

1 sworn, sir.

2 (The witness was sworn.)

3 JUDGE PRIDGIN: Thank you so much, sir.

4 Mr. Fischer, anything before he stands cross?

5 MR. FISCHER: No, sir.

6 JUDGE PRIDGIN: All right.

7 MR. FISCHER: Well, we -- we'll put him

8 in direct.

9 MR. HATFIELD: We have his testimony.

10 DIRECT EXAMINATION

11 QUESTIONS BY MR. HATFIELD:

12 Q. Can you state your name and business
13 address for the record, please.

14 A. My name is Steven Jones. My business
15 address is 233 South Wacker Drive, Chicago, Illinois
16 60606.

17 Q. And are you the same Steven Jones who
18 filed testimony in this case?

19 A. I am.

20 Q. You filed only direct testimony; is that
21 correct?

22 A. That's correct.

23 Q. We've marked as Exhibit 38 your direct
24 testimony. If we went through that testimony here
25 today, would you have any corrections to it?

Appendix
EE

1 A. I would not.

2 Q. And your direct testimony contains some
3 schedules; is that right?

4 A. That's correct.

5 Q. How many schedules did you include?

6 A. I believe there are four total schedules.

7 I have three with me. I believe there's four.

8 Q. Okay. Schedule 1 is entitled
9 "Comprehensive Energy Plan, Construction Projects Cost
10 Control System"; is that correct?

11 A. That's correct.

12 Q. Schedule 2 is entitled -- sorry -- "Iatan
13 Procurement Team Procurement Model"; is that correct?

14 A. Correct.

15 Q. Consists of only one page?

16 A. Correct.

17 Q. Schedule 3 is entitled "Recommendation to
18 Award Letter for General Contract for Construction
19 Services"; is that correct?

20 A. That's correct.

21 Q. And you said there's a schedule 4?

22 A. I believe this is it. I believe this is
23 all.

24 Q. So this is all the schedules that you
25 attached to your testimony; is that right?

1 A. That's correct.

2 Q. And are all of these schedules true and
3 accurate and related to your testimony?

4 A. They are.

5 MR. HATFIELD: Judge, we move for the
6 admission of 38. There's an HC version and a public
7 version.

8 JUDGE PRIDGIN: 38 NP and HC have been
9 offered. Any objections? Hearing none, 38 NP and HC
10 are admitted.

11 (Exhibit No. 38 NP and HC were received
12 into evidence.)

13 JUDGE PRIDGIN: Anything further,
14 Mr. Hatfield?

15 MR. HATFIELD: No, Your Honor.

16 JUDGE PRIDGIN: All right. He's ready
17 for cross-examination. Mr. Schwarz?

18 MR. SCHWARZ: Yes.

19 JUDGE PRIDGIN: When you're ready, sir.

20 MR. SCHWARZ: May I approach the witness,
21 please?

22 JUDGE PRIDGIN: You may.

23 CROSS-EXAMINATION

24 QUESTIONS BY MR. SCHWARZ:

25 Q. Good afternoon, sir.

1 A. Good afternoon.

2 Q. I have just handed you a document. Would
3 you look at the second page of that document.

4 A. Yes.

5 Q. It indicates a CC to S. Jones. Is that
6 you?

7 A. That is me.

8 Q. Do you recognize this document?

9 A. I do.

10 Q. Could you describe it for the Commission,
11 please.

12 A. This document is part of our notice and
13 notification process. It's a letter that we send to
14 contractors when we have an issue that has arisen in
15 order to understand what their position on the issue
16 is. We formally notify them in writing and ask them
17 for a response in a certain period of time.

18 MR. SCHWARZ: I would ask that it be
19 marked for identification as KCP&L 2603, I think, is
20 the numbers assigned.

21 JUDGE PRIDGIN: That's correct. That's
22 the number I have.

23 (Exhibit No. 2603 was marked for
24 identification.)

25 BY MR. SCHWARZ:

1 Q. Would you take the opportunity to review
2 the letter.

3 A. Sure. Okay. I've reviewed it.

4 Q. Thank you. And the letter -- Mr. Davis'
5 letter accurately reflects concerns that KCP&L had at
6 that time?

7 A. It does.

8 MR. SCHWARZ: Thank you. I would move
9 the admission of MRA's Exhibit 2603.

10 JUDGE PRIDGIN: KCP&L 2603 has been
11 offered. Any objections?

12 MR. HATFIELD: I guess I want to reserve
13 an objection, Judge, that it exceeds the scope of
14 direct. I assume there's going to be some cross on it
15 which might clear that up.

16 MR. SCHWARZ: I believe I'm entitled to
17 cross-examine on any issue. I can show him any
18 document. I don't believe there are any restrictions
19 on my examination of Mr. Davis.

20 JUDGE PRIDGIN: With that, I am going to
21 overrule and admit Exhibit 2603.

22 MR. SCHWARZ: Thank you, Judge.

23 (Exhibit No. 2603 was received into
24 evidence.)

25 MR. SCHWARZ: And I don't think I have

1 any further questions of Mr. Jones.

2 JUDGE PRIDGIN: Thank you. Mr. Mills,
3 any cross?

4 MR. MILLS: No cross.

5 JUDGE PRIDGIN: Mr. Dottheim?

6 MR. DOTTHEIM: Yes.

7 CROSS-EXAMINATION

8 QUESTIONS BY MR. DOTTHEIM:

9 Q. Good afternoon, Mr. Jones.

10 A. Good afternoon.

11 Q. Mr. Jones, I'd like to direct you to your
12 direct testimony, page 1. You list your experience,
13 page 1, at Commonwealth Edison, and you indicate you
14 worked your way through the different ranks of the
15 organization, and you list different areas at
16 Commonwealth Edison.

17 Could you indicate what years you were in
18 operation at Commonwealth Edison?

19 A. That would have been very early 1976,
20 1977, maybe a little bit longer than that, but right
21 in that time frame.

22 Q. Can you indicate what you were doing in
23 operations?

24 A. Primarily, working as a support operator
25 to the operations of a power plant, one of their power

1 plants.

