

# Q1 2014 Report

July 2, 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.

## Table of Contents

Table of Contents .....	i
Table of Figures .....	ii
Introduction .....	1
Project Background .....	1
Project Components .....	3
Project Reporting .....	6
Project Progress Summary .....	8
Overall Status .....	8
Permitting .....	9
Engineering and Design .....	9
Procurement .....	9
Right-of-Way Acquisition .....	10
Construction .....	12
Schedule .....	14
Safety .....	14
Summary of Contact with the Public .....	16
Status of Ownership of the Projects .....	17
Transource Ownership/Corporate Structure .....	17
Current Ownership Status of the Projects .....	18
Ownership Status Timeline for the Projects .....	19
Attachments .....	23
Attachment A – Iatan-Nashua Project Final Route Map .....	24
Attachment B – Iatan-Nashua Project Components .....	26
Attachment C – Level 1 Schedule (HIGHLY CONFIDENTIAL/PROPRIETARY) .....	29

## Table of Figures

Figure 1 - Iatan-Nashua Project Final Route Map .....	1
Figure 2 - Iatan-Nashua Project Components .....	3
Figure 3 – Iatan-Nashua Project Components with Descriptions .....	5
Figure 4 - Iatan-Nashua Project NTCs.....	7
Figure 5 - Contracted Services, Materials, & Equipment .....	10
Figure 6 - ROW Acquisition Status .....	11
Figure 7 - Structure Installation Status .....	12
Figure 8 - String/Clip/Deadend Status .....	13
Figure 9 - Estimated Completion Dates.....	14
Figure 10 – Transource Corporate Structure .....	17
Figure 11 - Iatan-Nashua Ownership Status Timeline.....	19

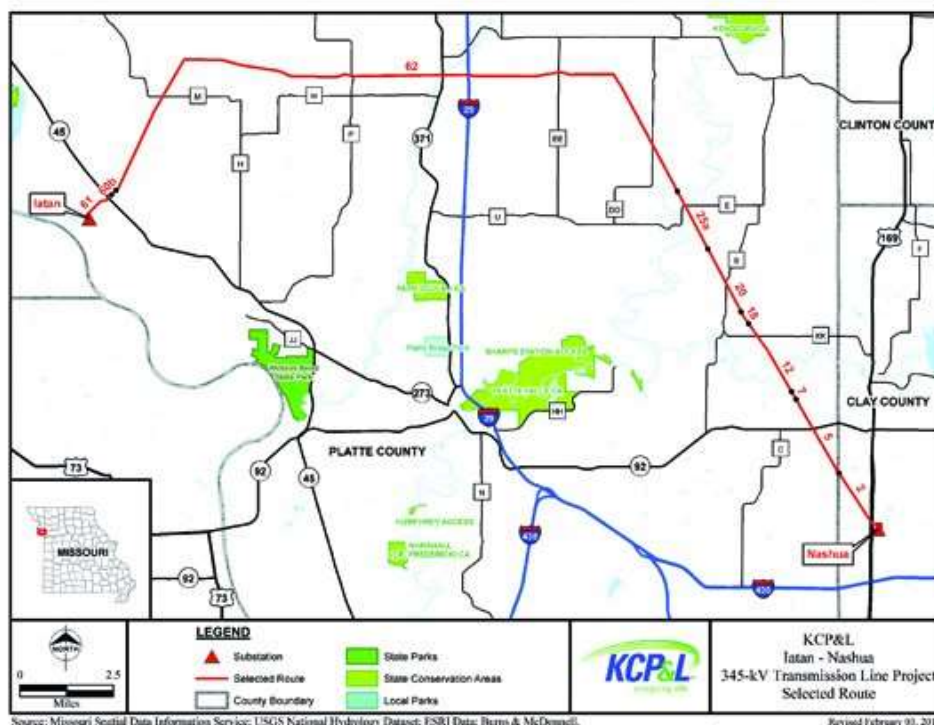
## Introduction

### *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 map<sup>1</sup> in [Figure 1](#) below shows the final route chosen for the Project.

**Figure 1 - Iatan-Nashua Project Final Route Map**



<sup>1</sup> A larger version of this final route map with the project components highlighted is also included in [Attachment A – 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.'s<sup>2</sup> ("SPP") Balanced Portfolio<sup>3</sup> Network Upgrades.

SPP originally issued Notifications to Construct ("NTCs")<sup>4</sup> 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 Project<sup>5</sup>, together "the Projects") to Transource Missouri, LLC<sup>6</sup> ("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-2012-0367<sup>7</sup> and EA-2013-0098<sup>8</sup>. 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.

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<sup>2</sup> 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.

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

<sup>4</sup> 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](https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FList.asp)

<sup>5</sup> 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.

<sup>6</sup> 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.

