

# Q4 2013 Report

February 12, 2014

## MIDWEST TRANSMISSION PROJECT QUARTERLY REPORT

This report provides a quarterly project status for the Midwest Transmission Project (a.k.a., the Sibley-Nebraska City Project ) in conjunction with the reporting requirements set forth in Case No. EA-2013-0098.

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## Introduction

### *Project Background*

The Midwest Transmission Project (a.k.a, the Sibley-Nebraska City Project) is a regional transmission project that involves the construction of a new single circuit 345kV transmission line in northwest Missouri and southeast Nebraska extending approximately 180 miles from the substation located at Omaha Public Power District's ("OPPD") Nebraska City generating station to a new intermediate 345kV substation near Maryville, Missouri, and continuing on to the substation located at KCP&L Greater Missouri Operations Company's ("GMO") Sibley generating station. The new 345kV substation, which has been named Mullin Creek Substation, will include reactive resources for voltage control and provide a potential interconnection point for new renewable generation resources.

The portion of the Midwest Transmission Project in Missouri consists of the new Mullin Creek Substation and a total of approximately 135 miles of transmission line both from GMO's Sibley generating station to Mullin Creek Substation and from Mullin Creek Substation to the interception point at the Missouri-Nebraska state line. The portion of the Midwest Transmission Project in Nebraska consists of approximately 45 miles of transmission line from the interception point at the Missouri-Nebraska state line to OPPD's Nebraska City generating station.

The Sibley-Nebraska City Project is identified as a Priority Project in the April 27, 2010 Southwest Power Pool, Inc.<sup>1</sup> ("SPP") Priority Projects Phase II Final Report<sup>2</sup>. The SPP Board of Directors approved the Priority Projects, and SPP issued Notifications to Construct ("NTCs") for the Sibley-Nebraska City Project to GMO and OPPD to be Designated Transmission Owners ("DTOs") for the Missouri and Nebraska portions of the Project, respectively. SPP issued the NTC to GMO on July 23, 2010, and GMO accepted on September 28, 2010.<sup>3</sup>

GMO and Kansas City Power & Light Company ("KCP&L") (together the "Company") have, however, received approval from SPP to novate the Missouri portion of the Sibley-Nebraska City Project (and the Iatan-Nashua Project<sup>4</sup>, together "the Projects") to Transource Missouri, LLC<sup>5</sup>

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<sup>1</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>2</sup> SPP's discussion of the Priority Projects and the Priority Projects Phase II Final Report are available at <http://www.spp.org/section.asp?pageID=125>.

<sup>3</sup> A copy of the NTC issued to GMO, and GMO's acceptance, can be found in the Q3 2013 Midwest Transmission Project Quarterly Report, which is available through the Electronic Filing and Information System ("EFIS") on the Missouri Public Service Commission's ("MSPC" or "Commission") website at [https://www.efis.psc.mo.gov/mpsc/commoncomponents/view\\_itemno\\_details.asp?caseno=EA-2013-0098&attach\\_id=2014007365](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007365)

<sup>4</sup> The Iatan-Nashua Project is also an SPP-approved regional transmission project.

(“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>6</sup> and EA-2013-0098<sup>7</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>5</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.

