulated. Thus, the operations of Transource Missouri are not the "non-regulated operations" of a utility affiliate, the subsidization of which the Rule seeks to prevent.

Furthermore, nowhere does the Rule state that an affiliate must be rate-regulated by the MoPSC to be considered as engaged in regulated operations for the purposes of the Rule. There is no language in the Rule limiting its applicability only to Missouri rate-regulated utilities.

Additionally, KCP&L employees today are charging to three discrete jurisdictions – FERC transmission customers, Kansas customers, and Missouri customers – with no mark-up for profit, and there has been no assertion that such charges are subject to the Rule. Kansas customers and the FERC Transmission Customers are not regulated by the MoPSC, but under Mr. Hyneman's interpretation the Rule would require these regulated customers to be subject to the asymmetric pricing requirements of the Rule.

Q: Is Mr. Hyneman correct in his assertion at page 54 of his Rebuttal Testimony that the Applicants have stated that Transource Missouri is not a Missouri jurisdictional utility business?

A: No. Mr. Hyneman alleges that KCP&L and GMO have asserted in their Application and in data request responses that Transource Missouri will not be a MoPSC jurisdictional utility business. That is not the case. Transource Missouri has applied to the Commission for a CCN, and KCP&L and GMO have applied to transfer transmission property to Transource Missouri. After such transfer and upon granting Transource Missouri a CCN, I understand that the fact that Transource Missouri will own transmission facilities in Missouri makes it a Missouri public utility subject to the MoPSC's jurisdiction.

Q: Mr. Hyneman refers, at pages 52-54 of his Rebuttal Testimony, to the commitment made by KCP&L in Case No. EM-2001-464 that it and its affiliates will abide by the Rule. Has the MoPSC granted a waiver or variance from this commitment?

A: Yes. Transactions between KCP&L and GMO are not subject to the Rule, pursuant to a variance the MoPSC granted in Case No. EM-2007-0374. Similarly, KCP&L, GMO, and Transource Missouri will be engaged in regulated operations and subject to MoPSC jurisdiction if Transource Missouri's application for a line CCN is granted. Thus, granting the Applicants' request for a variance would be equally warranted here as well.

Q: Do you agree with Mr. Hyneman's Rebuttal Testimony at page 56 that a waiver of or variance from the Rule will allow Transource to have a competitive advantage over other competitive transmission providers?

A: No. Mr. Hyneman assumes without evidence that other competitive transmission providers will be unable to obtain goods and services at cost. Because services will not be provided below cost, no advantage accrues to Transource Missouri that could not accrue to any other entity competing for transmission projects under a similar arrangement.

What is clear is that a waiver of or variance from the Rule should result in lower, or at least competitive, costs to the ultimate transmission consumer, as at-cost transactions allow utility affiliates to efficiently share staff and resources, and would not include a mark-up for profit. Lowering costs is a primary function of competition. Thus, Mr. Hyneman's contention that a competitive advantage would accrue to Transource Missouri, and that such an advantage is contrary to the purpose of competition is illogical.

I also disagree with Mr. Hyneman's characterization of the goods and services exchanged at cost pursuant to the Services Agreements between the Applicants, attached to my Direct Testimony as Schedules DRI-1 to DRI-3, as a "subsidization" of goods and services. There is no subsidy. I also disagree with his statement that a waiver or variance from the Rule is inconsistent with FERC Order No. 1000. FERC Order No. 1000 largely eliminated the right of first refusal of incumbent utilities for building transmission within their service areas, thus paving the way for increased competition in the construction and ownership of regional transmission projects. Under an at-cost arrangement, each utility bears its appropriate allocation of the costs of services that if obtained through a third party market transaction, could include a markup for profit. Missouri customers and SPP customers benefit from the construction and operation of transmission without the cost of markups that often accompany purchases from third parties.

Q: Mr. Kind, at page 16 of his Rebuttal Testimony, discusses the benefit KCP&L and GMO customers realize from the asymmetrical pricing requirements of the Rule, stating that those customers would benefit from 100% of increased revenues by charging the higher of cost or market under the Rule, but would only receive about 8% of the benefit (based on their load-ratio share) from lower cost-based services that would be reflected in Transource Missouri's FERC revenue requirement. Do you agree with his conclusion that the MoPSC should apply the Rule so that KCP&L and GMO customers can receive the revenues from such transactions?

A: No. Application of the asymmetrical pricing requirements of the Rule for transactions between Transource and its regulated utility subsidiaries, including Transource Missouri, and the Companies is bad policy. All transactions between these companies are regulated, and at-cost pricing benefits all customers. The asymmetrical pricing that Mr. Kind advocates for transactions between Transource, Transource Missouri, and the Companies would unreasonably benefit Missouri customers by increasing costs for <u>all</u> SPP customers.

Such an outcome is inappropriate for two reasons. First, the Rule is not intended to be a profit-generator for KCP&L and GMO customers, particularly when those profits would be generated at the expense of other regulated customers. It is intended to guard against adverse impacts to retail customers, and this is accomplished by assuring that sales of goods and services are at cost. Second, such outcome is bad policy, as it could incite a pricing war with other state commissions similarly seeking to subsidize their local utility customers by increasing costs to all customers paying a regional rate based on their load-ratio share. Appropriate policy should benefit all customers by lowering the overall cost of the Projects through at-cost pricing.

Furthermore, the result Mr. Kind assumes would occur if the MoPSC required application of the Rule to such transactions is inaccurate. Indeed, were the MoPSC to apply the Rule to such transactions, Transource Missouri would not purchase services from KCP&L where the market price for those services is higher than cost. Transource Missouri is under no obligation to utilize KCP&L for certain projects in Missouri and elsewhere. Thus, the revenue from asymmetrical pricing that Mr. Kind assumes would flow to the Companies' customers is imaginary. If KCP&L sought to charge Transource Missouri a price above cost, Transource Missouri would purchase those services elsewhere and there would be no above-cost revenues to flow back to customers.

Q: At pages 58-59 of his Rebuttal Testimony, Mr. Hyneman criticizes KCP&L's "track record" in complying with the Rule. Do you agree that the examples he provides support his statement that KCP&L does not have a very good "track record" in complying with the Rule?

A: No. KCP&L and GMO have a long-standing and demonstrated history of complying with both the letter and the spirit of the Rule. Mr. Hyneman only provides two examples in an attempt to support his conclusion. The first example (the transaction with Great Plains Power) is one that the Companies previously agreed they were in error for not reporting.

Mr. Hyneman's second example is that in its 2010 rate case, Case No. ER-2010-0356, GMO "significantly inflated the fair market value of the Crossroads Energy Center" and "failed to appropriately apply the Missouri Commission's Affiliate Transactions Rules to the Crossroads acquisition." These statements are incorrect and misleading.

First and foremost, the Commissions' valuation of the Crossroads Energy Center ("Crossroads") is presently on appeal at the Missouri Court of Appeals, Western District in Case No. WD75038, and GMO recently filed a Notice of Appeal with regard to this same issue in its 2012 rate case, Case No. ER-2012-0175. GMO is challenging the findings of the Commission that Mr. Hyneman recites at page 59 of his testimony as not supported by competent and substantial evidence, and not supported by adequate findings of fact.

Furthermore, to the extent Mr. Hyneman argues that Aquila, Inc. paid too much for Crossroads when it purchased Crossroads from Aquila Merchant (which occurred before the GPE acquisition), he ignores the fact that this purchase was done using a Request for Proposal ("RFP") process as specifically allowed and envisioned by the Rule. See 4 CSR 240-20.015(3). In response to the 2007 RFP, Crossroads was offered at net book value for the plant plus transmission costs at over twice the level being incurred. At this offered level, Crossroads was still the least cost option received under the RFP process. After GPE's July 2008 acquisition of Aquila, Inc., Crossroads was moved from GMO's business unit to its regulated business unit's books and records on August 31, 2008. In September 2008 GMO filed a rate case that included Crossroads at net book value of $117 million. Because Crossroads was the least cost option under the RFP when bid in at net book value, because GMO transferred Crossroads to its regulated books at the net book value of $117 million, and because GMO has routinely sought to include Crossroads in its rate cases at net book value, such transfer meets the letter and the spirit of the Rule.

IV. NTCs and Novation of Projects

Q: Do you agree with Mr. Hyneman that the NTCs are assets as defined by the Financial Accounting Standards Board ("FASB") in its Statement of Financial Accounting Concepts No. 6 ("SFAC 6")?

A: No. Per paragraph 26 of SFAC 6, "An asset has three essential characteristics: (a) it embodies a probable future benefit that involves a capacity, singly or in combination with other assets, to contribute directly or indirectly to future net cash inflows, (b) a particular entity can obtain the benefit and control others' access to it, and (c) the transaction or other event giving rise to the entity's right to or control of the benefit has already occurred." According to paragraph 168 of SFAC 6, "an item does not qualify as an asset or liability of an entity if it lacks one or more essential characteristics."

Q: Do KCP&L and GMO control the NTCs?

A: No. SPP has control over the NTCs. SPP alone has the authority to authorize the novation of the NTCs to another qualified transmission owner. Also, SPP retains the authority to revise or withdraw existing NTCs based upon emerging transmission plans and the associated needs for specific projects.

Q: If SPP controls the NTCs, can they be assets of KCP&L and GMO?

A: According to paragraph 168 of SFAC6, they cannot be assets of KCP&L and GMO for accounting purposes because the Companies do not control the NTCs.

Q: Has KCP&L or GMO ever considered the NTCs assets or assigned a value to these NTCs for accounting purposes?

A: No.

Q: Was there any value assigned to the NTCs for the Transmission Financial Analysis performed by the Applicants that was referenced at page 9 of Mr. Kind's Rebuttal Testimony?

A: No. Consistent with KCP&L and GMO's accounting treatment, no value has ever been assigned to the NTCs.

Q: Was Mr. Hyneman correct in asserting in his Rebuttal Testimony that the "two NTCs were the consideration GPE gave to AEP to secure GPE's 13.5% interest in Transource Missouri"?

A: Absolutely not. His assertion completely mischaracterizes GPE's involvement in Transource and is entirely inconsistent with GPE's obligations under the Transource Operating Agreement. As more fully discussed by Applicant witness Deggendorf in his Surrebuttal Testimony, while the Projects and their timing may have opened the door to discuss partnership opportunities with AEP, GPE is obligated to provide capital for the Projects and will remain obligated to provide ongoing capital toward any future projects according to GPE's 13.5% ownership share in the venture. In other words, GPE receives no windfall from the novation of the Projects to the partnership. There is no free ride. GPE is responsible under the Transource Operating Agreement to fully fund its 13.5% ownership share in the venture.