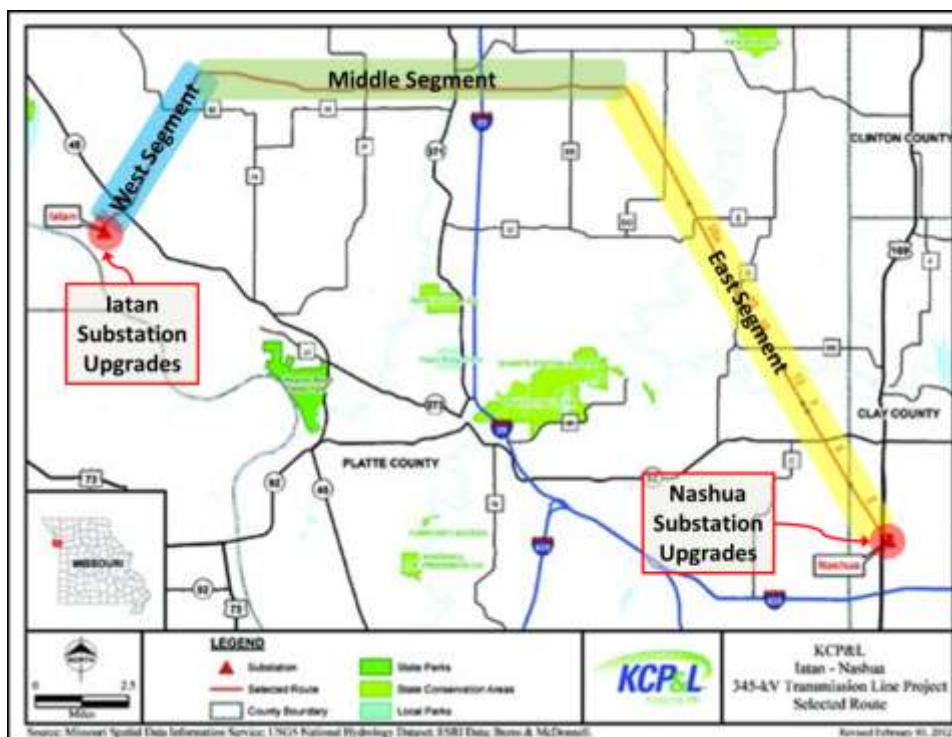
<sup>7</sup> All case filings and submissions for Case No. EO-2012-0367 are available through EFIS at [https://www.efis.psc.mo.gov/mpsc/Filing\\_Submission/DocketSheet/docket\\_sheet.asp?caseno=EO-2012-0367&pagename=case\\_filing\\_submission\\_FList.asp](https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0367&pagename=case_filing_submission_FList.asp)

<sup>8</sup> 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](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 map<sup>9</sup> 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**<sup>10</sup> right-of-way path<sup>11</sup>. The new West Segment transmission structures constructed as part of the

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

<sup>10</sup> 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.

<sup>11</sup> GMO will retain the rights-of-way necessary for the Iatan-St. Joseph 345 kV transmission line. The rights-of-way that GMO currently holds on the West Segment are sufficient to accommodate the double-circuited nature of the West Segment. As soon as possible Transource Missouri will need to acquire rights-of-way for the West Segment – either through a partial assignment of rights-of-way from GMO to Transource Missouri or, if necessary, through the acquisition of its own rights-of-way “pancaked” in the same path as the GMO rights-of-way for the Iatan-St. Joseph line.

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 removed as part of the Iatan-Nashua Project, and the existing Iatan-St. Joseph conductor is being attached to the West Segment structures<sup>12</sup>. 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 2012<sup>13</sup>. 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 service<sup>14</sup> 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

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<sup>12</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp)

<sup>13</sup> 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](https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0479&pagename=case_filing_submission_FList.asp)

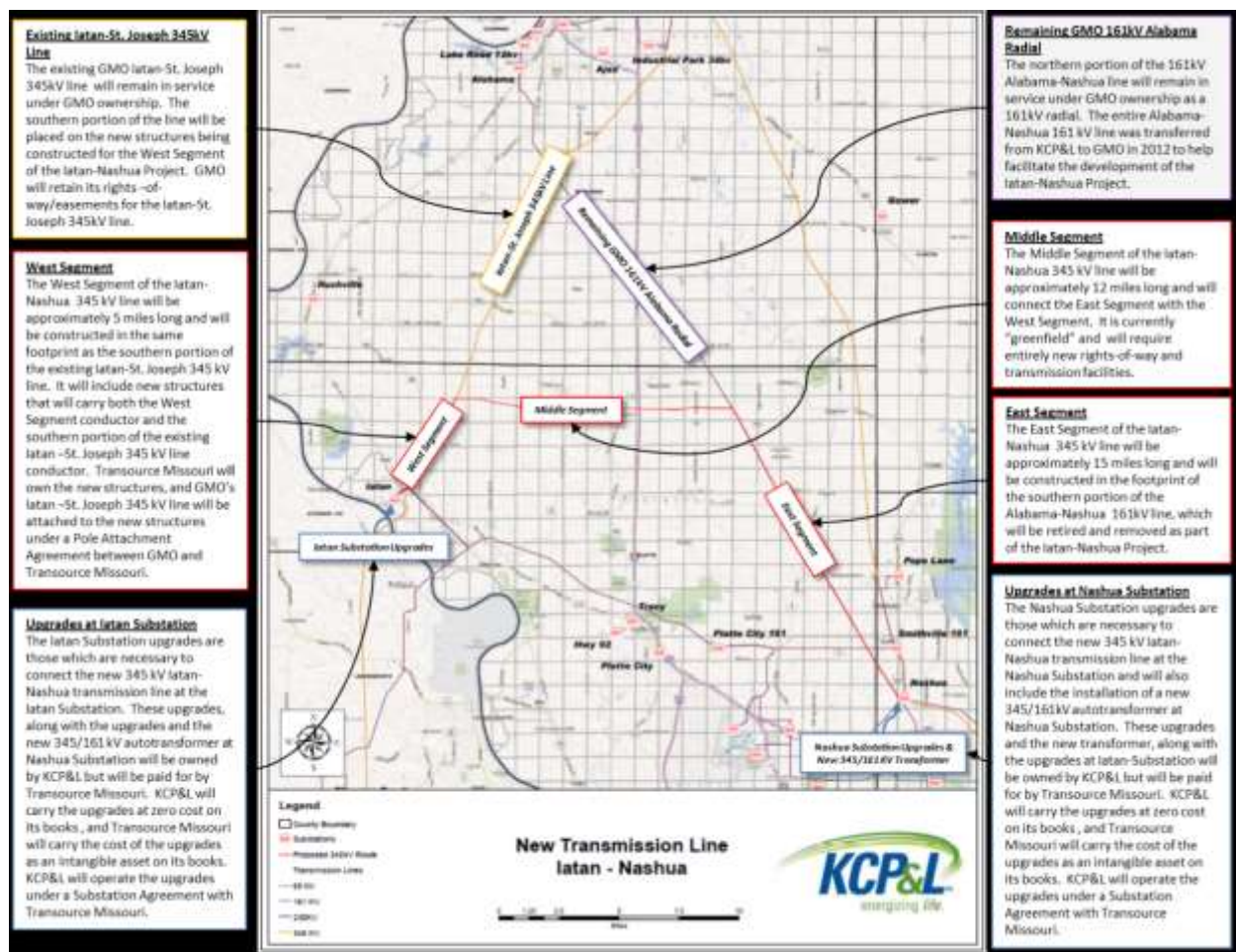
<sup>14</sup> The remaining GMO 161 kV radial out of Alabama Substation will remain in service under GMO ownership and will not be part of the Iatan-Nashua Project for the purposes of the 100% regional cost allocation. The current retail and wholesale ratemaking will remain unchanged for this GMO 161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