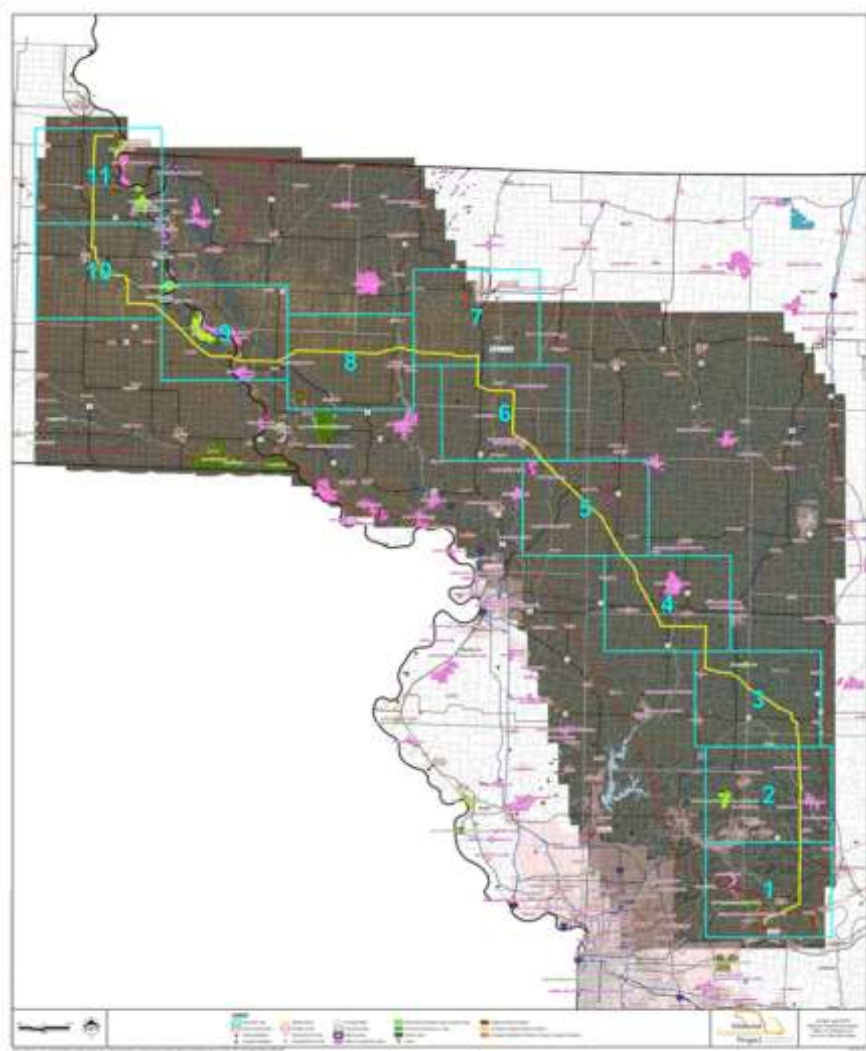
<sup>6</sup> All case filings and submissions for Case No. EO-2012-0367 are available through EFIS at [https://www.efis.psc.mo.gov/mpsc/Filing\\_Submission/DocketSheet/docket\\_sheet.asp?caseno=EO-2012-0367&pagename=case\\_filing\\_submission\\_FList.asp](https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0367&pagename=case_filing_submission_FList.asp)

<sup>7</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 Final Route***

The final route selection for the Midwest Transmission Project represented the culmination of an extensive year-long information gathering process by the Project Team that began in July 2012 and concluded with the final route announcement in June 2013. The maps<sup>8</sup> shown in *Figure 1*, *Figure 2*, and *Figure 3* below show the final route chosen for the Project.

**Figure 1 - Midwest Transmission Project Final Route<sup>9</sup>**



<sup>8</sup> Larger versions of final route maps shown in *Figure 1*, *Figure 2*, & *Figure 3* are also included in *Attachment A – Midwest Transmission Project FINAL Route*.

<sup>9</sup> An interactive version of this map, which allows the capability to click on the numbered boxes to focus only on the area within each box, can be found on the Project website at <http://midwesttransmissionproject.com/MapsFinalRouteIndexMap.htm>

Figure 2 - Nebraska City to Mullin Creek Substation

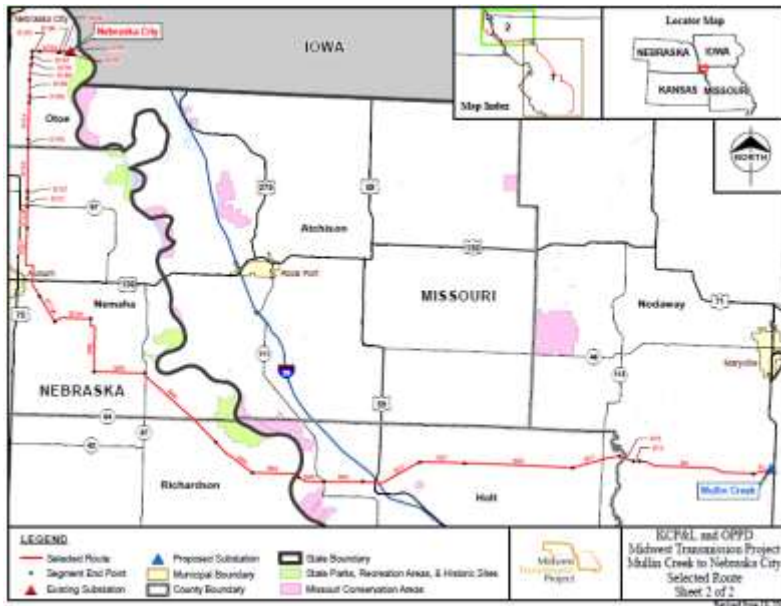


Figure 2 shows the portion of the final route from Nebraska City to the new Mullin Creek Substation. This map shows both the OPPD portion of the Project in Nebraska and the GMO portion of the Project in Missouri between the Mullin Creek Substation and the Missouri River crossing at the Missouri-Nebraska state line.

