

**\*PUBLIC\***

# **EXHIBIT 10: REBUTTAL TESTIMONY OF BECKY WALDING**

Portions of this testimony have been marked HIGHLY CONFIDENTIAL pursuant to the Protective Order issued by the Commission on August 1, 2022 because the information is competitively sensitive for the purpose of future bidding. These Portions have been redacted.

**\*PUBLIC\***

Exhibit No.: 10  
Issue(s): Staff Report; Evergy Testimony  
Witness: Becky Walding  
Type of Exhibit: Direct Testimony  
Sponsoring Party: NextEra Energy  
Transmission  
Southwest, LLC  
File No.: EA-2022-0234  
Date Testimony Prepared: October 14, 2022

**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO.**

**EA-2022-0234**

**REBUTTAL TESTIMONY**

**OF**

**BECKY WALDING**

**ON**

**BEHALF OF**

**NEXTERA ENERGY TRANSMISSION SOUTHWEST, LLC**

**October 14, 2022**

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Becky Walding. I work for NextEra Energy Transmission, LLC (“NEET”) at  
4 700 Universe Boulevard, Juno Beach, Florida 33408.

5 **Q. What is your position with NEET?**

6 A. I am Executive Director, Development for NEET. NEET is an indirect, wholly-owned  
7 subsidiary of NextEra Energy, Inc. (“NextEra Energy”). In my role as Executive Director,  
8 Development of NEET, my responsibilities include leading corporate efforts to develop,  
9 construct, operate, and acquire regulated and contracted power transmission and related  
10 assets in the United States and Canada. I am also the Assistant Vice President of the  
11 applicant in this proceeding, NextEra Energy Transmission Southwest, LLC (the  
12 “Applicant” or “NEET Southwest”).

13 **Q. Have you previously filed testimony in this docket?**

14 A. Yes, on July 7, 2022, I filed Direct Testimony in support of NEET Southwest’s Application  
15 for a Certificate of Convenience and Necessity (“Application”).

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

17 A. I am submitting this testimony in response to the Staff Report filed in this docket on  
18 September 22, 2022 (“Staff Report”) and to the Direct Testimony of Evergy witness Darrin  
19 R. Ives<sup>1</sup> filed in this docket on October 6, 2022. As I will testify in more detail below,  
20 NEET Southwest agrees to the conditions recommended by Staff and by Evergy.

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<sup>1</sup> Mr. Ives is the Vice President of Regulatory Affairs for Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”), Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”), Evergy Metro, Inc. d/b/a Evergy Kansas Metro (“Evergy Kansas Metro”), Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central”) (collectively, “Evergy”).

1 **II. RESPONSE TO STAFF'S REPORT**

2 **Q. Have you reviewed Staff's Report?**

3 A. Yes, I have.

4 **Q. Does Staff recommend approval of the Application?**

5 A. Yes, subject to conditions listed on pages 2 to 6 of its Report, Staff recommends approval  
6 of the Application and most of the requested variances except for the variance relating to  
7 20 CSR 4240-10.145.

8 **Q. Please describe Commission Staff's recommendations in more detail.**

9 A. Staff makes recommendations regarding NEET Southwest's land acquisition, design and  
10 engineering, and reporting requirements for the Project. Staff also generally recommends  
11 approval of NEET Southwest's requested variances and waivers.

12 **Q. Do Staff's recommendations align with those adopted in the Kansas Corporation  
13 Commission's ("KCC") Order granting NEET Southwest's CCN Application for the  
14 Kansas portion of the Project<sup>2</sup>?**

15 A. Yes, in large part, they do. Several recommendations are additive, including paragraph 1,  
16 2, 3, 4, 10, and portions of 10 and 11.

17 **Q. How does NEET Southwest respond to Staff's proposed conditions?**

18 A. In general, NEET Southwest agrees that Staff's proposed conditions are reasonable and  
19 appropriate.

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<sup>2</sup> See *In the Matter of the Application of NextEra Energy Transmission Southwest, LLC for a Certificate of Public Convenience and Necessity to Transact the Business of a Public Utility in the State of Kansas*, Docket No. 22-NETE-419-COC, Order on Application for Certificate of Convenience and Necessity (Aug. 29, 2022) ("KCC Order") (approving settlement agreement and issuing NEET Southwest a CCN for the Project).