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 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 Substations<sup>15</sup>.

The map<sup>16</sup> 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**



<sup>15</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

<sup>16</sup> 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 Filing<sup>17</sup> in Case No. EO-2012-0271<sup>18</sup>. 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 Order<sup>19</sup> 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, 2013<sup>20</sup>. 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

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<sup>17</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EO-2012-0271&attach_id=2012015122)

<sup>18</sup> 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](https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FList.asp)

<sup>19</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014002024)

<sup>20</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007274)

tracking reports<sup>21</sup> 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 <sup>22</sup>	Upgrade Description
200189	50499	Transource Missouri (GMO prior to novation)	345 kV line from Iatan substation to Nashua substation
200188	10935	Transource Missouri (KCP&L prior to novation)	Upgrades at the Iatan and Nashua Substations
20042	10945	Transource Missouri (KCP&L prior to novation)	Nashua 345/161 kV Transformer

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

<sup>22</sup> The Q1 2014 SPP quarterly project tracking report did not yet reflect the novation of the Projects to Transource Missouri. Transource Missouri, however, is reflected as the Project Owner for the Iatan-Nashua Project in the Q2 2014 SPP quarterly project tracking report.

## 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. Conductor will be pulled on the West Segment during the fall 2014 outage at Iatan (currently scheduled for September 2014).

### **East Segment**

Project activity during the first quarter of 2014 was focused on stringing and clipping new conductor on the East Segment.

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 habitat potentially suitable for the Indiana bat, which is an endangered species. 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 first quarter of 2014 continued to be primarily related to right-of-way acquisition (see the ***Right-of-Way Acquisition*** section below for more detail).

Tree clearing on the Middle Segment is also temporarily suspended until a resolution is confirmed with the USFWS regarding the environmental assessments. When resolutions have been obtained, the schedule will be reviewed and revised.

### **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 material orders for both substations are 95% complete, and all procurements are scheduled to be complete in May 2014. Engineering design for the Substation Upgrades is on schedule for completion in June 2014. Construction on the Nashua Substation commenced on April 1, 2014 and is scheduled for completion in October 2014. Iatan Substation construction is scheduled to commence in December 2014.

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

## ***Permitting***

Field surveys completed last year showed signs of habitat potentially suitable for the endangered Indiana bat. The environmental survey was submitted to the regional USFWS for review. The USFWS advised that additional field work would need to be conducted in order to determine whether the endangered species is present along the final route. Environmental Solutions, Inc. has been retained to conduct the required field work. As a result, tree clearing on the Middle Segment is on hold pending results from this field work. . 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.

## ***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 study and field work to determine the extent of habitat and presence of the endangered Indiana bat on the "greenfield" Middle Segment and for one parcel in the East Segment. The contracted suppliers for the major services, materials and equipment are shown in *Figure 5* below:

