

Exhibit No.:  
Issue: Regulatory Development, Transource Energy,  
LLC, Transource Missouri, LLC  
Witness: Antonio P. Smyth  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Transource Missouri, LLC  
Case No.: EA-2012-  
Date Testimony Prepared: August 31, 2012

Filed  
April 29, 2013  
Data Center  
Missouri Public  
Service Commission

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: EA-2012-**

**DIRECT TESTIMONY**

**OF**

**ANTONIO P. SMYTH**

**ON BEHALF OF**

**TRANSOURCE MISSOURI, LLC**

**August 2012**

Exhibit NO. 14  
File NO. EA-2013-0098

1 **Q: Please state your name and business address.**

2 A: My name is Antonio P. Smyth. My business address is 1 Riverside Plaza, Columbus,  
3 Ohio, 43215.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by American Electric Power Service Corporation (“AEPSC”), a wholly-  
6 owned subsidiary of American Electric Power Company, Inc. (“AEP”). I am the  
7 President of Transource Energy, LLC (“Transource”) and Transource Missouri, LLC  
8 (“Transource Missouri”).

9 **Q: On whose behalf are you testifying?**

10 A: I am testifying on behalf of Transource and Transource Missouri.

11 **Q: What are your responsibilities?**

12 A: As President of Transource, I am responsible for the development and construction of  
13 competitive regional electric transmission infrastructure projects across the United States.  
14 As President of Transource Missouri, I am responsible for regional transmission projects  
15 constructed, financed, owned, operated, and maintained by Transource Missouri.

16 **Q: Please describe your education, experience and employment history.**

17 A: I earned a Bachelor of Science degree in economics from The Ohio State University in  
18 1999 and a Master of Science degree in economics from The Ohio State University in  
19 2008. Prior to my current role with Transource, I held various positions of increasing  
20 responsibility within AEP over the past eleven years. I managed the strategic initiatives  
21 group, which is responsible for corporate strategy and mergers and acquisitions. I also  
22 managed the corporate finance group, which is responsible for debt and equity capital  
23 markets and rating agency activities. I then joined the AEP Transmission organization as

1 Director of Transmission Development, where I was responsible for the identification and  
2 evaluation of new projects, acquisitions, joint ventures, and strategic business alliances.  
3 During that time, I was also Vice President of Electric Transmission America, a joint  
4 venture between AEP and MidAmerican Energy Holdings Company (“MEHC”) and  
5 President of RITELine Indiana, a joint venture between AEP, MEHC, and Exelon  
6 Corporation. I was most recently named President of Transource upon its formation in  
7 April of 2012. Concurrent with my employment at AEP, I served eight years in the  
8 United States Air Force Reserve.

9 **Q: Have you previously testified in a proceeding before the Missouri Public Service**  
10 **Commission (“Commission” or “MPSC”)?**

11 A: No.

12 **Q: What is Transource Missouri seeking?**

13 A: In this proceeding, Transource Missouri is submitting an application for a line certificate  
14 of convenience and necessity (“CCN”) authorizing it to construct, finance, own, operate,  
15 and maintain two electric transmission projects to be constructed in the Southwest Power  
16 Pool, Inc. (“SPP”) region of the state of Missouri. These projects are the Iatan–Nashua  
17 345kV line project (“Iatan-Nashua Project”) and the Sibley–Nebraska City 345kV line  
18 project (“Sibley-Nebraska City Project”) (collectively described herein as the “Projects”).  
19 The Projects are described in more detail in the Direct Testimony of Brent C. Davis.

20 Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri  
21 Operations Company (“GMO”) have been directed by SPP to construct the Projects. This  
22 filing is one of several regulatory approvals being sought to novate that responsibility to

1 Transource Missouri and enable it to construct, finance, own, operate, and maintain the  
2 Projects. I will describe this overall regulatory filing process later in my testimony.

3 **Q. What is the purpose of your testimony?**

4 A. I address several issues in my testimony. First, I address recent developments in the  
5 regulation of interstate wholesale transmission service and how that led to the formation  
6 of Transource. Second, I describe Transource and its corporate structure, managerial  
7 competence, and financing mechanisms. Third, I describe Transource Missouri, the  
8 capabilities that each of its owners provides and how the capabilities qualify Transource  
9 Missouri to be eligible for a line CCN, and how Transource Missouri intends to operate  
10 and fulfill its requirements as a wholesale transmission provider in Missouri.

