

Q4 2013 Report

February 12, 2014

IATAN-NASHUA PROJECT QUARTERLY REPORT

This report provides a quarterly project status for the Iatan-Nashua Project in conjunction with the reporting requirements set forth in Case Nos. EO-2012-0271 & EA-2013-0098.

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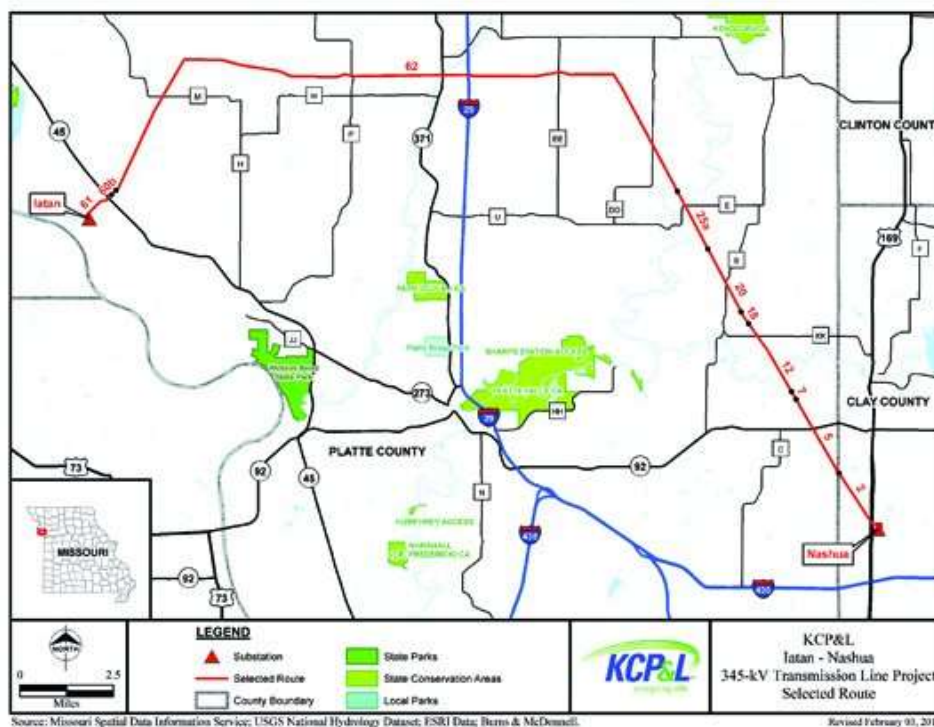
Introduction

Project Background

The Iatan to Nashua 345kV Transmission Project (“Iatan-Nashua Project”) is a regional transmission project that involves the construction of a new 345kV transmission line in Platte and Clay Counties in Missouri. The transmission line will extend approximately 31 miles from an existing substation at the Iatan power plant near Weston, Missouri (“Iatan Substation”), to the Nashua 161kV substation near Smithville, Missouri (“Nashua Substation”). The 161kV Nashua Substation will be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua line, and the connection with the existing St. Joseph-Hawthorn 345kV transmission line, by installing a new 345/161kV autotransformer between the existing 161kV substation and the 345kV facilities at the Nashua Substation.

The Iatan-Nashua Project has an expected June 2015 in-service date. The map¹ in [Figure 1](#) below shows the final route chosen for the Project.

Figure 1 - Iatan-Nashua Project Final Route Map



The Iatan-Nashua Project is a regional transmission project that was initiated as a result of the Southwest Power Pool, Inc.'s² ("SPP") Balanced Portfolio³ Network Upgrades.

SPP originally issued Notifications to Construct ("NTCs")⁴ for the Iatan-Nashua Project to Kansas City Power & Light Company ("KCP&L"), and subsequently to both KCP&L and KCP&L Greater Missouri Operations Company ("GMO"). KCP&L and GMO (together the "Company") were the Designated Transmission Owners ("DTOs") under the NTCs until they received approval from SPP to novate the Iatan-Nashua Project (and the Sibley-Nebraska City Project⁵, together "the Projects") to Transource Missouri, LLC⁶ ("Transource Missouri") in October 2013. FERC accepted the SPP-approved designee qualification and novation on December 17, 2013 with an effective date of October 30, 2013.

On January 2, 2014, KCP&L and GMO completed the transfer of the Projects to Transource Missouri.

KCP&L and GMO initiated the novation process, which entailed various interrelated approvals by SPP, FERC, and the Missouri Public Service Commission ("MPSC" or "Commission"), in mid-2012. The MPSC approvals related to this process have been addressed in Case Nos. EO-2012-0367⁷ and EA-2013-0098⁸. The novation process and the associated SPP, FERC, and MPSC approvals are more fully discussed in the *Status of Ownership of the Projects* section of this report.

² SPP, a Regional Transmission Organization ("RTO") with members in nine states and approved by the Federal Energy Regulatory Commission ("FERC"), has the obligation to plan and develop transmission solutions for the region in which it serves as an RTO.

³ SPP's description of the Balanced Portfolio is available at <http://www.spp.org/section.asp?pageID=120>.

⁴ Copies of the NTCs, modification requests, and Company responses can be found in the Q4 2012 Iatan-Nashua Project Quarterly Report, and in prior quarterly reports, in Case No. EO-2012-0271. All case filings and submissions for Case No. EO-2012-0271 are available through the Electronic Filing and Information System ("EFIS") on the MPSC's website at

https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FList.asp

⁵ The Sibley-Nebraska City Project, which is also referred to as the Midwest Transmission Project, is also an SPP-approved regional transmission project. Prior to the novation, GMO was the DTO for the Missouri portion of the Sibley-Nebraska City Project, which is new 345kV transmission line from the substation at GMO's Sibley generation station to the substation at Omaha Public Power District's ("OPPD") Nebraska City generating station.

⁶ Transource Missouri is a wholly-owned subsidiary of Transource Energy, LLC ("Transource Energy"), which was formed by Great Plains Energy ("GXP") and American Electric Power ("AEP") to pursue, develop, construct, own and operate competitive electric transmission projects.

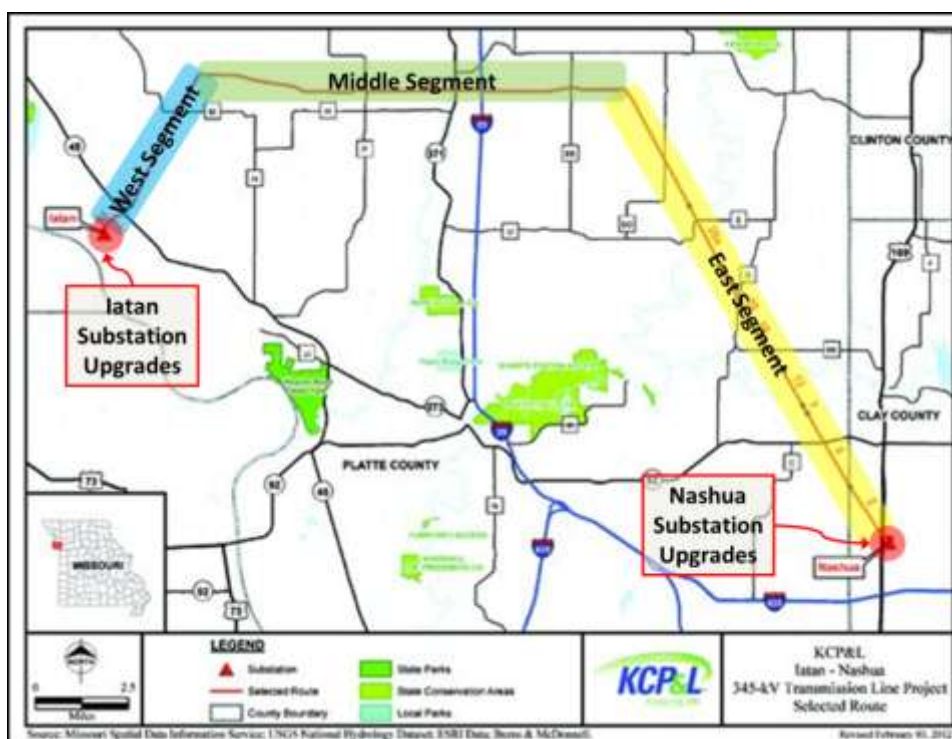
⁷ All case filings and submissions for Case No. EO-2012-0367 are available through EFIS at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0367&pagename=case_filing_submission_FList.asp

⁸ All case filings and submissions for Case No. EO-2013-0098 are available through EFIS at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EA-2013-0098&pagename=case_filing_submission_FList.asp

Project Components

The Iatan-Nashua Project essentially has four distinct components: (i) the **West Segment**; (ii) the **East Segment**; (iii) the **Middle Segment** and (iv) the **Substation Upgrades**. These components are highlighted on the final route map⁹ shown in [Figure 2](#) below.

Figure 2 - Iatan-Nashua Project Components



West Segment

The **West Segment** begins at the Iatan Substation located in Platte County near Weston, Missouri, extending in a northeasterly direction for about five (5) miles. This segment of the Iatan-Nashua Project will utilize GMO's existing **Iatan-St. Joseph 345 kV transmission line**¹⁰ right-of-way path¹¹. The new West Segment transmission structures constructed as part of the Iatan-Nashua Project will accommodate both GMO's existing 345kV Iatan-St. Joseph conductor, as well as the conductor on the West Segment of the Iatan-Nashua Project. The existing Iatan-St. Joseph transmission structures along this five-mile path of the West Segment will be retired and

⁹ A larger version of this final route map with the project components highlighted is also included in [Attachment B – Iatan-Nashua Project Components](#).

¹⁰ The existing GMO Iatan-St. Joseph 345 kV transmission line will remain in service under GMO ownership and will not be part of the Iatan-Nashua Project for the purposes of the 100% regional cost allocation. The current retail and wholesale ratemaking will remain unchanged for the existing GMO Iatan-St. Joseph 345 kV transmission line.

¹¹ GMO will retain its rights-of-way for the Iatan-St. Joseph 345 kV transmission line. As soon as possible Transource Missouri will acquire its own rights-of-way for the West Segment, which will be “pancaked” in the same right-of-way path as the GMO rights-of-way for the Iatan-St. Joseph line.

removed as part of the Iatan-Nashua Project, and the existing Iatan-St. Joseph conductor is being attached to the West Segment structures¹². Subsequently, the West Segment conductor will also be added to the new structures. Thus, when completed, both the West Segment conductor and the southern five-mile portion of the existing Iatan-St. Joseph conductor will share the new structures. The existing Iatan-St. Joseph line is expected to remain energized and in-service during the construction of the West Segment including, at times, while the Iatan-St. Joseph conductors are being moved from the existing structures to the new jointly used structures.