Q: Do Statements of Financial Accounting Concepts, upon which Mr. Hyneman bases his analysis of the NTCs, constitute Generally Accepted Accounting Principles ("GAAP")?

A: No. The FASB states in paragraph 5 at page CON6-4 in the introduction to Statements of Financial Accounting Concepts No. 6, Elements of Financial Statements ("CON 6") that "Statements of Financial Accounting Concepts do not establish standards prescribing accounting procedures or disclosure practices for particular items or events, which are issued by the Board as Statements of Financial Accounting Standards." It also declares that "a Statement of Financial Accounting Concepts does not establish generally accepted accounting principles or standards for the disclosure of financial information outside of financial statements in published financial reports."

Q: Is Mr. Hyneman's discussion of the asset definition that was formulated at the October 20, 2008 joint meeting of the FASB and the International Accounting Standards Board ("IASB") relevant?

A: No. Mr. Hyneman admits that the definition of an asset adopted at that meeting was "tentative." In fact, the FASB lists the Conceptual Framework project, of which this definition was a part, as an "Inactive Project" on its website with the last update having occurred in November 2010. An inactive project is defined as being "reassessed as lower priority projects." In addition, this definition and related projects were never adopted by the FASB. It is inappropriate for Mr. Hyneman to apply a non-operational definition to the facts and circumstances of the Applications.

Q: Do you agree with Mr. Stahlman's claim at page 2 of his Rebuttal Testimony that MoPSC approval is required to novate the projects?

A: No. As I indicated in my Direct Testimony, as set forth in Section VI of Attachment O to the SPP Tariff, to assume responsibility for a transmission project identified in an NTC already assigned to a Designated Transmission Owner ("DTO") (here, KCP&L and GMO), an alternate DTO (here, Transource Missouri) must demonstrate, among other factors, that it has "obtained all state regulatory authority necessary to construct, own, and operate transmission facilities within the state(s) where the project is located." The demonstration of all state regulatory authority necessary is a requirement for Transource Missouri to receive the Projects as an alternate DTO. However, Section VI of Attachment O to the SPP Tariff also states there is no state regulatory authority or requirement on GMO's right and ability to "arrange for another entity or another existing Transmission Owner to build and own all or part of the project in its place" meeting the SPP requirements. In addition, while Transource Missouri is pursuing a CCN from the MoPSC to construct, finance, own, operate, and maintain the Projects, I note that the necessity of a CCN is being questioned by Ameren before the Circuit Court of Cole County in Case No. 12AC-CC00499.

Q: Please summarize your Surrebuttal Testimony.

A: The quantitative analysis I have prepared and presented as Schedule DRI-8 illustrates that the approval of the Applications before the MoPSC is in the public interest. When the proper ratemaking assumptions and the appropriate cost allocation method for regional projects are utilized in the quantitative analysis, the results show not a detriment as Mr. Hyneman and Mr. Kind claim, but a benefit to customers if Transource Missouri builds the Projects. Changes in national electric transmission law and policy require ratemaking treatment for regionally cost-allocated transmission investments that is different from the historical cost recovery and revenue sharing for transmission projects built primarily to serve retail load and included in retail rate base.

In this testimony, I refute Staff's assertions that the ratemaking approach in Missouri should not acknowledge these changes. I show how Staff's proposed treatment will actually foster improper and inequitable ratemaking in today's environment. If the appropriate ratemaking approach is utilized for these regional Projects, the detrimental customer impact highlighted by MoPSC Staff and OPC disappears. In fact, the Projects built under Transource Missouri have a favorable customer impact due to the various benefits outlined in our Applications, Direct Testimony, and Surrebuttal Testimony. The key reasons for forming Transource further illustrate the benefits to KCP&L and GMO customers.

Given this and the support and evidence presented in the Applications and in Direct and Surrebuttal Testimony, KCP&L and GMO reiterate their request that the MoPSC take the following actions:

(1) Authorize the transfer of certain electric transmission property from the Applicants to Transource Missouri under Section 393.190.1;

(2) Find that no approval is required under Missouri law to novate the Notifications to Construct received from SPP regarding the two regionally-funded, high-voltage transmission Projects, or otherwise to express no objection to or approve the Applicants' plans in this regard; and

(3) Grant a waiver of or variance from the MoPSC's Affiliate Transactions Rule, 4 CSR 240-20.015.

Additionally, Transource Missouri requests the MoPSC's approval for a line CCN to construct, finance, own, operate, and maintain the Iatan-Nashua Project and the Sibley-Nebraska City Project.

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. EA-2013-0098
In the Matter of the Application of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company for Approval To Transfer Certain Transmission Property to Transource Missouri, LLC and for Other Related Determinations.	)	Case No. EO-2012-0367

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 ("KCP&L") as Senior Director, Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of KCP&L and KCP&L Greater Missouri Operations Company consisting of (37) 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 herein. 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.

Darrin R. Ives

Subscribed and sworn before me this 25th day of February, 2013.

Notary Public

NOTARY PUBLIC
NOTARY SEAL
STATE OF MISSOURI

KAREN M. SMITH
My Commission Expires
April 16, 2016
Jackson County
Commission #12446957

My commission expires: April 16, 2016

Iatan-Nashua Project Analysis
Inputs in BLUE

	MO Retail	GMO Wholesale	TM Wholesale
Rate Base:	64,800,000	64,800,000	64,800,000
Book Depreciation Rate:	2.033%	2.033%	2.033%
Return on Equity	9.700%	11.100%	10.300%
Preferred Stock Rate	4.291%	0.000%	0.000%
Long Term Debt Rate	6.442%	5.770%	5.250%
Equity % of Capital Structure	50.000%	50.000%	55.000%
Preferred Stock % of Capital Structure	0.609%	0.000%	0.000%
Long Term Debt % of Capital Structure	49.391%	50.000%	45.000%
Clawback %	0.000%		
GMO Load Share	4.000%		
Capital Savings		0.000%	0.00%

Iatan- Nashua Line, No Savings Case

Year 1

Iatan- Nashua Line, No Savings Case	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(658,692)	(658,692)	(658,692)
Accumulated Deferred Income Tax	(990,964)	(990,964)	(990,964)
Net Investment (Rate Base)	$ 63,150,344	$ 63,150,344	$ 63,150,344
Return on Equity	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%
Long Term Debt Rate	6.44%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 5,088,597	$ 5,326,732	$ 5,069,394
Depreciation Rate	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,658,076	$ 1,887,224	$ 1,926,328
State Income Tax	$ 205,286	$ 233,656	$ 238,498
Revenue Requirement Before Clawback	$ 6,951,959	$ 7,447,612	$ 7,234,220
Revenue Credit Treatment	0%		
Total Revenues To Be Collected	$ 7,447,612	$ 7,447,612	$ 7,234,220
Revenue Collected From SPP ex-GMO	$ 7,149,707		
Amount To Be Collected From GMO Retail	$ 297,904		$ 289,369
GMO Customer Benefit/(Detriment)	$ 8,536		

Year 2

Iatan- Nashua Line, No Savings Case	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(1,976,076)	(1,976,076)	(1,976,076)
Accumulated Deferred Income Tax	(2,848,509)	(2,848,509)	(2,848,509)
Net Investment (Rate Base)	$ 59,975,415	$ 59,975,415	$ 59,975,415
Return on Equity	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 4,832,764	$ 5,058,926	$ 4,814,526
Depreciation Rate	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,574,715	$ 1,792,342	$ 1,829,481
State Income Tax	$ 194,965	$ 221,909	$ 226,507
Revenue Requirement Before Clawback	$ 6,602,444	$ 7,073,178	$ 6,870,514
Revenue Credit Treatment	0%		
Total Revenues To Be Collected	$ 7,073,178	$ 7,073,178	$ 6,870,514
Revenue Collected From SPP ex-GMO	$ 6,790,250		
Amount To Be Collected From GMO Retail	$ 282,927		$ 274,821
GMO Customer Benefit/(Detriment)	$ 8,107		

Year 3

Iatan- Nashua Line, No Savings Case	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(3,293,460)	(3,293,460)	(3,293,460)
Accumulated Deferred Income Tax	(4,469,725)	(4,469,725)	(4,469,725)
Net Investment (Rate Base)	$ 57,036,815	$ 57,036,815	$ 57,036,815
Return on Equity	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 4,595,974	$ 4,811,055	$ 4,578,630
Depreciation Rate	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,497,559	$ 1,704,523	$ 1,739,842
State Income Tax	$ 185,412	$ 211,036	$ 215,409
Revenue Requirement Before Clawback	$ 6,278,946	$ 6,726,615	$ 6,533,882
Revenue Credit Treatment	0%		
Total Revenues To Be Collected	$ 6,726,615	$ 6,726,615	$ 6,533,882
Revenue Collected From SPP ex-GMO	$ 6,457,550		
Amount To Be Collected From GMO Retail	$ 269,065		$ 261,355
GMO Customer Benefit/(Detriment)	$ 7,709		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 4			Year 5			Year 6		
Iatan- Nashua Line, No Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(4,610,844)	(4,610,844)	(4,610,844)	(5,928,228)	(5,928,228)	(5,928,228)	(7,245,612)	(7,245,612)	(7,245,612)
Accumulated Deferred Income Tax	(5,879,488)	(5,879,488)	(5,879,488)	(7,097,701)	(7,097,701)	(7,097,701)	(8,141,777)	(8,141,777)	(8,141,777)
Net Investment (Rate Base)	$ 54,309,668	$ 54,309,668	$ 54,309,668	$ 51,774,071	$ 51,774,071	$ 51,774,071	$ 49,412,611	$ 49,412,611	$ 49,412,611
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 4,376,223	$ 4,581,020	$ 4,359,709	$ 4,171,907	$ 4,367,143	$ 4,156,164	$ 3,981,623	$ 4,167,954	$ 3,966,597
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,425,955	$ 1,623,024	$ 1,656,654	$ 1,359,381	$ 1,547,248	$ 1,579,308	$ 1,297,378	$ 1,476,677	$ 1,507,275
State Income Tax	$ 176,547	$ 200,946	$ 205,110	$ 168,304	$ 191,564	$ 195,533	$ 160,628	$ 182,827	$ 186,615
Revenue Requirement Before Clawback	$ 5,978,725	$ 6,404,990	$ 6,221,472	$ 5,699,592	$ 6,105,955	$ 5,931,005	$ 5,439,629	$ 5,827,457	$ 5,660,487
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 6,404,990	$ 6,404,990	$ 6,221,472	$ 6,105,955	$ 6,105,955	$ 5,931,005	$ 5,827,457	$ 5,827,457	$ 5,660,487
Revenue Collected From SPP ex-GMO	$ 6,148,790			$ 5,861,717			$ 5,594,359		
Amount To Be Collected From GMO Retail	$ 256,200		$ 248,859	$ 244,238		$ 237,240	$ 233,098		$ 226,419
GMO Customer Benefit/(Detriment)	$ 7,341			$ 6,998			$ 6,679		

