All right. Hearing nothing, Mr. Davis, if you'll raise your right hand to be sworn, please.

(Witness sworn.)

(KCP&L Exhibit Nos. 18-NP, 18-HC, 19-NP, 19-HC, 20-NP and 20-HC were marked for identification.)

JUDGE PRIDGIN: Thank you so much, sir. Anything before he stands cross? All right. He's ready to stand cross.

MR. FISCHER: Yes. Yes, he is.

JUDGE PRIDGIN: All right. Let me see. Ms. Ott, you'll have cross-examination?

MS.OTT: Yes.

JUDGE PRIDGIN: Mr. Schwarz?

Appendix U

MR. SCHWARZ: Yes.

JUDGE PRIDGIN: Mr. Mills, will you have any?

MR. MILLS: I will not. Thank you.

JUDGE PRIDGIN: All right. Mr. Schwarz, it's to you.

MR. SCHWARZ: Good afternoon.

THE WITNESS: Sir, I did have one correction.

MR. FISCHER: I do have some direct I can do just to correct any mistakes.

JUDGE PRIDGIN: Yes, sir. If you don't mind.

BRENT DAVIS, having been sworn, testified as follows:

DIRECT EXAMINATION BY MR. FISCHER:

Q. Please state your name and address for the record -- your business address.

A. Brent Davis, 1200 Main Street, Kansas City, Missouri.

Q. Are you the same Brent Davis who caused to be filed in this case certain direct, rebuttal and surrebuttal testimony, which for your information has been marked as KCP&L Exhibit 18-HC and NP for the direct, 19-HC and NP for the rebuttal, and 20-HC and NP for the surrebuttal?

A. Yes.

Q. Do you have any corrections or other modifications you need to make to your testimony or exhibits?

A. I do have one correction to my rebuttal testimony, page 61.

Q. Okay. Please --

A. Line 5 in the middle of the line there's the word "low" there. That should be "high" instead of "low." It should be "repacking the high pressure section."

Q. If I were to ask you the same -- are there any other corrections that you need to make?

A. Not that I'm aware of.

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

A. Yes, they would.

Q. And are they true and accurate to the best of your knowledge and belief?

A. Yes, they are.

Q. And are your schedules and exhibits -- do they depict what they're intended to show?

A. Yes. I believe so.

MR. FISCHER: I would I guess move -- or tender him for cross and move for admission once it's appropriate, once he's done with his testimony.

JUDGE PRIDGIN: All right. and I guess I'll see now if there's any objection to -- Mr. Fischer, you'd be offering 18 --

MR. FISCHER: 19 and 20-HC and NP versions.

JUDGE PRIDGIN: Of both NP and HC. First, let me see if there's any objection to those coming into evidence?

All right. Hearing none, Exhibits 18, 19

and 20, they're all NP and HC, are admitted into evidence.

(KCP&L Exhibit Nos. 18-NP, 18-HC, 19-NP, 19-HC, 20-NP and 20-HC were received into evidence.)

JUDGE PRIDGIN: And anything further before he stands cross? All right. Hearing nothing, Mr. Schwarz?

CROSS-EXAMINATION BY MR. SCHWARZ:

Q. Good afternoon, Mr. Davis.

A. Good afternoon, Mr. Schwarz.

Q. Your physical presence is even more impressive than your screen presence. I just want you to know.

A. Thank you.

Q. I want to start off with just some general questions. What is a supercritical coal electric generating plant?

A. Supercritical refers to the pressures in the temperatures that that unit operates at. To give you some numbers, the pressure's about 3,600 PSI temperature of 1080. Those two numbers combined compared to a subcritical plant result in about a 10 percent more efficient plant than a normal subcritical facility.

Q. Thank you. About how many are there in

the -- of them are there in the world? Hundreds?

A. I -- I -- I would estimate that -- we have one or two on our system; one being La Cygne 1, previous to Iatan 2.

Q. Do you know how many -- are they common throughout the world?

A. Supercritical technology has been around for a while. The La Cygne 1 was one of the earlier ones in the early '70s. The technology's been refined over the last 30 years.

Q. Is it safe to say that they're more complex than combustion turbines for generating electricity?

A. Yes. Coal-fired generation is more complex than combustion turbines.

Q. And is that reflected in the cost? What's the relative cost between a combustion turbine and a -- and a coal plant, do you know?

A. My information on that's a little dated, but simple cycle combustion turbine is a fraction of the capital cost of a supercritical plant.

Q. Thank you. I'd like to next move on to some terms that I think are related to scheduling in construction projects. What does sequencing mean to you in terms of construction?

A. Sequencing is basically what jobs need to occur first, particularly in regard to the critical path. On a schedule, that's very important. You got to obviously have the foundation in before you can set a piece of equipment on top of it.

Q. So whoever is supposed to provide slot A has to be done before somebody can put tab B into it?

A. That's correct.

Q. What is compression?

A. Compression is when that person that got -- missed that slot A date didn't make their date and ultimately affected that B person. And if you were expecting that end date to have to hold for that B party, then they would be compressed.

