

1 JUDGE PRIDGIN: Good morning. We are on the  
2 record. It is about 8:45 a.m. I believe we are on Friday,  
3 January 21st, and I think, as we left it last night,  
4 Mr. Giles would be the next witness. He is on the stand, and  
5 I will administer an oath here in just a moment.

6 Is there anything from counsel before we move  
7 on to Mr. Giles?

8 MS. OTT: Staff would just like to offer  
9 Exhibit 250.

10 MR. FISCHER: No objection.

11 JUDGE PRIDGIN: 250, and that's HC. That's  
12 been offered. I hear no objection. It is admitted.

13 (Exhibit No. 250 was received into evidence.)

14 JUDGE PRIDGIN: Anything further from counsel  
15 before Mr. Giles is sworn? All right.

16 (The witness was sworn.)

17 JUDGE PRIDGIN: Thank you very much, sir. If  
18 you would, please have a seat. And, Mr. Fischer, anything  
19 before he stands cross?

20 MR. FISCHER: Yes, Judge.

21 DIRECT EXAMINATION

22 QUESTIONS BY MR. FISCHER:

Q. Mr. Giles, would you state your name and  
address for the record?

A. Chris Giles, G-i-l-e-s, 1200 Main Street,

Appendix  
55

1 Kansas City, Missouri.

2 Q. Are you the same Chris Giles that caused to be  
3 filed in this case direct and rebuttal testimony?

4 A. Yes.

5 Q. For just your information, your direct has  
6 been marked as 24-HC and -NP and your rebuttal 25-HC and -NP.

7 Do you have any corrections or changes you  
8 need to make to your testimony or exhibits?

9 A. No.

10 Q. If I were to ask you the questions that are  
11 contained in your pretrial testimony today, would your  
12 answers be the same?

13 A. Yes.

14 Q. And are they true and correct to the best of  
15 your knowledge and belief?

16 A. Yes.

17 Q. And do your attached exhibits accurately  
18 depict what they're intended to show?

19 A. They do.

20 MR. FISCHER: Judge, I'd move for the  
21 admission of KCP&L Exhibit 24-HC and -NP and Exhibit 25-HC  
22 and -NP and tender the witness for cross.

23 JUDGE PRIDGIN: Any objections? Hearing none,  
24 KCP&L 24 and 25, both NP and HC, are admitted. Before we  
25 proceed to cross, just while I'm thinking of it,

1 Commissioners Kenney and Gunn are participating from the  
2 St. Louis office, and so you may occasionally see them on  
3 your screen, and there may be a bit of a delay if they ask  
4 questions or say something, so I apologize.

5 We will work through that, and I apologize for  
6 the technological problems we had this morning. I believe  
7 we're all squared away. I think we'll be fine. We may just  
8 have a little bit of a delay if they speak, so try to be  
9 patient, and we'll work with that.

10 All right. Let me see who has  
11 cross-examination. Ms. Ott, I assume you will?

12 MS. OTT: Yes.

13 JUDGE PRIDGIN: Mr. Mills?

14 MR. MILLS: A little bit.

15 JUDGE PRIDGIN: Mr. Schwarz?

16 MR. SCHWARZ: No.

17 JUDGE PRIDGIN: Mr. Mills, to you, sir.

18 CROSS-EXAMINATION

19 QUESTIONS BY MR. MILLS:

20 Q. Mr. Giles, let me give you a hypothetical  
21 about a construction situation in a change order.  
22 Hypothetically speaking, say the design drawings prepared by  
23 Burns & Mc put a particular component in upside down. When  
24 you get to the field, the component is installed according to  
25 the drawings; later on someone realizes that's upside down.

1                   would a change order be issued to correct that  
2 if the component needed to be put in the right way?

3           A.       My response would be I think so, but those are  
4 questions best for Mr. Archibald.

5           Q.       Okay. And really -- okay. So let's assume  
6 that it would be issued for a situation like that.

7                   Under those circumstances, would it be prudent  
8 for KCP&L to put the component in the right way?

9           A.       I'm not linking your two questions.

10          Q.       Okay. Assuming that the component is  
11 important and it needs to be put in the right way to work,  
12 would it be prudent for KCP&L to issue a change order to make  
13 sure that component is put in the right way?

14          A.       Yes.

15          Q.       would it be reasonable for ratepayers to pay  
16 the cost of that correction?

17          A.       Yes.

18          Q.       Why is that?

19          A.       Well, no construction project is perfect. I  
20 mean, there will be errors, there will be omissions, and as  
21 long as those errors and omissions aren't prudent -- or  
22 imprudent, it's part of the project.

23          Q.       Okay. Let me take that hypothetical a bit  
24 further. Let's assume that it was an unreasonable mistake  
25 for that component to be drawn in wrong, it was just a

1 bone-headed move, nobody -- somebody was way too tired,  
2 working way too hard would have ever made that mistake (sic).

3 Does that change your answer any?

4 A. No.

5 Q. Okay.

6 MR. MILLS: No further questions.

7 JUDGE PRIDGIN: Mr. Mills, thank you.

8 Ms. Ott?

9 CROSS-EXAMINATION

10 QUESTIONS BY MS. OTT:

11 Q. Good morning, Mr. Giles.

12 A. Good morning.

13 Q. Have you had any formal training in project  
14 management?

15 A. No.

16 Q. How about formal training in project cost  
17 management?

18 A. I have an MBA degree, and my concentration was  
19 accounting and cost control, so I have an education  
20 background. I've not worked as a cost engineer, cost auditor  
21 or anything of that nature.

22 Q. Do you have any formal training with project  
23 integration?

24 A. No.

25 Q. Project scope management?

1 A. Are you referring to project as in a  
2 construction project or any type of project?

3 Q. Any type of project.

4 A. I have years of experience as a manager,  
5 director, and officer of KCP&L where I've been involved in  
6 many projects that I would have managed the project.

7 Q. So it would be your work experience that's  
8 your formal training?

9 A. Yes.

10 Q. Do you have any formal training in project  
11 scope management related to construction?

12 A. No.

13 Q. Do you have formal training in project time  
14 management?

15 A. Are you referring to construction or projects  
16 in general?

17 Q. How about construction?

18 A. No.

19 Q. Do you have formal training related to  
20 construction in project quality management?

21 A. No.

22 Q. How about formal training in construction  
23 related to project procurement management?

24 A. No.

25 Q. And formal training with -- related to

1 construction in project risk management?

2 A. No.

3 Q. Are you a project management professional?

4 A. No.

5 Q. Are you an expert on matters related to  
6 auditing?

7 A. I have 35 years experience with Kansas City  
8 Power & Light Company related to rate case audits and  
9 prudence audits. I don't know that that would qualify me as  
10 an expert, but I have significant experience with them.