Iatan-Nashua Project Analysis
Inputs in BLUE

Iatan- Nashua Line, No Savings Case	**Year 7** GMO-MO Cost Retail Rate Base	**Year 7** GMO Wholesale Revenue Requirement	**Year 7** Transource Missouri Wholesale Revenue Requirement	**Year 8** GMO-MO Cost Retail Rate Base	**Year 8** GMO Wholesale Revenue Requirement	**Year 8** Transource Missouri Wholesale Revenue Requirement	**Year 9** GMO-MO Cost Retail Rate Base	**Year 9** GMO Wholesale Revenue Requirement	**Year 9** Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(8,562,996)	(8,562,996)	(8,562,996)	(9,880,380)	(9,880,380)	(9,880,380)	(11,197,764)	(11,197,764)	(11,197,764)
Accumulated Deferred Income Tax	(9,103,760)	(9,103,760)	(9,103,760)	(10,065,743)	(10,065,743)	(10,065,743)	(11,030,213)	(11,030,213)	(11,030,213)
Net Investment (Rate Base)	$ 47,133,244	$ 47,133,244	$ 47,133,244	$ 44,853,877	$ 44,853,877	$ 44,853,877	$ 42,572,023	$ 42,572,023	$ 42,572,023
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 3,797,954	$ 3,975,689	$ 3,783,621	$ 3,614,284	$ 3,783,425	$ 3,600,645	$ 3,430,415	$ 3,590,950	$ 3,417,469
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,237,531	$ 1,408,559	$ 1,437,745	$ 1,177,684	$ 1,340,441	$ 1,368,216	$ 1,117,772	$ 1,272,249	$ 1,298,610
State Income Tax	$ 153,218	$ 174,393	$ 178,007	$ 145,808	$ 165,959	$ 169,398	$ 138,391	$ 157,516	$ 160,780
Revenue Requirement Before Clawback	$ 5,188,703	$ 5,558,641	$ 5,399,373	$ 4,937,777	$ 5,289,825	$ 5,138,259	$ 4,686,577	$ 5,020,715	$ 4,876,860
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 5,558,641	$ 5,558,641	$ 5,399,373	$ 5,289,825	$ 5,289,825	$ 5,138,259	$ 5,020,715	$ 5,020,715	$ 4,876,860
Revenue Collected From SPP ex-GMO	$ 5,336,295			$ 5,078,232			$ 4,819,887		
Amount To Be Collected From GMO Retail	$ 222,346		$ 215,975	$ 211,593		$ 205,530	$ 200,829		$ 195,074
GMO Customer Benefit/(Detriment)	$ 6,371			$ 6,063			$ 5,754		

Iatan-Nashua Project Analysis
Inputs in BLUE

Iatan- Nashua Line, No Savings Case	Year 10 GMO-MO Cost Retail Rate Base	Year 10 GMO Wholesale Revenue Requirement	Year 10 Transource Missouri Wholesale Revenue Requirement	Year 11 GMO-MO Cost Retail Rate Base	Year 11 GMO Wholesale Revenue Requirement	Year 11 Transource Missouri Wholesale Revenue Requirement	Year 12 GMO-MO Cost Retail Rate Base	Year 12 GMO Wholesale Revenue Requirement	Year 12 Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(12,515,148)	(12,515,148)	(12,515,148)	(13,832,532)	(13,832,532)	(13,832,532)	(15,149,916)	(15,149,916)	(15,149,916)
Accumulated Deferred Income Tax	(11,992,196)	(11,992,196)	(11,992,196)	(12,956,666)	(12,956,666)	(12,956,666)	(13,918,649)	(13,918,649)	(13,918,649)
Net Investment (Rate Base)	$ 40,292,656	$ 40,292,656	$ 40,292,656	$ 38,010,802	$ 38,010,802	$ 38,010,802	$ 35,731,435	$ 35,731,435	$ 35,731,435
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 3,246,745	$ 3,398,686	$ 3,234,493	$ 3,062,875	$ 3,206,211	$ 3,051,317	$ 2,879,206	$ 3,013,947	$ 2,868,341
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,057,924	$ 1,204,131	$ 1,229,081	$ 998,012	$ 1,135,938	$ 1,159,476	$ 938,165	$ 1,067,820	$ 1,089,946
State Income Tax	$ 130,981	$ 149,083	$ 152,172	$ 123,563	$ 140,640	$ 143,554	$ 116,154	$ 132,206	$ 134,946
Revenue Requirement Before Clawback	$ 4,435,651	$ 4,751,899	$ 4,615,746	$ 4,184,451	$ 4,482,789	$ 4,354,347	$ 3,933,525	$ 4,213,973	$ 4,093,233
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 4,751,899	$ 4,751,899	$ 4,615,746	$ 4,482,789	$ 4,482,789	$ 4,354,347	$ 4,213,973	$ 4,213,973	$ 4,093,233
Revenue Collected From SPP ex-GMO	$ 4,561,823			$ 4,303,478			$ 4,045,414		
Amount To Be Collected From GMO Retail	$ 190,076		$ 184,630	$ 179,312		$ 174,174	$ 168,559		$ 163,729
GMO Customer Benefit/(Detriment)	$ 5,446			$ 5,138			$ 4,830		

Iatan-Nashua Project Analysis
Inputs in BLUE

		Year 13			Year 14			Year 15	
Iatan- Nashua Line, No Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(16,467,300)	(16,467,300)	(16,467,300)	(17,784,684)	(17,784,684)	(17,784,684)	(19,102,068)	(19,102,068)	(19,102,068)
Accumulated Deferred Income Tax	(14,883,120)	(14,883,120)	(14,883,120)	(15,845,102)	(15,845,102)	(15,845,102)	(16,809,573)	(16,809,573)	(16,809,573)
Net Investment (Rate Base)	$ 33,449,580	$ 33,449,580	$ 33,449,580	$ 31,170,214	$ 31,170,214	$ 31,170,214	$ 28,888,359	$ 28,888,359	$ 28,888,359
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 2,695,336	$ 2,821,472	$ 2,685,165	$ 2,511,667	$ 2,629,208	$ 2,502,189	$ 2,327,797	$ 2,436,733	$ 2,319,013
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 878,253	$ 999,628	$ 1,020,341	$ 818,406	$ 931,510	$ 950,811	$ 758,493	$ 863,318	$ 881,206
State Income Tax	$ 108,736	$ 123,763	$ 126,328	$ 101,326	$ 115,330	$ 117,720	$ 93,909	$ 106,887	$ 109,102
Revenue Requirement Before Clawback	$ 3,682,325	$ 3,944,863	$ 3,831,834	$ 3,431,399	$ 3,676,047	$ 3,570,720	$ 3,180,199	$ 3,406,938	$ 3,309,321
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 3,944,863	$ 3,944,863	$ 3,831,834	$ 3,676,047	$ 3,676,047	$ 3,570,720	$ 3,406,938	$ 3,406,938	$ 3,309,321
Revenue Collected From SPP ex-GMO	$ 3,787,069			$ 3,529,005			$ 3,270,660		
Amount To Be Collected From GMO Retail	$ 157,795		$ 153,273	$ 147,042		$ 142,829	$ 136,278		$ 132,373
GMO Customer Benefit/(Detriment)	$ 4,521			$ 4,213			$ 3,905		

Iatan-Nashua Project Analysis
Inputs in BLUE

Iatan- Nashua Line, No Savings Case	Year 16 GMO-MO Cost Retail Rate Base	Year 16 GMO Wholesale Revenue Requirement	Year 16 Transource Missouri Wholesale Revenue Requirement	Year 17 GMO-MO Cost Retail Rate Base	Year 17 GMO Wholesale Revenue Requirement	Year 17 Transource Missouri Wholesale Revenue Requirement	Year 18 GMO-MO Cost Retail Rate Base	Year 18 GMO Wholesale Revenue Requirement	Year 18 Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(20,419,452)	(20,419,452)	(20,419,452)	(21,736,836)	(21,736,836)	(21,736,836)	(23,054,220)	(23,054,220)	(23,054,220)
Accumulated Deferred Income Tax	(17,037,692)	(17,037,692)	(17,037,692)	(16,531,949)	(16,531,949)	(16,531,949)	(16,026,205)	(16,026,205)	(16,026,205)
Net Investment (Rate Base)	$ 27,342,856	$ 27,342,856	$ 27,342,856	$ 26,531,215	$ 26,531,215	$ 26,531,215	$ 25,719,575	$ 25,719,575	$ 25,719,575
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 2,203,262	$ 2,306,370	$ 2,194,948	$ 2,137,861	$ 2,237,908	$ 2,129,793	$ 2,072,460	$ 2,169,446	$ 2,064,639
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 717,914	$ 817,131	$ 834,062	$ 696,604	$ 792,875	$ 809,304	$ 675,293	$ 768,620	$ 784,546
State Income Tax	$ 88,885	$ 101,169	$ 103,265	$ 86,246	$ 98,165	$ 100,200	$ 83,608	$ 95,162	$ 97,134
Revenue Requirement Before Clawback	$ 3,010,061	$ 3,224,669	$ 3,132,275	$ 2,920,711	$ 3,128,949	$ 3,039,297	$ 2,831,361	$ 3,033,228	$ 2,946,319
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 3,224,669	$ 3,224,669	$ 3,132,275	$ 3,128,949	$ 3,128,949	$ 3,039,297	$ 3,033,228	$ 3,033,228	$ 2,946,319
Revenue Collected From SPP ex-GMO	$ 3,095,682			$ 3,003,791			$ 2,911,899		
Amount To Be Collected From GMO Retail	$ 128,987		$ 125,291	$ 125,158		$ 121,572	$ 121,329		$ 117,853
GMO Customer Benefit/(Detriment)	$ 3,696			$ 3,586			$ 3,476		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 19			Year 20		
Iatan- Nashua Line, No Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(24,371,604)	(24,371,604)	(24,371,604)	(25,688,988)	(25,688,988)	(25,688,988)
Accumulated Deferred Income Tax	(15,520,461)	(15,520,461)	(15,520,461)	(15,014,718)	(15,014,718)	(15,014,718)
Net Investment (Rate Base)	$ 24,907,935	$ 24,907,935	$ 24,907,935	$ 24,096,294	$ 24,096,294	$ 24,096,294
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 2,007,059	$ 2,100,984	$ 1,999,484	$ 1,941,657	$ 2,032,522	$ 1,934,330
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 653,983	$ 744,364	$ 759,788	$ 632,673	$ 720,108	$ 735,030
State Income Tax	$ 80,969	$ 92,159	$ 94,069	$ 78,331	$ 89,156	$ 91,004
Revenue Requirement Before Clawback	$ 2,742,011	$ 2,937,508	$ 2,853,341	$ 2,652,661	$ 2,841,787	$ 2,760,363
Revenue Credit Treatment	0%			0%		
Total Revenues To Be Collected	$ 2,937,508	$ 2,937,508	$ 2,853,341	$ 2,841,787	$ 2,841,787	$ 2,760,363
Revenue Collected From SPP ex-GMO	$ 2,820,007			$ 2,728,116		
Amount To Be Collected From GMO Retail	$ 117,500		$ 114,134	$ 113,671		$ 110,415
GMO Customer Benefit/(Detriment)	$ 3,367			$ 3,257		