Q. And would it be safe to say that on a project of the magnitude and complexity of a -- of an Iatan 2, that there are a lot of separate sequencing steps that -- that occur?

A. That's fair to say.

Q. What is float?

A. Float is the amount of time that you've got in a given activity to get it completed.

Q. Do you in a -- in scheduling a complex construction project, do you typically build some excess into steps to allow for possible contingencies

or -- or unforeseen circumstances?

A. If applicable, yes.

Q. Is it applicable -- was it applicable to Iatan 2?

A. There was float in various activities, yes.

Q. So is -- is -- is float related -- is float the difference between what you might expect a task to take and the amount of time that you allow for that task in a schedule?

A. Can you rephrase that again for me?

Q. You -- you expect it to take two weeks to do something so in the schedule you'll put in two weeks and two days. Is -- is the two days the float or is the -- the entire period the float?

A. In your example, the two days would be the float. I might -- I might add, if I could, you know, in a project such as Iatan, there is always something on the critical path. There is never a non-critical path activity.

In the early phases of the project, that was the engineering function. Later on, it was the procurement function was on the critical path. And in the later stages, obviously construction activities then start up and commissioning activities were on the

critical path. So there is always something that is on the critical path.

Q. And they -- and they all tie into sequencing, compression and float? I mean --

A. Those are all ingredients in the -- managing the schedule.

Q. In the mix. I don't think this -- this is not a scheduling. What does constructability mean?

A. Constructability means can you physically build what you're proposing to build at the time and place you're wanting to build it in.

Q. So that, for instance, if you designed a part and -- and later discovered it was too big to go through the doors, you'd have a constructability problem?

A. Constructability issue, challenge, yes.

Q. Yes. Yes. Okay. What are the functions of the owner's engineers in a project like Iatan 2?

A. Our owner's engineer, Burns and Mac, served several functions. Early in the life of the project, they did some developmental work, developed our -- our -- our PDR. Later on in the project they began some detailed development of some specifications. They did a bulk of our design work for our foundations and our balance of plant

equipment. So as the owner's engineer, we had various services and functions that they provided.

Q. But were all of those services services provided as owner's engineers?

A. Yes. In my opinion, they were.

Q. Okay. And one more just kind of general question. What's an aerator?

A. An aerator or deaerator?

Q. Aerator -- well, deaerator.

A. Deaerator is an open feed water heater that's in our feed wa--

Q. Can you slow -- just speak a little slower, please.

A. That's the first time I've ever been asked to do that, I assure you. A deaerator is an open feed water heater that is in our feed water heater strain that allows for better control of our water systems, allow us to maintain better water quality. And it provides suction to our boiler feed pumps, which is basically the heart of the power plant.

Q. And is there a deaerator at Iatan unit 1?

A. Yes, there is.

Q. And where is it physically located?

A. Relatively high above the turbine bay on

the front of the boiler.

Q. Okay. On the -- so it's above the front of the boiler?

A. It's actually right near the top of the boiler on Iatan 1.

Q. Okay. And did the original plans for Iatan 2 have a deaerator?

A. It's my understanding that the very earliest conceptual designs may have -- not have included a deaerator. From my time on the project, we had incorporated a deaerator. Basically all of the facilities I'm familiar with, with the exception of Hawthorn 5 within Kansas City Power and Light have a deaerator.

Q. Okay. And it too increases the efficiency overall of the system. Is that safe to say?

A. Improves the water control, both control of the physical water system and the quality of that water.

Q. You're familiar with the control budget estimate that was developed and released in late November, early December of 2006?

A. Yes, I am.

Q. And the -- the dollar amount in that

control budget estimate was $1.685 billion. Is that --

A. That's correct.

Q. And of that, $220 million was contingency?

A. That's correct.

Q. And $1.465 billion was what I'm going to call just for simplicity sake the base budget.

A. 1.685, yes was the base budget.

Q. No. The base budget included 220 million for contingency. The -- the other component was 1.465, which you add together to get the 1.685 billion. Is that --

A. Yes. But as -- as part of that control budget process, we identified the risk that we could see at that time.

Q. Right.

A. And tried to monetize those in that contingency.

Q. Right.

A. So my contention is the base budget was 1.685.

Q. Well, let me -- let me approach it a little different way. How did the 1.465 billion -- how was it estimated?

A. The -- the control budget estimate is made up of both direct and indirect costs. Those are on a line item basis. That 1.485 would have had a line item number by contract associated with each one of the individual contracts that was perceived at that time.

So on our cost portfolio, which we've had a lot of discussion about this morning, on the far left-hand side you would see an amount in that original control budget estimate for each one of those line items by contract. Okay? And then you will see a progression. As we go through the reforecast efforts, you would see a 2008 column with a line item by contract, a 2010 reforecast column. And then on the far right you could look at what each one of those contracts is estimated to complete currently by that same contract.

Q. The control budget estimate in December of 2006 was higher than the budget estimate that was included with the project development report in 2004; is that correct?