11 Q. Have you ever done a -- completed an audit?

12 A. No. As I mentioned before, I've never worked  
13 as an auditor.

14 Q. Okay. So are you an expert in cost  
15 accounting?

16 A. I have a background in cost accounting. I  
17 don't know how to quantify myself as an expert or not.

18 Q. Are you an expert in cost engineering?

19 A. No.

20 Q. Are you a professional engineer?

21 A. I am not.

22 Q. And are you a certified public accountant?

23 A. No.

24 Q. And from reading your background, your  
25 undergraduate degree is in economics?

1 A. Yes.

2 Q. And you said you hadn't performed an audit,  
3 but I think we were talking about rate cases. Have you ever  
4 performed a construction audit?

5 A. No. As I stated earlier, I have extensive  
6 experience with prudence audits and rate case audits, but I  
7 have never worked as an auditor.

8 Q. Now, you stated you have been on different  
9 rate cases throughout your tenure at KCP&L.

10 Are you familiar with the term cost of service  
11 versus rate design used in a rate case?

12 A. Yes.

13 Q. What does cost of service mean to you?

14 A. Exactly what it states. It's the cost to  
15 serve customers.

16 Q. And what does rate design mean to you?

17 A. Rate design is the tariffs or pricing that  
18 would reflect the cost of service.

19 Q. And in your experience with rate cases here at  
20 the Missouri Public Service Commission, have you ever filed  
21 pre-filed testimony in rate cases?

22 A. Yes.

23 Q. And what area did you primarily serve as a  
24 witness in?

25 A. I have served in many different areas over my



1 career.

2 Q. Which was your primary? Were you more of a --  
3 did you do rate design or cost of service?

4 A. Both.

5 Q. Which one did you primarily do?

6 A. There was not a primary role for me in those.  
7 I was manager, director, senior director and vice-president  
8 of regulatory affairs during my career, and I've testified on  
9 a variety of issues, including cost of service, allocations,  
10 specific issues related to adjustments by Staff, rate design,  
11 a number of topics.

12 Q. Okay. What type of revenue requirement issues  
13 did you file testimony on in the ER-2009-0089 case?

14 A. I don't recall.

15 Q. In this current rate case, what revenue  
16 requirement issues did you file testimony on?

17 A. I am totally -- my testimony, both my direct  
18 and my rebuttal testimony, are related to the prudent  
19 decisions of the Iatan 1 and 2 projects.

20 Q. Do you remember any of your testimony from the  
21 ER-2009-0089 case, what subject matters you would have  
22 provided testimony on?

23 A. I would be the policy witness for the company,  
24 including regulatory. So my overall testimony would have  
25 covered just about every topic in the case.

1 Q. Did you file specifically related to rate  
2 design?

3 A. I don't believe so. I believe Mr. Rush did.

4 Q. Throughout the past few days, there's been  
5 some testimony that KCP&L had requested Mr. Henderson and  
6 Mr. Schallenberg to participate in some of the activities  
7 regarding to the Iatan project.

8 Do you recall such testimony?

9 A. I sure do.

10 Q. Okay. Did you hear that Mr. Blanc testified  
11 that you and Mr. Downey requested Mr. Henderson and  
12 Mr. Schallenberg to participate in the cost -- the cost of  
13 reforecast of Iatan?

14 A. I don't believe -- I wouldn't characterize it  
15 as we requested. We offered.

16 Q. Offered?

17 A. To have the Staff participate, observe, learn  
18 everything they could about what we were doing and how we  
19 were doing it on the reforecast.

20 MS. OTT: Okay. I'd like to have an exhibit  
21 marked, so I guess we'd be at 251, and it is a chain of  
22 e-mails from -- the initial one was started on February 26th,  
23 2008.

24 JUDGE PRIDGIN: Ms. Ott, I have as 251 a PEP,  
25 so I believe this would be 252.

1 MS. OTT: Oh, which one was 251?

2 MR. SCHWARZ: The PEP.

3 JUDGE PRIDGIN: The project execution plan, I  
4 believe, was offered yesterday as 251. This would be 252.  
5 Does counsel agree? Maybe my notes are wrong. Does that  
6 sound right? We'll go with 252.

7 (Exhibit No. 252 was marked for identification  
8 by the Court Reporter.)

9 BY MS. OTT:

10 Q. Okay. When you read the first e-mail that was  
11 sent from Wess Henderson to both you and Mr. Downey, it seems  
12 to be a verification of a phone call that you had with  
13 Mr. Dottheim and Mr. Wess Henderson. Do you see that?

14 A. I do.

15 Q. Okay. Do you see Mr. Schallenberg's name  
16 anywhere in this e-mail?

17 A. Not in -- if you're referring to the one on  
18 the bottom of the page from Wess Henderson -- is that  
19 correct?

20 Q. That's correct.

21 A. No, I don't see Mr. Schallenberg's name on  
22 this particular e-mail.

23 Q. Do you know why Mr. Schallenberg wouldn't have  
24 participated in that phone call?

25 A. I do not.

1 Q. Do you see Mr. Elliott's name?

2 A. No.

3 Q. Do you know why Mr. Elliott wasn't requested  
4 to be in on that phone call?

5 A. No.

6 Q. Is this about the time when Mr. Elliott was  
7 making site visits?

8 A. Mr. Elliott had started site visits long  
9 before this date.

10 Q. Okay. Wouldn't you think Mr. Elliott would be  
11 involved in the reforecast if he was on site?

12 A. We already had discussed this with  
13 Mr. Elliott. He knew about it.

14 Q. And when did you discuss that with  
15 Mr. Elliott?

16 A. As soon as the reforecast process began.

17 Q. And what's that date?

18 A. It would have been in the last quarter,  
19 perhaps even the spring of 2007. So Mr. Elliott had started  
20 his work at site early in '07. Continuing discussions with  
21 Mr. Elliott on his routine visits, we would have told him we  
22 were about to conduct a reforecast. So Mr. Elliott was well  
23 aware of what the company was doing.

24 Q. So if Mr. Elliott was aware, wouldn't it be  
25 important for him to be on the phone call with Mr. Dottheim

1 and Mr. Henderson regarding the reforecast?

2 A. No.

3 Q. Now, your response to Mr. Henderson, you  
4 mention that this is nothing more than KCP&L's continued  
5 attempt to be transparent regarding the design, construction  
6 and schedule of the projects. Do you see that?

7 A. I do.

8 Q. Okay. Do you believe KCP&L has been as  
9 transparent as possible regarding this Iatan project?

10 A. Absolutely. No question.

11 Q. Are you familiar with documents being withheld  
12 based on attorney-client privilege?

13 A. I am aware there are documents withheld based  
14 on attorney-client privilege, but none of those documents  
15 have anything to do with any item that Staff would need to  
16 conduct its audit. None of those documents relate to any of  
17 the cost control system or any documents related to KCP&L's  
18 identification and explanation of cost overruns.

19 Q. If you've never done a construction audit, how  
20 do you know what documents Staff needs to conduct its  
21 construction audit in prudence review?