**Figure 5 - Contracted Services, Materials, & Equipment**

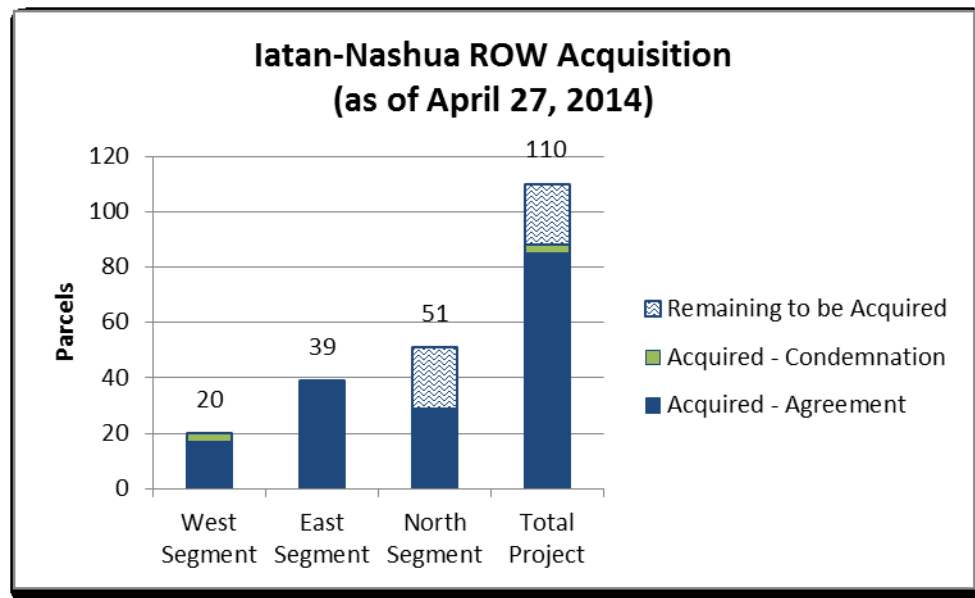
Services, Materials, & Equipment	Supplier	Contract Award
ROW/Easement Acquisition & Permitting	Burns & McDonnell Engineering	July 2012
Geotechnical Services	Alpha Omega Geotech	August 2012
Steel Poles - West Segment	TransAmerican Power Products	September 2012
Steel Poles - East Segment	FWT	October 2012
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 and removed 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 right-of-way/easement acquisitions for the Iatan-Nashua Project as of April 27, 2014. 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 2013. The rights-of-way that GMO acquired on the West Segment are sufficient to accommodate the double-circuited nature of the West Segment. GMO will retain the rights-of-way necessary for the Iatan-St. Joseph 345 kV transmission line. As soon as possible Transource Missouri will need to acquire rights-of-way for the West Segment – either through a partial assignment of rights-of-way from GMO to Transource Missouri or, if necessary, through the acquisition of its own rights-of-way “pancaked” in the same path as the GMO rights-of-way for the Iatan-St. Joseph line<sup>23</sup>.

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 had been obtained through the end of the first quarter. Condemnation filings were initially made during July 2013 for the 22 parcels not obtained through negotiation. In November 2013, the Platte County Circuit Court entered an order denying the Company’s condemnation petitions<sup>24</sup>. The Company disagreed with the findings in the order and, in

<sup>23</sup> The current plan is to proceed with partial assignment. Any partial assignment, however, will be structured such that the full rights-of-way will revert back to GMO if there are any ownership changes with respect to the Iatan-Nashua Project.

<sup>24</sup> Case No. 13AE-CV02399

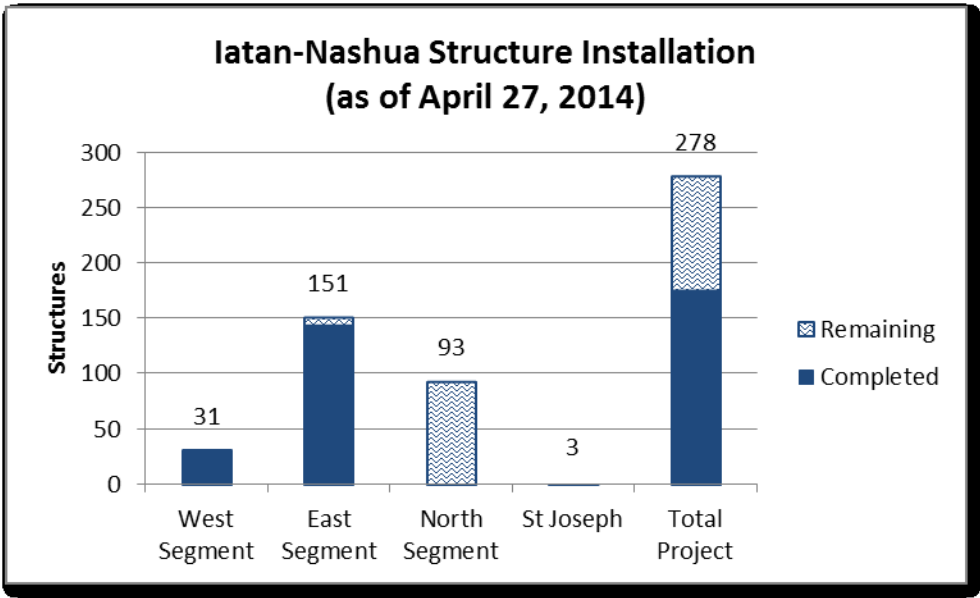


December 2013, filed Notice of Appeal in the Western District Court of Appeals<sup>25</sup>. The Company, however, continued to negotiate with landowners to amicably resolve the dispute and acquire the necessary rights-of-way. The Company also exercised the option of doing the necessary rework in an effort to comply with the Platte County court’s order. A new condemnation action was also filed in Platte County on April 21, 2014 by Transource Missouri<sup>26</sup>. Future Middle Segment easements acquired through negotiations or new condemnation proceedings will be acquired in the name of Transource Missouri.

### Construction

*Figure 7* below shows the status of structure installations, and *Figure 8* below shows the status of string/clip/deadends on the Iatan-Nashua Project as of April 27, 2014.