11 **Q: What is Federal Energy Regulatory Commission Order No. 1000 and what impacts**  
12 **will it have on transmission development?**

13 A: The Federal Energy Regulatory Commission (“FERC”) issued FERC Order No. 1000,  
14 entitled “Transmission Planning and Cost Allocation by Transmission Owning and  
15 Operating Public Utilities,” on July 21, 2011. It builds on the foundation of FERC Order  
16 No. 888 (issued in 1996) and Order No. 890 (issued in 2007) and contains the following  
17 key elements:

- 18 a) Requires each public utility transmission provider to participate in a regional  
19 transmission planning process;
- 20 b) Requires each public utility transmission provider to develop its transmission  
21 planning processes to consider and include public policy requirements;
- 22 c) Removes the federal right of first refusal within tariffs and agreements with  
23 certain exceptions;

- 1           d) Directs regions to develop interregional transmission plans with neighboring
- 2           regions;
- 3           e) Directs regions to develop regional cost allocation methodologies for the cost
- 4           of new transmission facilities selected in regional plans for the purpose of cost
- 5           allocation; and
- 6           f) Directs regions to develop interregional cost allocation methodologies for new
- 7           transmission facilities located in two or more neighboring transmission
- 8           planning regions.

9           FERC Order No. 1000 is expected to have a profound impact on regional  
10 transmission planning and development. One of the most significant provisions of FERC  
11 Order No. 1000 is the removal of the federal right of first refusal for incumbent utilities  
12 within tariffs and agreements for certain regional transmission projects. Historically,  
13 vertically integrated public utilities had the right to build and own transmission lines  
14 proposed by the region's planning processes when those lines connected to facilities  
15 within their respective retail service territories. FERC Order No. 1000 eliminates the  
16 federal right of first refusal in regional transmission organization tariffs for incumbent  
17 utilities to construct certain regional transmission projects within their own service  
18 territories, thereby creating the opportunity for any qualified entity to build and own  
19 regional transmission facilities in any service territory. In addition, utilities that wish to  
20 participate in regional transmission development will undoubtedly confront unique  
21 challenges due to the additional resources that will be required to complete these regional  
22 projects of larger scale and scope. FERC Order No. 1000 requires transmission providers  
23 to submit compliance filings in the fall of 2012 to address the application of FERC Order

1 No. 1000 to regional projects and in the spring of 2013 to address the application of  
2 FERC Order No. 1000 to inter-regional projects. These compliance filing requirements  
3 have led many vertically integrated public utilities to re-examine how they will  
4 participate in this new environment.

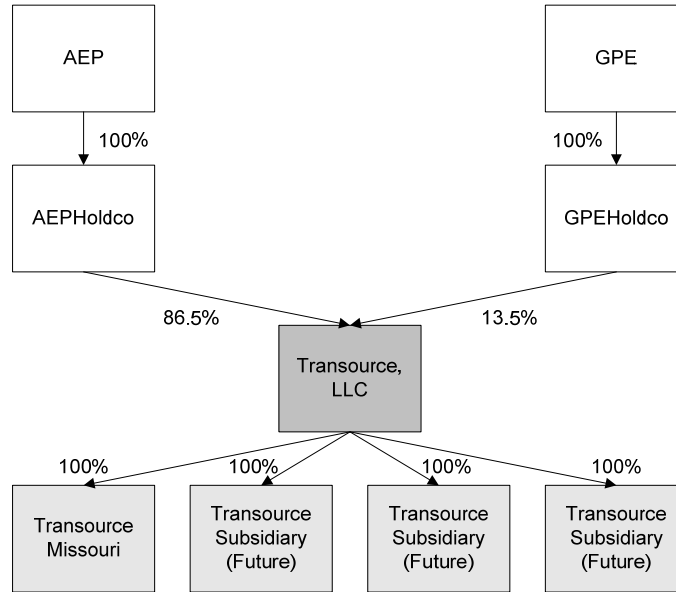
5 **Q: Please describe Transource and its corporate structure.**

6 A: In response to changes in the electric transmission marketplace over the past decade, as  
7 well as the prospect of increased competition for regional transmission projects created  
8 by FERC Order No. 1000 as discussed above, Transource was formed as a joint venture  
9 to develop the regional Projects and pursue regional competitive transmission projects.

