

1 on the Iatan project.

2 Q. Is it your opinion that the only way to  
3 make a prudence disallowance is if the engineer makes  
4 the adjustment?

5 A. I don't think that's an only way, but  
6 when you're looking at engineering decisions, I think  
7 it should start with the engineers.

8 Q. And what if you're looking at it from a  
9 cost perspective?

10 A. From my perspective -- and I'm not an  
11 expert in the field. We have other experts I hope you  
12 question about these same things. But my  
13 understanding is it's not as easy to separate costs in  
14 engineering as what your question suggests. As Dan  
15 Meyer's testimony says, most of the cost overruns are  
16 attributable to engineering issues. And they're the  
17 engineering issues that David Elliott and his team  
18 looked at and said were okay.

19 So in my mind, I don't see how you can  
20 separate that where you can have cost overruns  
21 associated with engineering changes and those  
22 engineering changes are okay, but despite that, you  
23 have a cost overrun -- or a proposed disallowance not  
24 based on the merits but rather simply subtracting  
25 actuals from the control budget estimate.

1 Q. Could a management decision affect a cost  
2 overrun?

3 A. Sure.

4 Q. What's the difference between Iatan 2 and  
5 Iatan 1 change orders and their respective  
6 contingencies?

7 A. I don't know. That's a question for  
8 Forrest Archibald and Dan Meyer.

9 Q. Now, there's been some discussion on the  
10 Wolf Creek case. Now, in the Wolf Creek case KCPL  
11 created reconciliation packages to identify cost  
12 overruns; is that true?

13 A. I don't recall if KCPL did specifically  
14 or worked with Westar, but I know those packages  
15 were -- were created at that time.

16 Q. Let's go to page 12 of your rebuttal.  
17 And you discuss this July 2006 cost control meeting.  
18 What -- I'm going to hand you a copy of the documents  
19 handed out during that meeting. And --

20 A. Thank you.

21 Q. -- there's an attendance list on the  
22 front page. Can you identify that you are the Curtis  
23 Blanc that attended this meeting?

24 A. I am.

25 Q. Is that your handwriting?

1 A. Yes, it is.

2 Q. Okay. Can you show me where in these  
3 documents where it says you'll identify and explain  
4 the cost overruns? It may take you a minute to go  
5 through it.

6 A. Sure. And again, I'm not the expert in  
7 this area. It's Forrest Archibald, Dan Meyer and then  
8 Steve Jones was instrumental in developing this  
9 process so they are probably better witnesses to ask,  
10 but I'll review the presentation documents.

11 Q. And if you would just identify what  
12 documents you're looking at.

13 A. One is a PowerPoint presentation. The  
14 title is KCPL Comprehensive Energy Plant and Cost  
15 Control System. And the other one is a document  
16 titled Comprehensive Energy Plan, Construction  
17 Projects, Cost Control System. And I apologize but  
18 the second document is a 30-page document.

19 Q. That's fine.

20 A. Okay. I think I've seen enough to answer  
21 your question.

22 Q. Okay. So where does it discuss how cost  
23 overruns would be identified?

24 A. I think the first instance I've come  
25 across is on page 8 of the cost control system

1 document. Under 3.1, Cost Control, the second  
2 paragraph says, KCP&L project's cost control system  
3 involves continually monitoring the accumulation of  
4 actual costs compared to the control budget so as to  
5 determine whether the initial assumptions in the  
6 project definition are still valid. The project team  
7 will compile and analyze the actual cost information  
8 and periodically prepare a forecasted cost at the  
9 completion based on this analysis.

10 Q. So is that identifying the reforecast  
11 binders you've been discussing?

12 A. That last sentence does, but in general  
13 the paragraph says that we would do what we did, that  
14 we'd implement a cost control system that goes back to  
15 the control budget, the CBE, the December 2006 number.  
16 And I think in two sentences that pretty concisely  
17 says what we would do.

18 Q. But does that say that you'll identify  
19 and explain the cost overruns?

20 A. Those words aren't there, but absolutely  
21 that's part of the system and that's what it does.

22 Q. So you're saying that this paragraph  
23 means that you'll identify and explain the cost  
24 overruns?

25 A. Yes. And we did.

1 Q. Now, did KCPL set contingencies at the  
2 time of this meeting to prevent cost overruns?

3 A. I'm sorry. At the time of what meeting?

4 Q. This July 2006 meeting.

5 A. No. There wouldn't have been  
6 contingencies at that time. The control budget  
7 estimate if we talked about before wasn't finalized  
8 until December of 2006. So it would have been --  
9 what, this was presented to Staff in July of 2006. So  
10 about six months later the control budget estimate was  
11 set and that's where contingencies would be.

12 Q. So it wasn't until the control budget  
13 estimate that KCPL knew or had a probability it would  
14 have cost overruns?

15 A. I don't understand that question. I'm  
16 sorry.

17 Q. When did KCPL know or potentially could  
18 have had -- know it would have cost overruns?

19 A. Sure. In the time that led up to the  
20 April 2008 reforecast. Basically the way the system  
21 worked is we had our control budget estimate December  
22 2006 and as that paragraph we just read from, the cost  
23 control system says we continuously monitored costs as  
24 they progressed. And then as soon as we became aware  
25 that it looked like we might exceed the control budget

1 estimate, we started the reforecast process. And that  
2 culminated in the April 2008 reforecast that we  
3 presented to the Staff.

4 Q. So it wasn't until '08 -- April of '08  
5 that you knew you were going to have cost overruns?

6 A. No. As I testified to earlier, that  
7 reforecast was a several-month process. And so the  
8 reforecast formally began, my recollection is, late  
9 2007. And we would have had data leading up to that  
10 to give us concern. So I would say mid to late 2007.

11 Q. And just to be clear, that KCPL is  
12 seeking to recover the costs in which the KCC  
13 disallowed?

14 A. Correct. And Brent Davis can testify as  
15 to why those two decisions were prudent.

16 Q. Now, are you also seeking to recover the  
17 costs that Dr. Nielsen found to be imprudent?

18 A. They are the same two decisions.

19 Q. Let's go to page 17 of your rebuttal.

20 JUDGE PRIDGIN: Ms. Ott, if I could  
21 interrupt for just a second. Do you have an idea  
22 about how much longer you'll be questioning Mr. Blanc?  
23 I'm just looking for a chance to give the court  
24 reporter to a break, but I don't want to cut you off.