East Segment

The **East Segment** begins at KCP&L's Nashua Substation located in Clay County near Smithville, Missouri, extending in a northwesterly direction for approximately fourteen (14) miles. This segment of the new 345kV transmission line will utilize existing rights-of-way (supplemented by additional rights-of-way as needed) that were used for a portion of the **Alabama-Nashua 161kV transmission line** that was transferred from KCP&L to GMO in 2012¹³. This southern fourteen (14) mile segment of the Alabama-Nashua Line is being retired and removed as part of the Iatan-Nashua Project. The remaining northern portion of the GMO Alabama-Nashua 161kV transmission line will remain in service¹⁴ for GMO as a radial line out of the Alabama Substation.

Middle Segment

The Middle Segment will connect the East and West Segments, running approximately twelve (12) miles east-to-west through an area without any existing rights-of-way/easements – i.e., the Middle Segment is “greenfield.”

Substation Upgrades

In order to facilitate the construction and operation of the new 345kV Iatan-Nashua transmission line, certain substation upgrades will need to be made at each substation terminus. Notably, the existing 161kV Nashua Substation will be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua line, and connection with the existing St. Joseph-Hawthorn 345kV transmission line, by installing a new 345/161kV autotransformer between the existing 161kV substation and the 345kV facilities at the Nashua Substation. Additionally, upgrades will be

¹² A Pole Attachment Agreement between GMO and Transource Missouri, which details the terms and conditions of the attachment of GMO's Iatan-St. Joseph line to the West Segment structures of the Iatan-Nashua Project, was filed with and accepted by FERC in Docket No. ER14-276. All case filings and submissions for FERC Docket No. ER14-276 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp

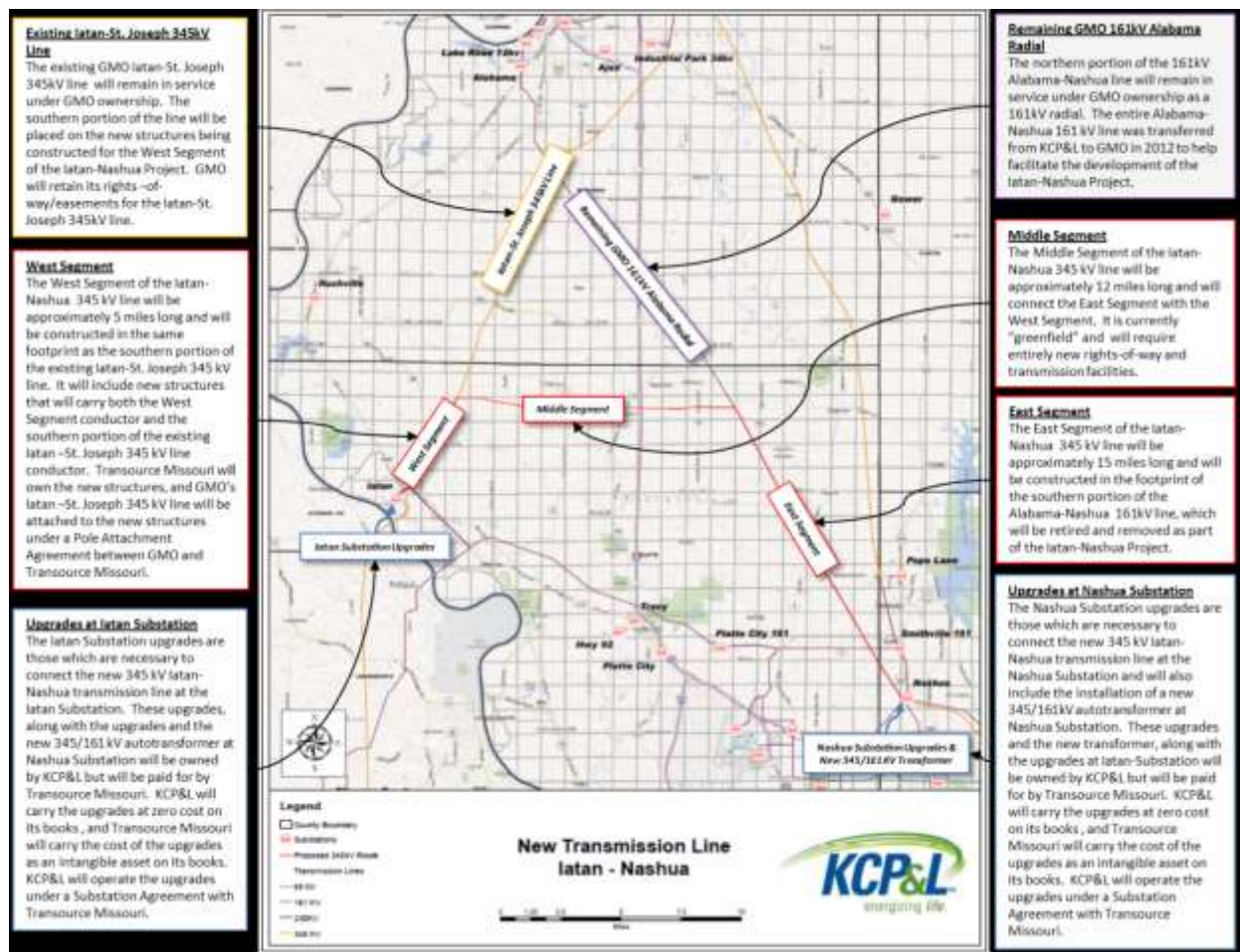
¹³ In Case No. EO-2012-0479, the Companies requested Commission approval to transfer the 161kV Alabama-Nashua Line from KCP&L to GMO in order to facilitate the Companies' plan to have GMO construct the entire 345kV Iatan-Nashua line because it will be wholly within GMO's service area. The Commission granted the Companies' application to transfer the Alabama-Nashua Line from KCP&L to GMO on August 15, 2012. The transfer is discussed in further detail in the application and related filings in Case No. EO-2012-0479, which are available through EFIS at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0479&pagename=case_filing_submission_FList.asp

¹⁴ The remaining GMO 161 kV radial out of Alabama Substation will remain in service under GMO ownership and will not be part of the Iatan-Nashua Project for the purposes of the 100% regional cost allocation. The current retail and wholesale ratemaking will remain unchanged for this GMO 161 kV Alabama radial.

required to connect the new 345kV transmission line to the Iatan Substation. The Substation Upgrades will be paid for by Transource Missouri as part of the Iatan-Nashua Project cost but will be owned and operated by KCP&L, because they will be constructed within KCP&L's Iatan and Nashua Substations¹⁵.

The map¹⁶ in *Figure 3* below provides further discussion of the Iatan-Nashua Project components and the related GMO transmission lines.

Figure 3 – Iatan-Nashua Project Components with Descriptions



¹⁵ A Substation Agreement between KCP&L and Transource Missouri, which details the terms and conditions of the ownership and operation of the Iatan-Nashua Project Substation Upgrades, was filed with and accepted by FERC in Docket No. ER14-298. All case filings and submissions for FERC Docket No. ER14-298 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

¹⁶ A larger version of this map of the project components is also included in *Attachment B – Iatan-Nashua Project Components*.

Project Reporting

Iatan-Nashua Project quarterly status reports are being filed with the Commission in compliance with the March 14, 2012 Order Directing Filing¹⁷ in Case No. EO-2012-0271¹⁸. The quarterly reports contain the following quarterly update sections to satisfy the requirements of the Order Directing Filing:

Project Progress Summary

Overall Status

Permitting

Engineering and Design

Procurement

Right-of-Way Acquisition

Construction

Schedule

Safety

Summary of Contact with the Public

Status of Ownership of the Projects

In the context of Case No. EA-2013-0098, KCP&L, GMO, and Transource Missouri agreed to continue this quarterly reporting for the Iatan-Nashua Project, which was initiated in Case No. EO-2012-0271, and to begin similar quarterly reporting for the Sibley-Nebraska City Project. This agreement is included in Appendix 4 of the Report and Order¹⁹ in Case No. EA-2013-0098.

Also in the context of Case No. EA-2013-0098, KCP&L, GMO, and Transource Missouri agreed to provide reports regarding the public outreach efforts for siting, routing, etc. The initial public outreach reports for the Projects were filed in EA-2013-0098 on November 5, 2013²⁰. It is the Company's intent that future quarterly updates regarding the public outreach for the Projects will be reported in the ***Summary of Contact with the Public*** sections of the quarterly project status reports for the Iatan-Nashua Project in EO-2012-0271 and the Sibley-Nebraska City Project in EA-2013-0098.

In addition to the Company's reporting in Case Nos. EO-2012-0271 and EA-2013-0098, the Company also provides project updates to SPP on a quarterly basis. The SPP quarterly project

¹⁷ The Order Directing Filing in Case No. EO-2012-0271 is available through EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EO-2012-0271&attach_id=2012015122

¹⁸ All case filings and submissions for Case No. EO-2012-0271 are available through EFIS at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FList.asp

¹⁹ The Report and Order in Case No. EA-2013-0098 is available through EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014002024

²⁰ The initial public outreach reports for the Projects are available through EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007274

tracking reports²¹ contain information on all of the Balanced Portfolio projects, as well as other SPP projects, including Reliability, Transmission Service, Generation Interconnect, High Priority, and IPT10 upgrades. The Iatan-Nashua Project is shown in the SPP quarterly project tracking reports under three NTC IDs (shown in *Figure 4* below):

Figure 4 - Iatan-Nashua Project NTCs

NTC_ID	UID	Project Owner ²²	Upgrade Description
200189	50499	GMO	345 kV line from Iatan substation to Nashua substation
200188	10935	KCP&L	Upgrades at the Iatan and Nashua Substations
20042	10945	KCP&L	Nashua 345/161 kV Transformer

²¹ The SPP quarterly project tracking reports are publicly available at <http://www.spp.org/section.asp?group=1867&pageID=27>

²² The SPP quarterly project tracking reports do not yet reflect the novation of the Projects to Transource Missouri. In the future Transource Missouri will be shown as the Project Owner for the Iatan-Nashua Project in the SPP quarterly project tracking reports.

Project Progress Summary

Overall Status

Overall, the Project is on track with no critical path issues.

West Segment

Construction of the West Segment foundations and structures was completed during the second quarter of 2013. There was no activity on the West Segment during the fourth quarter of 2013.

East Segment

Project activity during the fourth quarter of 2013 was focused on the installation of the new foundations and structures on the East Segment and continued efforts to finalize right-of way acquisition and condemnation awards.