Iatan-Nashua Project Analysis
Inputs in BLUE

	MO Retail	GMO Wholesale	TM Wholesale
Rate Base:	64,800,000	64,800,000	64,800,000
Book Depreciation Rate:	2.033%	2.033%	2.033%
Return on Equity	9.700%	11.100%	10.300%
Preferred Stock Rate	4.291%	0.000%	0.000%
Long Term Debt Rate	6.442%	5.770%	5.100%
Equity % of Capital Structure	50.000%	50.000%	55.000%
Preferred Stock % of Capital Structure	0.609%	0.000%	0.000%
Long Term Debt % of Capital Structure	49.391%	50.000%	45.000%
Clawback %	0.000%		
GMO Load Share	4.000%		
Capital Savings		0.000%	0.00%

Iatan- Nashua Line, Savings Case

Year 1

	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(658,692)	(658,692)	(658,692)
Accumulated Deferred Income Tax	(990,964)	(990,964)	(990,964)
Net Investment (Rate Base)	$ 63,150,344	$ 63,150,344	$ 63,150,344
Return on Equity	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%
Long Term Debt Rate	6.44%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 5,088,597	$ 5,326,732	$ 5,026,767
Depreciation Rate	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,658,076	$ 1,887,224	$ 1,926,328
State Income Tax	$ 205,286	$ 233,656	$ 238,498
Revenue Requirement Before Clawback	$ 6,951,959	$ 7,447,612	$ 7,191,594
Revenue Credit Treatment	0%		
Total Revenues To Be Collected	$ 7,447,612	$ 7,447,612	$ 7,191,594
Revenue Collected From SPP ex-GMO	$ 7,149,707		
Amount To Be Collected From GMO Retail	$ 297,904		$ 287,664
GMO Customer Benefit/(Detriment)	$ 10,241		

Year 2

	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(1,976,076)	(1,976,076)	(1,976,076)
Accumulated Deferred Income Tax	(2,848,509)	(2,848,509)	(2,848,509)
Net Investment (Rate Base)	$ 59,975,415	$ 59,975,415	$ 59,975,415
Return on Equity	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 4,832,764	$ 5,058,926	$ 4,774,043
Depreciation Rate	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,574,715	$ 1,792,342	$ 1,829,481
State Income Tax	$ 194,965	$ 221,909	$ 226,507
Revenue Requirement Before Clawback	$ 6,602,444	$ 7,073,178	$ 6,830,031
Revenue Credit Treatment	0%		
Total Revenues To Be Collected	$ 7,073,178	$ 7,073,178	$ 6,830,031
Revenue Collected From SPP ex-GMO	$ 6,790,250		
Amount To Be Collected From GMO Retail	$ 282,927		$ 273,201
GMO Customer Benefit/(Detriment)	$ 9,726		

Year 3

	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(3,293,460)	(3,293,460)	(3,293,460)
Accumulated Deferred Income Tax	(4,469,725)	(4,469,725)	(4,469,725)
Net Investment (Rate Base)	$ 57,036,815	$ 57,036,815	$ 57,036,815
Return on Equity	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 4,595,974	$ 4,811,055	$ 4,540,131
Depreciation Rate	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,497,559	$ 1,704,523	$ 1,739,842
State Income Tax	$ 185,412	$ 211,036	$ 215,409
Revenue Requirement Before Clawback	$ 6,278,946	$ 6,726,615	$ 6,495,382
Revenue Credit Treatment	0%		
Total Revenues To Be Collected	$ 6,726,615	$ 6,726,615	$ 6,495,382
Revenue Collected From SPP ex-GMO	$ 6,457,550		
Amount To Be Collected From GMO Retail	$ 269,065		$ 259,815
GMO Customer Benefit/(Detriment)	$ 9,249		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 4			Year 5			Year 6		
Iatan- Nashua Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(4,610,844)	(4,610,844)	(4,610,844)	(5,928,228)	(5,928,228)	(5,928,228)	(7,245,612)	(7,245,612)	(7,245,612)
Accumulated Deferred Income Tax	(5,879,488)	(5,879,488)	(5,879,488)	(7,097,701)	(7,097,701)	(7,097,701)	(8,141,777)	(8,141,777)	(8,141,777)
Net Investment (Rate Base)	$ 54,309,668	$ 54,309,668	$ 54,309,668	$ 51,774,071	$ 51,774,071	$ 51,774,071	$ 49,412,611	$ 49,412,611	$ 49,412,611
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 4,376,223	$ 4,581,020	$ 4,323,050	$ 4,171,907	$ 4,367,143	$ 4,121,216	$ 3,981,623	$ 4,167,954	$ 3,933,244
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,425,955	$ 1,623,024	$ 1,656,654	$ 1,359,381	$ 1,547,248	$ 1,579,308	$ 1,297,378	$ 1,476,677	$ 1,507,275
State Income Tax	$ 176,547	$ 200,946	$ 205,110	$ 168,304	$ 191,564	$ 195,533	$ 160,628	$ 182,827	$ 186,615
Revenue Requirement Before Clawback	$ 5,978,725	$ 6,404,990	$ 6,184,813	$ 5,699,592	$ 6,105,955	$ 5,896,058	$ 5,439,629	$ 5,827,457	$ 5,627,133
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 6,404,990	$ 6,404,990	$ 6,184,813	$ 6,105,955	$ 6,105,955	$ 5,896,058	$ 5,827,457	$ 5,827,457	$ 5,627,133
Revenue Collected From SPP ex-GMO	$ 6,148,790			$ 5,861,717			$ 5,594,359		
Amount To Be Collected From GMO Retail	$ 256,200		$ 247,393	$ 244,238		$ 235,842	$ 233,098		$ 225,085
GMO Customer Benefit/(Detriment)	$ 8,807			$ 8,396			$ 8,013		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 7			Year 8			Year 9		
Iatan- Nashua Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(8,562,996)	(8,562,996)	(8,562,996)	(9,880,380)	(9,880,380)	(9,880,380)	(11,197,764)	(11,197,764)	(11,197,764)
Accumulated Deferred Income Tax	(9,103,760)	(9,103,760)	(9,103,760)	(10,065,743)	(10,065,743)	(10,065,743)	(11,030,213)	(11,030,213)	(11,030,213)
Net Investment (Rate Base)	$ 47,133,244	$ 47,133,244	$ 47,133,244	$ 44,853,877	$ 44,853,877	$ 44,853,877	$ 42,572,023	$ 42,572,023	$ 42,572,023
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 3,797,954	$ 3,975,689	$ 3,751,806	$ 3,614,284	$ 3,783,425	$ 3,570,369	$ 3,430,415	$ 3,590,950	$ 3,388,733
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,237,531	$ 1,408,559	$ 1,437,745	$ 1,177,684	$ 1,340,441	$ 1,368,216	$ 1,117,772	$ 1,272,249	$ 1,298,610
State Income Tax	$ 153,218	$ 174,393	$ 178,007	$ 145,808	$ 165,959	$ 169,398	$ 138,391	$ 157,516	$ 160,780
Revenue Requirement Before Clawback	$ 5,188,703	$ 5,558,641	$ 5,367,558	$ 4,937,777	$ 5,289,825	$ 5,107,983	$ 4,686,577	$ 5,020,715	$ 4,848,124
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 5,558,641	$ 5,558,641	$ 5,367,558	$ 5,289,825	$ 5,289,825	$ 5,107,983	$ 5,020,715	$ 5,020,715	$ 4,848,124
Revenue Collected From SPP ex-GMO	$ 5,336,295			$ 5,078,232			$ 4,819,887		
Amount To Be Collected From GMO Retail	$ 222,346		$ 214,702	$ 211,593		$ 204,319	$ 200,829		$ 193,925
GMO Customer Benefit/(Detriment)	$ 7,643			$ 7,274			$ 6,904		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 10			Year 11			Year 12		
Iatan- Nashua Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(12,515,148)	(12,515,148)	(12,515,148)	(13,832,532)	(13,832,532)	(13,832,532)	(15,149,916)	(15,149,916)	(15,149,916)
Accumulated Deferred Income Tax	(11,992,196)	(11,992,196)	(11,992,196)	(12,956,666)	(12,956,666)	(12,956,666)	(13,918,649)	(13,918,649)	(13,918,649)
Net Investment (Rate Base)	$ 40,292,656	$ 40,292,656	$ 40,292,656	$ 38,010,802	$ 38,010,802	$ 38,010,802	$ 35,731,435	$ 35,731,435	$ 35,731,435
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 3,246,745	$ 3,398,686	$ 3,207,295	$ 3,062,875	$ 3,206,211	$ 3,025,660	$ 2,879,206	$ 3,013,947	$ 2,844,222
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 1,057,924	$ 1,204,131	$ 1,229,081	$ 998,012	$ 1,135,938	$ 1,159,476	$ 938,165	$ 1,067,820	$ 1,089,946
State Income Tax	$ 130,981	$ 149,083	$ 152,172	$ 123,563	$ 140,640	$ 143,554	$ 116,154	$ 132,206	$ 134,946
Revenue Requirement Before Clawback	$ 4,435,651	$ 4,751,899	$ 4,588,548	$ 4,184,451	$ 4,482,789	$ 4,328,690	$ 3,933,525	$ 4,213,973	$ 4,069,114
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 4,751,899	$ 4,751,899	$ 4,588,548	$ 4,482,789	$ 4,482,789	$ 4,328,690	$ 4,213,973	$ 4,213,973	$ 4,069,114
Revenue Collected From SPP ex-GMO	$ 4,561,823			$ 4,303,478			$ 4,045,414		
Amount To Be Collected From GMO Retail	$ 190,076		$ 183,542	$ 179,312		$ 173,148	$ 168,559		$ 162,765
GMO Customer Benefit/(Detriment)	$ 6,534			$ 6,164			$ 5,794		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 13			Year 14			Year 15		
Iatan- Nashua Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(16,467,300)	(16,467,300)	(16,467,300)	(17,784,684)	(17,784,684)	(17,784,684)	(19,102,068)	(19,102,068)	(19,102,068)
Accumulated Deferred Income Tax	(14,883,120)	(14,883,120)	(14,883,120)	(15,845,102)	(15,845,102)	(15,845,102)	(16,809,573)	(16,809,573)	(16,809,573)
Net Investment (Rate Base)	$ 33,449,580	$ 33,449,580	$ 33,449,580	$ 31,170,214	$ 31,170,214	$ 31,170,214	$ 28,888,359	$ 28,888,359	$ 28,888,359
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 2,695,336	$ 2,821,472	$ 2,662,587	$ 2,511,667	$ 2,629,208	$ 2,481,149	$ 2,327,797	$ 2,436,733	$ 2,299,513
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 878,253	$ 999,628	$ 1,020,341	$ 818,406	$ 931,510	$ 950,811	$ 758,493	$ 863,318	$ 881,206
State Income Tax	$ 108,736	$ 123,763	$ 126,328	$ 101,326	$ 115,330	$ 117,720	$ 93,909	$ 106,887	$ 109,102
Revenue Requirement Before Clawback	$ 3,682,325	$ 3,944,863	$ 3,809,255	$ 3,431,399	$ 3,676,047	$ 3,549,680	$ 3,180,199	$ 3,406,938	$ 3,289,821
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 3,944,863	$ 3,944,863	$ 3,809,255	$ 3,676,047	$ 3,676,047	$ 3,549,680	$ 3,406,938	$ 3,406,938	$ 3,289,821
Revenue Collected From SPP ex-GMO	$ 3,787,069			$ 3,529,005			$ 3,270,660		
Amount To Be Collected From GMO Retail	$ 157,795		$ 152,370	$ 147,042		$ 141,987	$ 136,278		$ 131,593
GMO Customer Benefit/(Detriment)	$ 5,424			$ 5,055			$ 4,685		