A. That is correct.

Q. And part of the increase was due to the increase in size of the project from 800 to 850 megawatts, an increase in temperature of about 30 or

50 degrees, something like -- but an increase in temperature, operating temperature, and I don't want to ruffle any feathers but there had been a cost estimating bust, if you will, on the turbine building. And that had also been discovered and addressed by the time the CBE was completed; is that correct?

A. Yes. That's correct.

Q. And so the CBE takes those -- those specific items into account?

A. Yes. If I could expand a little farther on one point you made.

Q. Please educate the Commission on that point.

A. The -- when we were in development of the control budget estimate, that was based on about 20 to 25 percent engineering. The things you mentioned, the deaerator, the change in temperature, et cetera, those were things that had developed since the PDR. Okay? So those are things -- engineering design, maturity things that we had identified.

That 20, 25 percent engineering at that point in time we had some underground piping engineered, we had many of the foundations engineered and we had this turbine steel you mentioned engineered to the point we were ready to go out to bid.

When we went out to bid, our procurement director, Steve Jones, noticed that the quantities we were getting back on those bids did not match our numbers of quantities in our control budget estimate. That obviously caused us to raise a red flag. We went back to Burns and Mac.

And what had happened is the design had continued to progress, but they had not captured the cost of that projected in design in the control budget estimate. That caused us to re-look at quantities throughout that control budget estimate based on the engineering that was done at that time in order to get as good of information -- as good a number as was available based on the information that was available at that time.

Q. But so the -- so that had been captured and taken into account by the time of the December 2006 CBE edition?

A. Yeah. I think I tell that whole story to point out how the impact of engineering design, design maturity can continue to impact the project over the life of the project until that engineering's done.

Q. Also, by the time the November/December 2006 CBE was developed, both the Alstom and Toshiba contracts were in place; is that correct?

A. That's correct.

Q. Were there any other contracts in place at that time; Pullman, for instance?

A. At the time of the --

Q. CBE?

A. -- CBE? Pullman would have been in place. You mentioned Alstom, you mentioned Toshiba. We had -- he had a contract with Kissick. It probably wasn't the final form of the Kissick contract. And we may have had a few engineered equipment contracts in place at that point. We had some -- we had many of the engineered con-- equipment contracts in place by later on in '07.

Q. I've -- and I can't remember if it's your testimony or other people's testimony, but by December of '06, there had already been a billion dollars or more in contracts let. Would you agree?

A. Yeah. Yeah, I would concur with that.

Q. So by December of '06 when the CBE was published, the -- the bulk of the contracts for the project at least dollar-wise had -- had been let?

A. I wouldn't say a bulk of the contracts had been let. The -- the dollar amount I'd agree we were --

Q. Yes. Well, that was my question.

A. -- we were over -- we still had many, many contracts to let.

Q. Right. No, my question was by dollar amount.

A. Yeah.

Q. And the -- I'm afraid I'm going to stir up a controversy I really don't want to. What's an EPC contract?

A. Engineer, procure and construct.

Q. Is that what we lay people would think of as a turnkey project?

A. They can take different forms, but in general, yes, an EPC would be considered a turnkey.

Q. For a particular item?

A. Yes.

Q. It could be a particular item, it could be an entire project?

A. Yes.

Q. Okay. The contracts for the -- with Alstom for the -- for the boiler island and the AQCS, air quality control systems, those were EPC contracts?

A. Yes. They -- the air quality control system for both unit 1, unit 2 and the boiler were all contained under one contract with Alstom. And it was an -- engineer, procure, construct -- and construct

where Alstom was in charge of all three phases.

Q. And is the same true with Toshiba for the generator?

A. No. Toshiba on the turbine generator was an equipment only contract with some technical services. We ended up contracting with somebody else, that being Kiewit, to install the turbine generator with technical assistance from Toshiba.

Q. Okay. Okay. And as to everything else, in December of '06, KCPL was going to manage and contract for everything else to do with the project; is that correct?

A. Can you be more specific? Manage and contract?

Q. Well, you had the contracts with Alstom, Toshiba, Pullman, Kissick, but for the -- the balance of plant not covered by those items, KCPL at that stage -- late November, early December of '06, KCP&L was planning to contract and manage the contracts for everything else?

A. Yeah. We -- we had -- depending on the piece of equipment, et cetera, our contracting strategy varied somewhat. I'll give you an example. Our materials handling contract for all intents and purposes was an engineer, procure and construct. It

was more of a furnish and erect. Whereas, we provided the layout of what we wanted for our material handling, but they -- they being ASI, the successful contractor, did the detailed engineering and provided the equipment and constructed that equipment.

So there were various forms depending on the scope of work. But in general, we had a major EPC in Alstom, we had various engineered equipment contracts. And our strategy at that time was to use a multiple prime contracting strategy to get those engineered equipment contracts installed.

Q. So going back to our earlier conversation, KCPL would be responsible for the scheduling, sequencing, control of compression and -- and deliverables of all the other items required to complete the project?