25 MS. OTT: I have probably a fair amount

1 more.

2 JUDGE PRIDGIN: Okay. If -- she's been  
3 going for about a couple hours. I was hoping for a  
4 natural break, but --

5 MS. OTT: Sorry.

6 JUDGE PRIDGIN: No need to apologize. If  
7 we could take about 15 minutes and then come back  
8 with -- Ms. Ott, with your questions of Mr. Blanc.

9 MS. OTT: Okay.

10 JUDGE PRIDGIN: All right. Anything from  
11 counsel before we go off record? Okay. Let's go off  
12 the record. We'll resume at 10:45. Thank you.

13 (A recess was taken.)

14 JUDGE PRIDGIN: All right. We're back on  
15 the record. Ms. Ott, I apologize for interrupting you  
16 in the middle of your cross, but I thought -- I was  
17 hoping to find a natural break and didn't find one so  
18 I thought I better jump in and take a mid-morning  
19 break.

20 Anything from counsel before Ms. Ott  
21 resumes her cross-examination?

22 All right. Ms. Ott, when you're ready,  
23 ma'am.

24 BY MS. OTT:

25 Q. Let's go to page 17 of your rebuttal.

1 A. Okay.

2 Q. Here you indicate you're familiar with  
3 the Commission's disallowance in the Wolf Creek case?

4 A. Correct.

5 Q. Now, for construction of Wolf Creek, KCPL  
6 used what we term as reconciliation packages -- I  
7 think you identified that earlier -- to attempt to  
8 explain the underlying reasons for cost overruns above  
9 the definitive estimate. That's what you stated  
10 earlier?

11 A. No. Your question earlier was if we  
12 prepared reconciliation statements and I said yeah,  
13 the reconciliations were part of the audit. But if  
14 you look at the Commission's order in that decision,  
15 it looked at a lot more than that. It was engineering  
16 decisions.

17 And as I read the order, a lot of the  
18 disallowances are associated with the delay of the  
19 project. I think of the \$196 million that I say is  
20 approximately 2 million here, 66 million of those are  
21 extra manhours associated with the delay. And as you  
22 recall, Wolf Creek was more than two years late. So I  
23 think that was the driver for most of the  
24 disallowances.

25 Q. Okay. I'm going to hand you a copy of



1 the wolf creek decision. And I'd like to direct you  
2 to page 93. Kind of -- down in the bottom left-hand  
3 corner there's a paragraph that starts, Although.  
4 Instead of me reading the paragraph, I'm going to go  
5 ahead and ask you to read it for me.

6 A. Okay. The although the Commission  
7 agrees? That paragraph?

8 Q. Yes. And actually read the two -- that  
9 and then the next one.

10 A. Okay. Although the Commission agrees  
11 with the company's assertion that it may not be  
12 possible to assign reasons for overruns with absolute  
13 precision, the Commission believes that a system could  
14 have been and should have been implemented that at  
15 least attempted to classify the reasons for the  
16 overruns at the time they were incurred.

17 After-the-fact estimates with wide  
18 ranging accuracy, plugged numbers and pages of  
19 unquantified explanations constitute insufficient  
20 information from which a determination of  
21 reasonableness can be made.

22 This is true in spite of Mr. Linderman's  
23 assertion to the contrary. The Commission finds that  
24 Mr. Linderman's testimony was often evasive and  
25 unresponsive; therefore, the Commission is unable to

1 rely upon his testimony. The Commission finds the  
2 reconciliation packages were further deficient as they  
3 did not properly assess the extent to which cost  
4 overruns were attributable to problems over which  
5 management had control. Thus, company would have the  
6 Commission believe that all cost overruns were wisely  
7 and prudently incurred.

8 Q. Okay. Now, Mr. Blanc, there were  
9 adjustments proposed by the Staff in the Wolf Creek  
10 rate case that were less directly related to the  
11 Staff's inability to audit Wolf Creek's case, were  
12 there not?

13 A. I'm sorry. I'm -- I'm not as familiar  
14 with Staff's proposed adjustments as to what the  
15 Commission ultimately did. I don't know all of  
16 Staff's proposed adjustments.

17 Q. Do you know whether the Commission made,  
18 in the Wolf Creek rate case, what it termed as  
19 traditional excess capacity adjustments?

20 A. Yes. Excess capacity was an issue there.  
21 It's not an issue here. And I believe there was a  
22 disallowance associated with excess capacity. And my  
23 \$200 million would not reflect that because I'm trying  
24 to do an apples-to-apples comparison on a prudence  
25 disallowance.

1 Q. So then you're stating you did not assess  
2 excess capacity adjustment within your chart or your  
3 table on page 17?

4 A. No. I -- just as I testified a moment  
5 ago, there were \$196 million I believe of kind of  
6 specified prudence adjustments that are construction  
7 related, project related. And I did not include the  
8 excess capacity because that's not an issue here and  
9 you wouldn't be comparing apples to apples if you  
10 included it.

11 Q. Do you know how many dollars there were  
12 disallowed in the wolf Creek rate case?

13 A. Yeah. As my -- as I just testified and  
14 my chart summarized, from a prudence perspective, it  
15 was 196 million or I've got 200 rounded here. And  
16 that was with respect to a project the definitive  
17 estimate was \$1 billion and it came in at \$2.9 billion  
18 so two -- more than two years late and three times the  
19 budget.

20 Q. So you're saying -- then you're trying to  
21 make an apples-to-apples comparison here?

22 A. Making an apples-to-apples comparison on  
23 what the Commission ultimately did and what staff's  
24 proposing to do here.

25 Q. Is it your testimony that Iatan 2 was

1 completed on time?

2 A. Yeah. I would say yes, that the  
3 regulatory plan did have a target date of June 1, 2010  
4 and obviously we didn't meet that. It was August 26,  
5 2010 is when it was in service. But our -- I'd say  
6 the target date was just that, a target date. And  
7 those are the words in the regulatory plan. And our  
8 commitment and our public statements and everything  
9 else was summer of 2010 and we did accomplish that.  
10 August 26, 2010, summer 2010.

11 Q. Is it -- making it a target date, is that  
12 important?

13 A. I think the word is -- target is just  
14 that, it's the date we were shooting for. It's a  
15 target date.

16 Q. Do you believe Iatan -- is it your  
17 testimony that Iatan 2 was completed on budget?

18 A. As we've talked about, the control budget  
19 estimate was 1.685 billion. We're forecasting it's  
20 going to ultimately cost 1.948 billion and that's  
21 15.6 percent more than the control budget estimate.