2 Q. Okay. And did you hold any job titles in
3 particular? You said support operations?

4 A. Boiler operator.

5 Q. Boiler operator. Could you indicate in
6 what years you worked in maintenance at Commonwealth
7 Edison?

8 A. In maintenance, it would have been from
9 1978 to approximately 19-- -- late 1980, early 1981.

10 Q. And can you indicate what you were doing
11 in maintenance?

12 A. In maintenance at that time, I was a --
13 basically, a boilermaker. I was part of the IBEW --
14 they weren't called boilermakers. They were called
15 maintenance mechanics at that time.

16 Q. And can you indicate what years you were
17 in technical services? Was it technical services and
18 engineering?

19 A. At the power plants back in the early
20 '70 -- late '70s, early '80s, technical services and
21 engineering worked together. I worked in a support
22 position in the technical services and engineering at
23 one of the power plants, yes.

24 Q. Okay. And what year or years was that?

25 A. That would have been '82 through '85,

1 '86.

2 Q. And what job titles did you hold at that
3 time?

4 A. At that time, it was operations and
5 maintenance supervisor.

6 Q. And what years did you work in
7 construction procurement?

8 A. Construction procurement would have been
9 '86 through '87, '88, right in that time.

10 Q. And what job titles did you hold?

11 A. Supervisor.

12 Q. Okay. And what did that involve, your
13 work in construction procurement?

14 A. At that time, the individual power plants
15 at ComEd had their own construction groups, and during
16 maintenance outages any contractors that were brought
17 onsite were contracted by that group and then managed
18 by that group.

19 Q. Okay. That brings us up to '86, '87, and
20 you say you ultimately left Commonwealth Edison in
21 2001. What occurred between 1987 and 2001?

22 A. In 1989 or 1990 -- I don't have the exact
23 year -- the company put a team together to redesign
24 the corporate procurement model that they were
25 running. I was part of that team. It was a team of

1 60 individuals, and we worked on that team for three
2 years designing a supply chain.

3 And then in 1993, I moved to the director
4 of procurement for the fossil operations for the --
5 for the company. There were three directors; one was
6 a director of fossil, one was a director of nuclear,
7 one was a director of transmission and distribution.
8 We reported to the vice-president of procurement who
9 worked in the corporate offices. I worked in that
10 position until 1998, of which I was part of the team
11 to divest the fossil fleet into another company.

12 Once the fossil fleet was sold, I moved
13 to our unregulated businesses as the vice-president of
14 operations.

15 Q. Mr. Jones, you're familiar with the Iatan
16 construction project, project execution plan, are you
17 not?

18 A. I am.

19 MR. DOTTHEIM: Okay. At this time, I'd
20 like to have marked as an exhibit the Iatan
21 construction project, project execution plan.

22 JUDGE PRIDGIN: I would show that, then,
23 as I believe Exhibit 251, and that's KCP&L 251.

24 MR. SCHWARZ: Judge, while Mr. Dottheim's
25 distributing that, I would like to --

1 MR. DOTTHEIM: And let me also say it's a
2 highly confidential document, so I'm going to -- I
3 expect -- I think I'm going to be able to first be
4 able to start asking questions without going
5 in-camera, but eventually, I expect I may have to go
6 in-camera.

7 JUDGE PRIDGIN: Okay. Thank you,
8 Mr. Dottheim. I'm sorry, Mr. Schwarz.

9 MR. SCHWARZ: That's all right. I had
10 some concerns about the status of my exhibit, but I'm
11 advised by counsel that it is not HC.

12 JUDGE PRIDGIN: Okay. Thank you.

13 MR. DOTTHEIM: May I approach the bench?

14 JUDGE PRIDGIN: You may.

15 MR. DOTTHEIM: And I would note that I
16 have the document tabbed. I'm going to refer
17 Mr. Jones to various pages. I'm going to -- I have
18 the pages counted, but the pages don't have numbers on
19 them, so I've tabbed the pages, too, hopefully for
20 some ease of identification.

21 JUDGE PRIDGIN: Thank you.

22 (Exhibit No. 251-HC was marked for
23 identification.)

24 BY MR. DOTTHEIM:

25 Q. Mr. Jones, I've handed to you what's been

1 marked as Exhibit 251. Have you had a chance to take
2 a look at Exhibit 251?

3 A. I've seen Exhibit 251.

4 Q. Okay. And I've represented that's the
5 Iatan construction project, project execution plan.
6 Do you recognize what's marked as Exhibit 251?

7 A. I do.

8 Q. Is it the -- is it a copy of the Iatan
9 construction project, project execution plan?

10 A. It appears to be.

11 Q. Okay. Can you describe what this
12 document is, what this document is intended to be as
13 the Iatan construction project, project execution
14 plan?

15 A. What this document is meant to do is
16 provide the guardrails for which the project will
17 manage itself. So it describes the project, it
18 describes all the functions within the project, it
19 describes what those functions are going to do and how
20 they're going to operate, it describes how they'll
21 staff themselves, it describes process and procedures
22 that will need to be used. It's the management plan
23 over all of the project.

24 Q. What were your responsibilities relative
25 to this document?

1 A. Primarily, this was a document that was
2 created by the entire leadership team at the site, but
3 my area of responsibility was -- was primarily the
4 procurement organization.

5 Q. And when you say it was created by the
6 leadership team at the site, who comprised the
7 leadership team?

8 A. At that time in 2007, the project
9 director was Brent Davis. I was the senior director
10 of procurement. Jeffrey Flenor was the director of
11 engineering, Mack Hargis was the construction manager,
12 Tom Chiles was the document control and support
13 services manager, Denise Shoemaker was the compliance
14 manager. I believe the startup manager had not been
15 hired at that time yet. Terry Foster was the project
16 controls manager, and the executive sponsor was Steve
17 Easley.

18 Q. Was there any one person who was
19 responsible for putting this document, the project
20 execution plan, together?

21 A. If I may go back to my -- my last answer,
22 there was one other person --

23 Q. Yes.

24 A. -- that participated, and that was Bob
25 Raymond from Burns & McDonnell also participated. The

1 person at the end, we had worked on this as a group
2 for quite some time, and then in the January/February
3 time frame of 2007, a gentleman by the name of Mike
4 Cushman was brought on to kind of pull it all together
5 into a final single document.