A. Continuing our example there, Alstom was responsible for developing their schedule. Okay? For their engineering procuring and construction. ASI was responsible for developing their schedule to supply that material and get it erected. Kansas City Power and Light's role was to integrate those schedules and make sure we managed any touch points between Alstom and ASI, to use that as an example.

Q. So let me I think rephrase. KCPL had the

responsibility to see that each of the contractors adhered to the schedule it set so that the schedule and sequencing of the entire project remained on the critical path?

A. Yes.

Q. The Iatan 1 aspect of the project was for an air quality -- AQCS, air quality control system; is that correct?

A. Yes.

Q. And that was part of Alstom's contract?

A. Alstom had the contract to install the SCR, the baghouse and the absorber and all the associated common equipment on unit 1 to make those operational.

Q. Okay. And at the stage -- at the point in time when that project was complete and ready to be put into operation, you had to take Iatan unit 1 out of service; is that correct?

A. That's correct.

Q. And when -- when was Iatan 1 taken out of service to begin the installation of the AQCS?

A. I believe it was the middle of October of 2008. The exact date was October 18th, I believe.

Q. Mid-October of 2008?

A. That's correct.

Q. Excuse me a minute. I can't find my note. And I need the right testimony. Excuse me a moment. Never mind. Helps if I get the right page.

On page 20 of your direct testimony beginning at line 22 you say that, Alstom's level of transparency regarding issues impacting its work significantly increased over the course of the unit 1 outage preparation period and the outage itself. So that would be sometime in August, September of 2008. Is that the time period you're referring to there?

A. Could you direct me --

Q. It's the last two lines on page 20 of your direct.

A. Alstom's level of transparency regarding issues impacting its work significantly increased over the course of unit 1 outage preparation periods and the outage itself. Yes, I'm with you.

Q. Okay. So that would be August, September of 2008?

A. Into the fall of 2008.

Q. Yes. Okay. And what -- what do you mean by the transparency regarding their issues?

A. There was -- in the unit 1 -- progression of the Alstom contract, there was a settlement agreement that was mainly associated with unit 1. I

believe Mr. Downey will -- will testify to that settlement agreement later. There were several commercial issues that were settled during that settlement agreement. I think that was a key ingredient to allowing Alstom to be more transparent, be more reactive to the issues on the job and help us complete that project in a timely manner.

Q. Well, I'm a layman and I think probably most of the Commissioners are as well. I don't understand what transparency regarding issues impacting its work. I just -- I don't understand what that term means.

A. Uh-huh.

Q. What -- what are you -- what are you referring to there?

A. If you're referring to -- you know, there are various issues. One of the -- one of the Achilles heel of an EPC contractor is they are fully in control of their own destiny. It is a turnkey project. You don't get the keys till the end. So they are pretty close-mouthed with what they -- what issues and problems they are having.

I believe we were very effective in working with Alstom so that we knew what their issues were and could help them feel help us be successful.

we helped each other.

Q. Well, what transparency issues did they have prior to, say, summer of 2008?

A. In -- specifically with relation to unit 1?

Q. Well, unit 1 or unit 2.

A. I'll give you -- I'll give you one off the top of my head. They -- they were experiencing some of -- many of the same overheated market issues that we were. They were working with vendors trying to get equipment and supplies that they needed, that they couldn't get as readily as they thought they could for the prices they thought they could.

The tendency if it's an EPC contractor, is to not let an owner know you have some of those issues. As time went on, I believe Alstom shared more and more of that with us so we could jointly attack those problems.

Q. Was -- was there -- were they similarly close to the vest about their labor productivity issues?

A. That's one area where we were very specific in our contract where they had to be open and transparent with their scheduling activities. We had some verbiage in the contract that was very specific

where they had to give us performance metrics, actual manhours planned, et cetera, where we could do an independent tracking of their schedule progress.

Q. And so had -- had Alstom regularly provided all the information you needed to calculate their labor productivity say from August 2006 forward?

A. Alstom mobilized onsite in the spring of 2006 -- or '7, I'm sorry, spring of 2007. Their construction hours are what we actually got. So they wouldn't have started reporting until after we baselined the schedule, which I believe was in April of 2007. Pretty well coincided with when they started actual work. So basically from the start of their work, they were reporting their -- their schedule progress.

Q. So beginning in 2007, KCPL was aware that Alstom was having problems with its labor productivity?

A. Yes. On various issues. We started tracking that very early on.

Q. In your rebuttal testimony at page 67 --

A. I'm there.

Q. -- line 10 you note, At the end of May in 2008 Alstom was approximately 30 days behi-- is that HC? I'm sorry.

MR. STEINER: What page are you on, Tim?

MR. SCHWARZ: 67 on the rebuttal, line 10. Judge, I --

JUDGE PRIDGIN: Let me give KCPL a chance.

MR. STEINER: Line 10, Tim?

MR. SCHWARZ: Yeah. That -- I'm sorry.

MR. STEINER: That number is.

MR. SCHWARZ: I'd ask that we'd go in-camera. I'm sorry.