East Segment easement acquisition is complete. Currently, there are 144 of 151 structures complete. All structures are installed on the East Segment except for the permanent reroute structures on one parcel. Due to the reroute, which involves tree clearing, an additional environmental assessment had to be performed. This assessment identified potential suitable Indiana bat habitat. As a result, tree clearing and permanent pole placement is currently suspended until a resolution is confirmed with U.S. Fish & Wildlife Service (“USFWS”) (see details in ***Permitting*** below).

Middle Segment

Project activity on the Middle Segment during the fourth quarter of 2013 continued to be primarily related to right-of-way acquisition.

Due to issues with parcel acquisition and environmental assessments, North Segment condemnation activities are on hold. When resolutions have been obtained, the schedule will be reviewed and revised. As a result, tree clearing is currently suspended until a resolution is confirmed with the USFWS regarding the environmental assessments.

Substation Upgrades

Preliminary substation upgrade work is continuing as planned with anticipated completion in the fourth quarter of 2014 for the Nashua Substation upgrades and in the second quarter of 2015 for the Iatan Substation upgrades.

The new 345/161kV autotransformer was delivered to the Nashua Substation in January 2014.

Permitting

During the fourth quarter, KCP&L's environmental permitting contractor completed field surveys on the Middle Segment where access was available through easements. One of the field surveys showed signs of potential suitable habitat for the Indiana bat, an endangered species. The environmental survey was submitted to the regional USFWS for review. The USFWS advised that no further tree clearing should be conducted until it had a chance to thoroughly review the reports and discuss with KCP&L. As a result, tree clearing on the Middle Segment is on hold until further notice. The other survey was related to cultural resources and the survey report is being drafted by the permitting contractor.

Permits/approvals related to roadway crossings necessary for work on the East and Middle Segments continue to be requested and received, as needed.

Other permitting including necessary notices, filings, and submittals previously requested/received include:

- Federal - US Army Corps of Engineers ("USACE"), U.S. Fish & Wildlife Service ("USFWS"), Federal Aviation Administration ("FAA")
- State – State Historic Preservation Office ("SHPO"), Missouri Department of Natural Resources - National Pollutant Discharge Elimination System (Storm Water Pollution Prevention Plan) ("MDNR-NPDES (SWPPP)"), Missouri Department of Conservation ("MDC")
- County/City - Floodplain & Public Right-of-Way Use

Engineering and Design

Detailed design engineering work continues with the bulk of the work being performed in-house by the KCP&L Transmission Engineering Department. Engineering and design will not be fully finalized until all of the right-of-way/easements are obtained, which is currently scheduled for the first quarter of 2014. Engineering and design efforts during the fourth quarter were focused on developing the material specifications for the Middle Segment and plan and profile drawing deliveries.

Procurement

The Company has issued requests for proposals ("RFPs"), evaluated the subsequent bids, and executed the contracts necessary to procure all of the essential services, materials and equipment required to meet the construction schedule. The Company recently awarded contracts for the necessary tree clearing on the "greenfield" Middle Segment and for the steel poles, which will be

installed on the Middle Segment. The contracted suppliers for the major services, materials and equipment are shown in *Figure 5* below:

Figure 5 - Contracted Services, Materials, & Equipment

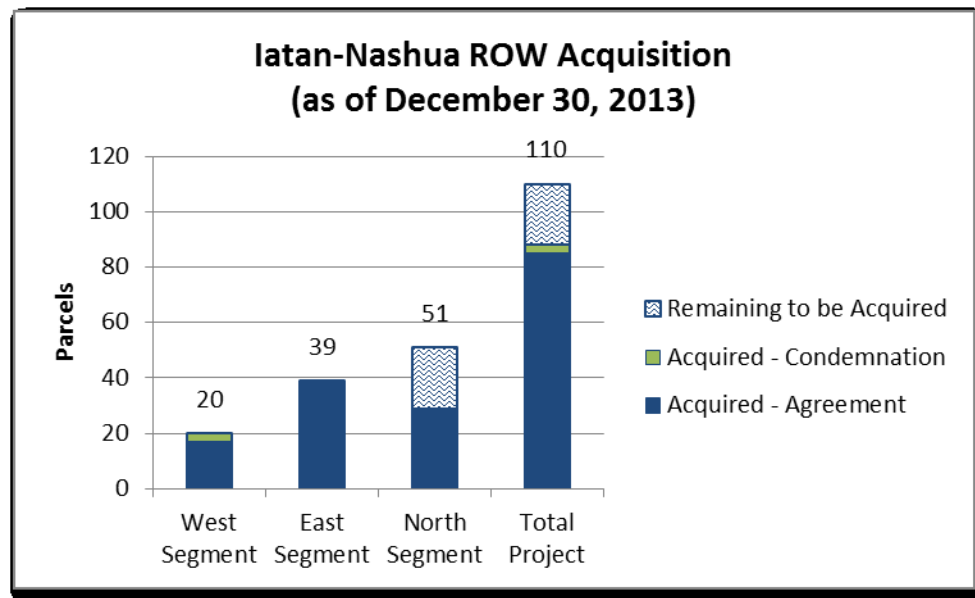
Services, Materials, & Equipment	Supplier	Contract Award
ROW/Easement Acquisition & Permitting	Burns & McDonnell Engineering	July 2012
Geotechnical Services	Alpha Omega Geotech	August 2012
Steel Poles - West Segment	TransAmerican Power Products	September 2012
Steel Poles - East Segment	FWT	October 2012
Steel Poles - Middle Segment	FWT	October 2013
Tree Clearing	Asplundh Tree Expert	October 2013
Line Construction	PAR Electrical Contractors	December 2012
Autotransformer (345 to 161 kV 650MVA)	GE Prolec Transformers	March 2013
Conductor	Southwire Company	November 2012
Fiber Optic/Ground Wire ("OPGW")	Brugg Cables	November 2012
Insulators	MacLean Power	December 2012
Hardware	HD Supply Utilities	February 2013
Numbering	Tech Products	December 2012

Right-of-Way Acquisition

The status of the easement and right-of-way acquisition process reflects the distinct characteristics of the West, East, and Middle Segments of the Project and the construction schedule related to those segments. The West Segment is being constructed on existing right-of-way that will contain a double circuit when the Project is completed. The East Segment is being constructed on existing right-of-way, but the transmission line previously occupying that right-of-way has been de-energized in conjunction with the Project. The Middle Segment is "greenfield" construction with no previously existing rights-of-way.

Figure 6 below shows the status of GMO's right-of-way/easement acquisitions for the Iatan-Nashua Project as of December 30, 2013. Some, but not all, of these easements were transferred to Transource Missouri as part of the January 2, 2014 transaction. Specifically, on the West Segment, GMO will retain the easements that it has acquired, because GMO will need them for continued access to its Iatan-St. Joseph transmission line. GMO has had easements in place for its Iatan-St. Joseph line for years. GMO, however, had to acquire new easements on the West Segment to reflect the revised nature of the transmission equipment (i.e., the new West Segment structures will carry two energized transmission lines after the Iatan-Nashua line is placed in-service).

Figure 6 - ROW Acquisition Status



On the West Segment, all of the required GMO rights-of-way have been obtained. Only three of the 20 parcels needed were acquired through condemnation, with the other 17 parcels acquired through negotiated agreements. Condemnation awards and payments for the GMO rights-of-way were finalized in October of 2013. The rights-of-way that have been obtained on the West Segment will be retained by GMO. Transource Missouri will acquire its own “pancaked” easements for the West Segment. The Transource Missouri “pancaked” easements will be in the same footprint as the GMO easements on the West Segment.

On the East Segment, all of the required rights-of-way have been obtained. All 39 of the parcels needed were acquired through negotiated agreements, although two of the parcels were initially condemned prior to reaching negotiated agreements. The East Segment easements that were obtained by GMO for the Iatan-Nashua Project were transferred to Transource Missouri in the January 2, 2014 transaction.

The right-of-way acquisition process is underway on the Middle Segment, and over half of the 51 parcels have been obtained to date. Condemnation filings were made the week of July 15, 2013 for the 22 parcels not obtained through negotiation. On November 13, 2013, the Platte County Circuit Court entered an order denying KCP&L’s condemnation petitions²³. The Company disagrees with the findings in the order and, as a result, on December 20, 2013, filed its Notice of Appeal in the Western District Court of Appeals²⁴. In addition, the Company continues to negotiate with landowners to amicably resolve the dispute and acquire the necessary rights-of-way. The Company is also considering the option of doing the necessary rework to comply with the court’s order. Future Middle Segment easements acquired through negotiations

²³ The order denying the condemnation petitions in Case No. 13AE-CV02399 is included as [Attachment C – Circuit Court Order re: Middle Segment Condemnation Petition](#)

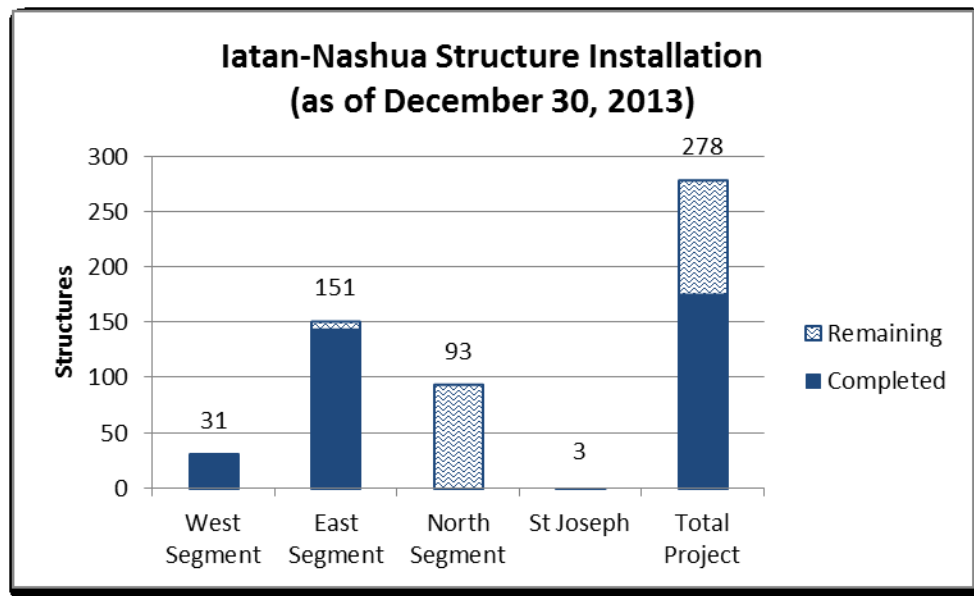
²⁴ Case No. WD77114

or new condemnation proceedings, if necessary, will be acquired in the name of Transource Missouri.