6 Q. Was there an original target date by
7 which the document was intended to be completed?

8 A. I don't recall an original target date.

9 Q. Okay. At the bottom of page 1, it says,
10 "Issued 1 June 2007". Could you indicate what that
11 line means?

12 A. The final version was issued to the
13 entire staff of the site, whoever that was at that
14 moment, at that time. It became the final version.
15 There had been many previous versions dating back to
16 September of '06, maybe even August of '06 when people
17 began working on their individual areas as we were
18 working on budgets and all kinds of different things.
19 It was being developed, but it was finalized on that
20 day.

21 Q. Okay. Has the plan been updated since
22 June 1, 2007?

23 A. I can't speak for recently. It wasn't
24 updated from my last date onsite, which was March of
25 '09. To my knowledge, anyway.

1 Q. I'd like to refer you to what I'm going
2 to call the fifth page, counting the very cover page,
3 and it's the first page I have tabbed. It has down at
4 the -- at the bottom, though, it has a stamp on it of
5 three. So maybe really I shouldn't refer to it by --
6 by that.

7 Is that stamp, or it's a circle down at
8 the bottom, it has the words around the top, "Safety
9 Revolves Around You, "and it has a three in it. Is
10 that supposed to signify a page number in there, the
11 bottom right-hand corner?

12 A. That was the logo for the site at that
13 time, and I believe that is an indicator of the actual
14 page number.

15 Q. Okay. Then why don't I refer to that as
16 the -- the third page. And I'd like to refer you to
17 the second paragraph on that page.

18 The one sentence that states, "The PEP is
19 a control document and will be reviewed and revised
20 periodically in accordance with the management of
21 change (MOC) process." Did I read that accurately?

22 A. You did.

23 Q. Okay. PEP, is that an abbreviation for
24 project execution plan?

25 A. It is.

1 Q. And was it intended that the project
2 execution plan was to be revised periodically?

3 A. It was intended to be a living document,
4 so yes, it would require revisions based on potential
5 scope changes, changes in policies or procedures,
6 changes in the way the company does business.
7 whatever changes that may occur within a company the
8 size of KCP&L, it allowed for the flexibility to go
9 back to it, review those sections that might pertain
10 to those changes and revise them to be within
11 governance of those changes.

12 Q. But if I understood you correctly, while
13 you were on the site into 2009, the project execution
14 plan was not changed?

15 A. Not that I recall.

16 Q. Are you familiar with the term "mega
17 project?"

18 A. I am.

19 Q. Okay. Do you use the term "mega
20 project?"

21 A. I don't.

22 Q. Okay. Is -- do you use the term "project
23 execution plan" outside the context of the Iatan
24 construction project?

25 A. In my career, I've used it typically on

1 construction projects. It's a traditional use of the
2 language.

3 Q. Is a project execution plan an important
4 document for a construction project such as Iatan?

5 A. Yes.

6 Q. Are there -- for a construction project
7 such as Iatan, are there documents that are more
8 important than a project execution plan?

9 A. For the overall governance of the project
10 so that executives and other people that need to know
11 that have visibility to what the project is doing,
12 because they can't be there everyday, there's no more
13 important document. There are other very, very
14 important documents. You've heard about them over the
15 last few days, which are documents that are signed
16 with the regulators that might have an impact on how
17 we do business, documents that we use to pay invoices,
18 information that we receive from contractors on a
19 daily -- those are all other important documents, but
20 just for different reasons.

21 But there is -- for the governance of the
22 project, there's not a more important document.

23 Q. Were there -- was there one individual or
24 individuals who were responsible for maintaining the
25 document?

1 A. We were -- the whole project leadership
2 team was responsible for maintaining the document at
3 some point in time.

4 Q. Okay. Was there any reason or reasons
5 why the document was not revised periodically as was
6 indicated in the second paragraph on page 3?

7 A. Again, there would only be changes to the
8 document if it was somehow impacted by some other
9 change that occurred either to the condition of the
10 way the project was being managed or some outside
11 force, meaning a procedural change by the company or
12 some other impact that would say review your section,
13 does it need to be changed.

14 Q. So are you indicating that nothing
15 occurred that caused a need for a change in the
16 project execution plan through the time you were
17 onsite in 2009?

18 A. Not that I -- not that I recall. I don't
19 remember any procedural changes, process changes,
20 changes with status of the project that would have
21 impacted, at least the procurement section for sure.

22 Q. I'd like to ask you to turn to the next
23 tab, which is page 22.

24 A. I'm there.

25 Q. Okay. And I'd like to ask you if -- if

1 you authored the two pages that are pages 22, 23,
2 which are entitled "Procurement?"

3 A. I did.

4 Q. I'd like to next ask you to turn to the
5 next tab, which is page 26, and refer you to the three
6 pages that are 26, 27, 28 that are entitled, "Contract
7 Management."

8 A. I'm there.

9 Q. Okay. Do those -- were those -- at the
10 end of page 28, there is a box that says, "This
11 section authored by Jeff Flenor." He is one of the
12 individuals that you identified as being in the
13 leadership team, is he not?

14 A. He is.

15 Q. Okay. And was he responsible for
16 contract management?

17 A. He was.

18 Q. Okay. And was he responsible for writing
19 this section of the project execution plan?

20 A. He was.

21 Q. Did contract management at any time come
22 under your responsibilities?

23 A. Contract administration was under my
24 responsibility, the commercial obligations of the
25 contract, and then when Jeff left in 2007, the -- a

1 couple of the contract managers came to work for me.

2 Q. What was or is the difference between
3 contract administration and contract management?

4 A. Contract management is generally done by
5 either construction or engineering staff, and it's
6 working more directly with the vendors to understand
7 more of the technical information associated with a
8 contract. Contract administration is more of the --
9 what I would call the back office work, which is the
10 invoice processing, developing the background
11 paperwork, what is it that the invoice says, work with
12 the vendors on notice and notification, those kind of
13 commercial -- more commercial in nature administrative
14 duties.

15 Q. When Mr. Flenor left, did contract
16 management come under someone else's charge?

17 A. For a time. I'm trying to remember the
18 gentleman's name. For a time, it was put under George
19 Burnett, I believe, if I got the name right. He
20 subsequently took over for Jeff.

21 Q. And if you recall, did it not stay with
22 Mr. Burnett? Did it -- did contract management come
23 under someone else's responsibility subsequently to
24 Mr. Burnett?

25 A. Well, as I said, when Jeff left, a few of

1 the contract managers came to work for me. The rest
2 of the engineering group went to work for George
3 Burnett.