22 A. It's common sense.

23 Q. Now, are you familiar that restrictions were  
24 placed on R and Os at a point in the audit?

25 A. No, I'm not aware of that.

1 Q. You were not aware that they were only  
2 viewable on site?

3 A. I'm not aware of that, no.

4 Q. Okay. Let's go back to this e-mail. Now, you  
5 responded to Mr. Henderson's e-mail on April 7th, 2008.  
6 That's a good month after -- oh, he sent it on the 26th of  
7 February, and then you responded on the 4th of March of 2008,  
8 and then Mr. Henderson responded to you on April 7th, 2008.

9 Did you ever respond to Mr. Henderson's  
10 request that you set up a meeting involving KCP&L, the KCP  
11 staff and the Missouri Public Service Commission?

12 A. Are you referring to --

13 Q. The top e-mail here.

14 A. The top e-mail?

15 Q. He's asked for dates for you and other  
16 appropriate KCP&L to be available to have this meeting on  
17 reforecast.

18 A. I don't believe we had a meeting. I believe  
19 we covered it in a phone call.

20 Q. Do you have any documentation that you  
21 responded to Mr. Henderson's April 7th, 2008, e-mail?

22 A. No. Like I said, I believe it was in a phone  
23 call.

24 Q. When was that phone call?

25 A. I don't recall.

1 Q. Do you know who was on the phone call?

2 A. I don't.

3 Q. So you don't remember anything about this  
4 phone call?

5 A. Well, it was clear to me, after the response  
6 from Mr. Henderson, that the staff really had no interest in  
7 attending these meetings. I would have followed that up  
8 either with a call to Mr. Henderson or to Mr. Schallenberg  
9 and, in fact, I didn't discover until the hearing in April of  
10 2009 when we had a -- what we called a mini hearing on cost  
11 control system and discovery request, Mr. Dottheim in that  
12 hearing mentioned that --

13 Q. Is this related to that phone call you're  
14 talking about?

15 A. Yes.

16 Q. This conversation happened on your phone call  
17 that you don't recall happening?

18 A. No.

19 Q. You don't recall who was on the call?

20 A. I'm just pointing out that Mr. Dottheim said  
21 the staff felt co-opted, whatever that meant.

22 MR. FISCHER: Judge, I would ask for the  
23 witness to be allowed to answer the question that was on the  
24 table.

25 MS. OTT: I don't believe his question was

1 responsive. He was going on to finding out something later,  
2 and I was directly asking about a phone call.

3 JUDGE PRIDGIN: You can re-ask your question,  
4 Ms. Ott.

5 BY MS. OTT:

6 Q. So you said you don't recall who's on the  
7 phone call, you don't remember the phone call, but now you  
8 remember Mr. Dottheim was on the phone call?

9 A. No, I didn't say that.

10 Q. Okay. Well --

11 A. I never got a good explanation in my mind of  
12 why Staff declined our offer. And what I was about to  
13 explain to you was that I found that answer in the April 2009  
14 hearing when Mr. Dottheim, along this same line of  
15 questioning, indicated the Staff felt co-opted from doing  
16 that with KCP&L.

17 Q. But doesn't Mr. Henderson here request to set  
18 up a meeting?

19 A. He does.

20 Q. Regarding the reforecast?

21 A. Yes. He wanted to know what we had in mind.

22 Q. Thank you. Now, in your response you say,  
23 "Our expert consultants have indicated it's normal to have a  
24 reforecast at 70 percent."

25 who are those expert consultants you're



1 referring to in this e-mail?

2 A. Mr. Dan Meyer.

3 Q. Only Mr. Meyer?

4 A. Mr. Meyer, his Staff, other members of the  
5 Schiff Hardin team.

6 Q. Now, did Mr. Price initiate the reforecast?

7 A. No.

8 Q. Was the reforecast completed before  
9 Mr. Price's departure from KCP&L?

10 A. No, I don't believe it was.

11 Q. And who was Mr. Price?

12 A. Mr. Price was vice-president of construction.

13 Q. And do you know when he left?

14 A. I believe he left in roughly the first quarter  
15 of 2008.

16 Q. Okay. I'm going to go back to the  
17 transparency of material.

18 Now, you stated that they've withheld  
19 information that they believe -- they being KCP&L and GMO --  
20 that Staff doesn't need to conduct their construction and  
21 prudence review. Is it your understanding that KCP&L must or  
22 is required to withhold these documents?

23 A. I'm not an attorney. I don't know.

24 Q. Have you reviewed all of the documents in  
25 which KCP&L's withheld from the Staff?

1 A. No.

2 Q. So how do you know Staff doesn't need the  
3 documents to conduct its audit?

4 A. I am very familiar with the cost control  
5 system, the documents contained within that system, and I  
6 have reviewed most all of those documents. I'm well aware of  
7 what is there, what would be needed to do an audit in a  
8 prudence review. And in my 35 years's experience with KCP&L,  
9 KCP&L not only provided explanations of cost overruns, KCP&L  
10 provided every decision, every document, every justification  
11 for every dollar spent on that project. Staff got more than  
12 they bargained for.

13 Q. Who makes the decision to withhold the  
14 information from Staff?

15 A. KCP&L attorneys.

16 Q. Which attorneys?

17 A. It could be any one of KCP&L's attorneys on  
18 staff. It could be Roger Steiner, it could be Heather  
19 Humphrey, Bill Riggins, any of our outside counsel.  
20 Primarily, it's KCP&L attorneys.

21 Q. Would any Schiff Hardin attorneys make the  
22 decision to withhold information?

23 A. Schiff Hardin attorneys may recommend  
24 decisions. Schiff Hardin does not make decisions for Kansas  
25 City Power & Light.

1 Q. Do you know if they made any recommendations  
2 to withhold information?

3 A. Yes, I'm sure they did.

4 Q. I'm going to show you a document. I'm sorry,  
5 I only have one copy of this one. I'm going to hand you a  
6 letter that was actually from Ms. Schatz to me, accompanied  
7 with some invoices from Staff data requests 411 and 413. I  
8 want you to take a look at that.

9 And in response to a Staff data request that  
10 is attached behind, is the majority of that document  
11 redacted?

12 A. Appears so, yes.

13 Q. And everything but basically the memo and the  
14 intro is blacked out?

15 A. Yes.

16 Q. Do you believe that's being transparent?

17 A. Well, as I -- this particular document, as I  
18 indicated earlier, has nothing to do with Staff's audit.

19 Q. Isn't this --

20 A. Would not impact them whatsoever.

21 Q. This particular document is related to  
22 Schiff's scope of services?

23 A. That's correct.

24 Q. And if Staff's reviewing the prudence of a  
25 \$20 million expenditure towards the project, don't you think

1 that being transparent on the scope of their service would be  
2 necessary for Staff to review?