Iatan-Nashua Project Analysis
Inputs in BLUE

Iatan- Nashua Line, Savings Case	Year 16			Year 17			Year 18		
	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(20,419,452)	(20,419,452)	(20,419,452)	(21,736,836)	(21,736,836)	(21,736,836)	(23,054,220)	(23,054,220)	(23,054,220)
Accumulated Deferred Income Tax	(17,037,692)	(17,037,692)	(17,037,692)	(16,531,949)	(16,531,949)	(16,531,949)	(16,026,205)	(16,026,205)	(16,026,205)
Net Investment (Rate Base)	$ 27,342,856	$ 27,342,856	$ 27,342,856	$ 26,531,215	$ 26,531,215	$ 26,531,215	$ 25,719,575	$ 25,719,575	$ 25,719,575
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 2,203,262	$ 2,306,370	$ 2,176,491	$ 2,137,861	$ 2,237,908	$ 2,111,885	$ 2,072,460	$ 2,169,446	$ 2,047,278
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 717,914	$ 817,131	$ 834,062	$ 696,604	$ 792,875	$ 809,304	$ 675,293	$ 768,620	$ 784,546
State Income Tax	$ 88,885	$ 101,169	$ 103,265	$ 86,246	$ 98,165	$ 100,200	$ 83,608	$ 95,162	$ 97,134
Revenue Requirement Before Clawback	$ 3,010,061	$ 3,224,669	$ 3,113,818	$ 2,920,711	$ 3,128,949	$ 3,021,388	$ 2,831,361	$ 3,033,228	$ 2,928,958
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 3,224,669	$ 3,224,669	$ 3,113,818	$ 3,128,949	$ 3,128,949	$ 3,021,388	$ 3,033,228	$ 3,033,228	$ 2,928,958
Revenue Collected From SPP ex-GMO	$ 3,095,682			$ 3,003,791			$ 2,911,899		
Amount To Be Collected From GMO Retail	$ 128,987		$ 124,553	$ 125,158		$ 120,856	$ 121,329		$ 117,158
GMO Customer Benefit/(Detriment)	$ 4,434			$ 4,302			$ 4,171		

Iatan-Nashua Project Analysis
Inputs in BLUE

	Year 19			Year 20		
Iatan- Nashua Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000	$ 64,800,000
Accumulated Depreciation	(24,371,604)	(24,371,604)	(24,371,604)	(25,688,988)	(25,688,988)	(25,688,988)
Accumulated Deferred Income Tax	(15,520,461)	(15,520,461)	(15,520,461)	(15,014,718)	(15,014,718)	(15,014,718)
Net Investment (Rate Base)	$ 24,907,935	$ 24,907,935	$ 24,907,935	$ 24,096,294	$ 24,096,294	$ 24,096,294
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 2,007,059	$ 2,100,984	$ 1,982,672	$ 1,941,657	$ 2,032,522	$ 1,918,065
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 653,983	$ 744,364	$ 759,788	$ 632,673	$ 720,108	$ 735,030
State Income Tax	$ 80,969	$ 92,159	$ 94,069	$ 78,331	$ 89,156	$ 91,004
Revenue Requirement Before Clawback	$ 2,742,011	$ 2,937,508	$ 2,836,528	$ 2,652,661	$ 2,841,787	$ 2,744,098
Revenue Credit Treatment	0%			0%		
Total Revenues To Be Collected	$ 2,937,508	$ 2,937,508	$ 2,836,528	$ 2,841,787	$ 2,841,787	$ 2,744,098
Revenue Collected From SPP ex-GMO	$ 2,820,007			$ 2,728,116		
Amount To Be Collected From GMO Retail	$ 117,500		$ 113,461	$ 113,671		$ 109,764
GMO Customer Benefit/(Detriment)	$ 4,039			$ 3,908		

Sibley-Nebraska City Project Analysis

Inputs in BLUE

	MO Retail	GMO Wholesale	TM Wholesale
Rate Base:	380,000,000	380,000,000	380,000,000
Book Depreciation Rate:	2.033%	2.033%	2.033%
Return on Equity	9.700%	11.100%	10.300%
Preferred Stock Rate	4.291%	0.000%	0.000%
Long Term Debt Rate	6.442%	5.770%	5.250%
Equity % of Capital Structure	50.000%	50.000%	55.000%
Preferred Stock % of Capital Structure	0.609%	0.000%	0.000%
Long Term Debt % of Capital Structure	49.391%	50.000%	45.000%
Clawback %	0.000%		
GMO Load Share	4.000%		
Capital Savings		0.000%	0.00%

	Year 1			Year 2			Year 3		
Sibley-Nebraska City Line, No Savings Case	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(3,862,700)	(3,862,700)	(3,862,700)	(11,588,100)	(11,588,100)	(11,588,100)	(19,313,500)	(19,313,500)	(19,313,500)
Accumulated Deferred Income Tax	(5,811,209)	(5,811,209)	(5,811,209)	(16,704,218)	(16,704,218)	(16,704,218)	(26,211,348)	(26,211,348)	(26,211,348)
Net Investment (Rate Base)	$ 370,326,091	$ 370,326,091	$ 370,326,091	$ 351,707,682	$ 351,707,682	$ 351,707,682	$ 334,475,152	$ 334,475,152	$ 334,475,152
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.44%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 29,840,536	$ 31,237,006	$ 29,727,927	$ 28,340,282	$ 29,666,543	$ 28,233,334	$ 26,951,701	$ 28,212,979	$ 26,849,993
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 9,723,286	$ 11,067,053	$ 11,296,370	$ 9,234,441	$ 10,510,649	$ 10,728,437	$ 8,781,984	$ 9,995,661	$ 10,202,779
State Income Tax	$ 1,203,835	$ 1,370,207	$ 1,398,598	$ 1,143,312	$ 1,301,318	$ 1,328,283	$ 1,087,293	$ 1,237,558	$ 1,263,201
Revenue Requirement Before Clawback	$ 40,767,658	$ 43,674,265	$ 42,422,895	$ 38,718,035	$ 41,478,510	$ 40,290,054	$ 36,820,978	$ 39,446,198	$ 38,315,973
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 43,674,265	$ 43,674,265	$ 42,422,895	$ 41,478,510	$ 41,478,510	$ 40,290,054	$ 39,446,198	$ 39,446,198	$ 38,315,973
Revenue Collected From SPP ex-GMO	$ 41,927,294			$ 39,819,370			$ 37,868,350		
Amount To Be Collected From GMO Retail	$ 1,746,971		$ 1,696,916	$ 1,659,140		$ 1,611,602	$ 1,577,848		$ 1,532,639
GMO Customer Benefit/(Detriment)	$ 50,055			$ 47,538			$ 45,209		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