JUDGE PRIDGIN: That's quite all right. We'll go in-camera. Let me ask counsel to verify anybody in the room that needs to leave. Kelly, are you okay on HC?

UNIDENTIFIED SPEAKER: Am I okay?

MR. STEINER: Have you signed a nondisclosure?

UNIDENTIFIED SPEAKER: With the CP -- with the regulatory plan.

MR. SWEARENGEN: Do you want her to leave?

MR. FISCHER: No. I think we're okay. She's with the joint owners and this is going to be fairly brief.

MR. SCHWARZ: Actually I think the -- you

know, we may be locking the barn door after the horse is out. I don't -- no, we're not. No, we're not. We need to go HC.

JUDGE PRIDGIN: Give me just a moment. We'll go in-camera.

(REPORTER'S NOTE: At this point, an in-camera session was held, which is contained in Volume 16, pages 638 to 643 of the transcript.)

JUDGE PRIDGIN: All right. Thank you. We're back in public session.

BRENT DAVIS testified as follows:

BY MR. SCHWARZ:

Q. What -- what was your role -- or your title in the Iatan projects?

A. Iatan project director.

Q. Okay. And prior to your appointment as Iatan project director, had you ever worked in construction management on a new supercritical coal-fired plant?

A. No. I had been involved as plant manager of the Hawthorn generation -- generating station; in the rebuild of Hawthorn 5; the construction and commissioning of Hawthorn 6 and 9, a combined cycle plant; and Hawthorn 7 and 8, 270-megawatt simple cycle combustion turbines. So I was heavily involved in those projects from an operations perspective as plant manager.

Q. But I just want to make clear, you had not had any construction management experience in building a new coal-fired supercritical electric generating plant?

A. That particular facility I was talking about, Hawthorn, it's a 550-megawatt subcritical unit.

You know, the -- they're both very big boilers and the fact -- subcritical or supercritical, the construction issues are very similar. Steve Easley was our VP of construction on that job. Steve and I worked closely together through that entire project. And Steve Easley is who asked me to come onto the Iatan project.

Q. I understand. But the answer to my question would be no; is that correct?

A. That's correct. No on the supercritical part.

Q. Yeah. Well, you hadn't -- you hadn't built one from the ground up before, had you?

A. Absolutely. Hawthorn 5 boiler was built from the ground up and it had basically the same environmental equipment as Hawthorn 1 -- or Iatan 1 and Iatan 2.

Q. But it wasn't -- you didn't build every component from the ground up; is that correct?

A. No. It was built from the ground up. The found--

Q. The rebuild?

A. Yes.

Q. The entire plant was rebuilt?

A. The entire boiler and AQC equipment that I just shared with you was built from the ground up.

Q. Thank you.

MR. SCHWARZ: I think that's all that I have.

JUDGE PRIDGIN: All right. Mr. Schwarz, thank you. This looks to be a good time to break before we continue with cross-examination. Anything further from counsel before we take a break?

MS. OTT: I have copies of Staff exhibits, so if the parties want to look at them before we admit them.

JUDGE PRIDGIN: All right.

MS. OTT: I'll pass them out.

JUDGE PRIDGIN: Let's adjourn for about 15 minutes. We will resume at about 3:35. Thank you. We're off the records.

(A recess was taken.)

JUDGE PRIDGIN: All right. We are back on the record. If I'm not mistaken, we would now be to Staff's cross-examination of Mr. Davis. Is there anything else from counsel before we resume?

MS. OTT: Can I go ahead and admit Staff Exhibit 248 and 249?

JUDGE PRIDGIN: 248 and 249 are being offered. Are -- and these are both HC, I believe.

MS. OTT: That's correct.

JUDGE PRIDGIN: Are there any objections?

MR. MILLS: No objection.

MR. SWEARENGEN: No objection.

JUDGE PRIDGIN: All right. 248 and 249-HC are both admitted.

(KCP&L Exhibit Nos. 248-HC and 249-HC were received into evidence.)

JUDGE PRIDGIN: Anything else? All right. Hearing nothing, Ms. Ott, I believe it's your witness.

CROSS-EXAMINATION BY MS. OTT:

Q. Good afternoon.

A. Good afternoon.

Q. What does the term "Iatan project" mean to you?

A. Iatan construction project means to me the environmental retrofits on unit 1 and the construction of unit 2 in its entirety.

Q. Now, are you familiar with the position project manager?

A. I've heard that term before.

Q. Are you the project manager?

A. I would be one of the project managers, yes.

Q. So what's the difference between a

project manager and a project director?

A. They're synonomous in my mind.

Q. So was the project manager the person assigned by an organization to achieve the objectives for the project?

A. I would agree with that.

Q. And have you been the project manager for the entirety of the Iatan projects?

A. My role has changed over the life of the projects.

Q. Let's start at the beginning. What was your first role?

A. I was project director for the Iatan construction projects. I was in charge of both projects. And one of our earliest audit findings was a recommendation to bring on a vice president of construction for a job of this scope and magnitude.