22 Q. Okay. Going back to your wolf  
23 Creek/Iatan comparison, where in the stipulation and  
24 agreement does it specify the cost overruns need not  
25 be identified or explained based upon the comparison

1 to wolf creek?

2 A. I didn't follow that question. I'm  
3 sorry.

4 Q. Okay. Where in your agreement does it  
5 specify that cost overruns need not be identified or  
6 explained based upon the comparison to wolf creek?

7 A. I still don't understand the question.  
8 We've quoted paragraph or section Q of the regulatory  
9 plan a number of times. It doesn't mention wolf  
10 creek. It obligates the company to develop a cost  
11 control system that identifies and explains costs.  
12 And we did that and we've talked about that a lot this  
13 morning. But beyond that, I'm not sure what your  
14 question is.

15 Q. Well, your -- you were trying to compare  
16 wolf creek and Iatan 2, so I was just trying to figure  
17 out that, but --

18 A. If that's the question, I can certainly  
19 respond to that.

20 Q. That's all right. You -- we'll move on.  
21 Has KCPL written off the disallowances  
22 ordered by the Commission in wolf creek?

23 A. I believe the accounting rules at that  
24 time allowed for some phase-in of the write-off. And  
25 I'm not sure if that's gone to zero at this point or

1 not. And there was also a change in tax law that  
2 might have impacted it. So I don't know is the simple  
3 answer.

4 Q. Okay. So --

5 A. But what I do know is that the accounting  
6 standards today would require us to immediately write  
7 off any disallowance on Iatan 2.

8 Q. What accounting standards are those?

9 A. FAS -- it's one of the FAS. I don't  
10 remember if it's 90. FAS 90's a word -- is the one  
11 that comes to mind, but again, that's not my area of  
12 expertise. John Weissen is a witness in this case and  
13 can testify to that, as Darain Ives could testify to  
14 that.

15 Q. Is Mr. Weissen or Ives an Iatan witness?

16 A. Neither one is an Iatan witness, but  
17 they're auditors for the company -- or sorry,  
18 accountants for the company.

19 Q. But back -- you don't know whether or not  
20 KCPL wrote off disallowances in the -- from the Wolf  
21 Creek case?

22 A. My understanding is it was allowed to be  
23 phased in over time, that write-off. And whether that  
24 is what ultimately happened if that's gone to zero, I  
25 don't -- I don't know that. But again Mr. Weissen and

1 Mr. Ives would.

2 Q. Now, on page 18 of your rebuttal you  
3 discuss the KCC order. Who had the burden of proof in  
4 that case?

5 A. In my mind, it would be similar to here,  
6 that -- just as we talked about early on in the  
7 proceeding, that -- that it's presumed prudent until  
8 someone raises a serious doubt. In my mind, they're  
9 similar standards. But as we discussed earlier, I'm  
10 not here as a lawyer for the company.

11 Q. As a non-lawyer, are you aware that the  
12 KCC has specific standards on prudence, a statute on  
13 prudence?

14 A. My understanding -- and Dr. Nielsen is  
15 the prudence expert, but my understanding is both  
16 Commissions have to look at prudence. That's their  
17 mandate. In Kansas they have a statute by which they  
18 do that, but that just lists the factors and I don't  
19 think it's an exclusive list necessarily, but it's --  
20 it's basically the methodology by which they analyze  
21 prudence.

22 Q. Now, you're familiar with Schiff Hardin.  
23 Correct?

24 A. I am.

25 Q. Okay. Is Schiff Hardin a cost overrun,

1 their --

2 A. Is Schiff Hardin a cost overrun? I'm not  
3 sure I understand.

4 Q. Are they considered a cost overrun in  
5 your -- in the budget for Iatan?

6 A. The fees we have paid Schiff Hardin?

7 Q. Yes.

8 A. Again, how that's accounted and how  
9 that's tracked through, as we've discussed many times,  
10 is a better question for Mr. Archibald and Mr. Meyer.  
11 what you would have to compare is what was assumed in  
12 the initial control budget estimate -- and I don't  
13 know what that number on a line item for them is --  
14 versus the anticipated cost. But that -- that's a  
15 better question for them just because I don't have  
16 that level of detail.

17 Q. So you don't have an idea of whether or  
18 not their -- their line item is considered a cost  
19 overrun?

20 A. The piece I'm missing that I don't know  
21 is what the assumption was, what the line item in the  
22 initial -- the December 2006 control budget estimate.  
23 I don't know what that assumed for Schiff Hardin. And  
24 that -- that's the piece you would need to know.

25 Q. So you don't know?



1 A. Correct.

2 Q. Now, I believe yesterday you mentioned  
3 that you have previously reviewed schiff invoices; is  
4 that true?

5 A. I did. I reviewed the legal component of  
6 schiff invoices while I was in the law department --  
7 or I should say I participated in the review.

8 Q. Who all participated in the review of the  
9 schiff invoices?

10 A. From the law department perspective  
11 looking at the legal invoices, it was me and Jerry  
12 Reynolds and then from time to time Bill Riggins, the  
13 general counsel.

14 Q. Can you describe how you reviewed the  
15 schiff invoices?

16 A. Sure. Basically just went through and  
17 looked at the time entries. Basically from my  
18 perspective, no different than we review any other law  
19 firm invoices we get. Go through and review the time  
20 entries and the description of those entries.

21 And then if a question arose, I would  
22 talk to Jerry Reynolds because he worked with them  
23 more closely on a day-to-day basis than I did and  
24 talked to him about what they were working on at that  
25 time, if that seemed like a reasonable amount of time

1 for that project. And then so we would discuss it and  
2 move on.

3 Q. Did you ever have those discussions with  
4 Mr. Reynolds regarding any of the Schiff invoices?

5 A. That's what I was just testifying to,  
6 yes.

7 Q. So that happened?

8 A. If there was an entry that I wasn't  
9 familiar with, I would speak to Jerry Reynolds and  
10 say, Are you familiar with this project? Were they  
11 working on this? Was this a reasonable amount of  
12 time? That was part of the process.

13 Q. Generally, what was the time period that  
14 you would have been reviewing them from the date on  
15 the actual invoices?