3 A. There were other documents that Staff reviewed  
4 that indicated their scope of service. I don't know  
5 particularly why that one was deemed attorney-client.

6 Q. Now, do you recall that Staff was inquiring  
7 into some gifts being given by vendors at the Iatan site?

8 A. I am aware of, at a minimum, 25 data requests  
9 related in some way, some form to gifts and gratuities.

10 Q. Okay. And did you indicate that those --  
11 there weren't -- gifts weren't being offered?

12 A. Could you rephrase your question?

13 Q. Did you indicate that gifts were not being  
14 offered from vendors at the Iatan site?

15 A. No.

16 Q. Were you ever offered gifts?

17 A. No. I believe the response to all of those  
18 questions -- because we repeatedly got the questions and we  
19 repeatedly answered in the same manner -- it's against  
20 KCP&L's policy to accept gifts other than gifts and  
21 gratuities of nominal value. And we responded to all of  
22 those data requests consistently and continuously.

23 Q. How do you define "nominal value?"

24 A. It's a nominal value. There's no set dollar  
25 limit on it in the policy.

1 Q. Okay. So is it nominal value in relation to a  
2 particular individual? Because something nominal to me may  
3 not be nominal to you.

4 A. No, it's not a particular individual.

5 Q. So if there's no set dollar value on what is  
6 nominal, how does somebody know if they're receiving a gift  
7 that is nominal or not?

8 A. Well, if there's any question, one would go to  
9 their supervisor and say, I've been offered this, is this  
10 nominal value? Would you consider this to be more than a  
11 nominal value? Do I need your approval for this particular  
12 item?

13 I can provide you examples. I've worked for  
14 the company for 35 years. It's never been an issue to me  
15 and -- of what is nominal value. Have I attended baseball  
16 games with tickets provided by vendors? Yes. Have I gone to  
17 Salt Lake City to attend the winter Olympics? No.

18 Q. So you've accepted baseball tickets or tickets  
19 of some sort?

20 A. Yes.

21 Q. From vendors?

22 A. It was not, I might add, directly from a  
23 vendor. It was an employee of the company who got the  
24 tickets from a vendor, and the vendor didn't attend the ball  
25 game. But that's what I would consider of nominal value.

1 Q. Do you remember what type of seats you had at  
2 that game?

3 A. Regular baseball ticket seats.

4 Q. Was it a Royals game?

5 A. I have attended Royals games, yes.

6 Q. Was that particular gift a Royals game?

7 A. Yes. My example was --

8 Q. It might make a difference of nominal value or  
9 not.

10 A. And I might add, it's infrequent. I've  
11 probably attended events sponsored by someone other than the  
12 company, in 35 years, three times.

13 Q. So why do you accept the nominal gifts or what  
14 you deem as nominal?

15 A. Why?

16 Q. Yes.

17 A. There's no reason not to.

18 Q. Now, you were an employee of KCP&L in its last  
19 rate case, ER-2009-0089?

20 A. Yes.

21 Q. When did you leave KCP&L?

22 A. The end of June 2009.

23 Q. Now, in that rate case, were you aware that  
24 KCP&L had refused to provide staff information related to  
25 Iatan 2?

1 A. That's not correct.

2 Q. Did they object to DRs that requested  
3 information from Iatan 2?

4 A. In January of 2009, the Staff submitted the --  
5 I should say the accounting staff submitted its first set of  
6 data requests on the Iatan 1 and 2 projects. We received  
7 about 150 data requests about 30 days before Staff was to  
8 file its testimony in that case. As I indicated, there were  
9 150 of them. We had to respond to those fairly quickly.

10 So at the time, KCP&L objected to providing  
11 Unit 2 data because we wanted to focus on the Unit 1 data.  
12 And we wanted Staff to focus on -- as it turns out, Staff  
13 pointed out that, hey, you know, we need Unit 2 information  
14 because it also impacts common facilities, and we said, yes,  
15 you do, and we provided it.

16 Q. Did you ever ask for an extension to provide  
17 the information on Iatan 2?

18 A. I don't recall.

19 Q. Whose recommendation was it to not allow Staff  
20 to have the information related to Iatan 2?

21 A. We -- the initial objection was based on a  
22 group discussion. There were several individuals in the  
23 meeting.

24 Q. Were you one of those individuals?

25 A. I was.

1 Q. And who else was in that meeting with you?

2 A. I don't recall. It was a large group.

3 Q. Can you recall any of the members in that  
4 meeting?

5 A. No.

6 Q. Do you know when that meeting took place?

7 A. It was shortly after we received the data  
8 request, sometime in January of 2009.

9 Q. Was it your personal recommendation not to  
10 give the staff this information?

11 A. I would have felt comfortable giving them the  
12 information, yes. But I was also concerned that the time it  
13 would take for us to provide Unit 2 data and still meet the  
14 deadline concerned me, so I was more focused on let's get  
15 them the Unit 1 information, we can follow-up with Unit 2.

16 Q. Do you know what grounds the objection to  
17 provide that information was on?

18 A. I don't.

19 Q. If I handed you a copy of one of the DRs,  
20 would it refresh your memory?

21 A. I would imagine.

22 Q. And isn't the objection relevance? Is the  
23 objection relevance?

24 A. I don't follow your question.

25 Q. The objection is: "KCP&L objects to this data



1 request to the extent it calls for information pertaining to  
2 Iatan 2 and, therefore, seeks discovery of the information  
3 which is irrelevant, immaterial, and inadmissible." Do you  
4 see that?

5 A. I do.

6 Q. So KCP&L didn't believe it was relevant at  
7 that point for Staff to audit Iatan 2?

8 A. It was not relevant in -- as I stated earlier,  
9 when KCP&L first objected to this particular request, the  
10 rate case we were involved in was the Unit 1 rate case. So  
11 Unit 2 data was not relevant to the Unit 1 rate case. That  
12 was the basis for the objection.

13 Subsequently, we realized that was incorrect  
14 because common facilities also were part of the Unit 1 rate  
15 case, and we provided the data. It did not impact the Unit 1  
16 rate case whatsoever, nor has it impacted this case  
17 whatsoever.

18 Q. When did you realize that the information was  
19 relevant?

20 A. It was very shortly after we submitted it. I  
21 would say probably -- it may have even been sooner than we  
22 filed -- than Staff filed their testimony.

23 Q. Was that after Staff contacted KCP&L to obtain  
24 the information?

25 A. No, I don't believe so. We -- we had

1 initially thought that all the common facilities were  
2 budgeted separately in the Unit 1 budget and the Unit 2  
3 budget so that each unit would have separate common  
4 facilities in those budgets. It was right about this time we  
5 discovered that it was incorrect that there was not a budget  
6 for common associated with each unit.

7 In fact, the contracts, the way they were let  
8 and the way the work progressed, there was no distinction of  
9 common at all. So we had to at that point, say, well, we've  
10 got to figure out how to allocate actual cost to common. So  
11 that was right around the February 2009 time frame, and we  
12 worked -- and we notified Staff of that. We gave them the  
13 information, and we worked through that process with Staff  
14 over the next three to four months.