Figure 3 - Sibley to Mullin Creek Substation

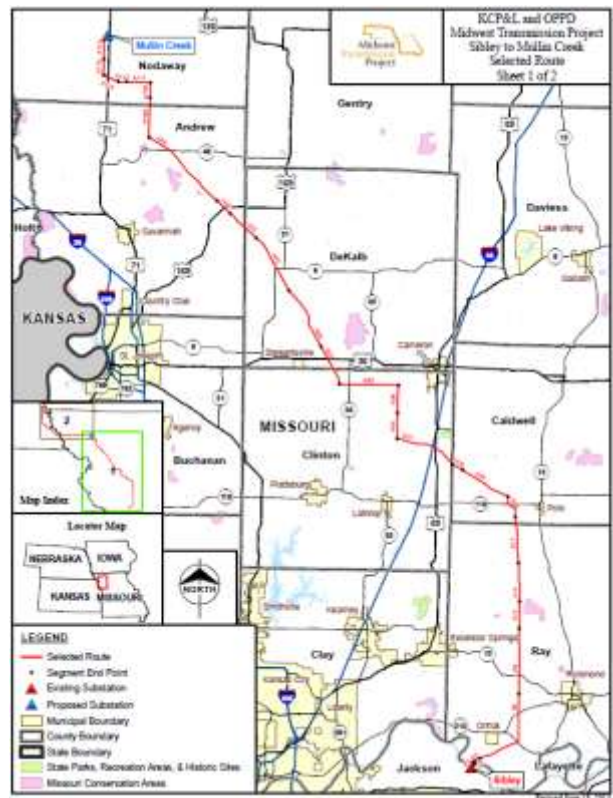


Figure 3 shows the portion of the final route from Sibley to the new Mullin Creek Substation. This portion of the Project is entirely in Missouri and, thus, reflects no OPPD portion of the Project.

## ***Project Reporting***

In the context of Case No. EA-2013-0098, the Company agreed to continue the quarterly reporting for the Iatan-Nashua Project that it has been doing 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>10</sup> in Case No. EA-2013-0098. The quarterly reports contain the following quarterly update sections to satisfy the requirements of the Report and Order:

***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***

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>11</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 tracking reports<sup>12</sup> contain information on all of the Priority Projects, as well as other SPP projects, including Reliability, Transmission Service, Generation Interconnect, Balanced Portfolio, and IPT10 upgrades. The Sibley Nebraska City Project is shown in the SPP quarterly project tracking reports under two NTC IDs (three upgrade IDs) (shown in ***Figure 4*** below):

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<sup>10</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>11</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)

<sup>12</sup> The SPP quarterly project tracking reports are publicly available at <http://www.spp.org/section.asp?group=1867&pageID=27>



Figure 4 - Sibley- Nebraska City Project NTCs

NTC_ID	UID	Project Owner <sup>13</sup>	Upgrade Description
20097	11238	GMO	Multi - Nebraska City - Maryville - Sibley 345 kV (GMO)
20097	11239	GMO	Multi - Nebraska City - Maryville - Sibley 345 kV (GMO)
20098	11240	OPPD	Line - Nebraska City - Maryville 345 kV (OPPD)

The two upgrades shown for GMO under NTC\_ID 20097 (UIDs 11238 & 11239) reflect the Missouri portions of the Project. UID 11238 is for the portion of the Project from Sibley to the new Mullin Creek Substation. UID 11239 is for the new Mullin Creek Substation and for the Missouri portion of the Project from the Mullin Creek Substation to the interception point with OPPD’s Nebraska portion of the Project at the Missouri River crossing at the Missouri-Nebraska state line.

The upgrade shown for OPPD under NTC\_ID 20098 (UID 11240) reflects OPPD’s Nebraska portion of the Project.

<sup>13</sup> 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 Missouri portions of the Sibley-Nebraska City Project in the SPP quarterly project tracking reports.

## Project Progress Summary

### *Overall Status*

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

### *Permitting*

Burns & McDonnell Engineering (“Burns & McDonnell”) was contracted to perform the environmental permitting service and has prepared a permit matrix identifying the permits required for the Project. The schedule for permit acquisition has been incorporated into the Project Baseline Schedule.

Required permits will include, but not necessarily be limited to, those permits related to Missouri River crossings (U.S. Army Corps of Engineers (“USACE”)), wetlands (USACE and/or U.S Fish & Wildlife Services (“USFWS”)), and roadway crossings and temporary closures.

Burns & McDonnell has completed the Desktop Studies for Wetlands, Threatened and Endangered Species and Cultural Resources. These reports are under review and will be transmitted to the appropriate agencies in early 2014.

### *Engineering and Design*

Preliminary Design Line Engineering has been completed.

Foundation Design – The Contractor for the river crossing foundation design was selected and has commenced work. Contractor geotechnical work and in-house foundation engineering are scheduled to begin in the summer of 2014.

Plan & Profile Engineering – The Plan & Profile design phase is underway. The photogrammetry documentation has been completed.

Substation Engineering – Engineering for the new Mullin Creek Substation, and for the necessary upgrades at the Sibley Substation, will commence in the summer of 2015.