16 A. It varied over time. So I --  
17 definitively I couldn't tell you, but I would  
18 acknowledge that sometimes there were a couple of  
19 months' gap and that's often why those conversations  
20 had to take place, that I couldn't recall what they  
21 were working on a particular day and that's why I  
22 would talk to others.

23 Q. So was it generally like a two-month  
24 delay?

25 A. I don't recall specifically, but two,

1 three months seems reasonable for what was occurring.

2 Q. And what was the time period that you  
3 would have been reviewing the legal invoices?

4 A. Through June 30th of 2009. That's when I  
5 left the law department.

6 Q. When would you have -- when would you  
7 have started reviewing them?

8 A. I have to stop and think. I'm not sure  
9 when the date started because Jerry Reynolds from the  
10 law department perspective had that role at the  
11 beginning of the Schiff Hardin relationship and then I  
12 was added to that process later. But I would guess it  
13 would have been mid-2008, but that -- that's  
14 admittedly a guess.

15 Q. Is it your testimony that Schiff only  
16 provided legal services and -- for the Iatan project?

17 A. No. Not at all. As I responded in -- to  
18 a Commissioner question yesterday, they provided a  
19 broad array of services. And I explained those in my  
20 testimony, as does Bill Downey. They supported the  
21 Iatan projects in a number of ways.

22 Q. Now, on the Schiff invoices would they  
23 denote whether or not it was directly related to legal  
24 expenses or rather if it was not related to legal  
25 expenses?

1           A.     That designation wouldn't appear on the  
2 invoices, but what you would have is -- we talked  
3 about yesterday Jay Wilson and Dan Meyer's invoices  
4 would be attached. And those would all be project  
5 control so that -- those would be I guess a non-issue.

6                     And as far as the lawyers, you would have  
7 to look at the descriptions and see what they were  
8 working on. And as an attachment, CDB2010-2 to my  
9 testimony, we went back in response to Staff's  
10 allegations and did a breakdown and looked at the work  
11 they had done and the hours and who had done it and  
12 went through the process of doing just that,  
13 categorizing what was legal, what was nonlegal, what  
14 was contract administration, what was project  
15 controls. So you'd have to look at the descriptions.

16           Q.     And then you -- so what schedule did you  
17 say that was that you performed that?

18           A.     CDB2010-2. It's attached to my -- my  
19 rebuttal or my surrebuttal. It is attached to my  
20 rebuttal.

21           Q.     What was the cost control process for  
22 Schiff?

23           A.     Things the invoice -- if I understand  
24 your question correctly, how did we review their  
25 invoices, it's the invoice review process we just

1 talked about and we discussed yesterday in response to  
2 Commissioner Kenney's questions. The law department  
3 would review the legal aspects of their bills and  
4 procurement with the project would review the bills in  
5 total and the non-legal aspects.

6 Q. And were there any controls in place that  
7 limited the hours that Schiff employees could work on  
8 the project?

9 A. There wasn't a formal ceiling saying you  
10 may not work more than so many hours. I mean  
11 something like that didn't exist and I don't think it  
12 would make sense. But what was in place is our people  
13 were working with them on a day-to-day basis and would  
14 have known if they were working the hours that they  
15 claimed to be working and if those hours were  
16 productive. We were working with them in real-time  
17 over the life of the project.

18 Q. So when you're working day to day, that  
19 meant the Schiff employees were actually there onsite  
20 at Iatan?

21 A. Especially the project control people.  
22 Many of them were. And then the lawyers on an  
23 as-needed basis were. So they were often at Iatan, I  
24 would say.

25 Q. So were there any controls since -- for

1 the individuals in Chicago on how much work they were  
2 performing?

3           A.     Should be the process I just described.  
4 We knew what they were working on because we'd asked  
5 them to work on it. And, for example, when I was  
6 reviewing an invoice, if an attorney in Chicago was  
7 working on a project I wasn't familiar with or the  
8 time didn't look right, I would talk to Jerry Reynolds  
9 or the lawyer that was working with them on that and  
10 we would confer. But that would be the same process  
11 for whether they were working in Chicago or Kansas  
12 City.

13           Q.     Did you ever have a dispute with Schiff  
14 Hardin on the amount of work that they were billing to  
15 you?

16           A.     No. As I said, we had those discussions,  
17 but there was never an unresolved issue. I was always  
18 comfortable with the explanation of -- or we were  
19 comfortable, I should say, the law department, Jerry  
20 Reynolds and I were comfortable that they were doing  
21 the work they said they were doing and their work was  
22 productive. They weren't wasting time doing it.

23           Q.     So none of your conversations with  
24 Mr. Reynolds or in the law department ever led you to  
25 contact somebody at Schiff Hardin to question --

1 A. Not --

2 Q. -- a particular item on the invoice?

3 A. Not that I'm aware of. I never did.

4 Q. Now, when you did your analysis that's in  
5 your schedule, did you use the edited invoices that  
6 were provided to Staff or did you use the unredacted  
7 invoices?

8 A. I believe what you're referring to is the  
9 invoices that had attorney/client privileged  
10 information removed that the Regulatory Law Judge  
11 looked at as well. And no, I saw the attorney/client  
12 communications because I was the client.

13 Q. So you did not use the edited invoices?

14 A. No. My invoices were not redacted, no.

15 Q. Now, could Schiff perform work without  
16 prior approval from KCP&L?

17 A. I guess I'm -- the word about prior  
18 approval and I think it goes to what I said earlier.  
19 They worked with us on a day-to-day basis so it really  
20 wasn't realistic and it cert-- it wasn't the process,  
21 to answer your question, but nor I do think it would  
22 be realistic for them to -- to put a process in place  
23 where they had to come to us and say, I think need to  
24 look at this letter. Is it okay if I bill time  
25 looking at this letter? And then have them do that.

1           That isn't how it worked, but I don't  
2 think that would have been reasonable. We were aware  
3 on a daily basis what they were working on and it was  
4 under our direction. But there wasn't a prior  
5 approval for what they could do or couldn't do.

6           Q.     Do you know of any other construction  
7 project where 1 percent of its costs are for legal  
8 fees?

9           A.     Again, as we discussed a couple of  
10 questions ago, it's not purely legal fees. But  
11 1 percent -- really less than 1 percent if you're  
12 looking at the Iatan projects in total for contract  
13 negotiation, contract management, cost control  
14 support, project schedule support. Dan Meyer will  
15 testify and has testified that in his experience in  
16 the industry, less than 1 percent of project cost for  
17 that level of services is a very good deal.