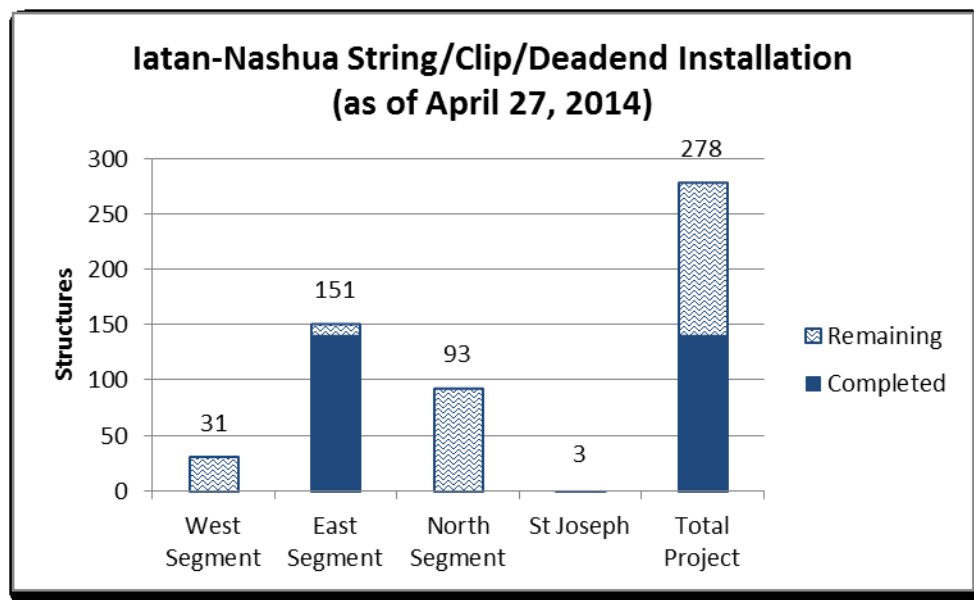
Figure 7 - Structure Installation Status



<sup>25</sup> Case No. WD77114

<sup>26</sup> Case No. 14AE-CV01254

Figure 8 - String/Clip/Deadend 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 9* below:

**Figure 9 - Estimated Completion Dates**

Project Category	Estimated Completion
Right-of-Way Acquisition	January 2014 <sup>27</sup>
Permitting	October 2014 <sup>28</sup>
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 9* are based on the Level 1 Project Schedule as of March 30, 2014<sup>29</sup>. 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

<sup>27</sup> 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.

<sup>28</sup> The estimated completion of permitting is dependent on the timing and extent of USFWS mitigation proposals related to potential Indiana bat habitat.

<sup>29</sup> This Level 1 Project Schedule as of March 30, 2014 is included as *Attachment C – 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 first quarter of 2014 primarily consisted of communications and negotiations with individual landowners regarding the acquisition of necessary easements for the Project.

As noted above, easement acquisitions are in progress on the Middle Segment. The Middle Segment easement acquisition process has included various condemnation proceedings, 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 Order<sup>30</sup> 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, 2013<sup>31</sup>. 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.

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<sup>30</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014002024)

<sup>31</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007274)

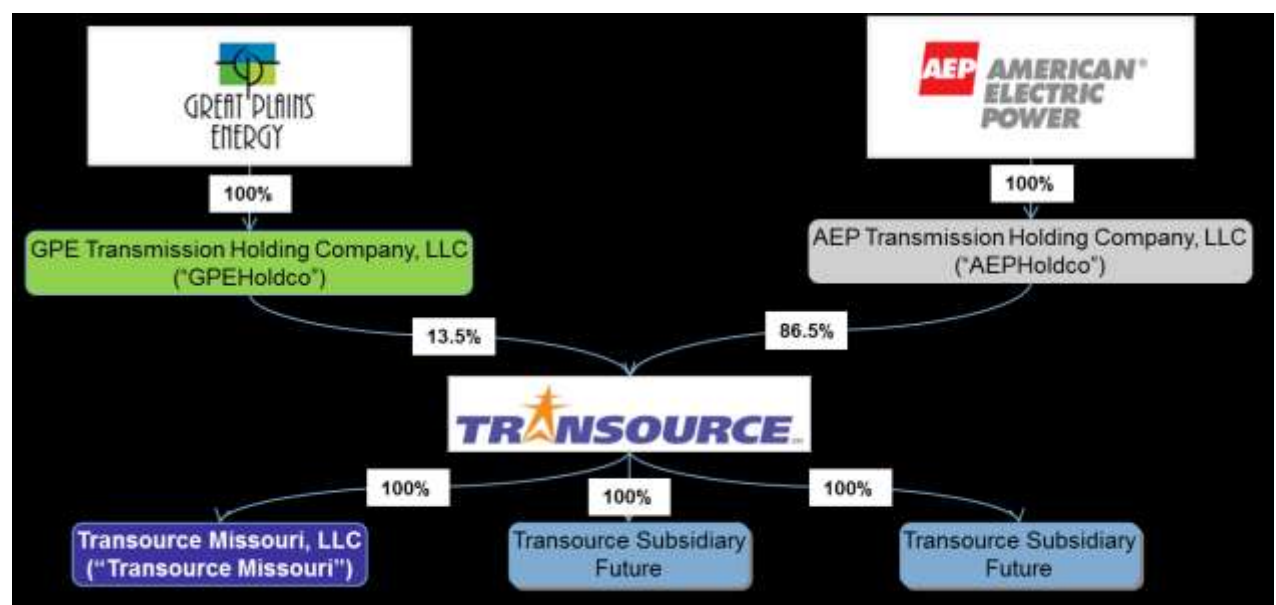
## Status of Ownership of the Projects

### 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 Energy<sup>SM</sup> LLC (“Transource”)<sup>32</sup>, 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 10](#) below.

Figure 10 – 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.

<sup>32</sup> Additional 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-Nashua<sup>33</sup> and Sibley-Nebraska City<sup>34</sup> 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 Agreement<sup>35</sup> 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 novation<sup>36</sup>, 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 in the Q4 2013 Iatan-Nashua Project Quarterly Report in Case No. EO-2012-0271<sup>37</sup>.

The Company and Transource Missouri will need to develop, finalize, and receive any necessary approvals for several additional agreements prior to the in-service dates<sup>38</sup> 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.