## ***Procurement***

Contracts have been awarded for routing & siting, environmental permitting, right-of-way acquisition, photogrammetry, river crossing foundations, project management, and engineering support. The contracted suppliers for the major services, materials, and equipment are shown below:

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

<b>Services, Materials, &amp; Equipment</b>	<b>Supplier</b>	<b>Contract Award</b>
<b>Public Involvement, Routing, Siting, &amp; Environmental Permitting Services</b>	Burns & McDonnell Engineering	July 2012
<b>ROW Acquisition &amp; Survey Services</b>	Contract Land Staff	April 2013
<b>Photogrammetry (Aerial Survey)</b>	Westwood Professional Services, Inc.	September 2013
<b>River crossings (foundations/permitting)</b>	Continental Consulting Engineers	October 2013
<b>Project Management</b>	Electrical Consultants Inc.	October 2013
<b>Engineering</b>	Finley Engineering Company	October 2013
<b>Line Construction, Poles, Conductor, etc.</b>		2014-2015

## ***Right-of-Way Acquisition***

Contract Land Staff (“CLS”) was contracted to perform the right-of-way acquisition and survey services. CLS has substantially completed surveying and appraisal preparation. In late December 2013 CLS began contacting land owners for right-of-way acquisition.

## ***Construction***

Line construction is scheduled to commence in the fall of 2014 with tree clearing. Substation construction is scheduled to commence in the spring of 2016.

## Schedule

Overall, the Project is on track with no critical path issues. Estimated completion dates for the major Project activity categories are shown in *Figure 6* below:

**Figure 6 – Estimated Completion Dates**

Project Category	Estimated Completion
Right-of-Way Acquisition	December 2014
Permitting	June 2015
Engineering and Design	June 2016
Procurement	March 2017
Construction	June 2017
Project In-Service	June 2017
Post In-Service Project Completion	June 2019

The estimated completion dates in *Figure 6* are based on the current Level 1 Project Schedule as of January 19, 2014<sup>14</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 2017. 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.

<sup>14</sup> This current Level 1 Project Schedule is included as *Attachment B – Midwest Transmission Project Level 1 Schedule (HIGHLY CONFIDENTIAL/PROPRIETARY)*.

## 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.

The Company has and will continue to engage the counties and municipalities that the Midwest Transmission Project will cross to ensure that these governmental bodies are aware of, and are given an opportunity to comment on, the Project throughout the routing and construction process.

The Company's initial contact with the public regarding the Midwest Transmission Project came in the context of the open house meetings that were held during the route selection process, which culminated in the final route selection in the summer of 2013. Greater detail on the open house meetings and other contact with the public can be found in the public outreach report, which the Company agreed to provide in the context of Case No. EA-2013-0098. This agreement is included in Appendix 4 of the Report and Order<sup>15</sup> in Case No. EA-2013-0098.

The initial public outreach report for the Midwest Transmission Project was filed in EA-2013-0098 on November 5, 2013<sup>16</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.

Throughout the life of the Midwest Transmission Project the Company will continue to proactively meet with citizens, local and state officials, and the local news media. Citizens can continue to contact the Company through the dedicated Midwest Transmission Project public outreach resources:

Toll Free Hotline: (855) MTP-3450  
(855) 687-3450  
Email address: MTP-Missouri@kcpl.com  
Website: <http://midwesttransmissionproject.com>

The website provides Project background information, information about the Project process and schedule, maps at each phase of the Project, and contact information. During the public comment periods, a survey/questionnaire was available for the public to provide comments in the event they were unable to attend a public meeting. Following each public meeting, the website was updated to provide the most current information available. After the last round of public meetings, the website was updated with maps of the final route and Project Team contact

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<sup>15</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>16</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)

information. The website continues to be utilized to share information with property owners and the general public as the Project moves forward.

The Company has and remains willing to meet with landowners, as requested, during any stage of the Project. The Company will continue to communicate with affected landowners prior to key points in the MTP Project (such as the beginning of easement negotiations, initial construction work, and other key activities as needed).