10 Transource is a Delaware limited liability company with its principal place of  
11 business located at 1 Riverside Plaza, Columbus, Ohio 43215. AEP Transmission  
12 Holding Company, LLC (“AEPHoldco”), a wholly-owned subsidiary of AEP, owns  
13 86.5% of Transource, and GPE Transmission Holding Company, LLC (“GPEHoldco”), a  
14 wholly-owned subsidiary of Great Plains Energy Incorporated (“GPE”), owns 13.5% of  
15 Transource.

16 In turn, Transource Missouri is a wholly-owned subsidiary of Transource created  
17 to construct, finance, own, operate, and maintain wholesale transmission projects in  
18 Missouri. The expectation is that Transource will form other wholly-owned subsidiaries  
19 as needed to build transmission projects elsewhere. Please see Figure 1 for a graphic  
20 depiction of the Transource corporate structure.

**Figure 1: Transource Corporate Structure**



1 **Q: Please describe AEP.**

2 A: AEP is one of the largest electric utility holding companies in the United States,  
3 delivering electricity to more than 5 million customers in eleven states. AEP has  
4 developed, owns, and operates the largest transmission system across the widest spectrum  
5 of voltage classes in the United States. Its transmission system includes a nearly 39,000-  
6 mile network that includes more 765kV extra-high voltage transmission lines than all  
7 other U.S. transmission systems combined. AEP’s transmission system directly or  
8 indirectly serves about 10% of the electricity demand in the Eastern Interconnection, and  
9 approximately 11% of the electricity demand in the Electric Reliability Council of Texas  
10 (“ERCOT”). AEP’s operating utilities provide service to retail and wholesale customers  
11 in Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee,  
12 Texas, Virginia, and West Virginia. AEP’s headquarters are in Columbus, Ohio.

1 **Q: Please describe GPE.**

2 A: GPE is the electric utility holding company of KCP&L and GMO, which deliver  
3 electricity to more than 823,000 customers in Kansas and Missouri. GPE's operating  
4 companies own over 2,600 miles of transmission lines in SPP operating at voltages up to  
5 345kV. GPE's headquarters are in Kansas City, Missouri. Additional details on  
6 KCP&L's and GMO's transmission systems are in the Direct Testimony of Michael L.  
7 Deggendorf.

8 **Q: What are the benefits of Transource?**

9 A: The creation of Transource as a separate entity provides a number of benefits for both  
10 utilities.

11 1) Adapt to a Changing Regulatory Environment. New federal rules have altered  
12 who may build regional transmission projects. Transource provides an ideal  
13 platform to compete for regional transmission projects.

14 2) Deliver Additional Resources and Expertise. Transource will combine the  
15 national expertise and significant resources of AEP with the local knowledge  
16 and strengths of GPE to deliver cost-effective regional transmission projects.

17 3) Provide Flexibility to Manage Regional Scale and Scope. Regional  
18 transmission projects are generally beyond the scale and scope of traditional  
19 local-purpose transmission projects. Transource can deliver combined  
20 technical, operational, and financial expertise to large regional projects.

21 4) Attract New and Different Sources of Capital. Transource provides a separate  
22 and transparent business entity for investment in regional transmission



1 projects. When coupled with the large-scale nature of these types of projects,  
2 this should serve to attract new and different sources of capital to the region.

3 5) Manage Competing Capital Needs. Regional transmission projects typically  
4 require significant new capital at the same time that utilities need to make  
5 continued investments in generation, distribution, and local transmission  
6 infrastructure. Transource allows vertically integrated utilities to manage the  
7 episodic capital demands of regional transmission investment while  
8 maintaining their significant investments in the supply and delivery systems  
9 serving customers within their service territories.