18          Q.     So when you're referring to the 1 percent  
19 being legal fees of the -- of the project, are you  
20 grouping in all the legal fees or just the Schiff  
21 legal fees?

22          A.     What the 1 percent refers to is all fees  
23 paid -- all fees and expenses paid to Schiff Hardin in  
24 support of the Iatan 2 projects is less than  
25 1 percent.



1 Q. And that's at risk of getting into highly  
2 confidential number -- it's not. So -- so you have  
3 paid over 20 million just for Schiff?

4 A. That's correct. In the broad support for  
5 the projects over the past five years, that's correct.  
6 And it's less than 1 percent of the project cost.

7 Q. So is it your testimony that customers  
8 should pay for legal costs that are not supported by a  
9 paid invoice?

10 A. I certainly haven't said that, no.

11 Q. Do you -- so you don't think customers  
12 should have to pay for legal costs that are not  
13 supported by a paid invoice?

14 A. I guess I don't understand your question.  
15 If we haven't paid an invoice, we wouldn't seek  
16 recovery. I mean if a cost hasn't been incurred, we  
17 wouldn't seek to recover it. So I'm not sure what  
18 your question is.

19 Q. Did KCPL use a competitive process to  
20 acquire its auditor, Ernst & Young?

21 A. I don't know. I wasn't involved with  
22 procurement of Ernst & Young services, but I don't  
23 believe so.

24 Q. You don't believe a competitive process  
25 was used? Is that --

1           A.     I don't believe so, but I don't know  
2 that.

3           Q.     Now, are you familiar with all of the  
4 Schiff employees and contractors who worked on the  
5 Iatan project?

6           A.     Only the ones I worked directly with.

7           Q.     And who were they?

8           A.     I worked directly with Ken Roberts,  
9 Carrie Okizaki, Eric Gould, Mandy Schermer. And then  
10 as far as the -- the Schiff Hardin employees, that  
11 would be it. But then Jay Wilson who we talked about  
12 yesterday as a -- the cost control -- or sorry, the  
13 schedule expert, I -- I worked with him and his  
14 colleagues. And then Dan Meyer, I've worked with him  
15 as well. And he's the project cost expert.

16          Q.     Now, did Mr. Roberts provide both legal  
17 and nonlegal services?

18          A.     Without -- my recollection -- and we're  
19 talking about legal services or services over five  
20 years, is that Mr. Roberts was almost exclusively  
21 legal. But there may have been some -- some type of  
22 project oversight, but I would think that would be a  
23 relatively small amount. I would assume Mr. Roberts  
24 would be primarily legal.

25          Q.     How about Ms. Okizaki? Would she have

1 done legal and nonlegal work?

2 A. She would have been, I would say,  
3 primarily legal as well, but more general project  
4 support than Mr. Roberts.

5 Q. How about Mr. Gould?

6 A. Mr. Gould is not a lawyer. He's a Schiff  
7 Hardee -- Schiff Hardee -- Schiff Hardin employee, but  
8 he's a non-lawyer so he wouldn't be providing legal  
9 services per se. He would largely be project support.

10 Q. Okay. And how about Ms. Schermer?

11 A. Ms. Schermer is -- I would put her --  
12 going down the spectrum of Mr. Roberts was primarily  
13 legal with a little project support, Ms. Okizaki was  
14 slightly more project support, and Mandy Schermer yet  
15 again is slightly more project support.

16 Q. And then would -- Mr. Wilson and  
17 Mr. Meyer would have only done project support?

18 A. Correct.

19 Q. Do you know what a reasonable hourly rate  
20 for paralegal in Kansas City is?

21 A. I guess I'm -- I don't know what  
22 paralegals in Kansas City charge for their services,  
23 no.

24 Q. Do you know what Schiff was billing  
25 Kansas City Power and Light for paralegal services?

1           A.     I did at the time when I was reviewing  
2 the invoices because on each invoice it would be a  
3 time entry and then a total dollar figure so you could  
4 divide to get that. So I knew that at the time I was  
5 reviewing the invoices, but right now I can't recall  
6 what their paralegal billing rate was.

7           Q.     If I showed you an invoice, would it  
8 refresh your memory?

9           A.     Yes.

10          Q.     I think if you go to page 14, it  
11 identifies -- and I'm probably going to butcher her  
12 first name -- Zuma Dyke as a paralegal.

13          A.     I see that.

14          Q.     And then if you flip to page 44, it says  
15 her billing rate is \$230 an hour.

16          A.     Sorry. Where? I see her.

17          Q.     The second column -- I think if you go to  
18 the page 2, it says hours and then the third column of  
19 numbers would be the total amount.

20          A.     That's exactly what I was trying to  
21 figure -- the columns aren't labeled here, but yes, I  
22 believe that's correct.

23          Q.     So for this particular invoice, she  
24 billed over \$33,000 in paralegal services?

25          A.     That's correct.

1 Q. And are you the one that approved --  
2 approved this invoice?

3 A. I'm looking at the date. June 30, 2008.  
4 As I said, I would have gotten involved about that  
5 time so -- as I said, I don't remember the exact time.  
6 So this may have been one of the first invoices. It  
7 would have meshed with the time I started reviewing  
8 the invoices for legal services.

9 And as I mentioned before, that's not one  
10 of the Schiff Hardin team that I worked regularly with  
11 so that wouldn't have been part of my review. My  
12 review, as I discussed, pertained to what I knew about  
13 what Schiff Hardin was doing which would pertain to  
14 the team members we just talked about.

15 Q. So that would have been Mr. Reynolds who  
16 would have approved that?

17 A. Correct.

18 Q. And he's no -- no longer with KCP&L?

19 A. That's correct.

20 Q. Now, do you know if KCPL agreed to pay  
21 Ms. Dyke's salary of -- or hourly rate of \$230 for the  
22 work she was charging to the Iatan project?

23 A. We paid it so, yes, that's agreeing to  
24 pay it.

25 Q. Now, are you familiar with Strategic

1 Talent Solutions?

2 A. Only vaguely.

3 Q. Did you ever read their May 2007

4 Construction Project Effectiveness Report?

5 A. Only -- not contemporaneously. But I did

6 review it as information that was being provided to

7 the staff.