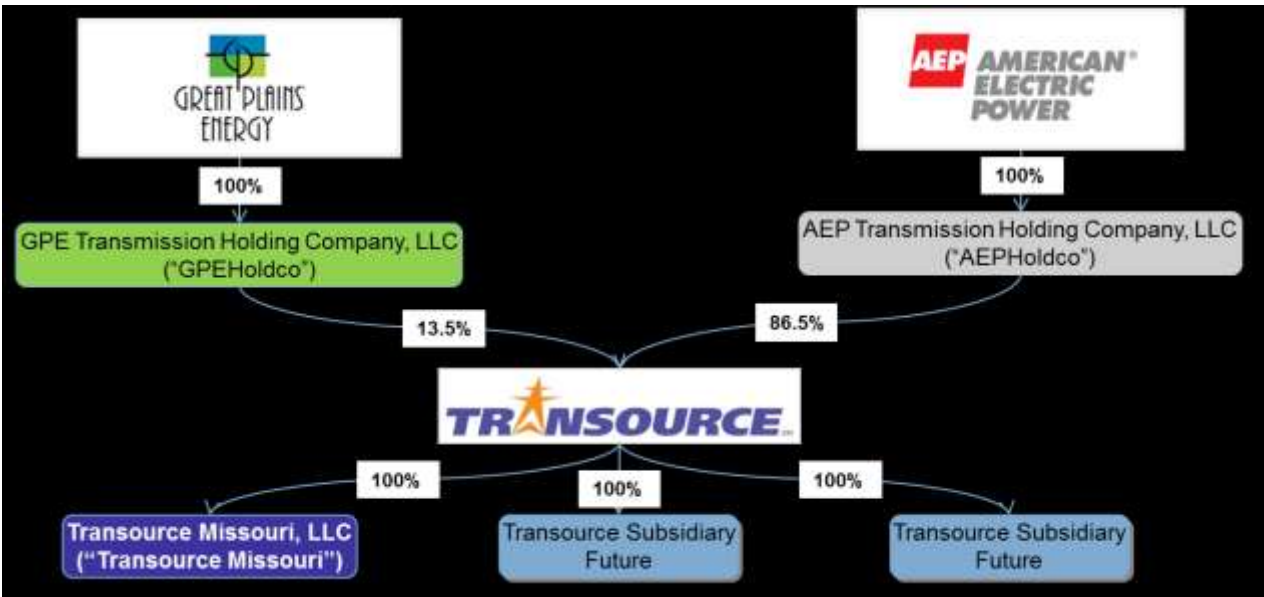
## Status of Ownership of the Projects

### *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>17</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 7* below.

Figure 7 – 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>17</sup> 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-Nashua<sup>18</sup> and Sibley-Nebraska City<sup>19</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>20</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>21</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 below.

## ***MPSC Transource Approvals/Filings/Submissions***

On August 31, 2012, in Case No. EO-2012-0367, KCP&L and GMO filed an application<sup>22</sup> 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-

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<sup>18</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>19</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>20</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>21</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>22</sup> 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](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 application<sup>23</sup> 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 reports<sup>24</sup> for the Projects were filed as stand-alone reports. The quarterly updates regarding ongoing public outreach efforts for

<sup>23</sup> 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. EA-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)

<sup>24</sup> 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](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 report<sup>25</sup> continues to be filed in Case No. EO-2012-0271. The Q3 2013 Midwest Transmission Project status report<sup>26</sup> 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-2014-0189<sup>27</sup> 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, 2013<sup>28</sup>. 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 refiled<sup>29</sup> 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 Agreement<sup>30</sup>, 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.

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<sup>25</sup> 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\\_FLList.asp](https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FLList.asp)

<sup>26</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007365)

<sup>27</sup> 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=](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=)

<sup>28</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014010460)

<sup>29</sup> 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](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014011352)

<sup>30</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)

## ***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. ER12-2554<sup>31</sup>, 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 aspects<sup>32</sup> 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 issues<sup>33</sup> 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. EC13-145<sup>34</sup>, 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.

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<sup>31</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

<sup>32</sup> 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.

<sup>33</sup> 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.

<sup>34</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

### Transource Missouri Financing Application

On September 20, 2013<sup>35</sup>, in Docket No. ES13-56<sup>36</sup>, 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. ER14-224<sup>37</sup> 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. ER14-276<sup>38</sup>, 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. ER14-298<sup>39</sup>, 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

<sup>35</sup> Errata to September 20, 2013 application was filed on September 25, 2013. Amendments were filed on October 29, 2013 and October 31, 2013.

<sup>36</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

<sup>37</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

<sup>38</sup> 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>39</sup> 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).

Substation owned by GMO. In Docket No. ER14-301<sup>40</sup>, 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. ER14-300<sup>41</sup>, 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 dates<sup>42</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.

### ***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.<sup>43</sup>

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<sup>40</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

<sup>41</sup> 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](http://elibrary.ferc.gov/idmws/docket_search.asp).

<sup>42</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.

<sup>43</sup> A copy of SPP's due diligence report regarding the novation is included in the Q3 2013 Midwest Transmission Project Quarterly Report in Case No. EA-2013-0098, which is available in EFIS at [https://www.efis.psc.mo.gov/mpsc/commoncomponents/view\\_itemno\\_details.asp?caseno=EA-2013-0098&attach\\_id=2014007365](https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EA-2013-0098&attach_id=2014007365)

On October 18, 2013 the SPP Staff presented the due diligence report to the SPP Markets and Operations Policy Committee (“MOPC”)<sup>44</sup>. 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”)<sup>45</sup>.