	Year 4			Year 5			Year 6		
Sibley-Nebraska City Line, No Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(27,038,900)	(27,038,900)	(27,038,900)	(34,764,300)	(34,764,300)	(34,764,300)	(42,489,700)	(42,489,700)	(42,489,700)
Accumulated Deferred Income Tax	(34,478,481)	(34,478,481)	(34,478,481)	(41,622,323)	(41,622,323)	(41,622,323)	(47,744,990)	(47,744,990)	(47,744,990)
Net Investment (Rate Base)	$ 318,482,619	$ 318,482,619	$ 318,482,619	$ 303,613,377	$ 303,613,377	$ 303,613,377	$ 289,765,310	$ 289,765,310	$ 289,765,310
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 25,663,037	$ 26,864,009	$ 25,566,192	$ 24,464,887	$ 25,609,788	$ 24,372,564	$ 23,349,023	$ 24,441,704	$ 23,260,910
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 8,362,084	$ 9,517,731	$ 9,714,945	$ 7,971,677	$ 9,073,369	$ 9,261,376	$ 7,608,082	$ 8,659,525	$ 8,838,956
State Income Tax	$ 1,035,306	$ 1,178,386	$ 1,202,803	$ 986,969	$ 1,123,369	$ 1,146,647	$ 941,953	$ 1,072,132	$ 1,094,347
Revenue Requirement Before Clawback	$ 35,060,426	$ 37,560,125	$ 36,483,940	$ 33,423,533	$ 35,806,527	$ 34,780,586	$ 31,899,057	$ 34,173,360	$ 33,194,214
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 37,560,125	$ 37,560,125	$ 36,483,940	$ 35,806,527	$ 35,806,527	$ 34,780,586	$ 34,173,360	$ 34,173,360	$ 33,194,214
Revenue Collected From SPP ex-GMO	$ 36,057,720			$ 34,374,266			$ 32,806,426		
Amount To Be Collected From GMO Retail	$ 1,502,405		$ 1,459,358	$ 1,432,261		$ 1,391,223	$ 1,366,934		$ 1,327,769
GMO Customer Benefit/(Detriment)	$ 43,047			$ 41,038			$ 39,166		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, No Savings Case	Year 7 **GMO-MO Cost Retail Rate Base**	Year 7 **GMO Wholesale Revenue Requirement**	Year 7 **Transource Missouri Wholesale Revenue Requirement**	Year 8 **GMO-MO Cost Retail Rate Base**	Year 8 **GMO Wholesale Revenue Requirement**	Year 8 **Transource Missouri Wholesale Revenue Requirement**	Year 9 **GMO-MO Cost Retail Rate Base**	Year 9 **GMO Wholesale Revenue Requirement**	Year 9 **Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(50,215,100)	(50,215,100)	(50,215,100)	(57,940,500)	(57,940,500)	(57,940,500)	(65,665,900)	(65,665,900)	(65,665,900)
Accumulated Deferred Income Tax	(53,386,247)	(53,386,247)	(53,386,247)	(59,027,504)	(59,027,504)	(59,027,504)	(64,683,349)	(64,683,349)	(64,683,349)
Net Investment (Rate Base)	$ 276,398,653	$ 276,398,653	$ 276,398,653	$ 263,031,996	$ 263,031,996	$ 263,031,996	$ 249,650,751	$ 249,650,751	$ 249,650,751
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 22,271,950	$ 23,314,226	$ 22,187,902	$ 21,194,877	$ 22,186,749	$ 21,114,893	$ 20,116,628	$ 21,058,041	$ 20,040,714
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 7,257,127	$ 8,260,067	$ 8,431,222	$ 6,906,171	$ 7,860,610	$ 8,023,488	$ 6,554,833	$ 7,460,717	$ 7,615,308
State Income Tax	$ 898,501	$ 1,022,675	$ 1,043,866	$ 855,050	$ 973,218	$ 993,384	$ 811,551	$ 923,708	$ 942,848
Revenue Requirement Before Clawback	$ 30,427,578	$ 32,596,969	$ 31,662,989	$ 28,956,098	$ 31,020,577	$ 30,131,765	$ 27,483,012	$ 29,442,465	$ 28,598,870
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 32,596,969	$ 32,596,969	$ 31,662,989	$ 31,020,577	$ 31,020,577	$ 30,131,765	$ 29,442,465	$ 29,442,465	$ 28,598,870
Revenue Collected From SPP ex-GMO	$ 31,293,090			$ 29,779,754			$ 28,264,767		
Amount To Be Collected From GMO Retail	$ 1,303,879		$ 1,266,520	$ 1,240,823		$ 1,205,271	$ 1,177,699		$ 1,143,955
GMO Customer Benefit/(Detriment)	$ 37,359			$ 35,552			$ 33,744		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, No Savings Case	**Year 10** GMO-MO Cost Retail Rate Base	**Year 10** GMO Wholesale Revenue Requirement	**Year 10** Transource Missouri Wholesale Revenue Requirement	**Year 11** GMO-MO Cost Retail Rate Base	**Year 11** GMO Wholesale Revenue Requirement	**Year 11** Transource Missouri Wholesale Revenue Requirement	**Year 12** GMO-MO Cost Retail Rate Base	**Year 12** GMO Wholesale Revenue Requirement	**Year 12** Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(73,391,300)	(73,391,300)	(73,391,300)	(81,116,700)	(81,116,700)	(81,116,700)	(88,842,100)	(88,842,100)	(88,842,100)
Accumulated Deferred Income Tax	(70,324,606)	(70,324,606)	(70,324,606)	(75,980,451)	(75,980,451)	(75,980,451)	(81,621,708)	(81,621,708)	(81,621,708)
Net Investment (Rate Base)	$ 236,284,094	$ 236,284,094	$ 236,284,094	$ 222,902,849	$ 222,902,849	$ 222,902,849	$ 209,536,192	$ 209,536,192	$ 209,536,192
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 19,039,555	$ 19,930,563	$ 18,967,706	$ 17,961,307	$ 18,801,855	$ 17,893,526	$ 16,884,234	$ 17,674,378	$ 16,820,518
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 6,203,878	$ 7,061,259	$ 7,207,574	$ 5,852,540	$ 6,661,366	$ 6,799,394	$ 5,501,585	$ 6,261,908	$ 6,391,660
State Income Tax	$ 768,099	$ 874,251	$ 892,366	$ 724,600	$ 824,741	$ 841,830	$ 681,149	$ 775,284	$ 791,348
Revenue Requirement Before Clawback	$ 26,011,533	$ 27,866,074	$ 27,067,646	$ 24,538,447	$ 26,287,962	$ 25,534,750	$ 23,066,967	$ 24,711,570	$ 24,003,526
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 27,866,074	$ 27,866,074	$ 27,067,646	$ 26,287,962	$ 26,287,962	$ 25,534,750	$ 24,711,570	$ 24,711,570	$ 24,003,526
Revenue Collected From SPP ex-GMO	$ 26,751,431			$ 25,236,443			$ 23,723,107		
Amount To Be Collected From GMO Retail	$ 1,114,643		$ 1,082,706	$ 1,051,518		$ 1,021,390	$ 988,463		$ 960,141
GMO Customer Benefit/(Detriment)	$ 31,937			$ 30,128			$ 28,322		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, No Savings Case	**Year 13** GMO-MO Cost Retail Rate Base	**Year 13** GMO Wholesale Revenue Requirement	**Year 13** Transource Missouri Wholesale Revenue Requirement	**Year 14** GMO-MO Cost Retail Rate Base	**Year 14** GMO Wholesale Revenue Requirement	**Year 14** Transource Missouri Wholesale Revenue Requirement	**Year 15** GMO-MO Cost Retail Rate Base	**Year 15** GMO Wholesale Revenue Requirement	**Year 15** Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(96,567,500)	(96,567,500)	(96,567,500)	(104,292,900)	(104,292,900)	(104,292,900)	(112,018,300)	(112,018,300)	(112,018,300)
Accumulated Deferred Income Tax	(87,277,554)	(87,277,554)	(87,277,554)	(92,918,810)	(92,918,810)	(92,918,810)	(98,574,656)	(98,574,656)	(98,574,656)
Net Investment (Rate Base)	$ 196,154,946	$ 196,154,946	$ 196,154,946	$ 182,788,290	$ 182,788,290	$ 182,788,290	$ 169,407,044	$ 169,407,044	$ 169,407,044
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 15,805,986	$ 16,545,670	$ 15,746,338	$ 14,728,913	$ 15,418,192	$ 14,673,330	$ 13,650,664	$ 14,289,484	$ 13,599,150
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 5,150,247	$ 5,862,015	$ 5,983,480	$ 4,799,292	$ 5,462,558	$ 5,575,746	$ 4,447,953	$ 5,062,664	$ 5,167,566
State Income Tax	$ 637,650	$ 725,773	$ 740,812	$ 594,198	$ 676,317	$ 690,330	$ 550,699	$ 626,806	$ 639,794
Revenue Requirement Before Clawback	$ 21,593,882	$ 23,133,458	$ 22,470,630	$ 20,122,402	$ 21,557,067	$ 20,939,406	$ 18,649,317	$ 19,978,955	$ 19,406,511
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 23,133,458	$ 23,133,458	$ 22,470,630	$ 21,557,067	$ 21,557,067	$ 20,939,406	$ 19,978,955	$ 19,978,955	$ 19,406,511
Revenue Collected From SPP ex-GMO	$ 22,208,120			$ 20,694,784			$ 19,179,796		
Amount To Be Collected From GMO Retail	$ 925,338		$ 898,825	$ 862,283		$ 837,576	$ 799,158		$ 776,260
GMO Customer Benefit/(Detriment)	$ 26,513			$ 24,706			$ 22,898		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, No Savings Case	Year 16 GMO-MO Cost Retail Rate Base	Year 16 GMO Wholesale Revenue Requirement	Year 16 Transource Missouri Wholesale Revenue Requirement	Year 17 GMO-MO Cost Retail Rate Base	Year 17 GMO Wholesale Revenue Requirement	Year 17 Transource Missouri Wholesale Revenue Requirement	Year 18 GMO-MO Cost Retail Rate Base	Year 18 GMO Wholesale Revenue Requirement	Year 18 Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(119,743,700)	(119,743,700)	(119,743,700)	(127,469,100)	(127,469,100)	(127,469,100)	(135,194,500)	(135,194,500)	(135,194,500)
Accumulated Deferred Income Tax	(99,912,394)	(99,912,394)	(99,912,394)	(96,946,613)	(96,946,613)	(96,946,613)	(93,980,831)	(93,980,831)	(93,980,831)
Net Investment (Rate Base)	$ 160,343,906	$ 160,343,906	$ 160,343,906	$ 155,584,287	$ 155,584,287	$ 155,584,287	$ 150,824,669	$ 150,824,669	$ 150,824,669
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 12,920,365	$ 13,525,009	$ 12,871,607	$ 12,536,839	$ 13,123,535	$ 12,489,529	$ 12,153,313	$ 12,722,061	$ 12,107,450
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 4,209,992	$ 4,791,816	$ 4,891,106	$ 4,085,023	$ 4,649,577	$ 4,745,919	$ 3,960,054	$ 4,507,337	$ 4,600,732
State Income Tax	$ 521,237	$ 593,272	$ 605,565	$ 505,765	$ 575,662	$ 587,590	$ 490,292	$ 558,051	$ 569,614
Revenue Requirement Before Clawback	$ 17,651,593	$ 18,910,097	$ 18,368,278	$ 17,127,627	$ 18,348,773	$ 17,823,038	$ 16,603,660	$ 17,787,449	$ 17,277,797
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 18,910,097	$ 18,910,097	$ 18,368,278	$ 18,348,773	$ 18,348,773	$ 17,823,038	$ 17,787,449	$ 17,787,449	$ 17,277,797
Revenue Collected From SPP ex-GMO	$ 18,153,693			$ 17,614,822			$ 17,075,951		
Amount To Be Collected From GMO Retail	$ 756,404		$ 734,731	$ 733,951		$ 712,922	$ 711,498		$ 691,112
GMO Customer Benefit/(Detriment)	$ 21,673			$ 21,029			$ 20,386		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, No Savings Case	Year 19 GMO-MO Cost Retail Rate Base	Year 19 GMO Wholesale Revenue Requirement	Year 19 Transource Missouri Wholesale Revenue Requirement	Year 20 GMO-MO Cost Retail Rate Base	Year 20 GMO Wholesale Revenue Requirement	Year 20 Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000	$ 380,000,000
Accumulated Depreciation	(142,919,900)	(142,919,900)	(142,919,900)	(150,645,300)	(150,645,300)	(150,645,300)
Accumulated Deferred Income Tax	(91,015,050)	(91,015,050)	(91,015,050)	(88,049,269)	(88,049,269)	(88,049,269)
Net Investment (Rate Base)	$ 146,065,050	$ 146,065,050	$ 146,065,050	$ 141,305,431	$ 141,305,431	$ 141,305,431
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.25%	6.442%	5.77%	5.25%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	8.03%	8.06%	8.44%	8.03%
Cost of Capital ($)	$ 11,769,788	$ 12,320,587	$ 11,725,372	$ 11,386,262	$ 11,919,113	$ 11,343,293
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 3,835,086	$ 4,365,098	$ 4,455,546	$ 3,710,117	$ 4,222,858	$ 4,310,359
State Income Tax	$ 474,820	$ 540,441	$ 551,639	$ 459,348	$ 522,830	$ 533,664
Revenue Requirement Before Clawback	$ 16,079,694	$ 17,226,125	$ 16,732,557	$ 15,555,727	$ 16,664,802	$ 16,187,316
Revenue Credit Treatment	0%			0%		
Total Revenues To Be Collected	$ 17,226,125	$ 17,226,125	$ 16,732,557	$ 16,664,802	$ 16,664,802	$ 16,187,316
Revenue Collected From SPP ex-GMO	$ 16,537,080			$ 15,998,210		
Amount To Be Collected From GMO Retail	$ 689,045		$ 669,302	$ 666,592		$ 647,493
GMO Customer Benefit/(Detriment)	$ 19,743			$ 19,099		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