Q. Okay.

A. We di--

Q. Can we do dates? So when were you the project director?

A. Yeah. I came onto the project in May/June time frame of '06.

Q. And then were you saying you became the VP of construction?

A. No.

Q. Okay.

A. The recommendation was made to hire a VP of construction. That was when one of the earliest -- and I believe you referred to it earlier in the risk assessment, that recommendation was made. Our EOC acted on that recommendation. We hired Dave Price as VP of construction. Dave started I believe in May of 2007.

Q. Now, would the VP of construction be a position higher than the project director?

A. Yes. I would --

Q. You would report to VP of construction?

A. I reported to Dave. Dave and I worked together during that period of the summer of '07. We'd had discussions in the fall of '07. He asked me to concentrate on unit 1 as the unit 1 project director.

Q. So --

A. And his focus was on unit 2.

Q. Okay. So in the summer of '07 you were -- became exclusively the project director of Iatan 1?

A. I believe the date when it was made official was November of '07.

Q. And then after that, what -- did your role change again or --

A. Upon the completion of unit 1 in the spring of '09, Carl Churchman asked me to stay on the operations interface role on Iatan 2. And I've been in that role basically through to the end of -- to the current day.

Q. So is your title operations --

A. My --

Q. -- manager?

A. -- my title's still project director.

Q. Okay. What are your duties as the project director?

A. Currently?

Q. Yes.

A. Currently? I'm continuing to spend all my time on the Iatan construction projects. I'm onsite on a daily basis. On most days I'm the top Kansas City Power and Light representative onsite. During the start-up commissioning time frame, I was very involved in the start-up commissioning effort along with Mr. Bob Bell, Stan Prenger, Tom Mackin.

Q. So you're going to back to your original role?

A. I'm going back a few months ago. I'm

kind of working you backwards. That was --

Q. Let's start maybe chronologically and maybe not go backwards. And then that way I won't know when you're jumping. Let's start in May of '06. What was your project -- what was your responsibility as the project director of both projects?

A. I was project director. At that time we would have been in the engineering/contracting phase, so it would have been focused on those engineering/contracting activities.

Q. And then when you were just exclusively Iatan 1 in November of '07?

A. Focused on the environmental retrofit on 1 and getting all of the engineering, procurement, construction activities accomplished in order to get that in service -- the environmental retrofit in service.

Q. Now, did you do the EPC activities yourself or did you have a staff underneath you that was performing those duties?

A. There was a staff that was -- we -- we managed both projects with basically the same staff. We had some that worked with me that were more focused on unit 1.

Q. Are you a professional engineer?

A. No, I'm not.

Q. Are you familiar with the project execution plan document?

A. Yes, I am.

Q. I'm going to hand you a copy of the document and we're going to talk about it for a little bit. Can you just identify that document for me?

A. This is the Iatan construction project -- project execution plan dated June of 2007.

Q. Okay. And if I get into -- this is a highly confidential document -- I'll tell you to go in-camera, but there's some background that I don't believe is highly confidential.

Can you describe this document?

A. It's an overall guidance document for the project. It's got -- if you look at the table of contents, it's got an executive summary, it has various sections that describe safety, scope of work, design engineering. All the key elements of the project to execute the final project.

Q. Who drafted this document?

A. It's a result of an effort of the entire project leadership team with the services of Mike Cushman to help us work through drafting this document.

Q. So did Mr. Cushman draft this document and then individuals adopt sections of them?

A. No. That's not the way it went. It was more to say that individuals drafted pieces of this. It was vetted with the project team. Mr. Cushman facilitated those vetting sessions and ultimately the entire project team adopted this document.

Q. Okay. Can we just go to page 36 for a moment?

A. I'm sorry. My copy does --

Q. The page numbers are within that little emblem on the bottom right-hand corner.

A. I was too far back. I was into some attachments. I still don't see the -- there you go. Page what? Excuse me.

Q. Thirty-six.

A. Yes, ma'am.

Q. Okay. Now, there is a box towards the end of the page that has who the section is authored by and it says, TBD. My understanding is that means To Be Determined?

A. Yeah.

Q. And then there's no signature there?

A. Uh-huh.

Q. So who drafted this section?

A. I can't answer that based on what I see here.

Q. Do you know who assumed the role that would have drafted that section?

A. No, I don't.

Q. So do you know who would have drafted that section and in hopes that somebody would -- who assumed this role would adopt it?

A. I don't recall.

Q. And what were your responsibilities relative to this document?

A. I was responsible for -- I believe if you look back at some pages, you'll see my signature. Where you see my signature I was responsible for that particular section. The executive summary would have been penned by me, et cetera.

Q. When was this -- and this is referred to as the PEP. Correct?

A. Uh-huh.

Q. Okay. When was this supposed to be completed?

A. I don't recall our completion date. I think it was pretty -- the June '07 was pretty consistent with what our goal was. We had several processes and procedures in place prior to this

document that was governing how we were conducting business on the project prior to this document. And this document being a guidance document, those just kind of fell underneath it.

MS. OTT: Okay. I think we're going to have to go in-camera for a second.