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 8* 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 8 - Iatan-Nashua Ownership Status Timeline**

	<b>SPP</b>	<b>MPSC</b>	<b>FERC</b>
<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

<sup>44</sup> The SPP MOPC consists of a representative from each member company in SPP. The MOPC reports directly to the SPP Board of Directors.

<sup>45</sup> 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
<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	
<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

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

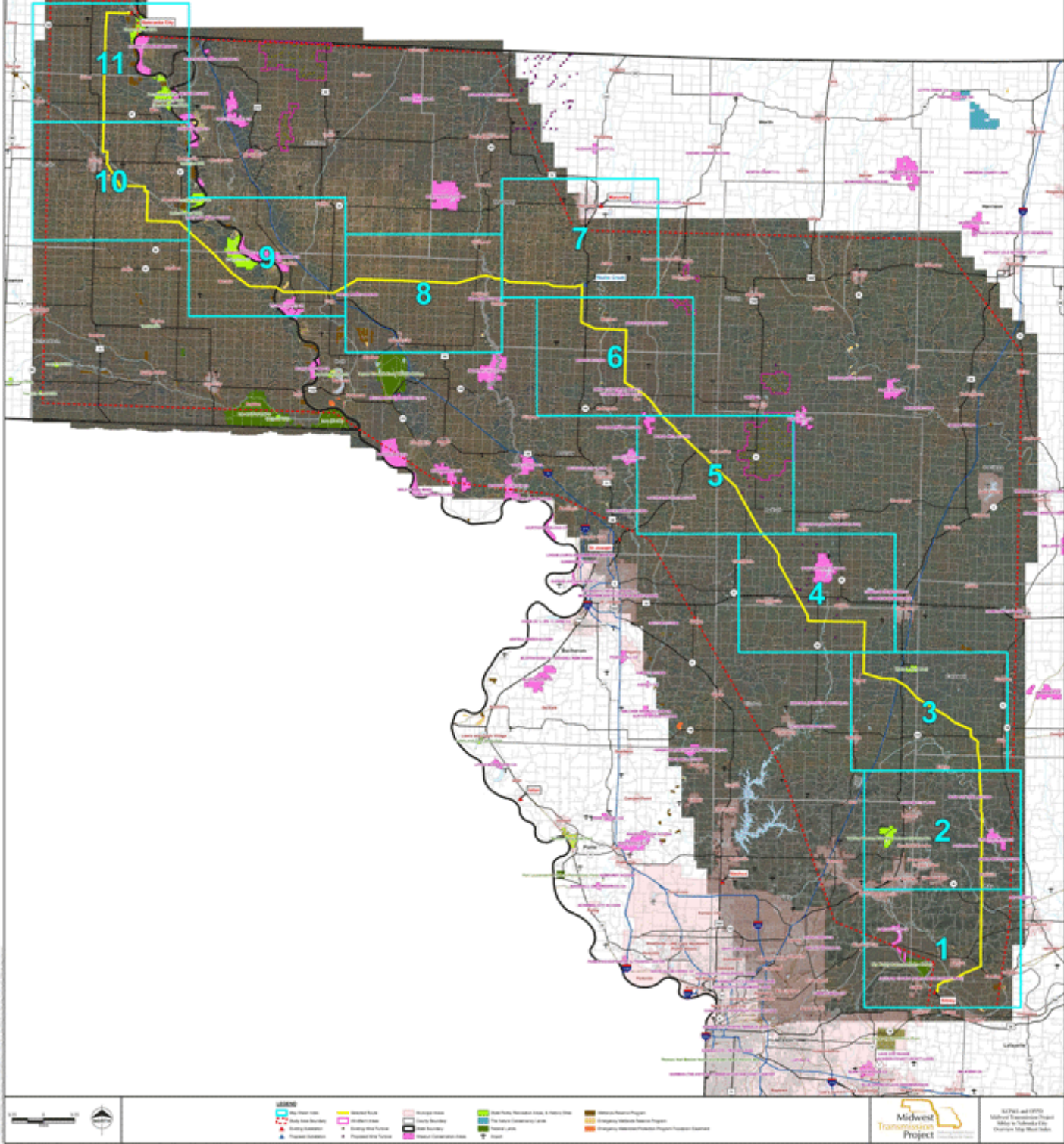
## Attachments

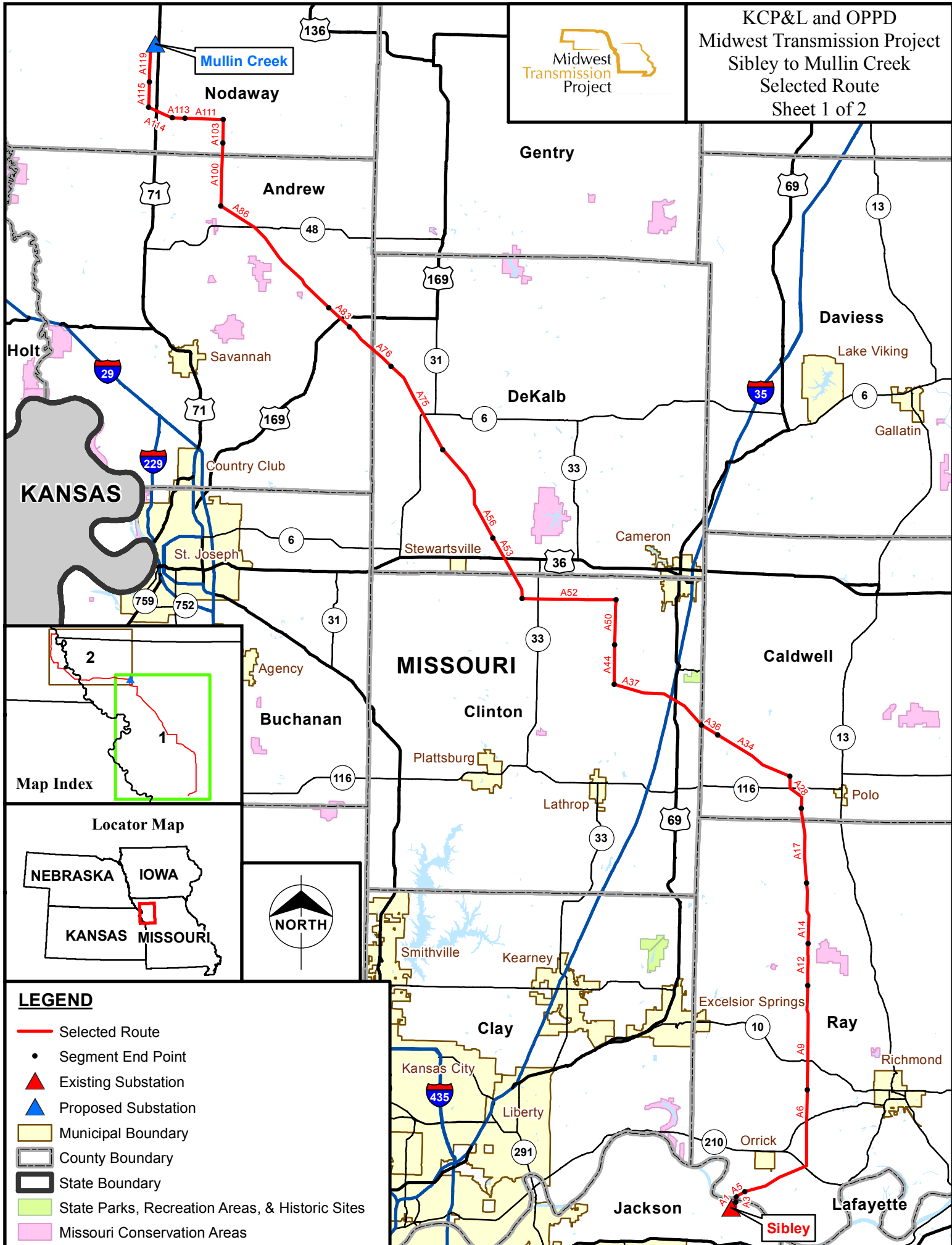
**Attachment A – Midwest Transmission Project FINAL Route**

**Attachment B – Midwest Transmission Project Level 1 Schedule (HIGHLY CONFIDENTIAL/PROPRIETARY)**

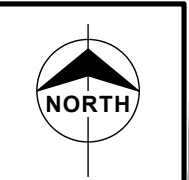
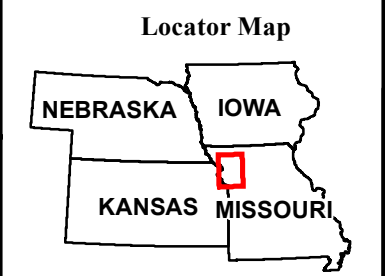
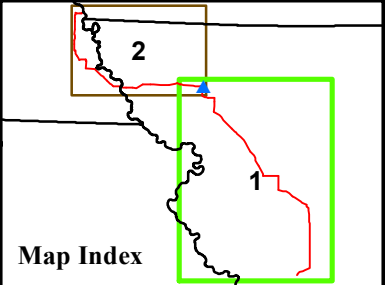
## **Attachment A – Midwest Transmission Project** **FINAL Route**