15 Q. So it was in February of 2009 when you  
16 realized it was relevant for Staff to have information to  
17 have Iatan 2; did I get that correct?

18 A. Yes.

19 MR. FISCHER: Judge, I think I'm going to  
20 object to this line of questioning at this point. We're  
21 talking about a previous rate case, and the Commission has  
22 already ruled on this specific issue finding that the KCP&L  
23 did not unreasonably conduct its discovery or the discovery  
24 processes that KCP&L used were not unreasonable, and it seems  
25 like we're plowing old ground that we've now plowed in a

1 previous rate case and in the 259 case.

2 JUDGE PRIDGIN: Okay. Ms. Ott?

3 MS. OTT: This information is going to the  
4 transparency. There is testimony throughout Mr. Giles's  
5 direct and rebuttal testimony that they had been transparent.  
6 This clearly shows at one point they were withholding  
7 information. I'm actually done with this line of  
8 questioning. We can move on.

9 MR. FISCHER: I would say the Commission has  
10 already ruled on that specific issue and found the company  
11 was not unreasonable, Judge.

12 MS. OTT: This isn't going to reasonableness.  
13 It's going to transparency.

14 JUDGE PRIDGIN: I'll overrule. Ms. Ott?

15 BY MS. OTT:

16 Q. Did you ever review the Schiff Hardin invoices  
17 in 2008 that were provided to Staff?

18 A. I did not review the Schiff Hardin invoices on  
19 a routine basis. There was a period of time where Staff had  
20 requested actual receipts for Schiff Hardin expenses for two  
21 months. I believe those two months were February, March of  
22 2009.

23 I reviewed each of those, and based upon my  
24 review, I found nothing unreasonable or inappropriate, so I  
25 passed them along to Staff.

1 Q. So wait, I just want to make sure I -- you  
2 said you reviewed only February and March of 2009 invoices?

3 A. No, actual receipts that ties to the invoices.  
4 I did not review the invoices for services. I reviewed  
5 expense receipts for those two months. That's the extent of  
6 my review.

7 Q. So do you believe providing Staff with  
8 redacted invoices is being fully transparent?

9 A. I have not seen the invoices you're referring  
10 to, so I can't answer that question.

11 Q. If I showed you an invoice that's redacted,  
12 could you give an opinion on it?

13 A. We'll see.

14 Q. I'm handing you Schiff Hardin Invoice 1267523  
15 dated June 30th, 2008, to Ms. Lora Cheatum.

16 Now, is there any information, descriptive  
17 information available on these invoices other than the date,  
18 the name, the position and the hours worked?

19 A. I can't tell just from glancing at this  
20 what -- what some of these numbers are, but it appears that  
21 you're correct.

22 Q. So there's actually no -- no information  
23 contained within it that describes what duties these Schiff  
24 Hardin employees performed?

25 A. Well, based on the first page, it appears that

1 they have only redacted their legal work, but I can't tell  
2 for sure.

3 Q. Now, were you in the room yesterday when  
4 Mr. Davis said Schiff provided more than legal work?

5 A. Yes, I was.

6 Q. Do they provide separate invoices for their  
7 legal and non-legal work?

8 A. I don't know. I'm not familiar with Schiff  
9 invoices.

10 Q. Would you agree the entire document, majority  
11 of it is blacked out?

12 A. There is a substantial amount of redaction,  
13 yes.

14 Q. Now, if you go to actually the -- after the  
15 first page, after the cover sheet, the second entry, it's on  
16 April 1st, 2008, and there's project control analyst, Eric  
17 Gould; do you see that?

18 A. I do.

19 Q. And Mr. Gould, he does not provide legal  
20 services?

21 A. That's correct.

22 Q. And the information pertaining to what job he  
23 did is redacted?

24 A. That's correct.

25 Q. Thank you. Do you know who Carl Morano is?

1 A. I believe Mr. Morano was at one time an  
2 auditor for Ernst & Young. That's the extent of my knowledge  
3 of Mr. Morano.

4 Q. Are you aware of any work that Mr. Morano  
5 would have done for the Iatan project?

6 A. No.

7 Q. Did you review the Alstom contract audit?

8 A. I'm sorry, I didn't hear you.

9 Q. I said did you review the Alstom contract  
10 audit?

11 A. I did.

12 Q. Did Mr. Morano perform that audit?

13 A. I don't know.

14 Q. Do you know if KCP&L was required to approve  
15 Schiff's annual labor rate increases?

16 A. I don't know.

17 Q. Did you ever read the Schiff KCP&L contract?

18 A. I believe I did at some point.

19 Q. So you don't remember from that contract  
20 whether or not KCP&L was required to approve any labor  
21 increases?

22 A. No.

23 Q. Do you know if Schiff ever requested an  
24 increase for labor?

25 A. I don't know any details regarding the Schiff

1 Hardin billing or invoices other than what I testified to  
2 earlier, my review of two months of expense receipts in 2009.

3 Q. Do you recall a meeting with Staff regarding  
4 mileage of Burns & Mc employees?

5 A. I have met with Staff several times. I know  
6 there were some questions Staff had regarding mileage.

7 Q. So you remember discussing that with Staff?

8 A. I do.

9 Q. Do you remember stating that if it was up to  
10 you, you would give Staff the information KCP&L was  
11 withholding?

12 A. I don't know what you're referring to.

13 Q. Related to the mileage of Burns &  
14 Mc employees.

15 A. Again, I don't know what you're referring to.  
16 You'll need to be more specific.

17 Q. Do you ever remember making a statement to  
18 Staff that you would provide Staff the information KCP&L was  
19 withholding, any of the information?

20 A. Withholding regarding what? I can't follow  
21 you. You'll have to give me a little more.

22 Q. Withholding documents, not providing Staff  
23 with documents, do you ever recall making that statement to  
24 Staff?

25 A. Without a little more specificity, I cannot

1 answer your question.

2 Q. So you never remember telling staff you would  
3 provide information, if it was up to you, that KCP&L was  
4 withholding or redacting?

5 A. Absent a better definition of what we were  
6 talking about, no, I cannot answer that. I don't know.

7 Q. Did you review the data KCP&L provided to  
8 Mr. Dave Elliott?

9 A. No.

10 Q. Do you know if KCP&L ever objected to  
11 providing information to Mr. Elliott?

12 A. Not that I'm aware of.

13 Q. Did they ever provide Mr. Elliott with  
14 redacted information?

15 A. I don't believe any information Mr. Elliott  
16 ever requested was attorney-client privilege. I can't say  
17 for sure, but I'm not aware of any attorney-client  
18 information Mr. Elliott requested.

19 Q. So any invoice Mr. Elliott would have reviewed  
20 wouldn't have been attorney-client privilege, there would  
21 have been no information redacted based on that ground?