	MO Retail	GMO Wholesale	TM Wholesale
Rate Base:	**380,000,000**	380,000,000	374,000,000
Book Depreciation Rate:	**2.033%**	**2.033%**	**2.033%**
Return on Equity	**9.700%**	**11.100%**	**10.300%**
Preferred Stock Rate	**4.291%**	**0.000%**	**0.000%**
Long Term Debt Rate	**6.442%**	**5.770%**	**5.100%**
Equity % of Capital Structure	**50.000%**	**50.000%**	**55.000%**
Preferred Stock % of Capital Structure	**0.609%**	**0.000%**	**0.000%**
Long Term Debt % of Capital Structure	49.391%	50.000%	45.000%
Clawback %	**0.000%**		
GMO Load Share	**4.000%**		
Capital Savings		**0.000%**	**1.58%**

	Year 1			Year 2			Year 3		
Sibley-Nebraska City Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(3,862,700)	(3,862,700)	(3,801,710)	(11,588,100)	(11,588,100)	(11,405,130)	(19,313,500)	(19,313,500)	(19,008,550)
Accumulated Deferred Income Tax	(5,811,209)	(5,811,209)	(5,719,454)	(16,704,218)	(16,704,218)	(16,440,468)	(26,211,348)	(26,211,348)	(25,797,485)
Net Investment (Rate Base)	$ 370,326,091	$ 370,326,091	$ 364,478,836	$ 351,707,682	$ 351,707,682	$ 346,154,402	$ 334,475,152	$ 334,475,152	$ 329,193,965
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.44%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 29,840,536	$ 31,237,006	$ 29,012,515	$ 28,340,282	$ 29,666,543	$ 27,553,890	$ 26,951,701	$ 28,212,979	$ 26,203,840
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 9,723,286	$ 11,067,053	$ 11,118,006	$ 9,234,441	$ 10,510,649	$ 10,559,041	$ 8,781,984	$ 9,995,661	$ 10,041,682
State Income Tax	$ 1,203,835	$ 1,370,207	$ 1,376,515	$ 1,143,312	$ 1,301,318	$ 1,307,310	$ 1,087,293	$ 1,237,558	$ 1,243,256
Revenue Requirement Before Clawback	$ 40,767,658	$ 43,674,265	$ 41,507,037	$ 38,718,035	$ 41,478,510	$ 39,420,241	$ 36,820,978	$ 39,446,198	$ 37,488,778
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 43,674,265	$ 43,674,265	$ 41,507,037	$ 41,478,510	$ 41,478,510	$ 39,420,241	$ 39,446,198	$ 39,446,198	$ 37,488,778
Revenue Collected From SPP ex-GMO	$ 41,927,294			$ 39,819,370			$ 37,868,350		
Amount To Be Collected From GMO Retail	$ 1,746,971		$ 1,660,281	$ 1,659,140		$ 1,576,810	$ 1,577,848		$ 1,499,551
GMO Customer Benefit/(Detriment)	$ 86,689			$ 82,331			$ 78,297		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, Savings Case	Year 4			Year 5			Year 6		
	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(27,038,900)	(27,038,900)	(26,611,970)	(34,764,300)	(34,764,300)	(34,215,390)	(42,489,700)	(42,489,700)	(41,818,810)
Accumulated Deferred Income Tax	(34,478,481)	(34,478,481)	(33,934,084)	(41,622,323)	(41,622,323)	(40,965,128)	(47,744,990)	(47,744,990)	(46,991,122)
Net Investment (Rate Base)	$ 318,482,619	$ 318,482,619	$ 313,453,946	$ 303,613,377	$ 303,613,377	$ 298,819,482	$ 289,765,310	$ 289,765,310	$ 285,190,068
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 25,663,037	$ 26,864,009	$ 24,950,934	$ 24,464,887	$ 25,609,788	$ 23,786,031	$ 23,349,023	$ 24,441,704	$ 22,701,129
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 8,362,084	$ 9,517,731	$ 9,561,551	$ 7,971,677	$ 9,073,369	$ 9,115,143	$ 7,608,082	$ 8,659,525	$ 8,699,394
State Income Tax	$ 1,035,306	$ 1,178,386	$ 1,183,811	$ 986,969	$ 1,123,369	$ 1,128,542	$ 941,953	$ 1,072,132	$ 1,077,068
Revenue Requirement Before Clawback	$ 35,060,426	$ 37,560,125	$ 35,696,296	$ 33,423,533	$ 35,806,527	$ 34,029,716	$ 31,899,057	$ 34,173,360	$ 32,477,591
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 37,560,125	$ 37,560,125	$ 35,696,296	$ 35,806,527	$ 35,806,527	$ 34,029,716	$ 34,173,360	$ 34,173,360	$ 32,477,591
Revenue Collected From SPP ex-GMO	$ 36,057,720			$ 34,374,266			$ 32,806,426		
Amount To Be Collected From GMO Retail	$ 1,502,405		$ 1,427,852	$ 1,432,261		$ 1,361,189	$ 1,366,934		$ 1,299,104
GMO Customer Benefit/(Detriment)	$ 74,553			$ 71,072			$ 67,831		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, Savings Case	**Year 7** GMO-MO Cost Retail Rate Base	**Year 7** GMO Wholesale Revenue Requirement	**Year 7** Transource Missouri Wholesale Revenue Requirement	**Year 8** GMO-MO Cost Retail Rate Base	**Year 8** GMO Wholesale Revenue Requirement	**Year 8** Transource Missouri Wholesale Revenue Requirement	**Year 9** GMO-MO Cost Retail Rate Base	**Year 9** GMO Wholesale Revenue Requirement	**Year 9** Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(50,215,100)	(50,215,100)	(49,422,230)	(57,940,500)	(57,940,500)	(57,025,650)	(65,665,900)	(65,665,900)	(64,629,070)
Accumulated Deferred Income Tax	(53,386,247)	(53,386,247)	(52,543,307)	(59,027,504)	(59,027,504)	(58,095,491)	(64,683,349)	(64,683,349)	(63,662,033)
Net Investment (Rate Base)	$ 276,398,653	$ 276,398,653	$ 272,034,463	$ 263,031,996	$ 263,031,996	$ 258,878,859	$ 249,650,751	$ 249,650,751	$ 245,708,897
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 22,271,950	$ 23,314,226	$ 21,653,943	$ 21,194,877	$ 22,186,749	$ 20,606,757	$ 20,116,628	$ 21,058,041	$ 19,558,428
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 7,257,127	$ 8,260,067	$ 8,298,097	$ 6,906,171	$ 7,860,610	$ 7,896,801	$ 6,554,833	$ 7,460,717	$ 7,495,066
State Income Tax	$ 898,501	$ 1,022,675	$ 1,027,383	$ 855,050	$ 973,218	$ 977,699	$ 811,551	$ 923,708	$ 927,961
Revenue Requirement Before Clawback	$ 30,427,578	$ 32,596,969	$ 30,979,424	$ 28,956,098	$ 31,020,577	$ 29,481,257	$ 27,483,012	$ 29,442,465	$ 27,981,455
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 32,596,969	$ 32,596,969	$ 30,979,424	$ 31,020,577	$ 31,020,577	$ 29,481,257	$ 29,442,465	$ 29,442,465	$ 27,981,455
Revenue Collected From SPP ex-GMO	$ 31,293,090			$ 29,779,754			$ 28,264,767		
Amount To Be Collected From GMO Retail	$ 1,303,879		$ 1,239,177	$ 1,240,823		$ 1,179,250	$ 1,177,699		$ 1,119,258
GMO Customer Benefit/(Detriment)	$ 64,702			$ 61,573			$ 58,440		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, Savings Case	Year 10 GMO-MO Cost Retail Rate Base	Year 10 GMO Wholesale Revenue Requirement	Year 10 Transource Missouri Wholesale Revenue Requirement	Year 11 GMO-MO Cost Retail Rate Base	Year 11 GMO Wholesale Revenue Requirement	Year 11 Transource Missouri Wholesale Revenue Requirement	Year 12 GMO-MO Cost Retail Rate Base	Year 12 GMO Wholesale Revenue Requirement	Year 12 Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(73,391,300)	(73,391,300)	(72,232,490)	(81,116,700)	(81,116,700)	(79,835,910)	(88,842,100)	(88,842,100)	(87,439,330)
Accumulated Deferred Income Tax	(70,324,606)	(70,324,606)	(69,214,218)	(75,980,451)	(75,980,451)	(74,780,760)	(81,621,708)	(81,621,708)	(80,332,945)
Net Investment (Rate Base)	$ 236,284,094	$ 236,284,094	$ 232,553,292	$ 222,902,849	$ 222,902,849	$ 219,383,330	$ 209,536,192	$ 209,536,192	$ 206,227,725
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 19,039,555	$ 19,930,563	$ 18,511,242	$ 17,961,307	$ 18,801,855	$ 17,462,913	$ 16,884,234	$ 17,674,378	$ 16,415,727
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 6,203,878	$ 7,061,259	$ 7,093,770	$ 5,852,540	$ 6,661,366	$ 6,692,035	$ 5,501,585	$ 6,261,908	$ 6,290,739
State Income Tax	$ 768,099	$ 874,251	$ 878,276	$ 724,600	$ 824,741	$ 828,538	$ 681,149	$ 775,284	$ 778,853
Revenue Requirement Before Clawback	$ 26,011,533	$ 27,866,074	$ 26,483,288	$ 24,538,447	$ 26,287,962	$ 24,983,486	$ 23,066,967	$ 24,711,570	$ 23,485,319
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 27,866,074	$ 27,866,074	$ 26,483,288	$ 26,287,962	$ 26,287,962	$ 24,983,486	$ 24,711,570	$ 24,711,570	$ 23,485,319
Revenue Collected From SPP ex-GMO	$ 26,751,431			$ 25,236,443			$ 23,723,107		
Amount To Be Collected From GMO Retail	$ 1,114,643		$ 1,059,332	$ 1,051,518		$ 999,339	$ 988,463		$ 939,413
GMO Customer Benefit/(Detriment)	$ 55,311			$ 52,179			$ 49,050		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, Savings Case	**Year 13** GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	**Year 14** GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement	**Year 15** GMO-MO Cost Retail Rate Base	GMO Wholesale Revenue Requirement	Transource Missouri Wholesale Revenue Requirement
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(96,567,500)	(96,567,500)	(95,042,750)	(104,292,900)	(104,292,900)	(102,646,170)	(112,018,300)	(112,018,300)	(110,249,590)
Accumulated Deferred Income Tax	(87,277,554)	(87,277,554)	(85,899,487)	(92,918,810)	(92,918,810)	(91,451,671)	(98,574,656)	(98,574,656)	(97,018,214)
Net Investment (Rate Base)	$ 196,154,946	$ 196,154,946	$ 193,057,763	$ 182,788,290	$ 182,788,290	$ 179,902,159	$ 169,407,044	$ 169,407,044	$ 166,732,196
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 15,805,986	$ 16,545,670	$ 15,367,398	$ 14,728,913	$ 15,418,192	$ 14,320,212	$ 13,650,664	$ 14,289,484	$ 13,271,883
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 5,150,247	$ 5,862,015	$ 5,889,004	$ 4,799,292	$ 5,462,558	$ 5,487,708	$ 4,447,953	$ 5,062,664	$ 5,085,973
State Income Tax	$ 637,650	$ 725,773	$ 729,115	$ 594,198	$ 676,317	$ 679,430	$ 550,699	$ 626,806	$ 629,692
Revenue Requirement Before Clawback	$ 21,593,882	$ 23,133,458	$ 21,985,517	$ 20,122,402	$ 21,557,067	$ 20,487,350	$ 18,649,317	$ 19,978,955	$ 18,987,548
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 23,133,458	$ 23,133,458	$ 21,985,517	$ 21,557,067	$ 21,557,067	$ 20,487,350	$ 19,978,955	$ 19,978,955	$ 18,987,548
Revenue Collected From SPP ex-GMO	$ 22,208,120			$ 20,694,784			$ 19,179,796		
Amount To Be Collected From GMO Retail	$ 925,338		$ 879,421	$ 862,283		$ 819,494	$ 799,158		$ 759,502
GMO Customer Benefit/(Detriment)	$ 45,918			$ 42,789			$ 39,656		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