# Final Route Index Map



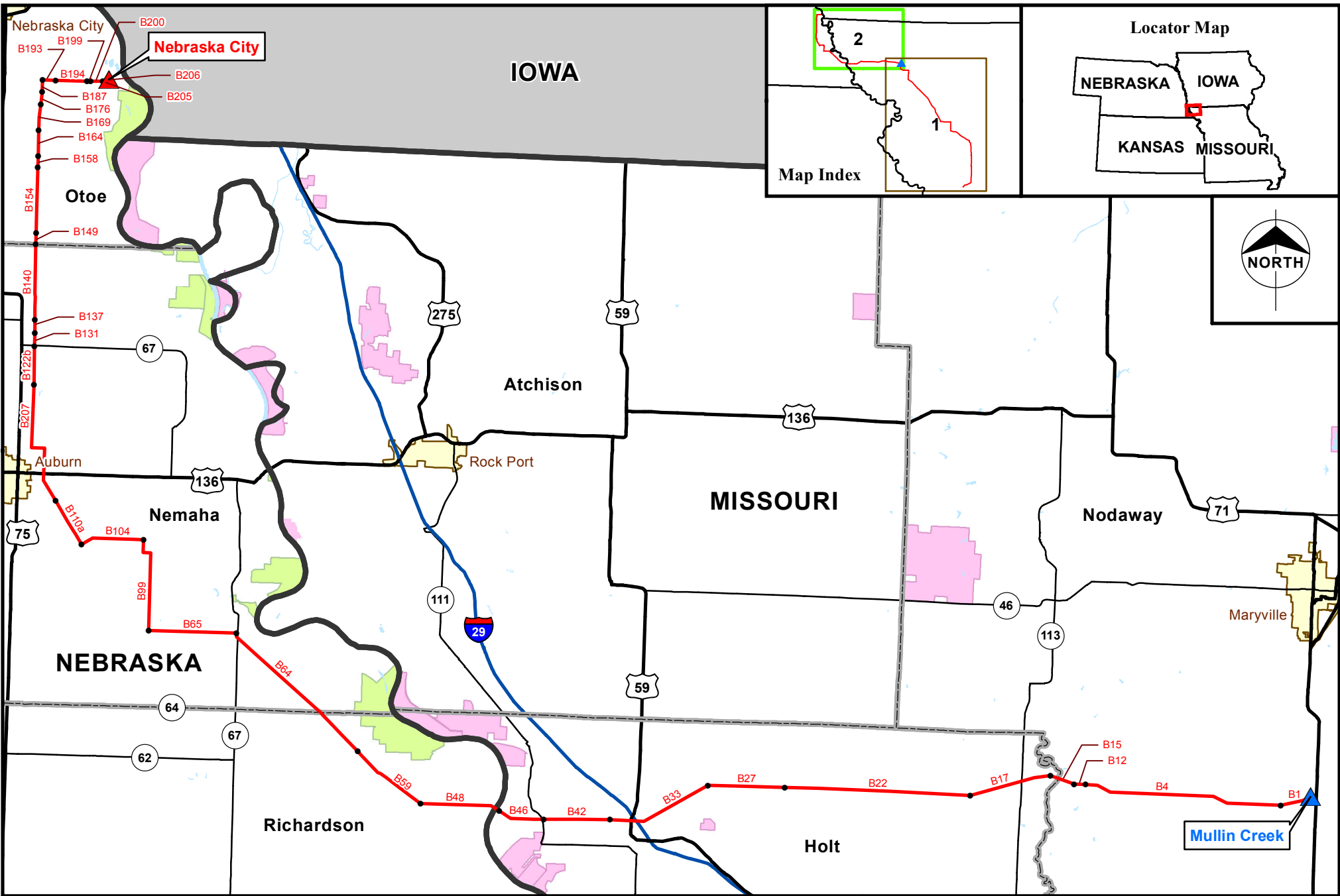


KCP&L and OPPD  
 Midwest Transmission Project  
 Sibley to Mullin Creek  
 Selected Route  
 Sheet 1 of 2



**LEGEND**

- Selected Route
- Segment End Point
- ▲ Existing Substation
- ▲ Proposed Substation
- Municipal Boundary
- County Boundary
- State Boundary
- State Parks, Recreation Areas, & Historic Sites
- Missouri Conservation Areas



**LEGEND**

- Selected Route
- Segment End Point
- ▲ Existing Substation
- ▲ Proposed Substation
- Municipal Boundary
- County Boundary
- State Boundary
- State Parks, Recreation Areas, & Historic Sites
- Missouri Conservation Areas



KCP&L and OPPD  
 Midwest Transmission Project  
 Mullin Creek to Nebraska City  
 Selected Route  
 Sheet 2 of 2

## **Attachment B – Midwest Transmission Project Level 1 Schedule (HIGHLY CONFIDENTIAL/PROPRIETARY)**

**Page 29 contains Highly Confidential/Proprietary Information**

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