10 There exists the potential for future competitive projects of significant geographic  
11 and financial scale. This creates an environment in which multiple partners are better  
12 able to absorb and accommodate the risks associated with the scale. The structure also  
13 allows AEP and GPE to combine their diverse experience and knowledge to successfully  
14 build and operate projects.

15 **Q: Please explain the Transource governance structure.**

16 A: Transource is governed by a Board of Managers (“Board”) consisting of four individuals,  
17 two appointed by AEP and two appointed by GPE. For most decisions, any action  
18 requiring a vote of the Board requires the affirmative vote by managers representing  
19 more than 50% of the ownership interest in Transource. There are also certain  
20 circumstances that require a unanimous vote by all members of the Board, such as an  
21 amendment to the Transource governing documents. There are also circumstances to  
22 which GPE, specifically, must provide prior written consent, such as a merger or  
23 consolidation of Transource with another entity.

1 For purposes of supervising and managing the day-to-day business and operations  
2 of Transource and Transource Missouri, the Board appoints officers. Each officer has  
3 only such authority as provided by the Board.

4 Although Transource and Transource Missouri will not have any direct  
5 employees, they will be managed by a full-time dedicated staff consisting of AEP and  
6 GPE affiliate employees. AEP and GPE, through their affiliates, will provide services to  
7 Transource and Transource Missouri on an at-cost basis through service agreements.  
8 These services will include engineering, design, construction, operation, maintenance,  
9 business, tax compliance, risk management, siting and land acquisition, regulatory,  
10 procurement, NERC compliance, and web hosting services. I discuss these service  
11 arrangements in more detail later in my testimony.

12 **Q: Please provide additional detail about Transource Missouri.**

13 A: Transource Missouri is a wholly-owned subsidiary of Transource, as depicted in Figure 1,  
14 authorized to transact business in the State of Missouri by the Missouri Secretary of  
15 State. Its purpose is to construct, finance, own, operate, and maintain regional electric  
16 transmission lines and related facilities in Missouri. Its principal place of business is 1  
17 Riverside Plaza, Columbus, Ohio 43215.

18 Once all necessary regulatory approvals have been received, Transource Missouri  
19 will be responsible for the Projects, which are described in the Direct Testimony of Brent  
20 C. Davis. For additional information about the genesis and approval of the Projects  
21 through the SPP planning processes, please see the Direct Testimony of Todd E. Fridley  
22 in Case No. EO-2012-0367, which was filed concurrently with this filing.

1 Transource Missouri is the first subsidiary to be formed by Transource because  
2 the Projects will serve as the initial financial and operational foundation of Transource. It  
3 is expected that other wholly-owned subsidiaries will be formed once additional projects  
4 are identified for development.

5 **Q: Why are the Projects needed?**

6 A: The Iatan-Nashua Project was approved by the SPP Board as a Balanced Portfolio project  
7 in April 2009. The Balanced Portfolio contained seven regional transmission projects  
8 with benefits that outweighed the costs<sup>1</sup>. The Balanced Portfolio represents transmission  
9 projects that provide regional long-term reliability, reduced regional transmission  
10 congestion, and economical trade and production benefits.

11 The Sibley-Nebraska City Project was approved by the SPP Board as a Priority  
12 Project in April 2010. The Priority Projects portfolio contained six regional transmission  
13 projects providing benefits that outweighed the costs<sup>2</sup>. The Priority Projects are intended  
14 to reduce congestion on transmission lines, better integrate SPP's east and west regions,  
15 and facilitate the addition of renewable and non-renewable generation to the grid. The  
16 Sibley-Nebraska City Project will also enable future SPP energy markets, provide for  
17 wide-ranging dispatch savings, lower reliability margins, improve dynamic performance  
18 and grid stability during extreme events, and provide additional societal economic  
19 benefits.

20 By approving the line CCN for Transource Missouri to construct, finance, own,  
21 operate, and maintain the Projects, the Commission will be facilitating Transource

---

<sup>1</sup> SPP Balanced Portfolio Report, April 2009, attached as Schedule TEF-1 to Case No. EO-2012-0367.

<sup>2</sup> SPP Priority Projects Phase II Final Report, April 2010, attached as Schedule TEF-3 to Case No. EO-2012-0367.