4 Q. Okay. Okay.

5 A. Does that clarify?

6 Q. Yes.

7 A. Okay.

8 Q. So in some manner, it was split
9 between -- between --

10 A. The two of us.

11 Q. Between procurement and Mr. Burnett?

12 A. That's correct.

13 Q. Okay. And what was Mr. Burnett's -- do
14 you recall -- and I'm sorry, you may have already said
15 this -- what was his job title or area of
16 responsibility?

17 A. He would have been the engineering
18 manager.

19 Q. The project execution plan was not
20 revised or modified to update or to reflect that
21 change?

22 A. The only thing that would have been
23 updated was the signature box. The rest pretty much
24 stayed the same. The work that's on here in this
25 arena, as you can see as you read through it, is a

1 very close tie to procurement, work with procurement
2 on assessing the supplier market, work with
3 procurement in developing a negotiation plan, work
4 with procurement in negotiation. So there is a lot of
5 procurement interaction. So none of that work
6 changed.

7 Q. Okay. Okay. I'd next like to ask you to
8 turn to the next tab, which is page 42, and it's the
9 section entitled, "Appendices."

10 A. I'm there.

11 Q. Okay. And on page 42 is shown, is it
12 not, various titles that are indicated in development?
13 There's shown, is there not, a PLT charter in
14 development?

15 A. Yes.

16 Q. Okay. And there is shown various plans
17 that are in development, are there not?

18 A. Yes.

19 Q. Were these various items, do you recall
20 or do you know, were they completed?

21 A. I can't speak to all of them. I know
22 that some of them were.

23 Q. Can you indicate which ones were
24 completed?

25 A. The PLT charter.

1 Q. And do you know who completed or was --
2 was there one person or was there a group?

3 A. It would have been the leadership team
4 under Brent Davis' charter. I'm not sure if Mike
5 Cushman was still there at that time or not, but -- at
6 that time. The procurement plan was completed. The
7 commissioning plan, I know, was completed.

8 Q. Did you complete the procurement plan?

9 A. I did. The commissioning plan.

10 Q. And who completed the commissioning plan?

11 A. Hugh Miller. The project controls
12 plan --

13 Q. And who completed the project controls
14 plan?

15 A. Terry Foster. And I believe the safety
16 management plan was completed by Mike Hermsan as well.
17 Hermsan, H-e-r-m-s-a-n.

18 Q. Do you know whether the document control
19 plan was completed?

20 A. I'm sure that it was based on everything
21 else, but I don't recall seeing it, so I can't be
22 sure.

23 Q. And do you know whether the management
24 change process was completed?

25 A. I'm trying to remember what that actually

1 refers to, and that's why I can't recall it. If that
2 means -- at that time, we were talking about a change
3 in management process. That was completed because
4 that's in the -- that's in the cost control plan.

5 But if it meant like a different
6 department -- because we were still working through
7 departments and org charts and so on -- that's what I
8 don't remember.

9 Q. I'd like to refer you to the next tab,
10 which doesn't -- at least on my copy -- does not have
11 a page number. And it's position roles and
12 responsibilities, and it has your name on it.

13 In fact, the -- there's a similar page
14 for each of the leadership team?

15 A. Uh-huh, that's correct.

16 Q. If you would take a look at those two
17 pages, because I'd like to ask you if those two pages
18 look like they're accurate from your recollection.

19 A. They look complete and accurate.

20 Q. Okay. I'd like to refer you to the next
21 tab, which my copy doesn't have a page number on it,
22 and it's 2007 performance contract, Steve Jones,
23 procurement manager. And does each member of the
24 leadership team have a similar page?

25 A. Sorry, I was on the wrong page. I

1 believe so, yes.

2 Q. Yeah, I'd like for you to take a look at
3 that page.

4 A. Okay. I've reviewed it.

5 Q. Do you recall whether you met the
6 milestones by the target completion dates?

7 A. I don't know that they were all met by
8 the exact dates, but these were all completed, yes.

9 Q. Okay. What was -- and I don't know if we
10 need to go in-camera on -- on this, but what was the
11 purpose of the milestone and the target completion
12 date?

13 JUDGE PRIDGIN: And before you answer,
14 sir, do we need to go in-camera?

15 MR. HATFIELD: I don't think so.

16 JUDGE PRIDGIN: Okay. I'll just count on
17 a party to object. Otherwise, we'll just stay in
18 public.

19 THE WITNESS: These were subprocesses to
20 what was described in the earlier section of the
21 document. As I said earlier, the document was the
22 guide rails. These were the subprocesses that needed
23 to be put in place by the different organizations in
24 order for people to get their job responsibilities and
25 their work done in a proper way and retain the

1 documents and so on.

2 BY MR. DOTTHEIM:

3 Q. Were there -- what were the -- what was
4 the effect, the consequences of the target completion
5 date not being met?

6 A. I'm not sure I understand the question
7 the way it's asked.

8 Q. Did some processes not occur, were some
9 events not met, some schedule not met if the target
10 completion date was not met, the project behind
11 schedule, consequences as far as contract terms not
12 being met if these target -- if these milestone dates
13 were not met by the target for completion?

14 A. In this particular area for procurement,
15 there are no project milestones or project-related
16 construction milestones, would be a better way to say
17 it, that would be impacted. These are effectively
18 internal processes for people to work to. At this
19 time, as of June, we were still hiring staff and
20 bringing people on to run the overall project, so each
21 one of these, depending on when an area was fully
22 staffed -- and I'll take one as an example -- contract
23 administration, you know, at that time in June of
24 2007, we only had one or two people in contract
25 administration because we didn't have a lot of

1 contracts and we didn't have a lot of invoices. So
2 the impact would have been very low versus having ten
3 people a year and a half later and not having a
4 process in place.

5 Q. Is it documented anywhere whether the
6 targets for completion were met by the various
7 individuals on the leadership team, not just yourself,
8 but the other individuals?

9 A. I recall going through the exercise at
10 the time, sir, but I don't remember whether that got
11 documented or not.

12 Q. Do you recall Dave Price?

13 A. I do.

14 Q. Okay. And do you recall his job title?

15 A. Dave Price was hired as the
16 vice-president of construction.

17 Q. And do you recall the approximate time
18 frame that he was employed on the Iatan construction
19 project?

20 A. I'm trying to remember the exact dates.
21 I believe Dave was brought on in April or so of 2007.
22 Yeah, it would be '7. And I believe he left in around
23 the same time, first quarter 2008.