8 Q. I'm going to hand you a copy of it. And

9 I'd like to direct you to what has been Bates stamped

10 KCPLLP0000012, page 12.

11 MS. OTT: This is highly confidential,

12 what I'm going to have to read so we might need to go

13 in-camera.

14 JUDGE PRIDGIN: All right. Let me ask

15 counsel if you can check around the room. Is there

16 anyone who needs to be excused before we go into HC?

17 Going once, going twice.

18 MR. FISCHER: I think we're okay.

19 JUDGE PRIDGIN: If you'll give me just a

20 moment before we can continue.

21 (REPORTER'S NOTE: At this point, an

22 in-camera session was held, which is contained in

23 volume 16, pages 509 to 510 of the transcript.)

24

25

1 JUDGE PRIDGIN: All right. The in-camera  
2 session has ended. Ms. Ott, when you're ready.

3 CURTIS BLANC testified as follows:

4 BY MS. OTT:

5 Q. Now, Mr. Blanc, is it KCPL's position  
6 that Schiff was independent from the leadership team  
7 on the construction project?

8 A. I guess Schiff's whole -- Schiff Hardin's  
9 role was many faceted and you have to go to the  
10 specific members of the team. They supported the  
11 Iatan projects but part of that role was advising the  
12 Executive Oversight Committee on -- in as blunt a way  
13 as they could, what they saw going right and wrong  
14 with the project.

15 And that's exactly what's captured in  
16 this paragraph you had me read and is the definition  
17 of prudent management. It's May '07, very early on in  
18 the project. We brought in this group because we had  
19 concerns that the team wasn't meshing as well as it  
20 could. And so we saw an issue and we addressed it.  
21 And that's what's captured in this report.

22 Q. Okay. My question wasn't related to the  
23 report so -- my question was whether or not throughout  
24 the project did Schiff Hardin have control over KCPL's  
25 management?

1           A.     No. Absolutely not. They didn't have  
2 control. Your question is if they were independent.  
3 Schiff Hardin did not control KCP&L management.

4                     But your question is were they  
5 independent of the Project Leadership Team. And the  
6 role they played in advising the Executive Oversight  
7 Committee, that -- that part was key and that was  
8 independent of the project team. If they weren't  
9 independent, they wouldn't be in a position to advise  
10 the Executive Oversight Committee if they saw issues.  
11 And that was a key part of their role is helping us  
12 identify issues before they caused project problems.

13           Q.     Do you know who Mr. Carl Morado is?

14           A.     I've heard the name, but I'm not familiar  
15 with him or his work.

16           Q.     So you don't know what type of services  
17 he provided to KCPL?

18           A.     No. The other project team witnesses  
19 would be able to answer the questions, but I never  
20 worked with Mr. Morado or was familiar with the  
21 services he provided.

22           Q.     Now, are you familiar with the audit  
23 Ernst & Young performed?

24           A.     I'm -- I believe Ernst & Young has a  
25 couple -- at least a couple of documents. One's a



1 risk assessment and there might have been an audit  
2 subsequent to that, so I'm not familiar with the  
3 document or not sure what document you're referring  
4 to.

5 Q. Marked 2007 risk assessment -- phase 1  
6 risk assessment report.

7 A. Yeah. I've seen it, yeah.

8 Q. Okay. Now, what was Ernst & Young's role  
9 with the Iatan project?

10 A. Again, that goes back before -- I'm not a  
11 project person and that's certainly a question better  
12 left for the project team and particularly probably  
13 Mr. Downey for that question as far as why Ernst &  
14 Young was brought in and what their role was. But  
15 from my perspective, they're an auditing firm so I  
16 assume they were providing some kind of audit and  
17 maybe oversight, but that's a better question for the  
18 project team.

19 MS. OTT: This is going to be HC, so --

20 JUDGE PRIDGIN: Just a minute, please.

21 Let me have counsel verify -- I don't think anybody  
22 has entered or exited that would alarm the parties.

23 All right. Give me just a moment, please.

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

1 JUDGE PRIDGIN: All right. The in-camera  
2 session's over. We're back in public record.

3 CURTIS BLANC testified as follows:

4 BY MS. OTT:

5 Q. Do you believe Ernst & Young was  
6 qualified to the extent that Staff could rely on their  
7 work?

8 A. I'm not sure I understand the question.

9 Q. Is Ernst & Young a qualified auditor?

10 A. Again, as I said before, what their exact  
11 role was is a better question, but is Ernest & Young a  
12 reputable company that does good work? Absolutely.

13 Q. Would it be prudent for Staff to rely on  
14 their work?

15 A. I think yes, in part. But this is really  
16 just the beginning. I think the next step that has to  
17 happen is what was done in response to this criticism.  
18 I think it's wo-- would be appropriate for Staff to  
19 acknowledge that Ernst & Young had this concern, but  
20 then it would need to go the next step and say, Okay,  
21 KCP&L, what did you do in response to that concern.

22 Q. Now, you were in the legal department for  
23 a while and you said you reviewed invoices. Has KCP&L  
24 ever received a volume discount for legal services?

25 A. I've never been in the role of

1 negotiating law firm fees so I just don't know that.

2 The general counsel has traditionally done that.

3 Q. Are you aware of KCP&L ever receiving a  
4 volume discount from a legal firm?

5 A. Seems that maybe we have from Spencer,  
6 Fane is a firm that comes to mind, but I don't know  
7 how that arose or how that came to be.

8 Q. And was that volume discount related to  
9 Iatan work?

10 A. I don't know the specific -- specifics of  
11 that. Spencer, Fane, I typically would not have  
12 reviewed their bills. They didn't provide regulatory  
13 services to KCP&L. They were largely our  
14 environmental law firm and did environmental law work.  
15 So I'm not as familiar with their invoices or the  
16 company's arrangement with that firm.

17 Q. Okay. I'm going to hand you a copy of an  
18 invoice. And as someone who has reviewed invoices  
19 before, you can tell me if maybe this would reflect  
20 the question I asked. So you are correct it is  
21 Spencer, Fane. And you see a volume discount noted on  
22 the invoice. Correct?

23 A. Yes. And by math that looks like it  
24 would be 5 percent.

25 Q. And also identified on this invoice is

1 related to the Iatan 1 project, the handwritten  
2 notations?

3 A. That is what -- the handwritten notation  
4 says Iatan 1, but as I said, I haven't reviewed the  
5 invoice or are familiar with the work they did.