1 Missouri delivering these benefits to customers within the SPP region. Mr. Fridley  
2 provides additional details about the benefits of the Projects in his Direct Testimony in  
3 Case No. EO-2012-0367.

4 **Q: Please describe Transource Missouri's overall regulatory filing process to**  
5 **accomplish its goal of constructing and owning the Projects.**

6 A: To accomplish this goal, Transource Missouri is proceeding in the following manner.

7 a) In this application, Transource Missouri seeks a line CCN from the MPSC to  
8 construct, finance, own, operate, and maintain the Iatan-Nashua Project and  
9 the Sibley-Nebraska City Project.

10 b) At the same time as this filing, KCP&L and GMO are requesting in Case No.  
11 EO-2012-0367 the authorization to transfer certain electric transmission  
12 property pertinent to the Iatan-Nashua Project to Transource Missouri. In that  
13 request, KCP&L and GMO are also advising the MPSC of their intent to  
14 terminate and release to Transource Missouri the Notifications to Construct  
15 associated with both the Iatan-Nashua Project and the Sibley-Nebraska City  
16 Project.

17 c) At the same time as this filing, Transource Missouri is also filing at FERC to  
18 obtain approval of a formula rate for recovery of its costs through wholesale  
19 transmission rates.

20 Once Transource Missouri, KCP&L, and GMO have received approval of all  
21 three of these applications, KCP&L and GMO intend to seek approval from the SPP  
22 Board of Directors to enter into a Designee Qualification and Novation Agreement,  
23 whereby Transource Missouri will become the Alternate Designated Transmission Owner

1 responsible for constructing the Projects. Once approved by the SPP Board of Directors,  
2 SPP will then file the novations at FERC for acceptance.

3 **Q: Who will be responsible for the Projects before and after the regulatory approvals**  
4 **are obtained?**

5 A: Prior to obtaining the approvals, KCP&L and GMO will fund and own their respective  
6 portions of the Projects. Until the necessary regulatory approvals are received and the  
7 Projects are transferred, KCP&L and GMO will continue to perform the activities  
8 necessary to ensure completion of the Projects by the dates specified by SPP.

9 After obtaining these approvals, Transource Missouri will take responsibility for  
10 the Projects.

11 **Q: How will Transource Missouri finance the development and operation of the**  
12 **Projects?**

13 A: Transource Missouri will be financed through a combination of debt financing by  
14 Transource Missouri and equity contributions from Transource.

15 From a debt perspective, the expectation is that Transource Missouri will initially  
16 arrange for debt financing utilizing bank facilities and/or accessing the debt capital  
17 markets directly through fixed income investors. A likely scenario is that Transource  
18 Missouri will enter into a construction credit agreement with a syndicate of lenders that  
19 will provide financing for both Projects during their construction period. Once one or  
20 both of the Projects is complete, Transource Missouri will likely seek to refinance the  
21 short-term construction financing with traditional long-term debt in the capital markets.

22 From an equity perspective, equity funding needed to fulfill any of Transource  
23 Missouri's responsibilities as a transmission owner will be provided by Transource. In

1 turn, equity funding for Transource will be provided by AEP and GPE proportional to the  
2 ownership percentage of each company and will be triggered by a capital call process  
3 initiated by Transource.

4 **Q: Does Transource Missouri offer any advantages from a financing perspective when**  
5 **compared to a traditional vertically integrated utility?**

6 A: Yes. The transmission-only utility structure is viewed favorably from the perspective of  
7 the investment community. Investors generally prefer investing in a straight-forward,  
8 transparent business and should be able to easily understand the business's cash flow  
9 generating characteristics and source of repayment and assess it for investment purposes.  
10 Thus, it would be expected that once the Projects are completed, debt capital could be  
11 raised more efficiently using this transparent, transmission-only business model than  
12 under a vertically integrated utility model. This transparency of cash flows and  
13 simplified business model should translate into better pricing for debt than the more  
14 complex business model typical of a vertically integrated utility. This improved debt  
15 pricing should directly benefit ratepayers through reduced cost of capital in Transource  
16 Missouri's revenue requirement calculation for these projects.