24 Q. And during that time frame, do you recall
25 what Brent Davis' position was on the Iatan

1 construction project?

2 A. Brent was the director of the project.

3 Q. Okay.

4 A. Of the Iatan construction project.

5 Q. Okay. And did Mr. Davis report to Mr.

6 Price? Did Mr. Price report to Mr. Davis?

7 A. Mr. Davis reported to Mr. Price.

8 Q. And where were -- what was your position
9 in the organizational chart, so to speak, relative to
10 Mr. Price and Mr. Davis?

11 A. Brent and I were both at the director
12 level. I reported on a matrix to Brent before Mr.
13 Price came on. When Mr. Price came on, procurement,
14 because of its governance role, was really a corporate
15 function that was supporting the project, not
16 necessarily a project embedded -- we were embedded
17 with the project, but we both reported to Dave at that
18 point.

19 Q. And you were an independent contractor?

20 A. I was.

21 Q. And structurally, where did you function
22 regarding Mr. Steve Easley?

23 A. As I said, I reported to -- I actually
24 had two reports. I reported in what's traditionally
25 known as a matrix organization. I reported to the

1 vice-president of procurement, who is Lora Cheatum.
2 You'll see her name on some of the documents we just
3 went through. And I was direct report to her, and she
4 reported to Bill Downey.

5 Brent was the director of the project.
6 He reported to Steve Easley and Steve Easley reported
7 to Bill Downey. So for the purposes of supporting the
8 project, I reported to Brent to make sure I was
9 accountable to him for my deliverables, getting my
10 procurements done on time, making sure invoices were
11 getting paid appropriately, the contract
12 administration work. I reported to Brent from an
13 operational perspective.

14 From a governance perspective, I reported
15 to Lora on how the monies were being spent, how we
16 were doing the competitive bid process, we were
17 following corporate policies and procedures, those
18 kind of things.

19 Q. And where was Mr. Price in that
20 structure?

21 A. You asked about Mr. Easley. When Mr.
22 Price came in, Mr. Easley was removed from the project
23 as the executive sponsor, and then I reported to Dave
24 operationally. Brent reported to Dave operationally,
25 and then from a governance perspective, I still

1 reported to Lora.

2 Q. And then when Mr. Price left, Mr. Easley
3 came back into the project?

4 A. Mr. Easley came back into the project,
5 and

6 Mr. Downey took a more active role in the project.

7 Structurally, we stayed the same until Mr. Churchman
8 came on.

9 Q. And excuse me, did you function similarly
10 under Mr. Churchman as you did under Mr. Easley after
11 Mr. Churchman was hired?

12 A. The reporting responsibilities stayed the
13 same when Mr. Churchman came on.

14 Q. And did you have the same authority also
15 when Mr. Churchman came, was retained by Kansas City
16 Power & Light, when he was hired by Kansas City Power
17 & Light?

18 A. When Mr. Churchman came on, I had --
19 engineering had moved underneath me as well at that
20 point. Earlier in the year, 2008, George Burnett
21 decided that he wanted to go back to the operations of
22 KCP&L and leave the project, and tentatively Dave
23 Price moved engineering under my command on the
24 project until we could bring a new person on, which we
25 did in June or July of that year.

1 So when Mr. Churchman got hired, I had
2 procurement, contract administration, and management
3 and engineering.

4 Q. Okay. And who was that new person who
5 was brought on?

6 A. Carl Churchman.

7 Q. Carl Churchman. You left the Iatan
8 construction project in 2009?

9 A. I did.

10 Q. why did you leave the project?

11 A. It was pretty much time for me to leave
12 the project. In February of 2009 -- actually, if I
13 may, I'll -- at the end of 2008, Lora Cheatum and I
14 had began discussing what an exit strategy for me
15 might have been at that time. There was talk about
16 putting the La Cygne project, the wind projects on
17 hold. Iatan Unit 1 was in full throttle, was going to
18 be completing very soon. Iatan 2 was moving along.

19 In February, the company made the
20 decision to put those projects on hold. And when they
21 did, there was going to be no future procurements.
22 Unit 1 was complete, Unit 2 was 75 percent complete,
23 95 percent bought out, and no other major construction
24 projects on the horizon. There was a fully trained
25 staff with management people in place that were fully

1 capable of getting along and keeping the work going at
2 that point, so it was a good time for me to exit the
3 project.

4 Q. You exited the project, but you're now at
5 Schiff Hardin; is that correct?

6 A. That's correct.

7 Q. And at Schiff Hardin, you're working on
8 the Iatan construction project?

9 A. Very, very little since early August of
10 this year -- of last year, sorry.

11 Q. You're working on other projects for
12 Schiff Hardin other than the Iatan construction
13 project?

14 A. I am.

15 Q. Okay. The position of procurement that
16 you were filling at -- as an independent contractor at
17 Kansas City Power & Light, Kansas City Power & Light
18 has filled that position?

19 A. I understand they have, yes.

20 Q. Okay. Do you know who they filled that
21 position with?

22 A. I know the name, I've met the person
23 once, but I don't know much about him.

24 Q. Okay. What is the name of that person?

25 A. David McDonald.

1 Q. Do you know if he's doing procurement
2 work, same type of procurement work that you were
3 doing for Kansas City Power & Light?

4 A. I really don't know what he's doing for
5 KCP&L.

6 Q. Mr. Jones, you've heard the term
7 "reforecasting" before, have you not, as it's used for
8 construction projects?

9 A. I have.

10 Q. Okay. What does that term mean to you?

11 A. Over my experience on -- especially in
12 the construction arena, but primarily just working for
13 owners in general, reforecasting of your budget
14 periodically is a normal operating kind of business
15 practice. Projects are a little different because
16 they can have short or long durations and so you have
17 to -- you have to watch your expenditures a little bit
18 differently than a typical budget for an operation,
19 but it's a pretty traditional way of managing costs of
20 an organization.

21 Q. Reforecasting was done regarding the
22 Iatan project, was it not?

23 A. That's correct.

24 Q. Do you know whether the term
25 "reforecasting" is -- is defined anywhere, a treatise

1 or text or anything like that?