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<sup>33</sup> 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.

<sup>34</sup> 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.

<sup>35</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014011019)

<sup>36</sup> 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>

<sup>37</sup> The Q4 2013 Iatan-Nashua Project Quarterly Report is available through EFIS at [https://www.efis.psc.mo.gov/mpsc/commoncomponents/view\\_itemno\\_details.asp?caseno=EO-2012-0271&attach\\_id=2014012368](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EO-2012-0271&attach_id=2014012368)

<sup>38</sup> 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.

## Ownership Status Timeline for the Projects

The table in [Figure 11](#) 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 11 - Iatan-Nashua Ownership Status Timeline**

	SPP	MPSC	FERC
<b>April 2009</b>	SPP approved Balanced Portfolio Projects including Iatan-Nashua Project		
<b>June 19, 2009</b>	NTC issued to KCP&L for Iatan-Nashua Project		
<b>April 27, 2010</b>	SPP approved Priority Projects including Sibley-Nebraska City Project		
<b>July 23, 2010</b>	NTC issued to GMO for Sibley-Nebraska City Project		
<b>September 28, 2010</b>	GMO response to NTC for Sibley-Nebraska City Project		
<b>April 17, 2012</b>	Revised NTCs issued to both GMO & KCP&L for Iatan-Nashua Project		
<b>June 22, 2012</b>	KCP&L & GMO responses to revised NTCs for Iatan-Nashua Project		
<b>August 31, 2012</b>		KCP&L, GMO, & Transource Missouri Applications in EO-2012-0367 & EA-2013-0098	Transource Missouri Application in ER12-2554
<b>October 31, 2012</b>			FERC approval of certain aspects of Transource Application in ER12-2554 (approval of some requested incentives)
<b>November 7, 2012</b>		Cases EO-2012-0367 & EA-2013-0098 consolidated under EA-2013-0098	
<b>February 27, 2013</b>			Settlement Agreement between Transource Missouri and KCC resolving remaining issues in ER12-2554
<b>April 12, 2013</b>		Non-Unanimous Stipulation and Agreement between the Applicants, Staff, and OPC filed with MPSC	
<b>April 16, 2013</b>		Hearing on Stipulation and Agreement	

SPP		MPSC	FERC
<b>May 6, 2013</b>		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
<b>August 7, 2013</b>		MPSC issued its Report and Order issued in EA-2013-0098 approving disposition of the Transfer and CCN applications by settlement	
<b>September 13, 2013</b>			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
<b>September 20, 2013</b>			Transource Missouri filed request for approval to enter into debt financing in ES13- 56
<b>September 26, 2013</b>	KCP&L & GMO letter to SPP regarding Intent to Novate Projects		
<b>October 18, 2013</b>	MOPC recommendation to approve novation		
<b>October 28, 2013</b>	Novation information provided to RSC		
<b>October 29, 2013</b>	SPP Board Approval of Novation		
<b>October 30, 2013</b>			SPP filed novation agreement in ER14-224
<b>November 1, 2013</b>			Transource Missouri filed Pole Attachment Agreement in ER14-276
<b>November 1, 2013</b>			KCP&L filed Substation Agreement in ER14-298
<b>November 1, 2013</b> (electronic filed date: November 4, 2013)			GMO filed concurrence with Substation Agreement in ER14-301
<b>November 1, 2013</b> (electronic filed date: November 4, 2013)			KCP&L filed Services Agreement (as amended) in ER14-300
<b>November 5, 2013</b>		Public Outreach Reports for the Projects filed in EA-2013-0098	
<b>November 6, 2013</b>		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.	

SPP		MPSC	FERC
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
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	
<b>TBD</b> (prior to in-service date of the Projects)			<i>Develop, and receive any necessary approvals for, Interconnection Agreements, Fiber Agreements, and Microwave Agreements.</i>

	SPP	MPSC	FERC
<b>TBD</b>	Complete transfer of Iatan-Nashua Project West Segment structures in CWIP after Transource Missouri obtains easements either through partial assignment or, if necessary, through acquisition of “pancaked” easements		
<b>TBD</b>	Complete transfer of Sibley-Nebraska City Project Mullin Creek Substation Parcel from GPES to Transource Missouri after substation engineering is completed		
<b>June 2015</b>	Expected In-Service Date for Iatan-Nashua Project		
<b>June 2017</b>	Expected In-Service Date for Sibley-Nebraska City Project		