Construction

Figure 7 below shows the status of structure installations on the Iatan-Nashua Project as of December 30, 2013.

Figure 7 - Structure Installation Status



On the West Segment, PAR has completed a majority of their construction work. The new conductors for the Iatan-Nashua Project will be strung and attached to the new steel structures during the 2014 Iatan 2 maintenance outage currently scheduled for fall 2014.

On the East Segment, PAR has completed foundation and structure installation for 144 of 151 structures. All structures are installed on the East Segment except for the permanent reroute structures on one parcel. PAR also began stringing the new conductor on the East Segment in early December 2013.

On the Middle Segment, tree clearing and construction has been temporarily suspended as outlined in the **Permitting** and **Right-of-Way Acquisition** sections above.

Schedule

Overall, the Project is on track with no critical path issues, despite the issues previously discussed in the *Permitting* and *Right-of-Way Acquisition* sections above. Estimated completion dates for the major Project activity categories are shown in *Figure 8* below:

Figure 8 - Estimated Completion Dates

Project Category	Estimated Completion
Right-of-Way Acquisition	January 2014 ²⁵
Permitting	October 2014 ²⁶
Engineering and Design	July 2014
Procurement	December 2014
Construction	June 2015
Project In-Service	June 2015
Post In-Service Project Completion	May 2016

The estimated completion dates in *Figure 8* are based on the current Level 1 Project Schedule as of January 19, 2014²⁷. The Level 1 Project Schedule outlines the major milestones and engineering, procurement, and construction activities that will need to be completed to support the current estimated in-service date of June 2015. It includes the current forecast/actual start and finish dates for the Level 1 summarized activities, as well as the baseline start and finish dates against which project status is tracked and reported.

Safety

There have been no work-related safety issues on the Project.

During the public meetings an issue was raised with the final route being in the proximity of petroleum or gas pipelines. Pipelines and transmission lines are located near one another in other locations in the Company's transmission system. The Company is aware of the existing ONEOK pipeline near the final route and has continued to work with ONEOK on easement and safety issues. Many of these issues cannot be totally resolved until the engineering design work is complete. The Company will follow all electric industry safety guidelines as well as those provided by ONEOK during construction of the transmission line. The Company will communicate on this particular issue in each report as the engineering work progresses until it is resolved. The Company is waiting for the acquisition of the easements along the northern route

²⁵ The estimated completion of right-of-way acquisition is dependent on the timing and outcome of Court of Appeals actions, negotiations with landowners, and/or refile of condemnation proceedings.

²⁶ The estimated completion of permitting is dependent on the timing and extent of USFWS mitigation proposals related to potential Indiana bat habitat.

²⁷ This current Level 1 Project Schedule is included as *Attachment D – Level 1 Schedule (HIGHLY CONFIDENTIAL/PROPRIETARY)*.

in order to complete the final location of structures and center line. This detailed design information will be sent to ONEOK upon completion in order to start the development of a mitigation plan for the protection of their pipelines.

Summary of Contact with the Public

Interactions with the public during the fourth quarter of 2013 primarily consisted of communications and negotiations with individual landowners regarding the acquisition of necessary easements for the Project.

Initial meetings with Middle Segment landowners regarding easements began in mid-March 2013. Sixty-day condemnation notice letters were sent to Middle Segment landowners in mid-April 2013, and condemnation filings on the remaining parcels on which agreement had not yet been reached were made the week of July 15, 2013. As set forth above, those petitions were denied by the court, but the Company continues to negotiate with landowners to reach an amicable resolution.

The Company and the various contractors working on the Project will communicate, as necessary, with landowners on the West, East, and Middle Segments to ensure that construction activities occur within the acquired easements and rights-of-way. The Company remains willing to meet with landowners, as requested, during any stage of the Iatan-Nashua Project. The Company will continue to communicate with affected landowners prior to key points in the Iatan-Nashua Project (such as the beginning of easement negotiations, initial construction work, and other key activities as needed).

Throughout the life of the Iatan-Nashua Project the Company will continue to proactively meet with citizens, local and state officials, and the local news media.

The Company has also agreed to provide reports on the public outreach efforts for the Projects. This agreement, as shown below, is included in Appendix 4 of the Report and Order²⁸ in Case No. EA-2013-0098.

KCP&L and GMO will provide the Commission with a report and information in File No. EA-2013-0098 within 90 days of the effective date of a Commission order approving this Stipulation outlining its public outreach efforts for siting, routing, easement acquisition and right-of-way acquisition for the Projects. KCP&L and GMO will update the report at least quarterly thereafter.

The initial public outreach report for the Iatan-Nashua Project was filed in EA-2013-0098 on November 5, 2013²⁹. It is the Company's intent that this section of this report shall be utilized to fulfill the requirement for quarterly updates to the public outreach efforts.

²⁸ The Report and Order in Case No. EA-2013-0098 is available through EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014002024

²⁹ The initial public outreach report is available through EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007274

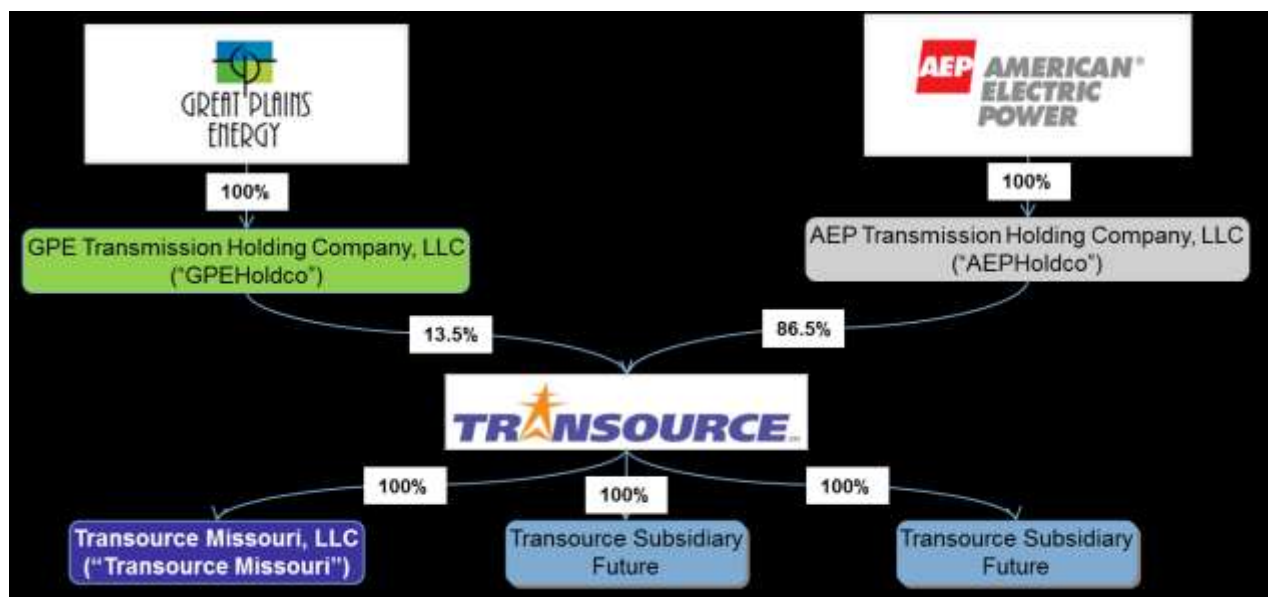
Status of Ownership of the Projects

Transource Ownership/Corporate Structure

On April 4, 2012 Great Plains Energy (“GXP”) and American Electric Power (“AEP”), announced that they had formed a company to build and invest in transmission infrastructure. The new company, Transource EnergySM LLC (“Transource”)³⁰, will pursue competitive transmission projects, initially in the SPP, Midcontinent Independent System Operator, Inc. (“MISO”) and PJM Interconnection, LLC (“PJM”) regions, with the potential for expanding to other regions in the future. GXP owns 13.5 percent of Transource, and AEP owns 86.5 percent.

Transource Missouri, LLC (“Transource Missouri”) is a wholly-owned subsidiary of Transource. The corporate structure of Transource is shown in *Figure 9* below.

Figure 9 – Transource Corporate Structure



It is the Company’s intention that Transource will be the entity under which it will participate in any future regional transmission projects, including the Iatan-Nashua Project and the Sibley-Nebraska City Project.

³⁰ The GXP and AEP news releases announcing the formation of Transource as well as other information about Transource can be found at <http://www.transourceenergy.com>

Current Ownership Status of the Projects

As noted in the *Project Background* section, on January 2, 2014, the Company completed the transfer of the Iatan-Nashua³¹ and Sibley-Nebraska City³² Projects to Transource Missouri. The transfer included the sale of certain equipment, property, and construction work in progress (“CWIP”) related to the Projects from the Company to Transource Missouri. The terms of the January 2, 2014 transaction are detailed in the Asset Purchase Agreement³³ between the Company and Transource Missouri that was submitted to the Commission in EA-2013-0098 on January 14, 2014.

The January 2, 2014 transaction was the culmination of a plan for KCP&L and GMO, through a process known as novation³⁴, to terminate and release their respective obligations as DTOs and to designate an alternate DTO to be responsible for building and owning the Iatan-Nashua Project and the Sibley-Nebraska City Project.

In mid-2012, the Company initiated the novation process, which entailed various interrelated approvals by the MPSC, SPP, and FERC related to the novation and/or to Transource Missouri. The various MPSC, FERC, and SPP approvals, filings, and other submissions are discussed below.

MPSC Transource Approvals/Filings/Submissions

On August 31, 2012, in Case No. EO-2012-0367, KCP&L and GMO filed an application³⁵ with the MPSC for approval to transfer certain transmission property to Transource Missouri and for other related determinations. Concurrent with KCP&L and GMO’s application in Case No. EO-

³¹ Certain structures in CWIP on the West Segment of the Iatan-Nashua Project are currently being reflected as intangible assets on Transource Missouri’s books. The transfer of these West Segment structures in CWIP will be fully completed once Transource Missouri acquires its own easements on the West Segment.

³² The transfer of the Sibley-Nebraska City Project Mullin Creek Substation Parcel from Great Plains Energy Services, Inc. (“GPES”) to Transource Missouri will be completed after the engineering for the substation is completed to determine which portion of the Mullin Creek Land will be needed for the Mullin Creek Substation Parcel.