2 A. In the Iatan project documents or in
3 general?

4 Q. I mean, in general as far as in the
5 construction industry is concerned.

6 A. I don't know of it officially being in a
7 manual, document, trade magazine, but it's pretty much
8 traditionally used.

9 Q. Is reforecasting done at -- to your
10 knowledge, at any specific times in a project?

11 A. Again, depending on the -- the life cycle
12 of the project, yes, there are milestones that are
13 created depending, again, on the life cycle of the
14 project. So on a project like Iatan, you would
15 typically have engineering milestones that you would
16 use for your reforecasts, and you would use
17 intermediate steps where you would see -- if you
18 started to see costs to start moving out of control
19 and you didn't have any other reason for it, for
20 example, price increases, inflation, some other --
21 some other reason, you would want to go into -- you
22 would want to reforecast based on what you had to
23 procure for that work.

24 Q. Are there any set industry standards for
25 when a reforecast should be performed, such as a set

1 percent of complete engineering?

2 A. What I'm used to in my experience is 25,
3 50, and 75, and then estimate at completion. That's
4 been my experience in the construction work I've done.

5 MR. DOTTHEIM: May I approach the
6 witness?

7 JUDGE PRIDGIN: You may.

8 BY MR. DOTTHEIM:

9 Q. Mr. Jones, do you recall the GPE
10 acquisition of Aquila case back in 2007, 2008?

11 A. I recall the acquisition. I know very
12 little about the case itself, but I was there at that
13 time.

14 Q. Okay. Do you recall the staff deposed
15 you, I deposed you in that case?

16 A. I do.

17 Q. I'm going to hand to you a copy of your
18 deposition. I'd like to refer you to it.

19 A. Sure.

20 Q. And I'd like to refer you to page 23.

21 And I deposed you in -- it was in Case No.

22 EM-2007-0374, and I deposed you on April 1, 2008, and
23 I asked you:

24 "You mentioned doing a reforecast on a
25 percent complete of engineering. Are there any set

1 percentages complete of engineering when reforecasting
2 is traditionally done?"

3 And you said:

4 "ANSWER: There are not a set of industry
5 standards that I know of. Generally, I have -- I
6 have -- we have used and I have used, a reforecast
7 would be done at 50 percent and somewhere between 60
8 and 70 percent complete, and depending on the project
9 scale, you would do another one at 90 percent. You
10 would do three."

11 A. That's in the range of the numbers I just
12 gave, yeah.

13 Q. Okay. Thank you.

14 Mr. Jones, have you heard the term
15 "definitive estimate" as it relates to a construction
16 project?

17 A. I have.

18 Q. Do you recall whether you have heard
19 people use that term in the context of the Iatan
20 construction project?

21 A. I have.

22 Q. Do you recall how you've heard people use
23 that term in the context of the Iatan construction
24 project?

25 A. I have heard it interchangeably with what

1 I know as the control budget estimate.

2 Q. How have you otherwise heard that term
3 used, "definitive estimate?"

4 A. I've heard it used -- and Mr. Giles will
5 speak to this in more detail -- in discussions with
6 Commission Staff here in Missouri. I've heard it used
7 on -- on other projects. Specifically, it's -- it's a
8 term that I would say would be used when you have
9 enough information to have a finite number to be able
10 to create an estimate.

11 Q. Do you recall me asking you that question
12 in deposition back in the EM-2007-0374 case?

13 A. The Aquila case?

14 Q. Yes, if that --

15 A. I don't recall it.

16 Q. Yeah, if I could direct you to page 40.

17 A. I'm there.

18 Q. Okay.

19 "QUESTION: when you heard people talk
20 about a definitive estimate, do you recall what they
21 were using that term in context to?

22 "ANSWER: I do not recall what. I never
23 saw any documents or could relate it to something
24 associated with the project.

25 "QUESTION: Is that a term that you have

1 otherwise heard in your professional experience?

2 "ANSWER: I've heard it used over my
3 career.

4 "QUESTION: In what context have you
5 heard it used over your career?

6 "ANSWER: In the scoping phase of a
7 project or a special program that a company may have
8 and you develop an estimate that contains all of the
9 costs associated with performing that work, whatever
10 that work might be."

11 A. That's correct.

12 Q. Yes. Did I read that correctly?

13 A. You did.

14 Q. Mr. Jones, you know the term used in the
15 construction project area, the term "change order," do
16 you not?

17 A. I do.

18 Q. What does that term mean to you?

19 A. Change orders are a documentation process
20 that documents any change, commercial, technical, any
21 kind of change in nature to an original contract that
22 you have with any contract or supplier of a good or
23 service. Traditionally, if -- if you buy a pump and
24 you develop a specification for a pump and you say you
25 want a pump that's ten gallons per minute and you

1 order that pump and two months later you determine
2 that you need a 20-gallon per minute pump, you would
3 create a change order if there was a cost or schedule
4 impact in order to document why there was a change to
5 the pump, what created that change, and what's the
6 reason for it and is it needed. And then you would be
7 able to track your costs to it.

8 Q. For the Iatan project, would a vendor
9 just be asked how much money it planned to charge
10 KCP&L and a change order was approved to accommodate
11 the level of expenditure?

12 A. I'm not sure -- the way you asked that,
13 I'm not sure exactly what the question is.

14 Q. Okay. Do you know the change order
15 process that was utilized?

16 A. Very well.

17 Q. Okay. Could you explain the change order
18 process?

19 A. Change order process is when a -- either
20 a vendor-identified change or a KCP&L employee
21 identified change is identified, a change order gets
22 created, a change notice gets created. And when that
23 gets created, it then begins rolling through a series
24 of reviews.

25 The first thing that is asked is what --

1 what the change is and what's required for that
2 change. In some instances, you may get a proposal
3 from the vendor, in some instances you may get a
4 letter, in some instances, it may be a simple letter
5 to the vendor explaining to them that there's a change
6 that's occurring, and they notify you later as to
7 whether there's a cost and schedule impact.

8 Q. would there ever be a request for bids
9 for a change order?

10 A. Yes, there would be.

11 Q. How would there be a determination made
12 if there were a request for bids?

13 A. It would come under a number of
14 categories. The most likely category would be new
15 scope of work. For example, if you have a -- a
16 contractor that is doing site grading, let's say
17 they're doing a lot of clearing of the site,
18 developing roadways and those kind of things, and you
19 decide that you need an extension to a road that's on
20 the site, well, maybe that's a \$50,000 change. And so
21 you may decide, well, for \$50,000, maybe I want to
22 bring another vendor onsite or do I want to use the
23 contractor I already have here that's mobilized.