## Attachments

**Attachment A – Iatan-Nashua Project Final Route Map**

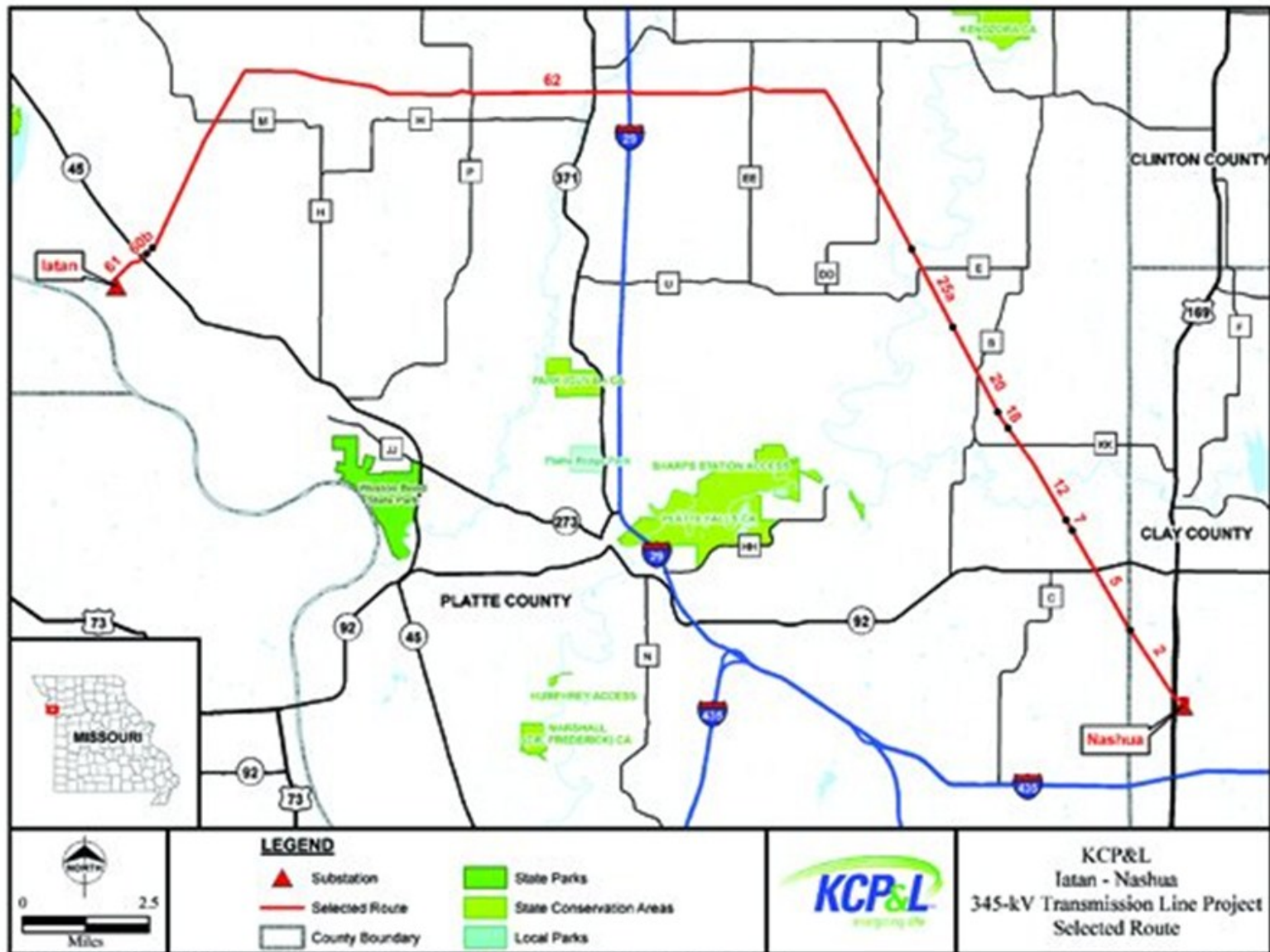
**Attachment B – Iatan-Nashua Project Components**