³³ The submission of the Asset Purchase Agreement is available in EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014011019

³⁴ The process governing the construction of transmission facilities within the SPP region and the basis for SPP issuing NTCs are set forth in Section VI of Attachment O to the SPP Open Access Transmission Tariff (“SPP Tariff”). Section VI also describes the process by which transmission owners designated to build projects are to accept or reject such designation by SPP, as well as how they may proceed to relinquish such designation and arrange for another entity to build and own a project in its place, subject to certain qualifications. The full SPP Tariff, as well as individual Schedules and Attachments, can be found at <http://www.spp.org/tariff-viewer.asp>

³⁵ More detail regarding this application can be found in the application and the associated direct testimony that was filed along with the application in Case No. EO-2012-0367. All case filings and submissions for Case No. EO-2012-0367 are available through EFIS at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0367&pagename=case_filing_submission_FList.asp

2012-0367, Transource Missouri also filed a related application³⁶ in Case No. EA-2013-0098 for a line Certificate of Convenience and Necessity (“CCN”) to construct, finance, own, operate, and maintain the Iatan-Nashua Project and the Sibley-Nebraska City Project. The EO-2012-0367 case (“Transfer Case”) and the EA-2013-0098 case (“CCN Case”) were consolidated for procedural purposes on November 7, 2012 with Case No. EA-2013-0098 as the lead. The requested approvals from the Commission in these cases were part of the process to facilitate the novation of the NTCs for the Projects to Transource Missouri.

- The parties were able to negotiate an agreement to settle the issues in the cases, and they filed the Non-Unanimous Stipulation and Agreement (“Original Stipulation”) with the Commission on April 12, 2013.
- The Commission held a hearing on the Original Stipulation on April 16, 2013. A few issues, primarily related to future reporting requirements that were not adequately addressed in the Stipulation, were noted during the hearing. The signatories to the Original Stipulation addressed those issues in the “First Amendment to Non-Unanimous Stipulation and Agreement”, which the signatories filed with the Commission on May 6, 2013. The First Amendment and the Original Stipulation (together “Amended Stipulation”) were not opposed by any non-signatory parties and, as such, are now considered Unanimous.
- On August 7, 2013, the Commission issued its Report and Order in Case No. EA-2013-0098. In its Report and Order, which had an effective date of September 6, 2013, the Commission approved disposition of the Transfer and CCN applications by settlement. In its Report and Order the Commission incorporated the Amended Stipulation and delineated, in Appendix 3 (Conditions Determined on the Merits) and Appendix 4 (Consent Order) of the Report and Order, the individual provisions of the Amended Stipulation.

Post-Order Filings/Submissions

As part of the conditions of the Amended Stipulation, the Company and Transource Missouri agreed to continue to provide certain ongoing reporting, to provide certain additional reporting, and to provide certain other information that was not available at that time.

- Summary reports outlining the public outreach efforts for siting, routing, easement acquisition and right-of-way acquisition of the Projects were filed in EA-2013-0098 on November 5, 2013. These initial public outreach reports³⁷ for the Projects were filed as stand-alone reports. The quarterly updates regarding ongoing public outreach efforts for

³⁶ More detail regarding this Transource Missouri CCN application can be found in the application and the associated direct testimony that was filed along with the application in Case No. EA-2013-0098. All case filings and submissions for Case No. EO-2013-0098 are available through EFIS at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EA-2013-0098&pagename=case_filing_submission_FList.asp

³⁷ The initial public outreach reports for each of the Projects are available in EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007274

the Projects are now being addressed as part of the overall quarterly status reports for the Projects in the *Summary of Contact with the Public* section of each report.

- Quarterly status reports for Q3 2013 for both Projects were submitted to the Commission on November 6, 2013. The Iatan-Nashua Project quarterly status report³⁸ continues to be filed in Case No. EO-2012-0271. The Q3 2013 Midwest Transmission Project status report³⁹ was the initial quarterly report for the Sibley – Nebraska City Project and was filed in Case No. EA-2013-0098.
- The Company filed its application in Case No. EO-2014-0189⁴⁰ for Commission approval of its proposed Cost Allocation Manual (“CAM”) on December 16, 2013.
- Supplemental information related to the Projects that was not available at the time of the order in EA-2013-0098 was filed on December 31, 2013⁴¹. This information included a listing electric and telephone lines, railroad tracks and underground facilities that the Projects will cross. It also included the control budget and baseline schedule for the Sibley – Nebraska City Project. On January 23, 2014, the control budget information was refiled⁴² to remove the redaction from information that is now publicly available but was not when initially filed on December 31, 2013.
- On January 14, 2014, the Company submitted to the Commission in Case No. EA-2013-0098 the Asset Purchase Agreement⁴³, which details the terms of the January 2, 2014 transaction between the Company and Transource Missouri for the sale of certain equipment, property, and CWIP related to the Projects from the Company to Transource Missouri.

³⁸ The Iatan-Nashua Project quarterly status reports and all other filings and submissions in Case No. EO-2012-0271 are available in EFIS at

https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FList.asp

³⁹ The initial Sibley-Nebraska City Project quarterly status report is available in EFIS at

https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007365

⁴⁰ The application, supporting testimony, and other filings in Case No. EO-2014-0189 related to the proposed CAM are available in EFIS at

https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?displayAll=True&caseno=EO-2014-0189&order_by=&hdexhibit=&hdtestimony=&hdtranscript=&hdnotices=

⁴¹ The supplemental information filing for the Sibley-Nebraska City Project is available in EFIS at

https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014010460

⁴² The un-redacted control budget information is available in EFIS at

https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014011352

⁴³ The submission of the Asset Purchase Agreement is available in EFIS at

https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014011019

FERC Transource Approvals/Filings/Submissions

The Company and Transource Missouri have made numerous filings at FERC to facilitate the novation of the Projects to Transource Missouri and to ensure that the Company and Transource Missouri have the proper authority and the appropriate agreements in place for Transource Missouri to be able to own, operate, and finance the Projects post transfer. The various FERC filings are discussed below.

Incentives and Transmission Formula Rate

On August 31, 2012, in FERC Docket No. ER12-2554⁴⁴, Transource Missouri requested approval of certain project-specific incentives as well as a transmission formula rate through which costs of the Iatan-Nashua Project, the Sibley-Nebraska City Project, and other future Transource Missouri transmission projects will be charged to transmission customers.

- The FERC approved certain aspects⁴⁵ of the Transource Missouri application on October 31, 2012. Transource Missouri and the Kansas Corporation Commission (“KCC”), which was the only active intervenor in the case, reached a settlement on the remaining issues⁴⁶ in the case and filed it with FERC on February 27, 2012. On May 6, 2013, FERC issued a letter order accepting the settlement, which resolved all remaining issues in the case. FERC determined the settlement to be fair and reasonable and in the public interest.

Transfer of Certain Transmission Equipment

On September 13, 2013, in Docket No. EC13-145⁴⁷, KCP&L, GMO, and Transource Missouri filed an application requesting FERC authorization for the transfer – from KCP&L and GMO to Transource Missouri – of certain transmission equipment in connection with the development of the Projects and related books and records, including CWIP accounts for the Projects.

- FERC issued an order approving the transaction in EC13-145 on December 6, 2013.

⁴⁴ All case filings and submissions for FERC Docket No. ER12-2554 are available by searching on the docket number in FERC’s online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

⁴⁵ In the October 31, 2012 order the FERC granted certain rate-making treatments and incentives including the establishment of a regulatory asset for pre-construction costs, the use of CWIP in rate base, recovery of abandoned plant costs, use of a hypothetical capital structure prior to commercial operation, a 50-basis point ROE adder for RTO participation, and a 100-basis point ROE adder for the Sibley-Nebraska City Project to reflect risks and challenges associated with that project.

⁴⁶ The remaining issues on which settlement was reached were primarily related to base return on equity (9.8%), post-construction capital structure (55% equity cap), and some miscellaneous protocol changes.

⁴⁷ All case filings and submissions for FERC Docket No. EC13-145 are available by searching on the docket number in FERC’s online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

Transource Missouri Financing Application

On September 20, 2013⁴⁸, in Docket No. ES13-56⁴⁹, Transource Missouri filed an application requesting FERC authorization to enter into one or more secured or unsecured loans, credit or financing agreements, and issue short-term and long-term debt securities in an amount up to \$350 million to finance the development of the Projects.

- FERC issued an order authorizing Transource Missouri to issue debt securities in ES13-56 on November 19, 2013.

SPP Novation Agreement

On October 30, 2013, SPP submitted to FERC for its acceptance the Designee Qualification and Novation Agreement in Docket No. ER14-224⁵⁰ that reassigns the obligation to develop the Projects to Transource Missouri. The SPP novation approval for the Projects is described more fully in the ***SPP Novation Approval*** section below.

- FERC issued its acceptance of the novation agreement in ER14-224 on December 17, 2013 with an effective date for the agreement of October 30, 2013.

Other Agreements

On November 1, 2013, Transource Missouri, KCP&L, and GMO submitted several agreements to FERC for its acceptance that are necessary to facilitate operations between the Transource Missouri and the Company.

Pole Attachment Agreement

- In Docket No. ER14-276⁵¹, Transource Missouri submitted an Agreement for the Licensing of Transmission Structures, which sets forth the terms and conditions of the pole attachment agreement related to the double-circuited portion of the West Segment on which GMO's Iatan-St. Joseph 345kV line will be attached to the new Iatan-Nashua Project structures.
 - FERC issued its acceptance of the pole attachment agreement in ER14-276 on December 20, 2013 with an effective date for the agreement of January 1, 2014.

Substation Agreement

- In Docket No. ER14-298⁵², KCP&L submitted a Substation Upgrade Agreement, which sets forth the terms and conditions under which KCP&L and GMO will undertake certain upgrades to the Iatan and Nashua Substations owned by KCP&L and the Sibley

⁴⁸ Errata to September 20, 2013 application was filed on September 25, 2013. Amendments were filed on October 29, 2013 and October 31, 2013.

⁴⁹ All case filings and submissions for FERC Docket No. ES13-56 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

⁵⁰ All case filings and submissions for FERC Docket No. ER14-224 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

⁵¹ All case filings and submissions for FERC Docket No. ER14-276 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

⁵² All case filings and submissions for FERC Docket No. ER14-298 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

Substation owned by GMO. In Docket No. ER14-301⁵³, GMO submitted its Concurrence for Substations Upgrade Agreement filed by KCP&L in ER14-298.

- FERC issued its acceptance of the Substation Agreement in ER14-298 on December 17, 2013 with an effective date for the agreement of January 1, 2014.
- FERC issued its acceptance of GMO's concurrence in ER14-301 on December 20, 2013 with an effective date for the agreement of January 1, 2014.