24 So you would go through a series of
25 questions and answers, but that's the general rule of

1 thumb would be as if it was a complete different scope
2 of work that was not originally intended in the
3 contract.

4 Q. who would be involved in that process?

5 A. Depending on when it was identified, it
6 would be contract managers or engineering or
7 construction staff, as well as procurement.

8 Q. would the decision possibly be based on
9 information regarding plants, events at plants other
10 than Iatan 2, information from plants other than Iatan
11 2 that were being constructed or had been constructed?

12 A. I'm not sure -- information from other
13 plants? I'm not sure what that --

14 Q. Yes, as far as costs of similar items.

15 A. I'm still not sure of the question.

16 Q. All right. Do you know if any change
17 orders were issued based on vendor pricing information
18 without any review regarding that pricing information?

19 A. I don't.

20 Q. Okay.

21 A. The way you're phrasing the question, I
22 don't believe that there are.

23 Q. Okay. What type of review of -- if it
24 wasn't --

25 A. If it wasn't --

1 Q. If it wasn't a new item that required
2 bidding, a request for bids, and a vendor submitted a
3 proposal, what type of review occurred of the pricing
4 that the vendor submitted?

5 A. My apologies. I now understand the
6 question.

7 Q. Okay. And I apologize for being dense.

8 A. In the process, what we would do, we had
9 two estimators, an electrical estimator and a
10 mechanical estimator, that were under KCP&L's
11 management. And when -- when a priced proposal would
12 come in for a change, whatever that might be, and
13 Kiewit is a very good example of it, because Kiewit,
14 all of their change orders went through our
15 estimators. Kiewit would provide a detailed estimate
16 of what the work was and what they believe the cost
17 was under the contract.

18 Our estimators would then take that
19 proposal and that request and they would get with the
20 Burns & Mc engineers, review the design drawings that
21 say the change is required. First, is the change
22 needed, that's always the first question. And then
23 they would perform an estimate on the manhours and the
24 materials that it would take. And if it was
25 reasonable in the estimator's eyes, we would accept

1 the proposal.

2 Q. Estimators reviewed all proposals, all
3 change order proposals as far as pricing is concerned?

4 A. You're using the word "all." We hired
5 the estimators, I believe it was in June of '07, but
6 I'm not exactly positive. So there were some -- my
7 point is, is there were some early change orders that
8 didn't see estimators' eyes, but from the time that we
9 brought them on forward, they saw all change orders.

10 Q. Was the Iatan construction project your
11 first experience with the construction of a new base
12 load generation?

13 A. The Iatan 2 was the first Greenfield
14 project I've been on, yes. All other jobs have been
15 retrofits and so on.

16 Q. Mr. Jones, have you had any formal
17 training in project management?

18 A. Not from a -- not from an industry-type
19 standard. As Mr. Bell explained his career, my career
20 is very similar and parallel. Having worked for a
21 large utility for 25 years, you go through a number of
22 iterations of trainings and certifications and, you
23 know, you get condensed versions of the same programs
24 that are being done. I've had those kind of programs
25 in my career, but not an official certification.

1 Q. Okay. And -- and those programs you
2 refer to, the programs are with -- with who, I mean,
3 with what organizations or training?

4 I mean, is the training within your
5 experience at Commonwealth Edison? Is it at some
6 seminars, conferences, things of that nature? It's
7 not a formal degree is what you're indicating or -- or
8 what are you indicating?

9 A. What I'm indicating is that you go
10 through -- when you work in companies like KCP&L, like
11 ComEd, Exelon, like Ontario Power Generation, other
12 big utilities, formalized training is constant.
13 Everything from CPR and medical emergency services
14 through, depending on your organization and what you
15 do, I mean, I had training on -- on accounting
16 practices at -- within an organization for
17 Sarbanes-Oxley, specific rules to utilities.

18 So you go through contract management,
19 contract administration, sometimes it's outside
20 services that are brought in to formalize the training
21 and do the program in a week or two-week time or after
22 hours or whatever it may be. Other times, it may be
23 more formalized and done by the company internal with
24 their own in-house training staff. So it just
25 depends.

1 Q. Okay. And in that context, have you had
2 training in project management?

3 A. I have.

4 Q. Project cost management?

5 A. I have.

6 Q. Project integration?

7 A. I have.

8 Q. Project schedule management?

9 A. Yeah, I have.

10 Q. Project time management?

11 A. I have.

12 Q. Project quality management?

13 A. I have.

14 Q. Project procurement management?

15 A. I have.

16 Q. Project risk management?

17 A. I have.

18 Q. Okay. Are you a project management
19 professional?

20 A. I'm not certified as a professional.

21 Q. Okay. Do you consider yourself an expert
22 on matters of accounting?

23 A. I know a lot about accounting secondhand,
24 but I'm not an expert.

25 Q. Do you consider yourself an expert on

1 matters of auditing?

2 A. I've had a lot of auditing done, but I'm
3 not an expert.

4 Q. Do you consider yourself an expert on
5 matters of cost accounting?

6 A. I do not consider myself an expert.

7 Q. Okay. Do you consider yourself an expert
8 on matters of cost engineering?

9 A. I'm not a cost engineer.

10 Q. Okay. You're not an engineer, are you?

11 A. I'm not an engineer.

12 Q. Is there an Iatan construction project
13 policy regarding gifts from vendors?

14 A. I don't know that it's specific to Iatan,
15 but there is a corporate policy on gifts from vendors.

16 Q. And that corporate policy, was that GPE,
17 KCP&L?

18 A. I believe it was a combination of GPE and
19 KCP&L, but KCP&L for sure at least.

20 Q. Do you recall what the -- the -- the
21 KCP&L corporate policy was/is on gifts from vendors?

22 A. I can recite in general. I can't recite
23 it verbatim, which is gifts are tolerable, but they
24 need to be nominal in value.