22 A. Could you restate that?

23 Q. So would Mr. -- was Mr. Elliott provided  
24 invoices?

25 A. I'm sure he was.



1 Q. Okay. And any of that information in those  
2 invoices, they wouldn't have been redacted; is that what  
3 you're stating?

4 A. That's correct.

5 Q. Why would that information not be redacted?

6 A. As I indicated earlier, the only information  
7 that has ever been redacted is what was termed  
8 attorney-client privilege. I'm not aware of any information  
9 Mr. Elliott requested to review that would have been deemed  
10 attorney-client privilege.

11 Q. Do you remember having a meeting with the  
12 staff to discuss the May 2008 crane accident?

13 A. I do.

14 Q. Do you remember who was present at that  
15 meeting?

16 A. No, I don't.

17 Q. Were there attorneys present at that meeting?

18 A. Yes.

19 Q. Who would have been the attorney for KCP&L?

20 A. I don't recall. It could have been any one of  
21 a number of individuals.

22 Q. Would there have been any Schiff Hardin  
23 attorneys at that meeting?

24 A. Possibly.

25 Q. You don't recall, though?

1 A. No.

2 Q. Do you recall indicating to Staff that KCP&L  
3 would not be seeking recovery of the rates of the crane  
4 accident?

5 A. There was a -- yes, I do recall. There was a  
6 question of -- at that point in time, I believe there was a  
7 couple -- I can't remember the amount, but there was an  
8 amount being accrued or held in case KCP&L had some  
9 responsibility or incurred some costs for the crane accident.  
10 And my point to Staff was, unless KCP&L actually has to pay  
11 something, we would not continue to have that accrual, and it  
12 would not be charged to customers.

13 Q. And is that what you stated to Staff during  
14 that meeting?

15 A. Yeah. My -- yes, my -- my thought process was  
16 and what I was trying to convey to Staff was that if we don't  
17 incur any costs, which I didn't think we would because it was  
18 definitely not KCP&L's fault, obviously, customers wouldn't  
19 be billed for that.

20 Q. And were you in the room yesterday when  
21 Mr. Davis read some of his testimony from the acquisition  
22 case that stated that KCP&L was not liable for the crane?

23 A. Yes, I was here.

24 Q. And do you agree with that statement that he  
25 made -- that he read?

1 A. That's my understanding, yes.

2 Q. You stated -- are you a consultant for KCP&L  
3 or a contractor?

4 A. I'm a consultant.

5 Q. How much are you being paid per hour?

6 A. \$200 an hour.

7 Q. Do you have any other payment in addition to  
8 that, such as a retainer?

9 A. \$2,500 a month.

10 Q. Plus -- so that's in addition to your \$200 an  
11 hour?

12 A. Yes.

13 Q. Are you required to work a certain amount a  
14 month to reach that \$2,500 a month retainer?

15 A. No.

16 Q. Are you receiving a pension from KCP&L?

17 A. No.

18 Q. Will you be receiving a pension one day?

19 A. I have received my pension.

20 Q. And how much was that?

21 MR. FISCHER: Judge, I think I'm going to  
22 object to this line of questioning. I think it may be  
23 relevant to some staff adjustment, but it seems like it ought  
24 to be in-camera, if nothing else, and this seems to be  
25 irrelevant, really, to the real issues in this case.

1 JUDGE PRIDGIN: Ms. Ott?

2 MS. OTT: I believe there is testimony that is  
3 taking Mr. Giles's payment out of the rate case and  
4 there's -- and I'm more than happy to go in-camera to have  
5 this discussion if we're getting into highly confidential  
6 information.

7 JUDGE PRIDGIN: All right. If it pertains to  
8 something that's being litigated in rates, I mean, I'll  
9 overrule, we'll go in-camera. Hold on just a moment.

10 MR. FISCHER: Judge, I would also object to  
11 references to his pension. There is nothing in the rate case  
12 about taking Mr. Giles's pension out of the case. While the  
13 staff seems to think that they should exclude his current  
14 salary, there's nothing about his past performance or any  
15 kind of pension payments or any other arrangements in the  
16 past that's relevant to this case.

17 JUDGE PRIDGIN: All right. Ms. Ott, any  
18 response?

19 MS. OTT: I think this all goes to his  
20 compensation and being compensated, possibly, in a way that  
21 is viewed as double compensation.

22 JUDGE PRIDGIN: All right. I'll overrule.  
23 I'll give you some leeway.

24 (REPORTER'S NOTE: At this point, an in-camera  
25 session was held, which is contained in volume 20, pages 1047

1 to 1047 of the transcript.)

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1 JUDGE PRIDGIN: We are back in public session.

2 CHRIS GILES testified as follows:

3 BY MS. OTT:

4 Q. Do you have a contract with KCP&L for your  
5 services?

6 A. My contract is actually with an employment  
7 group called Next Source.

8 Q. And do they have a contract with KCP&L?

9 A. They do.

10 Q. On average, how many hours a week do you work  
11 for KCP&L?

12 A. I have worked about an average of 40 hours a  
13 week since I retired.

14 Q. And is that because there's a pending rate  
15 case, or is that going to be typical going forward after the  
16 completion of this rate case?

17 A. It's primarily been because of this rate case.  
18 I have, obviously, a great deal of knowledge of the  
19 regulatory plan, the history of the Iatan project, all the  
20 way up to when I retired. And I've continued to work on the  
21 Iatan project since I retired. So my role has primarily been  
22 rate case related, both Kansas and Missouri.

23 Q. Has KCP&L told you what your role is as it  
24 relates to interactions with the staff?

25 A. I have never had a specific instruction one

1 way or another.

2 Q. Has anyone ever suggested what your role  
3 should be with its relationship with Staff?

4 A. No.

5 Q. How about in meetings, has anybody told you  
6 what your role is in relation to meeting with Staff  
7 personnel?

8 A. No. My role -- I have never been expressly  
9 told what my role -- or if you're getting to the question of  
10 what my authority is, I have had the authority to deal with  
11 Staff in the same manner I always dealt with Staff.

12 Q. So are you allowed to make key decisions for  
13 KCP&L?

14 A. You'll have to define better what you mean by  
15 "key" decisions.

16 Q. Do you have the authority to make decisions on  
17 behalf of KCP&L?

18 A. You'll have to be more specific.

19 Q. Do you have authority to make -- to enter into  
20 a settlement agreement?

21 A. I didn't hear you.

22 Q. Do you have authority to enter into a  
23 settlement agreement?

24 A. Not without KCP&L's approval, no.

25 Q. Do you have authority to tell other KCP&L

1 witnesses what questions they can or cannot answer to Staff?

2 A. Are you saying -- you'll have to put that into  
3 context. I can't answer.

4 Q. So in a meeting, if a Staff member asked  
5 another KCP&L employee a question, do you have authority to  
6 tell that other KCP&L employee not to answer Staff's  
7 question?