6 Q. Why didn't KCP&L seek a volume discount  
7 with Schiff Hardin?

8 A. I don't know whether they did or didn't  
9 pursue it. I just have -- I wasn't involved with the  
10 hiring of Schiff Hardin so I don't know if that  
11 discussion occurred or not.

12 Q. Who hired Schiff Hardin?

13 A. It would have been the general counsel,  
14 but on a job as broad as this, I assume the Executive  
15 Oversight Committee or the company leadership team  
16 would have been involved given the significance of the  
17 project. It would have been a broadly discussed  
18 decision.

19 Q. So that would have been Mr. Riggins that  
20 would have --

21 A. Yeah, he was general counsel. But I  
22 think, as I said, given the significance of the  
23 decision, it would have been discussed more broadly.

24 Q. Did KCP&L ever seek -- or in the middle  
25 of the project when they realized the amount of hours,

1 tens of thousands of hours, that Schiff Hardin was  
2 billing KCP&L, to then say we've been -- you're  
3 obviously doing a lot of work on this project, to seek  
4 a volume discount?

5 A. As I said, I don't -- I don't know. I  
6 wasn't involved in any discussions like that, but I  
7 wouldn't expect to be involved in that.

8 Q. Let's go to I think 40 of your rebuttal.  
9 That's right. I think. Now, you indicate that KCP&L  
10 has corrected some of the inappropriate charges  
11 identified by Staff. Is that --

12 A. Yes.

13 Q. I'm going to hand you a copy of Staff  
14 Data Request 971. Now, Data Request 971 says, For  
15 Iatan 1 did KCPL or GMO make any correcting entry --  
16 entries or adjustment entries based on Staff's  
17 December 31, 2010 audit report? If so, please provide  
18 a list of each adjustment, the amount and a detailed  
19 description of why the adjustment order was made.

20 And can you read what the response says?

21 A. It says, No correcting or adjusting  
22 entries were made based on Staff's December 31st, 2010  
23 audit reports.

24 Q. And I believe that date has actually been  
25 corrected to 2009 because there wasn't a Staff

1 December 31st, 2010 report. It was 2009. Does that  
2 sound about right to you?

3 A. That's correct. The data request, both  
4 the question and the answer say 2010, but you're  
5 right. There isn't a report with that date.

6 Q. So would you agree that this response is  
7 indicating that KCPL did not make any corrections to  
8 its books and records based upon the December 31st,  
9 2009 audit report?

10 A. Based on the audit report, that's a true  
11 statement. My understanding is the corrections that  
12 were made were in advance of that. As Staff pointed  
13 out something that they thought we did incorrectly, we  
14 corrected it at the time. We didn't wait until the  
15 report and do it in response to the report, which is  
16 what I read the DR request and answer to be responsive  
17 to.

18 Q. Can you identify what -- what charges  
19 were corrected --

20 A. I know for --

21 Q. -- prior to the report?

22 A. Yes. I know, for example, there was a --  
23 a meal that was incorrectly billed to the project and  
24 that was removed from the project. That's the one  
25 example that comes to mind. More examples than that,

1 you would have to talk to the accounting staff because  
2 I'm just not that familiar, but that's the one example  
3 that comes to mind.

4 Q. So you're only aware of one change that  
5 was corrected?

6 A. Sure. Staff pointed out that they  
7 thought a meal shouldn't be billed to the project and  
8 we looked into it and agreed and fixed that. We  
9 corrected that error.

10 Q. Is that particular meal the only  
11 inappropriate charge that Staff pointed out in its  
12 report?

13 A. No, Staff has a list attached to the  
14 report. And why I pause is many of them were  
15 addressed. When we filed this case, we were trying to  
16 avoid having to argue about this issue so what we did  
17 is we removed executive expense reports, which seemed  
18 to be the focus of Staff's criticism not only from the  
19 test year, the 2009 test year in the case but also  
20 from what had been billed to Iatan 2, what had been  
21 billed to the project. So in that sweeping movement,  
22 so to speak, I believe we likely addressed all of  
23 Staff's specified inappropriate charges.

24 Q. How about the Staff's inappropriate  
25 charges to Iatan 1?

1           A.     I know there were lots of discussions  
2 with staff, but I don't recall sitting here if there  
3 were specific entries that would reflect any changes  
4 with respect to Iatan 1. I just -- I don't know that.

5           Q.     Were you interviewed by Pegasus  
6 Consulting?

7           A.     I'm pausing at the word "interviewed." I  
8 spoke with the members of the Pegasus team on a number  
9 of occasions so I guess the answer's probably yes.

10          Q.     And you're familiar with who Dr. Nielsen  
11 is?

12          A.     I am.

13          Q.     And how -- how do you know him?

14          A.     Basically the company hired Pegasus as an  
15 outside expert basically to -- to look at how we were  
16 managing the project, if we were managing the Iatan  
17 project in a prudent manner based on how prudence is  
18 generally understood to be used in the industry and  
19 what other projects are doing. And so Dr. Nielsen's  
20 group Pegasus came in to do just that.

21          Q.     So did Dr. Nielsen provide records  
22 based -- based upon his findings to KCP&L?

23          A.     The only records I'm aware of are the  
24 pre-filed written testimony he provided.

25          Q.     So he didn't do an evaluation separate



1 from pre-filed testimony?

2 A. I'm pausing to think if there was a  
3 written report or something separate from his  
4 testimony. I don't recall a separate written report.

5 Q. So you weren't officially interviewed by  
6 Dr. Nielsen then? I'm just -- you said you had  
7 conversations with him.

8 A. We discussed the project and he asked me  
9 questions about the project, so I -- if that's an  
10 interview, then yes.

11 Q. What types of questions did he ask you  
12 about the project?

13 A. It's been some time ago. It would have  
14 been -- generally I would have been answering  
15 questions from my perspective, which is the regulatory  
16 perspective. And it would have been how the  
17 regulatory plan came to be, what the regulatory plan  
18 commitments were, what we had done. It would have  
19 been -- it would have been from my perspective for the  
20 project, so limited to the regulatory side.

21 Q. Were there other individuals present  
22 during that conversation with Dr. Nielsen?

23 A. There were -- there were several  
24 conversations, not -- not a single one. And I would  
25 say yeah, there were various people. I seem to recall

1 there were one-on-one conversations and there were  
2 conversations within a group. I'd say both occurred.