17 **Q: Will Transource Missouri provide retail electric service to customers in Missouri?**

18 A: No.

19 **Q: How will Transource Missouri recover its costs?**

20 A: Simultaneously with this filing, Transource Missouri is filing for approval of a formula  
21 rate at FERC for recovery of its costs through wholesale transmission rates. The  
22 Transource Missouri formula rate will generate an annual transmission revenue  
23 requirement that will be recovered through the SPP Tariff.

1           In its FERC formula rate filing, Transource Missouri will also be requesting the  
2 incentive of including 100% of Construction Work in Progress in rate base prior to the in-  
3 service date of the asset. If approved, that will allow Transource Missouri to start  
4 recovering its cost of capital through the SPP Tariff once Transource Missouri becomes a  
5 Transmission Owner in SPP and SPP begins flowing the Transource Missouri annual  
6 transmission revenue requirement through to SPP transmission customers. Transource  
7 Missouri will become a Transmission Owner in SPP once the conditions outlined in the  
8 line CCN Application are met. If the FERC and Missouri filings are approved as  
9 proposed, cost recovery is expected to begin in early 2014.

10 **Q: Does Transource Missouri possess sufficient managerial and technical capabilities to**  
11 **fulfill its responsibilities as a transmission provider in the State of Missouri?**

12 **A:** Yes. Transource Missouri will leverage the strengths of its respective owners and their  
13 affiliates to fulfill its responsibilities as a transmission provider in the State of Missouri.  
14 Although Transource Missouri will not have any direct employees, Transource Missouri  
15 will be operated by a full-time dedicated staff consisting of AEP and GPE operating  
16 company employees. AEP will provide the majority of the support staff and services  
17 through its service company, AEPSC. GPE, through its affiliates, will also provide  
18 services to Transource Missouri. Additional details on the services provided are  
19 presented in more detail in the Direct Testimonies of Lisa M. Barton, Brent C. Davis,  
20 Michael P. Deggendorf, and Scott P. Moore.

1 **Q: Are there any formal agreements documenting how AEP and KCP&L will provide**  
2 **services to Transource, Transource Missouri, and the Projects?**

3 A: Yes. Support and service agreements have been established between the parties to allow  
4 for the provision of service at cost. Service agreements have been executed between  
5 AEPSC and Transource, as well as between KCP&L and Transource. Support  
6 agreements have been executed between Transource and Transource Missouri,  
7 Transource and KCP&L, and Transource and GMO. Additional details about what  
8 services will be provided are described in more detail below. The service agreements and  
9 the support agreements are also described in more detail in the Direct Testimony of  
10 Darrin R. Ives in Case No. EO-2012-0367.

11 **Q: What services will AEP provide to Transource Missouri?**

12 A: AEP, through AEPSC, will primarily provide accounting, tax compliance, risk  
13 management, regulatory, and other business services to Transource Missouri at cost.  
14 AEP, through AEPSC, will also provide engineering, design, procurement, and  
15 construction services to Transource Missouri at cost. These services are provided  
16 through a service agreement between AEPSC and Transource and a corresponding  
17 support agreement between Transource and Transource Missouri. These services will be  
18 provided by AEP to Transource and Transource Missouri both before and after approval  
19 is received to novate the Projects to Transource Missouri.

20 **Q: Prior to the novation of the Projects, what services may AEP provide to KCP&L**  
21 **and GMO?**

22 A: Prior to the novation of the Projects, AEP may provide engineering, design, procurement,  
23 and construction services to the KCP&L and GMO upon request. As further discussed in



1 the Direct Testimony of Mr. Moore, AEP is capable of providing significant expertise  
2 and resources to assist in the completion of the Projects. Support agreements between  
3 Transource and KCP&L and Transource and GMO also provide for Transource to deliver  
4 services to KCP&L and GMO for the Projects upon request. In turn, the services  
5 provided by Transource are provided by AEPSC through the existing service agreement  
6 described above between Transource and AEPSC. All services are provided at cost.