	Year 16			Year 17			Year 18		
Sibley-Nebraska City Line, Savings Case	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	**GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(119,743,700)	(119,743,700)	(117,853,010)	(127,469,100)	(127,469,100)	(125,456,430)	(135,194,500)	(135,194,500)	(133,059,850)
Accumulated Deferred Income Tax	(99,912,394)	(99,912,394)	(98,334,829)	(96,946,613)	(96,946,613)	(95,415,877)	(93,980,831)	(93,980,831)	(92,496,924)
Net Investment (Rate Base)	$ 160,343,906	$ 160,343,906	$ 157,812,161	$ 155,584,287	$ 155,584,287	$ 153,127,693	$ 150,824,669	$ 150,824,669	$ 148,443,226
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 12,920,365	$ 13,525,009	$ 12,561,848	$ 12,536,839	$ 13,123,535	$ 12,188,964	$ 12,153,313	$ 12,722,061	$ 11,816,081
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 4,209,992	$ 4,791,816	$ 4,813,878	$ 4,085,023	$ 4,649,577	$ 4,670,984	$ 3,960,054	$ 4,507,337	$ 4,528,089
State Income Tax	$ 521,237	$ 593,272	$ 596,004	$ 505,765	$ 575,662	$ 578,312	$ 490,292	$ 558,051	$ 560,621
Revenue Requirement Before Clawback	$ 17,651,593	$ 18,910,097	$ 17,971,730	$ 17,127,627	$ 18,348,773	$ 17,438,260	$ 16,603,660	$ 17,787,449	$ 16,904,791
Revenue Credit Treatment	0%			0%			0%		
Total Revenues To Be Collected	$ 18,910,097	$ 18,910,097	$ 17,971,730	$ 18,348,773	$ 18,348,773	$ 17,438,260	$ 17,787,449	$ 17,787,449	$ 16,904,791
Revenue Collected From SPP ex-GMO	$ 18,153,693			$ 17,614,822			$ 17,075,951		
Amount To Be Collected From GMO Retail	$ 756,404		$ 718,869	$ 733,951		$ 697,530	$ 711,498		$ 676,192
GMO Customer Benefit/(Detriment)	$ 37,535			$ 36,421			$ 35,306		

Sibley-Nebraska City Project Analysis
Inputs in BLUE

Sibley-Nebraska City Line, Savings Case	Year 19 **GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**	Year 20 **GMO-MO Cost Retail Rate Base**	**GMO Wholesale Revenue Requirement**	**Transource Missouri Wholesale Revenue Requirement**
Sibley-Nebraska City Project	$ 380,000,000	$ 380,000,000	$ 374,000,000	$ 380,000,000	$ 380,000,000	$ 374,000,000
Accumulated Depreciation	(142,919,900)	(142,919,900)	(140,663,270)	(150,645,300)	(150,645,300)	(148,266,690)
Accumulated Deferred Income Tax	(91,015,050)	(91,015,050)	(89,577,971)	(88,049,269)	(88,049,269)	(86,659,018)
Net Investment (Rate Base)	$ 146,065,050	$ 146,065,050	$ 143,758,759	$ 141,305,431	$ 141,305,431	$ 139,074,292
Return on Equity	9.70%	11.10%	10.30%	9.70%	11.10%	10.30%
Preferred Stock Rate	4.29%	0.00%	0.00%	4.29%	0.00%	0.00%
Long Term Debt Rate	6.442%	5.77%	5.10%	6.442%	5.77%	5.10%
Equity % of Capital Structure	50.00%	50.00%	55.00%	50.00%	50.00%	55.00%
Preferred Stock % of Capital Structure	0.61%	0.00%	0.00%	0.61%	0.00%	0.00%
Long Term Debt % of Capital Structure	49.39%	50.00%	45.00%	49.39%	50.00%	45.00%
Cost of Capital (%)	8.06%	8.44%	7.96%	8.06%	8.44%	7.96%
Cost of Capital ($)	$ 11,769,788	$ 12,320,587	$ 11,443,197	$ 11,386,262	$ 11,919,113	$ 11,070,314
Depreciation Rate	2.033%	2.033%	2.033%	2.033%	2.033%	2.033%
Federal Income Tax	$ 3,835,086	$ 4,365,098	$ 4,385,195	$ 3,710,117	$ 4,222,858	$ 4,242,301
State Income Tax	$ 474,820	$ 540,441	$ 542,929	$ 459,348	$ 522,830	$ 525,237
Revenue Requirement Before Clawback	$ 16,079,694	$ 17,226,125	$ 16,371,321	$ 15,555,727	$ 16,664,802	$ 15,837,852
Revenue Credit Treatment	0%			0%		
Total Revenues To Be Collected	$ 17,226,125	$ 17,226,125	$ 16,371,321	$ 16,664,802	$ 16,664,802	$ 15,837,852
Revenue Collected From SPP ex-GMO	$ 16,537,080			$ 15,998,210		
Amount To Be Collected From GMO Retail	$ 689,045		$ 654,853	$ 666,592		$ 633,514
GMO Customer Benefit/(Detriment)	$ 34,192			$ 33,078		