25 Q. Do you recall how nominal is defined?

1 A. I don't recall exactly how it was
2 defined. It's been a couple of years since I've had
3 to review the policy. It's reviewed annually by the
4 Staff and letters are sent out by the corporate VP of
5 supply chain to all the suppliers explaining what the
6 company's tolerance is for gifts on an annual basis.
7 I just haven't seen it for a couple years.

8 Q. Okay. Do you recall what gifts are
9 defined as, whether lunches, dinners, sporting events,
10 items of that nature?

11 A. It addresses those kind of situations.

12 JUDGE PRIDGIN: Mr. Dottheim, do you know
13 about how much longer your cross is? We've been going
14 for a couple hours, and it's time for a break.

15 MR. DOTTHEIM: No.

16 JUDGE PRIDGIN: Are you going to be
17 awhile?

18 MR. DOTTHEIM: Maybe 15 minutes.

19 JUDGE PRIDGIN: Okay. Let's just go
20 ahead -- I think now that we've been going for a
21 couple hours or so, let's just go ahead and break for
22 about 15 minutes. We will go off the record and we
23 will come back at ten after 4:00.

24 (A break was held.)

25 JUDGE PRIDGIN: All right. We are back

1 on the record. Before we resume cross, just let me
2 rule from the bench. I've polled the Commissioners,
3 and the Commission would deny the request to have oral
4 argument on the motion to quash. What the Commission
5 will allow is for Staff, and for any other party who
6 wishes to respond, to do so by 10 o'clock in the
7 morning. That way it would give the Commission a
8 little bit of time to look at the motion, responses,
9 and then rule on it because an order almost has to be
10 issued tomorrow for it to have any meaning because
11 it's involving people perhaps working all weekend
12 getting documents ready for Monday morning.

13 Is there anything from counsel before we
14 resume cross-examination? All right.

15 I'm sorry to have interrupted you,
16 Mr. Dottheim. You're still cross-examining, and
17 Mr. Jones, you're still under oath, sir.

18 THE WITNESS: Thank you.

19 BY MR. DOTTHEIM:

20 Q. Mr. Jones, I was, I believe, asking you
21 about the Kansas City Power & Light policy regarding
22 gifts from vendors.

23 Do you recall whether part of that policy
24 involved or involves reciprocity as far as what I
25 think you had indicated respecting nominal gifts,

1 items?

2 A. I do not recall if the policy actually
3 calls for reciprocity. I just don't recall if that
4 was an actual statement in the policy.

5 Q. Do you recall whether there was
6 reciprocity as far as an exchange of lunches or
7 dinners or things of that nature with vendors?

8 A. I don't know of anyone that had a
9 reciprocity position at KCP&L.

10 Q. Do you recall whether Schiff Hardin had a
11 role at the Iatan plant site?

12 A. I do.

13 Q. Okay. And -- and what was that role?

14 A. Schiff's role at the site, as I viewed
15 it, was -- was many. The first role was an oversight
16 role where they provided independent review of how the
17 project was working, so to speak, how the project was
18 progressing so that it would be transparent to the
19 executives and it wasn't just coming from the project
20 team as to what was happening on the project.

21 A second role was -- was in support of me
22 in procurement in the development of contracts and
23 contract language. They had legal staff that actually
24 were with Jerry Reynolds in my offices at the site.
25 There were two staff -- legal staff there with us

1 every day to work on contracts, commercial issues,
2 notices, notifications, change orders and so on. Any
3 commercial-type items that would come up, we had staff
4 there for that.

5 They had other -- three other folks or so
6 that worked in project controls that primarily
7 provided cost schedule support and analysis for -- for
8 the executives as well.

9 Q. Okay. Do you recall the names of the
10 individuals who -- from Schiff Hardin who worked at
11 the plant site?

12 A. Sure. Yes, I do.

13 Q. Could you identify those individuals?

14 A. Sure. In the procurement organization,
15 while Schiff Hardin did have a small office of their
16 own on site, a small trailer of their own on site, in
17 the procurement complex was Carrie Okizaki,
18 o-k-i-z-a-k-i, Mandy Schermer. Those were the two
19 attorneys working with Jerry Reynolds in my offices.
20 And Glenn Blackwell. And then Eric Gould was on site
21 working with project controls. Jim Wilson would come
22 to site occasionally to work on schedule updates and
23 provide analysis of the schedule and any impacts that
24 he saw in the schedule.

25 Dan Meyer and a gentleman that works with

1 Dan, Joe Byce, would have occasionally come to site
2 and work with the cost control group on where we --
3 where the project was in cost and impacts and
4 reforecasts and so on.

5 Q. Was Jim Wilson ever at the plant site?

6 Do you recognize the name Jim Wilson?

7 A. He was.

8 Q. Could you identify who Jim Wilson is?

9 A. Jim Wilson is with -- he has his own
10 company called Wilson & Associates. It's a scheduling
11 consulting company. I call it forensic scheduling.
12 He is able to dismantle a schedule, analyze it, look
13 behind just the hours and the progress and look at the
14 actual work that's going on in the field and develop
15 an analysis of what -- does the schedule really meet
16 what's going on in the field.

17 Q. Does he work with Schiff Hardin?

18 A. I believe he was a subcontract through
19 Schiff Hardin for the project, yes.

20 Q. Do you recognize the name Thomas Maiman,
21 M-a-i-m-a-n?

22 A. Thomas Maiman?

23 Q. Maiman?

24 A. I do.

25 Q. Could you identify him?

1 A. Tom -- Mr. Maiman was on the project very
2 early on. When I got to the site in March of '06, he
3 had been there for a short period of time, and he was
4 there working with John Grimwade and Steve Easley and
5 Bill Downey and others on the project at that point in
6 time.

7 Q. Okay. And could you identify, if you
8 recall, what services Mr. Maiman provided, in what
9 areas he was providing assistance?

10 A. Overall project management, I would say
11 at that point in time. The project was really in its
12 development stage, and I believe he was helping out
13 with project development overall.

14 Q. And was he associated with Schiff Hardin?

15 A. I believe he was a subcontractor through
16 Schiff, yes.

17 Q. You mentioned John Grimwade. Could you
18 identify who Mr. Grimwade was?

19 A. When I arrived at KCP&L in 2006, John
20 was -- and I forget his title. I believe it was
21 director, but director of the CEP projects. I might
22 be mistaken on the exact title, but he was there for a
23 short time when I was there.

24 Q. He did not remain director of the CEP
25 projects?