JUDGE PRIDGIN: All right. Bear with me just a moment. I'll ask counsel to verify, does the room need to be cleared of anyone? Everyone have an agreement? All right. We'll go in-camera. Just a moment, please.

(REPORTER'S NOTE: At this point, an in-camera session was held, which is contained in Volume 16, page 656 of the transcript.)

JUDGE PRIDGIN: When you're ready, Ms. Ott.

BRENT DAVIS testified as follows:

BY MS. OTT:

Q. Now, this is part of the executive summary -- executive summary you drafted?

A. Uh-huh.

Q. Do you know if this document was ever updated or modified?

A. Not to my knowledge.

Q. Okay. Is this an important document?

A. Yes. I would consider it an important guidance document for the project.

Q. Who was responsible for maintaining this document?

A. The project team.

Q. And did the project team never see a need to update or modify the document?

A. I think if you review these various sections, take section -- like if you look at the procurement section, the things that are in here are relatively high-level guidance type things. The policies and procedures that were within our procurement practice, they fell underneath this guidance document, even though they may have changed

over time. So I don't think we ever had enough substantial change to need to modify this project execution plan.

Q. I believe -- are you -- you were in the room for Mr. Blanc's testimony today, were you?

A. Most of it.

Q. Okay. I'm going to hand you a document I handed him too. And it is the Ernst & Young phase 1 risk assessment point -- report. And have you seen this presentation before?

A. Yes. I believe I have.

Q. Were you present when it was initially given?

A. I don't know about initially given. I can't comment on that.

Q. But you've reviewed it before?

A. Yeah. I reviewed it very close to contemporaneously to when it was published.

Q. Let's go to -- hold on one second. Let's go to page 35. Actually let's go to 31 first and we'll go in order.

MS. OTT: And I believe we need to go in-camera again.

JUDGE PRIDGIN: All right. Just a moment, please.

BRENT DAVIS testified as follows:

BY MS. OTT:

Q. So if this construction project started and -- you said the building of it in late of '06, why did it take until -- Ernst & Young to inform you to create a project execution plan?

A. The first point I'd make is there is a lag on these reports. This is dated March 2007. Our -- our audit process was a very interactive process. In other words, as Ernst & Young was developing a lot of these recommendations, we were made aware of them and our project team immediately started activities to address many of their issues.

You asked when I first saw this. I don't remember the exact date, but it was sometime in the latter part of 2006. The project execution plan, work began on it in the late part of 2006, early part of 2007. Once again, the document and the principles of the document were very much in place well before its publication, final signatures, all that of June of 2007.

So even though the formal documents may not have come out by then, there was activity taking place that was in concert with that project execution plan and many of those issues addressed in that risk

assessment were already in flight and possibly already addressed. That was part of our strategy of using the auditing process to help us manage this project effectively, point those issues out, develop management action plans to get those issues addressed.

I'm very proud to say that at the end of this project, there are no open audit findings. Every audit has been answered with an effective mitigation strategy to answer those issues.

Q. Okay. So you stated that this June 2007 project execution plan was implemented prior to this March 2007 risk assessment report. When -- when was the project execution plan implemented?

A. The formal -- the formal date would have been June 2007, but I'll give you an example. I used the procurement section as an example in there earlier. Steve Jones as procurement director was in concert with what was said -- what was outlined in this project execution plan much earlier than that. In other words, the processes and procedures he was following were consistent with this project execution plan.

Q. So was it --

A. So -- so the key elements of the project that were going on at that time, engineering and

procurement, were consistent with this document.

Q. So was it your testimony that KCP&L would do something and then formalize it in writing at a later date?

A. In this particular instance, that is true because we -- we had the appropriate processes in place to manage those early functions of the project and we memorialized them in this document.

Q. Is the only reason you memorialized them because Ernst & Young said it was the most critical document for a project to be run under, so then you created the document?

A. It's not the only reason. Ernst & Young, actually their finding was based on a discussion that we had about what a project execution plan should entail. So it was an interactive process with Ernst & Young where they were aware of what we were doing and making recommendations that could assist us in managing the project.

Q. So do you agree with Ernst & Young that the PEP is one of the most critical documents in running a construction project?

A. Absolutely. And it did assist us in managing the project for the rest of the, what, four-plus year life of the project.

Q. But you never went back and modified or changed as the scope of the project changed?

A. Because we felt like, in general, we were still in -- in concert with what this guidance document said.

Q. Did you ever feel it was necessary to go back and have somebody adopt the sections that it -- on page 36?

A. Which section is that?

Q. On assurance, I believe. The title on the top of the page is assurance. That wasn't important for somebody to go back and adopt and sign?

A. You know, at -- without going back and knowing the exact time frame of this, within this document we did have a quality assurance and quality control program. It was a very important part of our -- our monitoring of the contractor's quality. So even though this does not have a signature on it, it does not mean that we weren't fulfilling the function. We were.

Q. Let's go to page 4.

MS. OTT: I think we'll have to go in-camera again. Of the PEP report.

JUDGE PRIDGIN: All right. Just a moment, please.