Amended Services Agreement

- In Docket No. ER14-300⁵⁴, KCP&L submitted the Services Agreement By and Between Transource Energy, LLC and Kansas City Power & Light Company, dated April 3, 2012, as amended by Amendment No. 1 to Services Agreement, dated October 31, 2013. The Services Agreement sets forth the terms and conditions under which KCP&L provides certain services to Transource.
 - FERC issued its acceptance of the amended services agreement in ER14-300 on December 20, 2013 with an effective date for the agreement of January 1, 2014.

Future Agreements

The Company and Transource Missouri will need to develop, finalize, and receive any necessary approvals for several additional agreements prior to the in-service dates⁵⁵ of the Projects. These agreements include interconnection agreements, and agreements for the joint use of the fiber on the new transmission lines and possibly for the joint use of microwave towers.

SPP Novation Approval

Following the issuance of the MPSC's issuance of the Report and Order in EA-2012-0098 on August 7, 2013, the Company informed SPP of its intent to novate the Projects to Transource Missouri.

SPP performed due diligence with respect to the novation. The due diligence analysis was used by SPP to evaluate Transource Missouri's ability to construct and operate the Projects, including such things and its creditworthiness and its technical expertise.⁵⁶

⁵³ All case filings and submissions for FERC Docket No. ER14-301 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

⁵⁴ All case filings and submissions for FERC Docket No. ER14-300 are available by searching on the docket number in FERC's online eLibrary at http://elibrary.ferc.gov/idmws/docket_search.asp.

⁵⁵ The expected in-service date for the Iatan-Nashua Project is June 2015, and the expected in-service date for the Sibley-Nebraska City Project is June 2017.

⁵⁶ A copy of SPP's due diligence report regarding the novation is included in the Q3 2013 Iatan-Nashua Project Quarterly Report in Case No. EO-2012-0271, which is available in EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EO-2012-0271&attach_id=2014007364

On October 18, 2013 the SPP Staff presented the due diligence report to the SPP Markets and Operations Policy Committee (“MOPC”)⁵⁷. The MOPC voted to recommend approval of the novation to the SPP Board. On October 28, 2013, the SPP Staff also provided the due diligence analysis to the SPP Regional State Committee (“RSC”)⁵⁸.

On October 29, 2013, the SPP Staff presented information regarding the proposed novation to the SPP Board of Directors, which approved the novation. As previously noted, on October 30, 2013, SPP submitted the approved novation agreement to FERC for its acceptance, which FERC issued on December 17, 2013 with an effective date for the agreement of October 30, 2013.

Ownership Status Timeline for the Projects

The table in [Figure 10](#) below outlines some of the key dates related to the various approvals by SPP, the MPSC, and the FERC regarding the ownership status of the Projects. The dates and approval items shown in *red* have yet to occur.

Figure 10 - Iatan-Nashua Ownership Status Timeline

	SPP	MPSC	FERC
April 2009	SPP approved Balanced Portfolio Projects including Iatan-Nashua Project		
June 19, 2009	NTC issued to KCP&L for Iatan-Nashua Project		
April 27, 2010	SPP approved Priority Projects including Sibley-Nebraska City Project		
July 23, 2010	NTC issued to GMO for Sibley-Nebraska City Project		
September 28, 2010	GMO response to NTC for Sibley-Nebraska City Project		
April 17, 2012	Revised NTCs issued to both GMO & KCP&L for Iatan-Nashua Project		
June 22, 2012	KCP&L & GMO responses to revised NTCs for Iatan-Nashua Project		
August 31, 2012		KCP&L, GMO, & Transource Missouri Applications in EO-2012-0367 & EA-2013-0098	Transource Missouri Application in ER12-2554

⁵⁷ The SPP MOPC consists of a representative from each member company in SPP. The MOPC reports directly to the SPP Board of Directors.

⁵⁸ The SPP RSC provides collective state regulatory agency input on matters of regional importance related to the development and operation of bulk electric transmission. The SPP RSC is comprised of retail regulatory commissioners from agencies in Arkansas, Kansas, Missouri, Nebraska, New Mexico, Oklahoma, and Texas.

SPP		MPSC	FERC
October 31, 2012			FERC approval of certain aspects of Transource Application in ER12-2554 (approval of some requested incentives)
November 7, 2012		Cases EO-2012-0367 & EA-2013-0098 consolidated under EA-2013-0098	
February 27, 2013			Settlement Agreement between Transource Missouri and KCC resolving remaining issues in ER12-2554
April 12, 2013		Non-Unanimous Stipulation and Agreement between the Applicants, Staff, and OPC filed with MPSC	
April 16, 2013		Hearing on Stipulation and Agreement	
May 6, 2013		First Amendment to Non-Unanimous Stipulation and Agreement filed (together with April 12, 2013 Non-Unanimous Stipulation and Agreement these agreements are now considered unanimous)	FERC approval of Settlement Agreement between Transource Missouri and KCC resolving remaining issues in ER12-2554
August 7, 2013		MPSC issued its Report and Order issued in EA-2013-0098 approving disposition of the Transfer and CCN applications by settlement	
September 13, 2013			Transource Missouri, KCP&L, & GMO filed request to transfer certain transmission equipment and CWIP, etc. from KCP&L/GMO to Transource Missouri in EC13-145
September 20, 2013			Transource Missouri filed request for approval to enter into debt financing in ES13-56
September 26, 2013	KCP&L & GMO letter to SPP regarding Intent to Novate Projects		
October 18, 2013	MOPC recommendation to approve novation		
October 28, 2013	Novation information provided to RSC		
October 29, 2013	SPP Board Approval of Novation		
October 30, 2013			SPP filed novation agreement in ER14-224

SPP	MPSC	FERC
November 1, 2013		Transource Missouri filed Pole Attachment Agreement in ER14-276
November 1, 2013		KCP&L filed Substation Agreement in ER14-298
November 1, 2013 (electronic filed date: November 4, 2013)		GMO filed concurrence with Substation Agreement in ER14-301
November 1, 2013 (electronic filed date: November 4, 2013)		KCP&L filed Services Agreement (as amended) in ER14-300
November 5, 2013	Public Outreach Reports for the Projects filed in EA-2013-0098	
November 6, 2013	Initial quarterly report for the Sibley – Nebraska City Project filed in Case No. EA-2013-0098. Quarterly reports for Iatan-Nashua continue to be filed in EO-2012-0271.	
November 19, 2013		FERC order authorizing Transource Missouri to issue debt securities in ES13-56
December 6, 2013		FERC order approving transfer of certain transmission equipment, etc. in EC13-145
December 17, 2013		FERC issued its acceptance of the novation agreement in ER14-224 with an effective date for the agreement of October 30, 2013
December 17, 2013		FERC issued its acceptance of the Substation Agreement in ER14-298 with an effective date for the agreement of January 1, 2014
December 20, 2013		FERC issued its acceptance of GMO's concurrence in ER14-301 with an effective date for the agreement of January 1, 2014
December 20, 2013		FERC issued its acceptance of the amended services agreement in ER14-300 with an effective date for the agreement of January 1, 2014
December 20, 2013		FERC issued its acceptance of the pole attachment agreement in ER14-276 with an effective date for the agreement of January 1, 2014

SPP		MPSC	FERC
December 31, 2013		Supplemental information related to the Projects filed in EA-2013-0098	
January 2, 2014	Transfer of the Projects from KCP&L/GMO to Transource Missouri completed		
January 14, 2014		Asset Purchase Agreement submitted in EA-2013-0098	
TBD (prior to in-service date of the Projects)		Develop, and receive any necessary approval for, Interconnection Agreements, Fiber Agreements, and Microwave Agreements.	
TBD	Complete transfer of Iatan-Nashua Project West Segment structures in CWIP after Transource Missouri obtains its own easements		
TBD	Complete transfer of Sibley-Nebraska City Project Mullin Creek Substation Parcel from GPES to Transource Missouri after substation engineering is completed		
June 2015	Expected In-Service Date for Iatan-Nashua Project		
June 2017	Expected In-Service Date for Sibley-Nebraska City Project		

Attachments

Attachment A – Iatan-Nashua Project Final Route Map

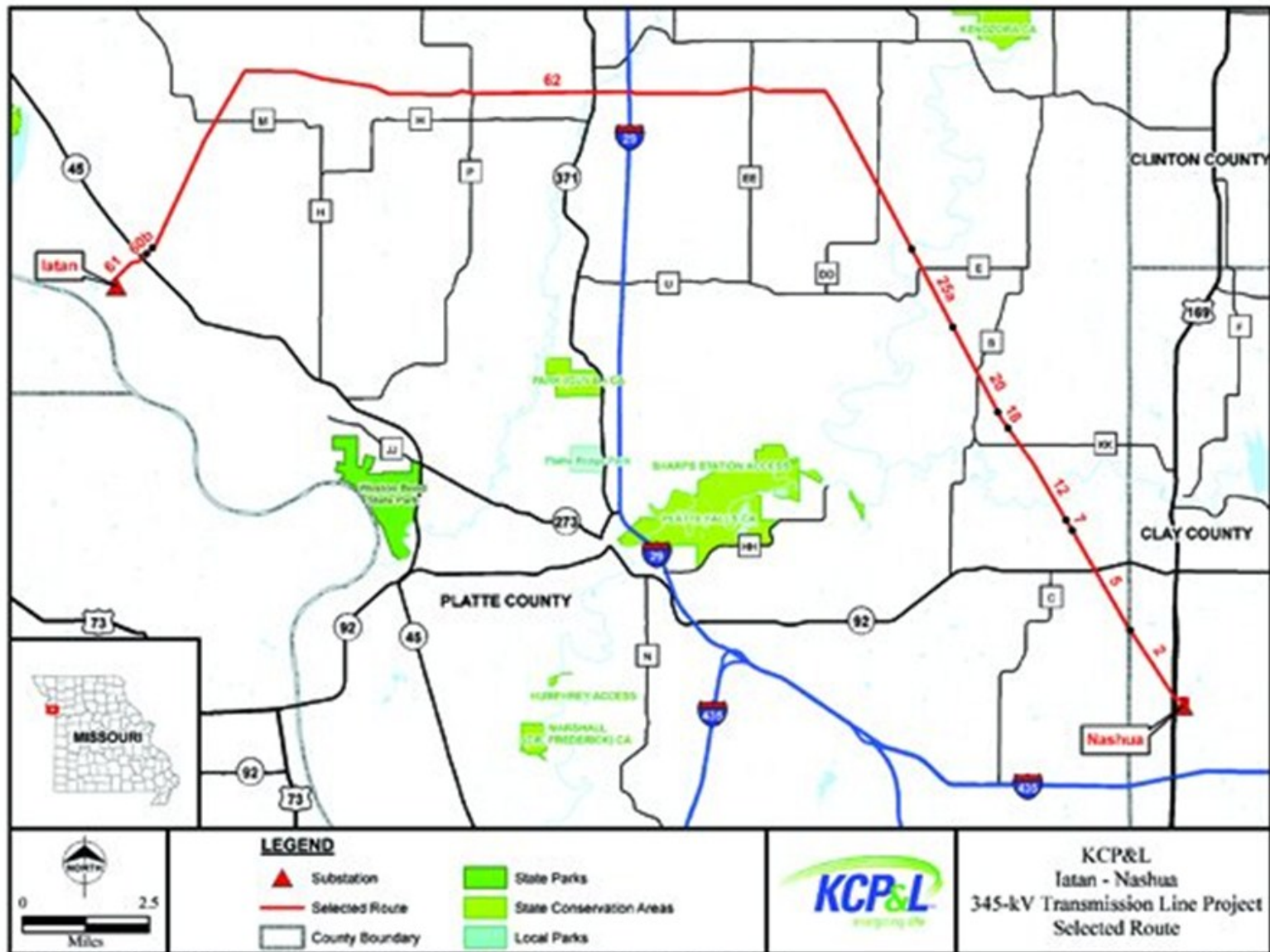
Attachment B – Iatan-Nashua Project Components