7 **Q: What services will KCP&L provide to Transource Missouri prior to the novation of**  
8 **the Projects?**

9 A: Prior to the novation of the Projects, KCP&L will perform all services necessary to  
10 complete the Projects according to the required schedule as if the Projects are not going  
11 to be novated. The amounts expended for these services will be part of the investment in  
12 the Projects on the accounting books of KCP&L and GMO. That investment will be  
13 reimbursed by Transource Missouri when the Projects are novated. KCP&L will also  
14 perform some regulatory and business services for Transource Missouri prior to the  
15 novation of the Projects, and these costs will be charged to Transource Missouri. All  
16 services will be provided at cost.

17 **Q: What services will KCP&L provide to Transource Missouri after the novation of the**  
18 **Projects?**

19 A: After the novation of the Projects, GPE's affiliates are expected to continue to provide  
20 engineering, design, procurement, and construction services for the Projects. As a result,  
21 Transource Missouri will be able to utilize the resources that best fit the specific needs at  
22 that time, whether those resources reside with AEPSC or KCP&L. KCP&L is also  
23 expected to provide operation and maintenance services, as well as North American

1 Electric Reliability Corporation (“NERC”) compliance services for the Projects for the  
2 duration of their service life. Again, all services will be provided at cost.

3 **Q: What services will KCP&L provide to Transource Missouri for any future projects?**

4 A: Per the Services Agreement described in detail in the Direct Testimony of Darrin P. Ives  
5 in Case No. EO-2012-0367, Transource Missouri will optimize the services to best meet  
6 the identified needs of any future projects developed in Missouri. At this time, it is  
7 anticipated that GPE’s affiliates would provide services similar to those they are currently  
8 providing to the Projects.

9 **Q: Is Transource a member of SPP?**

10 A: Yes. Transource is a member of SPP as a Non-Transmission Owner. Transource  
11 Missouri will become a Transmission Owner once the conditions outlined in the line  
12 CCN Application are met.

13 **Q: Please describe how Transource Missouri will plan, construct, and operate the  
14 Projects in conjunction with SPP.**

15 A: Transource Missouri will work with SPP in a manner that is consistent with how AEP,  
16 KCP&L, and GMO work with SPP today. Because Transource Missouri will be  
17 represented by AEP and KCP&L personnel at SPP, the external interactions and  
18 established communications with SPP will continue in much the same way as today.  
19 Once the Projects are completed and ready for service, functional control of the assets  
20 will be turned over to SPP.

21 **Q: Does this conclude your testimony?**

22 A: Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
Transource Missouri, LLC for a Certificate )  
of Convenience and Necessity Authorizing it ) Case No. \_\_\_\_\_  
to Construct, Finance, Own, and Operate the )  
Iatan-Nashua and Sibley-Nebraska City )  
Electric Transmission Projects. )

**AFFIDAVIT OF ANTONIO P. SMYTH**

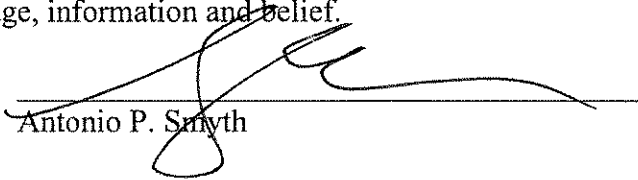
MISSOURI  
STATE OF ~~OHIO~~ )  
JACKSON ) ss  
COUNTY OF FRANKLIN )

Antonio P. Smyth, being first duly sworn on his oath, states:

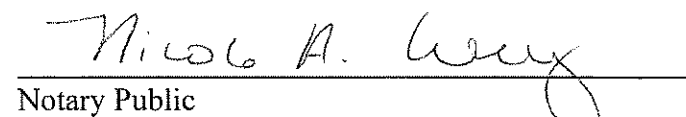
1. My name is Antonio P. Smyth. I work in Columbus, Ohio, and I am employed by American Electric Power Service Company ("AEPSC"), a wholly-owned subsidiary of American Electric Power, Inc ("AEP"). I am the President of Transource Energy, LLC.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Transource and Transource Missouri, LLC ("Transource Missouri") consisting of (17) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
Antonio P. Smyth

Subscribed and sworn before me this 31<sup>st</sup> day of August, 2012.

  
Notary Public

My commission expires: Feb. 4, 2015