8 A. Yes.

9 Q. And who gave you that authority?

10 A. As I indicated earlier, I have the same level  
11 of authority with my relationships with Staff as I had always  
12 had at KCP&L.

13 Q. Who informed you that when you retired, your  
14 role was going to be exactly the same when you were -- as a  
15 contractor?

16 A. I didn't say it would be exactly the same. I  
17 said my relationship in dealing with the Commission Staff was  
18 the same.

19 Q. But who informed you that your relationship in  
20 your role with Staff was going to be the same?

21 A. It was not a specific inform. It was implied,  
22 for lack of a better term. That's why I would be in the  
23 meetings. I was there representing regulatory in these  
24 meetings you're referring to, so that if Staff -- for  
25 instance, if Staff were -- we were in a meeting to discuss a



1 particular topic, we gathered individuals to address that  
2 topic, and I saw that Staff was going beyond the topic, I  
3 definitely had authority to say that's beyond the scope of  
4 this meeting. That's why I was in the meeting.

5 Q. Was Mr. Blanc in those meetings?

6 A. No.

7 Q. Were any KCP&L attorneys in the meeting?

8 A. I'm sure there were.

9 Q. So would you state, then, you have management  
10 authority at KCP&L?

11 A. No.

12 Q. Do you know if Black & Veatch made a proposal  
13 for an EPC contract for Iatan 2?

14 A. They did not.

15 Q. I want to show you a document. It's a  
16 presentation made to Mr. Chether, Mr. Downey on  
17 November 23rd, 2005. It's an Iatan 2 project procurement  
18 options. And on slide 25, there's a negotiated EPC option,  
19 and if you could read the very first bullet under EPC based  
20 on Black & Veatch reference plant.

21 A. Are you referring to just the bullet?

22 Q. There. Does it appear that they were making  
23 an EPC on Iatan 2?

24 A. No.

25 Q. Recommendation?

1 A. No, absolutely not. The -- the meeting you're  
2 referring to is -- to be clear -- I was in this meeting, and  
3 we were -- we had brought Black & Veatch and Burns &  
4 McDonnell in to see what the procurement options were, and we  
5 were actually looking at both Black & Veatch and Burns &  
6 McDonnell as owner's engineer for the -- for the Iatan 1 and  
7 2 projects and when Black & Veatch -- they both presented  
8 various options for how we could proceed with contracts.

9 we had not been able to get a EPC contract or  
10 interest in the project and, in fact, Black & Veatch in this  
11 particular meeting told us they would not be able to do an  
12 EPC contract at that time. They would have to wait one year  
13 before they could make such a proposal, and even then, we  
14 would not have any cost estimate for an EPC contract.

15 Q. So that slide doesn't say that, "As an example  
16 an EPC based on Black & Veatch reference plant and that Black  
17 & Veatch has developed an 850-megawatt net supercritical  
18 reference plant with a defined cost of 1,100 to 1,300  
19 kilowatts, \$2,005"?

20 A. That's what it says. A reference plant --

21 Q. So that wasn't --

22 A. -- is not an EPC proposal.

23 Q. Then why would EPC be in the heading?

24 A. As I indicated, Black & Veatch was willing to  
25 do an EPC contract, but they had -- they had several

1 restrictions.

2 Q. But they did offer you an EPC proposal?

3 A. No, they did not.

4 Q. All right. I'll move on.

5 A. In order to --

6 Q. Thank you. I'll take that back.

7 Mr. Giles, were you in attendance at a  
8 presentation to KCP&L for an Iatan 2 expansion project on  
9 November 8th, 2005, by Black & Veatch?

10 A. No.

11 Q. Okay. Well, I'm going to show you a copy of  
12 their presentation. And in particular, if you go to the  
13 tabbed page, can I have you read that highlighted section --  
14 well, read the title and the highlighted section into the  
15 record, the two bullet points.

16 A. Okay. You want me to read --

17 Q. The title and the two bullet points.

18 A. "Please refer to our approach section of the  
19 presentation. Black & Veatch believes in order to have the  
20 best chance to reach the June 2010 milestone, KCP&L must  
21 release the engineer to complete any remaining conceptual  
22 design and to start" --

23 MR. FISCHER: Judge, can I ask that we go  
24 in-camera? I think it's probably HC and Mr. Giles is not  
25 familiar with this document, apparently. He wasn't at the

1 meeting, but I -- therefore, he can't alert me if it's HC.

2 JUDGE PRIDGIN: I understand. All right.

3 Just a moment. We'll go HC.

4 MR. MILLS: Judge, before we go in-camera, can  
5 we just have the attorneys review it to see if it is HC?

6 MR. HATFIELD: It's marked HC.

7 MR. MILLS: It appears to be -- I think we've  
8 gone in-camera a lot more than we need to, and I'm afraid  
9 we're about to do it again.

10 JUDGE PRIDGIN: Okay.

11 MR. MILLS: But if the attorneys have reviewed  
12 it and they are asserting on the record that it is highly  
13 confidential, then I guess I have no choice but to go along.

14 MR. FISCHER: Judge, that document was just  
15 handed to me for about two seconds here. Let me take a look  
16 at it. Every page is marked highly confidential. I would  
17 ask we go in-camera.

18 JUDGE PRIDGIN: All right. Hearing no  
19 objection, just a moment, please.

20 (REPORTER'S NOTE: At this point, an in-camera  
21 session was held, which is contained in volume 20, pages 1055  
22 to 1058 of the transcript.)

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1 JUDGE PRIDGIN: We are back in public forum.

2 MR. MILLS: And, Judge, before we proceed, can  
3 I get you to ask KCP&L to explain why that entire discussion  
4 of preliminary negotiations that never led to anything with a  
5 firm that wasn't involved in the project needs to be shielded  
6 from the public view?

7 JUDGE PRIDGIN: Mr. Fischer?

8 MR. FISCHER: Judge, those are clearly  
9 sensitive contract negotiations that were occurring with an  
10 outside firm that had it marked as confidential information,  
11 and they should not be spread on the public record merely  
12 because time has passed.

13 MR. MILLS: Judge, the presumption ought to be  
14 that everything is public unless there's a necessity to have  
15 it kept from the public view. I don't see that anybody will  
16 be harmed by keeping that -- would be harmed by releasing  
17 that information, and nothing in Mr. Fischer's explanation  
18 has given me any reassurance on that.

19 JUDGE PRIDGIN: All right. Well, I'm not  
20 prepared to rule from the bench on that. If that's something  
21 you want -- you know, if you want to challenge the  
22 designation of HC, you're welcome to file a motion. I'll  
23 give the company a chance to file a response.

24 MR. MILLS: Thank you.

25 JUDGE PRIDGIN: Ms. Ott, you can continue.

1 CHRIS GILES testified as follows:

2 BY MS. OTT:

3 Q. Can you tell me the reason why meeting June  
4 2010 completion date was important for completing the Iatan 2  
5 project?