Attachment C – Circuit Court Order re: Middle Segment Condemnation Petition

Attachment D – Level 1 Schedule (HIGHLY CONFIDENTIAL/PROPRIETARY**)**

Attachment A – Iatan-Nashua Project Final Route Map

Iatan-Nashua Final Route Map

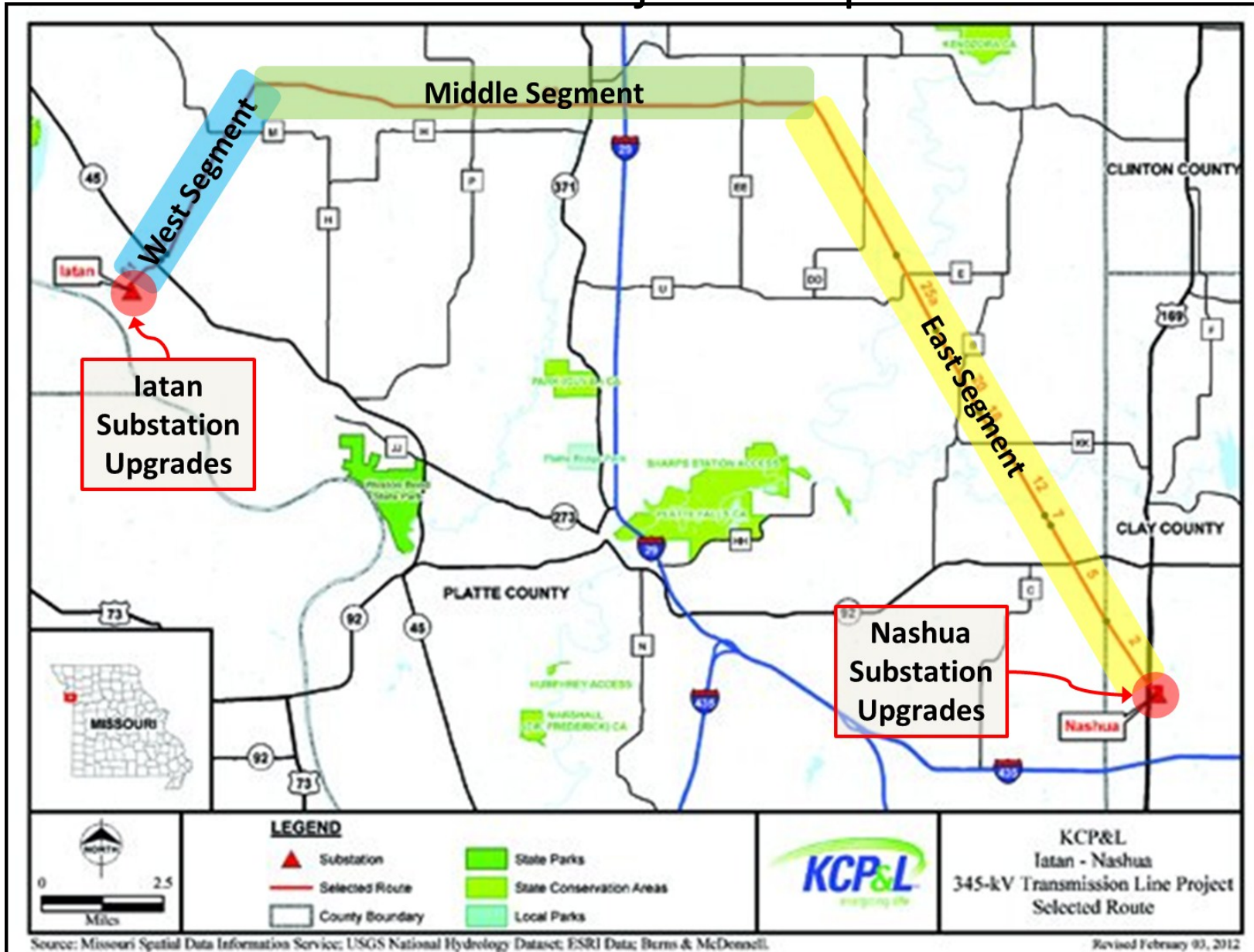


Source: Missouri Spatial Data Information Service; USGS National Hydrology Dataset; ESRI Data; Burns & McDonnell.

Revised February 03, 2012

Attachment B – Iatan-Nashua Project Components

Iatan-Nashua Project Components



Iatan-Nashua Project Components with Descriptions

Existing Iatan-St. Joseph 345kV Line

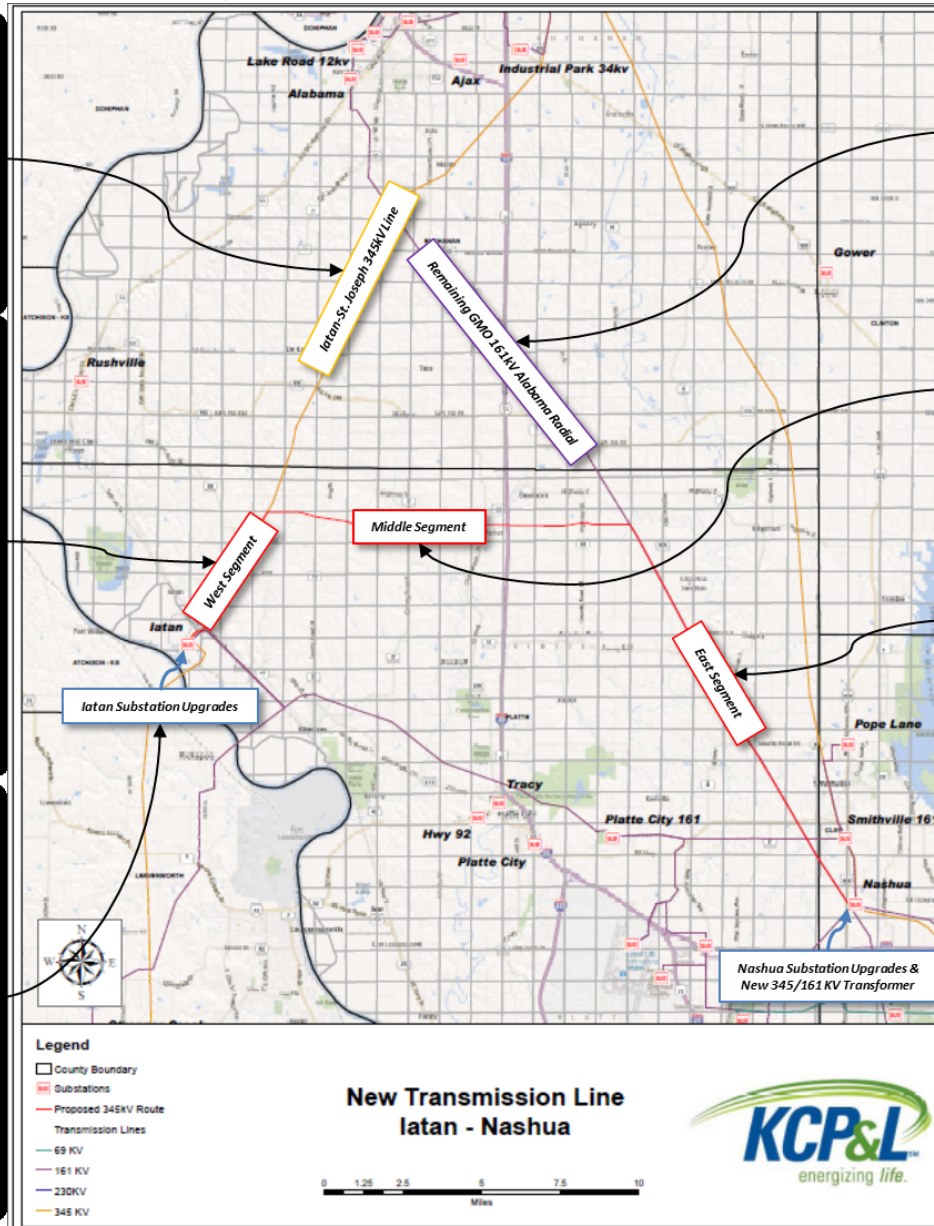
The existing GMO Iatan-St. Joseph 345kV line will remain in service under GMO ownership. The southern portion of the line will be placed on the new structures being constructed for the West Segment of the Iatan-Nashua Project. GMO will retain its rights-of-way/easements for the Iatan-St. Joseph 345kV line.

West Segment

The West Segment of the Iatan-Nashua 345 kV line will be approximately 5 miles long and will be constructed in the same footprint as the southern portion of the existing Iatan-St. Joseph 345 kV line. It will include new structures that will carry both the West Segment conductor and the southern portion of the existing Iatan-St. Joseph 345 kV line conductor. Transource Missouri will own the new structures, and GMO's Iatan-St. Joseph 345 kV line will be attached to the new structures under a Pole Attachment Agreement between GMO and Transource Missouri.

Upgrades at Iatan Substation

The Iatan Substation upgrades are those which are necessary to connect the new 345 kV Iatan-Nashua transmission line at the Iatan Substation. These upgrades, along with the upgrades and the new 345/161 kV autotransformer at Nashua Substation will be owned by KCP&L but will be paid for by Transource Missouri. KCP&L will carry the upgrades at zero cost on its books, and Transource Missouri will carry the cost of the upgrades as an intangible asset on its books. KCP&L will operate the upgrades under a Substation Agreement with Transource Missouri.