3 Q. Do you recall any of the other  
4 individuals that would have been in the group  
5 conversations?

6 A. Sure. I believe from a regulatory  
7 perspective, Mr. Giles might have participated in some  
8 of those conversations. Members of the project team  
9 participated in some of those conversations.

10 Q. And who would that be?

11 A. Brent Davis comes to mind as being  
12 involved in some of the conversations.

13 Q. Anyone else?

14 A. That's all I can recall specifically.

15 Q. Were you given any instructions regarding  
16 the level of the cooperation with the -- regarding  
17 conversations with Dr. Nielsen?

18 A. Yeah, no. The understanding was full  
19 disclosure, be completely open with Dr. Nielsen. And  
20 to ensure that he had the same access to the same  
21 information that Staff had access to.

22 Q. Now, was -- were you ever represented by  
23 an attorney during those conversations with  
24 Dr. Nielsen?

25 A. No. I believe given the timing of those

1 conversations, I was counsel for the company at the  
2 time.

3 Q. So when you were present with Mr. Davis,  
4 were you acting as his counsel?

5 A. No. Just giving historical aspects of  
6 the regulatory plan.

7 Q. And did you provide any documents to  
8 Dr. Nielsen during those conversations?

9 A. Not during the conversations. But given  
10 my role as regulatory counsel, my role in the data  
11 request process with Staff, I provided a lot of  
12 information or lot of documents to Dr. Nielsen, but it  
13 was in the form of what had been provided to Staff on  
14 this project, make sure he gets that as well.

15 Q. So everything -- was everything that was  
16 provided to Staff provided to Dr. Nielsen or were  
17 there select documents?

18 A. No. To my knowledge, he received  
19 everything Staff received.

20 Q. Was he given any information that Staff  
21 wasn't provided?

22 A. Not that I'm aware of, no. The goal  
23 was -- or one of the goals was given that same  
24 information, could a prudence evaluation be done. And  
25 if it was done, what would be the conclusion of that

1 evaluation.

2 Q. And I kind of -- I'm almost done, but I  
3 want to go back and clarify a few things that I'm not  
4 100 percent sure if I understand. So you indicated  
5 that these reforecast binders could identify and  
6 explain the cost overruns. Now, for Iatan 1 does the  
7 cost reforecast binders consist of R&Os?

8 A. R&Os would have been a big part of it.  
9 And again, as we discussed, a lot of these questions,  
10 the mechanics of how the cost control system work are  
11 really better questions for Dan Meyer and Forrest  
12 Archibald. But the cost reforecast for Iatan 1 was  
13 largely built around the R&Os. If that's the  
14 question, then yes.

15 Q. Can R&Os be tracked to the actual cost in  
16 the control budget estimate for June 30th, 2010?

17 A. Again, a better question for Dan Meyer  
18 and Forrest Archibald, but what you have to keep in  
19 mind is the R&Os were to identify risks and  
20 opportunities, things that were on the horizon, not  
21 things that actually -- expenditures that were  
22 actually incurred.

23 so the answer is probably no, but nor  
24 would they be intended to do that, that basically it  
25 was looking out and identifying things that might

1 happen and how we could respond to that. So it  
2 wouldn't show up as a budget overrun until the expense  
3 was actually incurred, if it was at all. A lot of the  
4 R&Os never materialized.

5 Q. So your answer was no, that they cannot  
6 be tracked to the June 30th, 2010?

7 A. You couldn't just look at the R&Os and do  
8 that is my understanding. But again, better question  
9 for Dan Meyer and Forrest Archibald.

10 Q. Now, for Iatan 2 does the cost reforecast  
11 binder consist of R&Os and CPs or cost projection  
12 folders?

13 A. That -- that is part of it just as it was  
14 for Iatan 1. But my understanding is also that  
15 Iatan 2 didn't -- the reforecast for Iatan 2,  
16 particularly the subsequent ones, didn't revolve  
17 around R&Os to the extent Iatan 1 did. But again, the  
18 details of that are better left to Dan Meyer and  
19 Forrest Archibald who actually conducted the  
20 reforecast.

21 Q. Now, can CPs be tracked to actual costs  
22 in the control budget estimate at June 30th, 2010?

23 A. Again, I'm more familiar with the R&Os  
24 that's -- the mechanics of how it works is better left  
25 to Dan Meyer and Forrest Archibald.

1 Q. So you don't have an answer to that?

2 A. I don't. I know the system can do it,  
3 but can you look at that particular document and do  
4 it? I don't know the answer to that.

5 Q. Do you know if these reforecast binders  
6 track internal budget transfers to actual costs?

7 A. I believe they would because indirects or  
8 internal costs were part of the reforecast process.

9 Q. How about internal budget transfers?

10 A. Internal budget transfers. See if you  
11 could define that for me.

12 Q. What do you think it means to you?

13 A. I don't know. That's why I asked. I'm  
14 sorry.

15 Q. Then never mind. Now I want to go back  
16 to the document I handed you earlier, the Cost Control  
17 System Manual. And this is highly confidential.

18 JUDGE PRIDGIN: All right. Give me just  
19 a moment.

20 MS. OTT: Well, it may not go into --

21 MR. SCHWARZ: Which document is that?

22 THE WITNESS: Cost Control System.

23 COMMISSIONER KENNEY: Is this all  
24 attached to his testimony?

25 THE WITNESS: No.

1 COMMISSIONER KENNEY: Where is this?

2 MS. OTT: It's just a document I handed  
3 him. And I don't think it will actually be HC.

4 THE WITNESS: I believe Steve Jones'  
5 testimony.

6 JUDGE PRIDGIN: we'll stay public unless  
7 you inform me we need to go in-camera.

8 BY MS. OTT:

9 Q. Looking at paragraph 3.1 --

10 MR. HATFIELD: Jaime, I'm sorry to  
11 interrupt you. Commissioner, the document I believe  
12 she has is attached to Steve Jones' testimony as  
13 schedule I believe 1. Sorry, Jaime.

14 COMMISSIONER KENNEY: Thank you.

15 BY MS. OTT:

16 Q. Can you identify anywhere in this  
17 paragraph where it states that KCPL will track actual  
18 costs to the control budget estimate and identify and  
19 explain any cost overrun?

20 A. Well, we read this language we went  
21 through before and why -- while the words "identify  
22 and explain" don't appear, that is the obvious meaning  
23 of these paragraphs; that we would have to control  
24 budget estimate. And we developed a system that would  
25 be based on the control budget estimate and track to