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



## **Attachment A – Iatan-Nashua Project Final Route Map**

# Iatan-Nashua Final Route Map

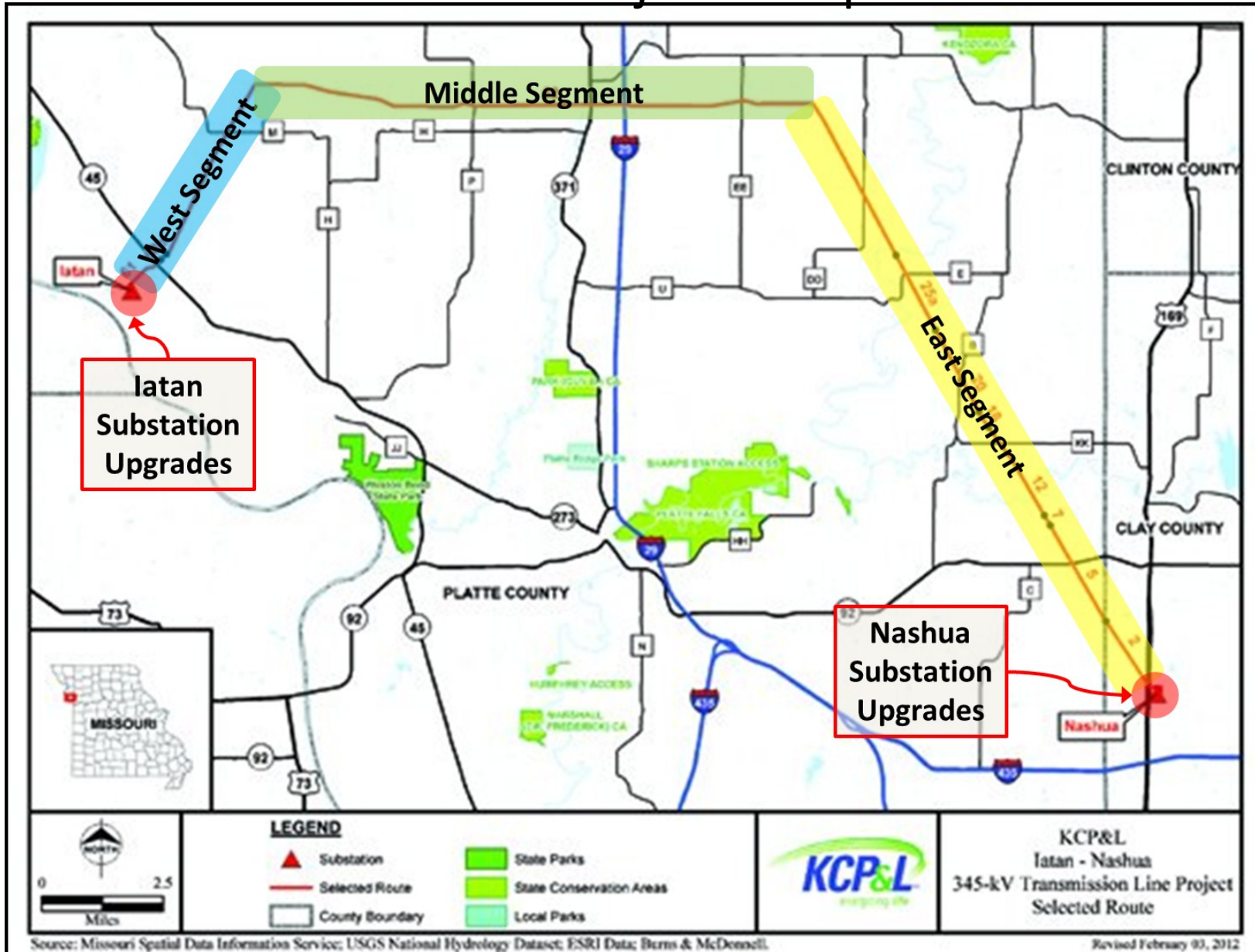


Source: Missouri Spatial Data Information Service; USGS National Hydrology Dataset; ESRI Data; Burns & McDonnell.

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

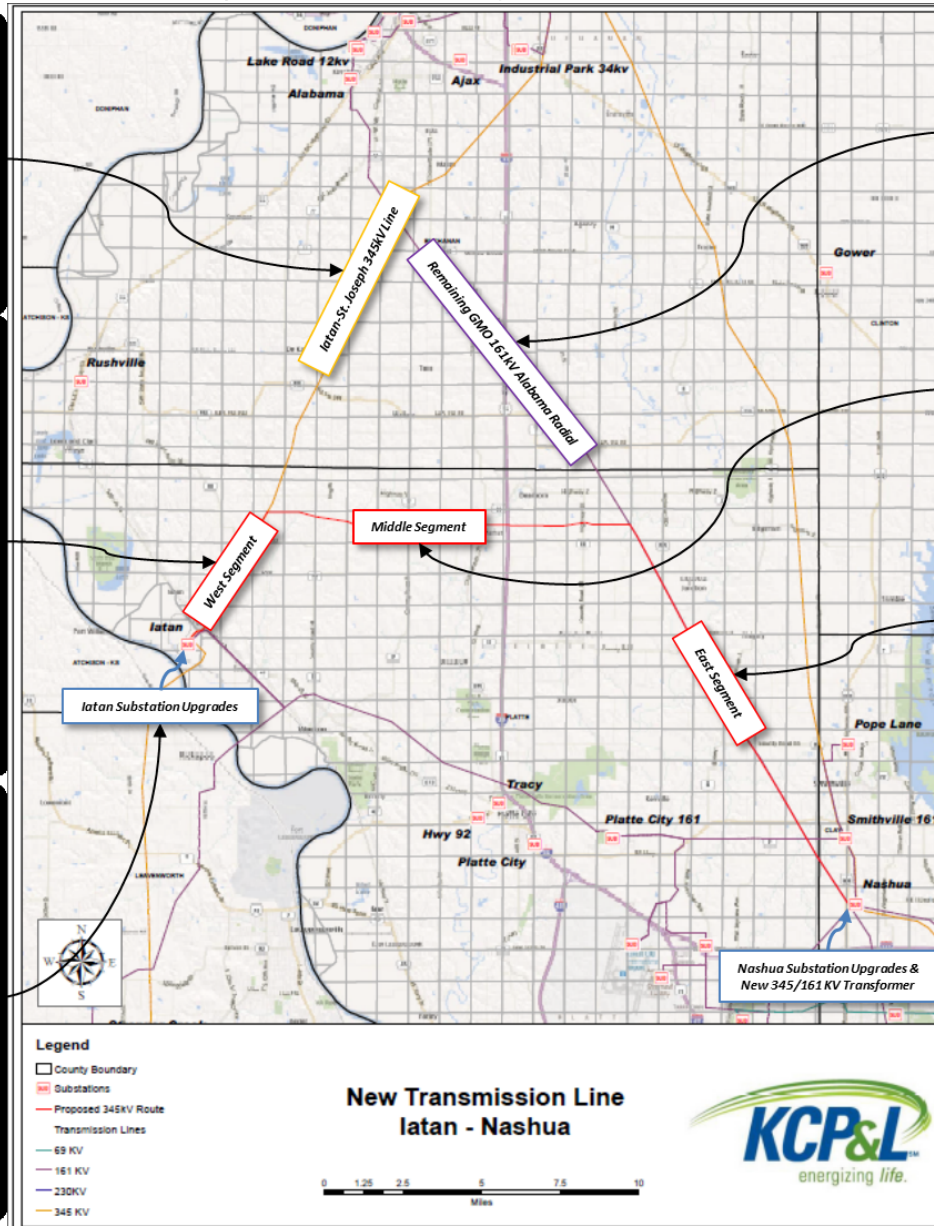
The existing GMO Iatan-St. Joseph 345kV line will remain in service under GMO ownership. The southern portion of the line will be placed on the new structures being constructed for the West Segment of the Iatan-Nashua Project. GMO will retain its rights-of-way/easements for the Iatan-St. Joseph 345kV 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 – Level 1 Schedule (HIGHLY  
CONFIDENTIAL/PROPRIETARY)**

**Page 30 contains Highly Confidential/Proprietary Information**

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