Remaining GMO 161kV Alabama Radial

The northern portion of the 161kV Alabama-Nashua line will remain in service under GMO ownership as a 161kV radial. The entire Alabama-Nashua 161 kV line was transferred from KCP&L to GMO in 2012 to help facilitate the development of the Iatan-Nashua Project.

Middle Segment

The Middle Segment of the Iatan-Nashua 345 kV line will be approximately 12 miles long and will connect the East Segment with the West Segment. It is currently "greenfield" and will require entirely new rights-of-way and transmission facilities.

East Segment

The East Segment of the Iatan-Nashua 345 kV line will be approximately 15 miles long and will be constructed in the footprint of the southern portion of the Alabama-Nashua 161kV line, which will be retired and removed as part of the Iatan-Nashua Project.

Upgrades at Nashua Substation

The Nashua Substation upgrades are those which are necessary to connect the new 345 kV Iatan-Nashua transmission line at the Nashua Substation and will also include the installation of a new 345/161kV autotransformer at Nashua Substation. These upgrades and the new transformer, along with the upgrades at Iatan-Substation will be owned by KCP&L but will be paid for by Transource Missouri. KCP&L will carry the upgrades at zero cost on its books, and Transource Missouri will carry the cost of the upgrades as an intangible asset on its books. KCP&L will operate the upgrades under a Substation Agreement with Transource Missouri.

Attachment C – Circuit Court Order re: Middle Segment Condemnation Petition

IN THE CIRCUIT COURT OF PLATTE COUNTY, MISSOURI
SIXTH JUDICIAL CIRCUIT

KCP&L GREATER MISSOURI
OPERATIONS COMPANY

FILED
NOV 13 2013
SANDRA L. DOWD
Clerk of the Circuit Court Platte County, MO
PLAINTIFF

vs.

NO. 13AE-CV02399
DIVISION II

ROD J. KARLIN, et al.

DEFENDANTS

JUDGMENT AND ORDER

On November 4, 2013 Plaintiff appears by counsel Jason R. Scheiderer and Robert J. Morrison of Dentons US LLP; Defendants Aaron T. Boyd, Brent Boyd and Cathy Boyd as Trustees of the Brent Boyd and Cathy Boyd Joint Trust under Agreement dated May 9, 1995 and Gordon Farm Co. appear by counsel Robert H. Shaw of McGinness & Shaw, LLC; Defendants Charlotte L. Kirby and Constance B. Carder appear by counsel Kirby Carder; Defendants Jim Laderoute, Scott Laderoute and Craig Laderoute appear by counsel Kenneth E. Siemans of Murphy, Taylor, Siemans & Elliott, PC; Defendants Rod J. Karlin, Karola A. Younger, Curtis W. Lewis, Denise E. Lewis, Charles B. Rothganger and Kay Frances Rothganger appear by counsel Paul G. Henry of Denlow & Henry; and Defendants Wayne R. Adkins and Nigel F. Adkins, Trustee of the Wayne R. Adkins and Nigel F. Adkins Revocable Living Trust dated September 7, 2004 and Amended July 31, 2007, James Anderson and Karen Anderson, Jerry S. Cox and Marjorie L. Cox, Richard B. Dutoit, Trustee of the Richard B. Dutoit Revocable Trust under Agreement dated October 21, 2006, Gary T. Edlin, George Darren Furbeck, Larry D. Furbeck and Diane

Furbeck, Trustees of the Furbeck Trust dated February 1, 1995 and Jerry D. Mrkvicka and Byrdie A. Mrkvicka, Trustees of the Mrkvicka Family Farm Trust dated July 21, 2011 appear by counsel Keith W. Hicklin of Witt, Hicklin & Snider, P.C. All parties announce ready for trial and the Court takes up Plaintiff's Verified Petition in Eminent Domain. Motions to Dismiss filed by the various Defendants and Plaintiff's Motions to Strike said motions are taken with the case. Plaintiff offers evidence in support of its Verified Petition on November 4, 2013 and Court is recessed for the day.

Plaintiff offers further evidence in support of its Petition on the morning of November 5, 2013 and at the conclusion thereof rests. Defendants orally move for dismissal of the Petition and reassert their Motions to Dismiss filed previously. Defendants Charlotte L. Kirby and Constance B. Carder offer Defendants' Exhibit "B" which is received by the Court and admitted into evidence without objection.

After due consideration of all evidence submitted by Plaintiff in support of its Verified Petition the Motions to Dismiss filed by various Defendants and the arguments of counsel. The Court finds that Plaintiff's Verified Petition in Eminent Domain should be dismissed for the following reasons:

1. Pursuant to Section 523.010 R.S.Mo. the petition in condemnation is to set forth the names of the owners of the land or other property sought to be appropriated, if known, and Missouri Supreme Court Rule 86.04 states that a petition in condemnation shall contain the names of the owners of the property to be condemned, if known. For purposes of eminent domain, the owner and holder of a note secured by a deed of trust upon the property which is the subject of condemnation is an "owner" of the property as

held in *Morgan v. Willman*, 318 Mo. 151, 1 SW2d 193, 200 (Mo. 1927). Various of the properties which are the subject of this condemnation action are subject to Deeds of Trust and the identity of the owners and holders of Notes secured by Deeds of Trust upon the property are known to Plaintiff, but Plaintiff fails to name the owners and holders of the Notes secured by the Deeds of Trust as owners as required by Section 523.010 R.S.Mo. and Rule 86.04.

2. Pursuant to Section 523.282 R.S.Mo. blanket easements created after December 31, 2006 shall be void as against public policy and wholly unenforceable. A "blanket easement" means "... an easement in real property acquired by condemnation or negotiations in lieu of the exercise thereof where the instrument or order of condemnation, by its terms, allows the easement holder to locate its facilities at an undefined location on, over, under, or across the burdened property." Among the rights sought by Plaintiff by its Verified Petition as described in paragraph 86 of the Petition is a right of ingress and egress to and from its lines across the Defendants' property at an undefined location. The rights of ingress and egress sought by Plaintiff constitute a prayer for a blanket easement which per Section 523.282 R.S.Mo. is void as against public policy and wholly unenforceable.

3. Plaintiff has the burden of proving to the Court that it engaged in good faith negotiations with the owners of the property proposed to be condemned before this Court may enter an Order of Condemnation. Pursuant to Sections 523.253 and 523.256 R.S.Mo., in order to demonstrate that Plaintiff has engaged in good faith negotiations, it must show, among other things, that it made a written offer to purchase the interest in

property sought, with the offer being no lower than the amount reflected in an appraisal performed by a state-licensed or state-certified appraiser using generally accepted appraisal practices. An appraisal report prepared in accordance with generally accepted appraisal practices for the purpose of a Missouri eminent domain proceeding must be performed in accordance with the requirements of Missouri law relating to determination of fair market value and just compensation. If an appraisal report prepared for a Missouri eminent domain proceeding does not follow the requirements of Missouri law, the report does not comply with generally accepted appraisal practices.

4. The reports prepared on behalf of Plaintiff and, as admitted by Plaintiff in paragraph 90 of the Petition, used by Plaintiff in preparing its written offers submitted to the owners of property in attempted fulfillment of its good faith negotiation requirements, fail to comply with Missouri law in a number of respects, to specifically include the following:

a. The appraisal reports violated Section 523.283.3 R.S.Mo. in that, in calculating the just compensation due for the takings, the appraisals fail to assume that the condemning authority would exercise each and every right acquired to the fullest extent allowed by the condemnation petition.

b. Specifically with respect to the Defendant Gordon Farm Co. property the appraisal report failed to comply with the requirements of Section 523.001(1) R.S.Mo. in that, in this partial taking case, the appraisal did not calculate the fair market value of the taking as being the difference between the

fair market value of the entire property immediately prior to the taking and the fair market value of the remaining or burdened property immediately after the taking.

5. Section 523.253 R.S.Mo. states that the appraisal to be provided by the condemning authority to the owner shall be made by a state licensed or state certified appraiser using "generally accepted appraisal practices ". The appraisals provided to the Defendant owners in this matter were not prepared in accordance with generally accepted appraisal practices in that:

a. The appraiser made no inspection of the respective properties other than to have an associate make an observation of the properties from a public road,

b. The appraiser used only the sales comparison approach in developing his opinion of value and found the income capitalization approach not applicable upon the faulty assumption that the subject properties were not likely to generate rental income in their current state while admitting that the subject properties did generate income,

c. The appraiser failed to make any attempt to contact the Defendant owners to obtain information regarding the history, use or generation of income of the subject properties,

d. The appraisals presented to the owners by Plaintiff failed to appraise the burden upon their property in connection with the ingress/egress easement it sought to acquire, failed to analyze the effect of the ingress/egress burden upon the value of the remaining property and therefore did not take into account the full extent of the taking because they did not address the access easement issue,

e. The appraiser's description of the effect of the taking in his appraisal process and the extent of the rights being acquired were not consistent with the rights which Plaintiff sought to acquire pursuant to its Verified Petition.

6. Section 523.256 R.S.Mo. requires a finding that Plaintiff engaged in "good faith negotiations" prior to filing the condemnation action. In order for Plaintiff to fulfill its obligation to engage in good faith negotiations based upon appraisals of the property, the offer made to the Defendants must include an appraisal made using generally accepted appraisal practices. Planned Industrial Expansion Authority of Kansas City v. Ivanhoe Neighborhood Council, 316 SW3d 418 (Mo. App. W.D. 2010). If the requirements of Section 523.253 R.S.Mo. are not met, the Petition must be dismissed. The appraisals relied upon by Plaintiff and delivered to the Defendants failed to consider and evaluate as an element of damages the possible loss which might be caused by burdening the Defendants' property (in this case the ingress/egress easement) and were therefore not good faith offers as required by Section 523.253. City of Cape Girardeau v. Robertson, 615 SW2d 526, 531 (Mo. App. E.D. 1981). The appraisals relied upon by Plaintiff and delivered to the Defendants failed to follow generally accepted appraisal practices and the good faith requirements of Section 523.253 were not met. Planned Industrial Expansion Authority of Kansas City, Id. at 427.

For the reasons set forth above, the Court finds that Plaintiff's Verified Petition in Eminent Domain must be and hereby is dismissed. The Court finds that good faith negotiations have not occurred and the Verified Petition is dismissed without prejudice with costs to Plaintiff. Plaintiff is ordered to reimburse each of the Defendants for their

respective actual reasonable attorney's fees and costs incurred with respect to this proceeding and Defendants may file appropriate motions requesting same.

Dated: November 13, 2013



JUDGE

**Attachment D – Level 1 Schedule (HIGHLY
CONFIDENTIAL/PROPRIETARY)**

Page 42 contains Highly Confidential/Proprietary Information

This page is removed in the Non-Proprietary public version of the report.