6 A. Yes. I, in fact, list four reasons in my  
7 testimony. I'd be glad to go through those again. Number 1,  
8 costs were heated or the market was heated as other witnesses  
9 have testified. We knew, based on what we were already  
10 seeing, that the sooner this unit can be completed, procured,  
11 contracted, the cheaper it was going to be. But every delay  
12 was going to simply result in more costs. So that was one  
13 reason.

14 Another reason is we had committed in our  
15 regulatory plan to attempt to meet a June 2010 date, and we  
16 wanted to meet that commitment, if possible. We needed  
17 capacity, both KCP&L and our partners needed the capacity in  
18 June of 2010.

19 And there was one more reason I listed in my  
20 testimony I'm trying to recall. Oh, very important reason.  
21 The off-systems sales market at that time was, for lack of a  
22 better term, booming. The price for off-system sales was  
23 substantial, and the off-system sales market would be even  
24 further enhanced once Iatan 2 came online. So we saw that  
25 the sooner we brought this plant online, the more power we

1 could sell into the market, and that sale of that power into  
2 the market would reduce revenue requirement in every rate  
3 case going forward.

4           So for all of those reasons, it was a date we  
5 wanted to meet, if at all possible, given -- given  
6 consideration for cost and getting it done efficiently.

7           Q.     What period does KCP&L consider to be its  
8 summer peak load?

9           A.     Summer peak can occur any time between June  
10 and September, and most all the time -- and I can't recall --  
11 maybe early in my career, outside the bounds of July and  
12 August, but typically, it's in July or August.

13          Q.     Does KCP&L have a summer rate?

14          A.     Yes.

15          Q.     And what is that period in which they're  
16 allowed to charge for the summer rate?

17          A.     I don't recall.

18          Q.     Do you know what the date of KCP&L's system  
19 peak was for this past year?

20          A.     I do not.

21          Q.     Was Iatan 2 complete to meet the majority of  
22 the summer peak load?

23          A.     No. Iatan 2 was completed as a base load  
24 unit, so yes, it has an -- it would be available on peak  
25 days. It's also very valuable throughout the year. As I

1 indicated, it would provide low cost power, low cost  
2 incremental power throughout the year, which would lower  
3 rates for customers and give the company the opportunity to  
4 sell excess power during the evening time, during non- --  
5 when our retail customers were not needing the power, we  
6 could sell it into the market at a substantial profit, and  
7 that profit is credited back against the revenue requirement  
8 in our rates -- in our rate cases.

9           So it's not -- it was not built just as a  
10 peaking unit. It was built as a base load unit to serve  
11 energy requirements throughout the year.

12           Q.       That wasn't my question. My question was:  
13 was Iatan 2 complete to meet the -- the entirety of the  
14 summer adjusted rates, the peak season?

15           A.       I, obviously, didn't understand it the first  
16 time, and I'm not understanding it this time.

17           Q.       Was it important for KCP&L to have the project  
18 completed in June to meet the summer peak?

19           A.       It was -- when we first --

20           Q.       It's yes or no.

21           A.       Well, yes, in 2005.

22           Q.       Okay. Thank you.

23           A.       It was important. That's one of the reasons I  
24 listed in my testimony.

25           Q.       Did it ever become not important for KCP&L to



1 meet --

2 A. Yes.

3 Q. -- the summer peak?

4 A. Yes. It became less important as the project  
5 progressed. We had a severe economic recession in 2007, '8,  
6 and '9, even that continues to this day that has reduced our  
7 need for peak capacity during the summertime. So as the  
8 plant progressed in its development and construction, what  
9 was perceived as a -- as a need in 2005 had changed and was  
10 not needed necessarily for the summer peak of 2010 because of  
11 the economic recession.

12 Q. In December of 2005, do you know how far  
13 behind the schedule of Iatan 2 was?

14 A. It was not behind schedule at all. We hadn't  
15 started.

16 Q. Why did KCP&L pay Alstom an incentive to meet  
17 the June 2010 date?

18 A. I don't believe we did.

19 Q. Mr. Giles, are you familiar with the R and O  
20 360, which is the JLG incident construction resurfacing?

21 A. I am familiar with the JLG resurfacing, yes.

22 Q. Did you testify in Kansas that KCP&L would not  
23 be charging the cost of this R and O to Kansas ratepayers?

24 A. I may have in the 2000 -- or the Iatan 1 rate  
25 case. I don't recall.

1 Q. So you don't recall, or you stated that you  
2 would not be charging that R and O to Kansas ratepayers?

3 A. I don't recall.

4 Q. I'm going to hand you a portion of your  
5 testimony in the Kansas rate case Docket 09-KCPE-246-RPS.  
6 It's date-stamped June 5, 2009, and this is the rebuttal  
7 testimony of Chris B. Giles, and then particularly maybe this  
8 will refresh your memory if you did or did not make that  
9 statement.

10 A. Do you want me to read this?

11 Q. Sure.

12 A. The underlying section says, "The three  
13 remaining items are those that KCP&L chose not to challenge  
14 in its rebuttal testimony, although KCP&L maintained then, as  
15 now, that its management's actions were reasonable and do not  
16 support a finding of imprudence."

17 Q. So were you making a --

18 A. I think the language speaks for itself is my  
19 testimony.

20 Q. So you did not -- you were not going to charge  
21 the Kansas ratepayers for R and O 360?

22 A. As I indicated, I just read my testimony, and  
23 that's what it says is that KCP&L was not going to challenge  
24 that particular -- and I must say what I read is -- I'm not  
25 sure what it's referring to, but what it says is, on that

1 particular topic, whatever that might have been, we weren't  
2 challenging it, but we were not admitting imprudence.

3 Q. Are you challenging -- are you charging it to  
4 Missouri ratepayers in this case?

5 A. Well, we're not charging Missouri ratepayers  
6 for anything in this case, but the question, if you're asking  
7 me is it included in our cost of the plant for this case,  
8 yes.

9 Q. Thank you. Let's go to page 14 of your direct  
10 testimony. On line 15, you discuss that -- are you there?  
11 Mr. Giles, are you -- do you see that?

12 A. Yes.

13 Q. You state that Schiff has a unique combination  
14 of skills. Do you see that? Maybe I'm on the wrong --

15 A. I don't -- I think there's a reference issue.

16 Q. Oh, sorry. I'm on page 4, line 15. I said  
17 that backwards.

18 A. Yes.

19 Q. Who at Schiff Hardin has these unique skills?

20 A. Their entire team. The team that I am  
21 familiar with would be Ken Roberts, Carrie Okizaki, Eric  
22 Gould, Amanda Schermer, Jay Wilson Associates, Dan Meyer.

23 Q. So is there unique skills on an individual  
24 basis or collectively?

25 A. I would say both.