JUDGE PRIDGIN: we're back in public forum.

BRENT DAVIS testified as follows:

BY MS. OTT:

Q. You just stated you had worked with Schiff on a day-to-day basis. Did you approve work that Schiff did?

A. Yes, I approved various -- requested various services from shift.

Q. So you requested their services. You didn't approve the work that they did?

A. Can you define what you mean by "approve"?

Q. So you had the authority to request Schiff to provide services to KCP&L?

A. Yes. I could ask Schiff for help and they would find a way to help me.

Q. And you didn't have to seek authorization from your direct report who you report to in order to engage in their services?

A. It depended on the issue, but I'll give you a couple of examples. Schiff assisted us with the investigation of a boiler problem utilizing one of their technical consultants. And I don't -- I know that was an interaction between Schiff and I and they

had them onsite within a very short period of time.

Q. Were you involved with the hiring of Schiff?

A. No, I was not. Schiff was on board with the project whenever I came on the project.

Q. Are you familiar with the building of the unit Comanche 3? I'm probably saying that wrong, but --

A. I am familiar with that unit.

Q. Do you know if Schiff was involved in the building of that unit?

A. No, I don't.

Q. You don't know if they were involved or they weren't?

A. I don't know.

Q. Okay. Do you know who Tom Maiman is?

A. Yes, I do.

Q. You do you know -- are you familiar with his credentials?

A. Yes, I'm familiar with his credentials.

Q. Do you know what his expertise regarding the development of coal plants is?

A. I know that Tom fulfilled various roles at Commonwealth Edison. My personal experience with Tom is he was a very valuable asset to this project

team during the time he was on it.

Q. But I'm asking specifically related to coal plants. Do you know what his --

A. He was -- he was involved in major retrofits of coal plants, construction of nuclear plants, et cetera --

Q. Okay. So --

A. -- is my understanding during his time.

Q. So he was just involved in retrofits of coal plants. Let's try to stick to my questions.

MR. HATFIELD: Let him answer them.

THE WITNESS: It just involved a retrofit can be more difficult than new instruction so --

MS. OTT: And just so -- Mr. Hatfield, if his answers are non-responsive, then I will probably redirect his question back to the question I asked. Just so you know.

BY MS. OTT:

Q. Do you know who Ron Grant is?

A. Yes, I do.

Q. And who is he?

A. Ron is a scheduler, a senior scheduler who works with Jim Wilson and Associates and provided services to the project earlier -- early in our schedule development phase.

Q. On how many occasions did you meet with him?

A. Oh, numerous in the 2006, 2007 time frame.

Q. What construction experience did you have prior to the Iatan project? You may have gone over some of it with Mr. Schwarz, but --

A. Yeah.

Q. -- that was a while ago.

A. While I was plant manager at Hawthorn, we rebuilt the boiler with new environmental equipment, we -- we constructed and started up a 260-megawatt combined cycle unit, we rebuilt the fuel yard, we constructed two 70-megawatts simple cycle turbines. All that on a very small site where logistics, constructability was a big issue. And all that was completed in about a two, two and a half year time frame.

Q. Now, of those projects, which of them were multi-prime?

A. I would have considered Hawthorn 5 was very similar to the Iatan project in that the boiler and the AQCS equipment was an EPC with Babcock and Wilcox. We had various multiple prime -- multiple contracts to refurbish the turbine equipment and

basically the balance of plant retrofitted, if you will, to increase the output of that by nominally 100 megawatts.

The two combustion simple cycle combustion turbines would have been EPC contracts with GE. The construction of the combined cycle would have been a multiple prime. Seaman's was the -- basically an EPC contract for the simple cycle combustion turbine. And we contracted with Neuter (ph.) for the -- the -- heat recovery steam generator. B&W was the erector of that. We self-performed the refurbishment of a 100-megawatt Westinghouse turbine that already existed to make the combined cycle portion. So I'd consider that whole project a multi-prime.

Q. Now, were you assigned to the construction side of those projects or the operations side?

A. Interplay between both. I interacted with Steve Easley on a daily basis. Our staff, the operations staff was responsible for the start-up and commissioning of the combined cycle unit and the -- the Hawthorn 5 unit.

Q. So were you a part of the construction staff or would you have been classified underneath the

operations staff?

A. When we first started the project, Steve Easley and I -- he would have been the construction arm, I would have been the operations arm reporting to the same vice president. Later on in the project the ball was passed to the -- so to speak, the ball was passed to the plant for the start-up and commissioning activities. And those are all part of the construction of one of these facilities.

Q. So was Iatan the first construction project that you were assigned to the construction staff and not initially to the operations?

A. Yes. Purely to the construction staff, that would be correct.

Q. Okay. Thank you. What is your experience with a fast track project?

A. It would have been those projects I just mentioned. Hawthorn 5 was definitely a fast track project.

Q. The entirety of the project was fast tracked or just portions of it?

A. No. The entirety of that rebuild. During that period of time it was very important for us to replace that lost capacity and that was as fast as you can do one of those.