1 **Q. How do you respond to Staff’s recommendations to NEET Southwest’s requested**  
2 **variances?**

3 A. We appreciate Staff’s recommendations and would accept the grant of the requested  
4 variances, subject to Staff’s recommendations.

5 **III. RESPONSE TO THE DIRECT TESTIMONY OF EVERGY WITNESS**  
6 **DARRIN R. IVES**

7 **Q. Have you reviewed the Direct Testimony of Evergy witness Darrin R. Ives?**

8 A. Yes, I have.

9 **Q. Does Evergy oppose NEET Southwest’s Application?**

10 A. No, Evergy does not formally oppose NEET Southwest’s Application, and Mr. Ives does  
11 present evidence indicating that NEET Southwest has met the *Tartan* factor standards. In  
12 fact, Mr. Ives testifies that NEET Southwest “has provided sufficient information to  
13 establish that the Wolf Creek to Blackberry Project is needed and promotes the public  
14 interest. Evergy agrees [that the Project] is needed. In addition, NEET SW has established  
15 that its employees are technically qualified to undertake the Wolf Creek to Blackberry  
16 Project.”<sup>3</sup> However, Evergy does raise a number of unsubstantiated “concerns” relating to  
17 issues including cost overrun protections,<sup>4</sup> landowner outreach,<sup>5</sup> and financial  
18 qualifications.<sup>6</sup> Evergy also opposes some of the waiver requests sought in the  
19 Application.<sup>7</sup> Evergy recommends that, if the Commission approves the Application, it

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<sup>3</sup> Ives Testimony at 4.

<sup>4</sup> *Id.* at 5-9; 11-12.

<sup>5</sup> *Id.* at 12-13.

<sup>6</sup> *Id.* at 11-12.

<sup>7</sup> *Id.* at 9-11.

1 should establish a number of conditions, many of which mirror the conditions adopted in  
2 the KCC Order pertaining to the Kansas portion of the Project.<sup>8</sup>

3 As I will explain, many of the issues that Mr. Ives raises in his testimony were  
4 addressed for the Kansas portion of the Project through a settlement agreement (“Kansas  
5 Settlement Agreement”) that NEET Southwest and a number of parties, including Evergy,  
6 entered into to resolve NEET Southwest’s CCN application before the KCC, which was  
7 approved in the KCC Order. NEET Southwest’s application in this proceeding therefore  
8 already reflects many of the commitments that Mr. Ives recommends, as I will describe  
9 below. In this Rebuttal Testimony, I reiterate and confirm that NEET Southwest agrees to  
10 these same commitments for the Missouri portion of the Project.

11 **Q. Mr. Ives addresses cost allocation for the Project and suggests that Missouri**  
12 **ratepayers may be required to pay for cost overruns on the Project. Is this the case?**

13 A. No. As I testified in my Direct Testimony, NEET Southwest’s bid for the Project included  
14 a number of cost containment measures, which NEET Southwest has agreed to include in  
15 its FERC formula rate filings for the Project.<sup>9</sup> To summarize, these cost containment  
16 measures include \*\* [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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<sup>8</sup> *Id.* at 13-19.

<sup>9</sup> Walding Direct Testimony at 25-26.

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]\*\*

7 NEET Southwest’s cost containment measures were rated best by the SPP Independent  
 8 Expert Panel (“IEP”) when compared to other bids, due to being the most robust and with  
 9 the fewest exclusions, for the benefit of ratepayers. Therefore, cost containment measures  
 10 attached to NEET Southwest’s bid provide robust protections to ratepayers, and, as  
 11 provided in the Kansas Settlement Agreement and required by the KCC Order, these cost  
 12 protections will be included in NEET Southwest’s FERC rates for the Project. This will  
 13 include the Missouri portion of the Project and will provide protections to Missouri  
 14 ratepayers.

15 **Q. Mr. Ives points out that he lacks access to NEET Southwest’s financial data. Is there**  
 16 **a solution to that?**

17 A. Yes. Mr. Ives notes in his testimony that, in the Kansas proceeding, Evergy’s outside  
 18 counsel and consultant were granted access to this category of confidential information.<sup>10</sup>  
 19 The same is true in Missouri—Evergy can designate outside experts to view this category  
 20 of information pursuant to the Commission’s Protective Order. Because Evergy competes  
 21 against NEET Southwest for transmission contracts, Evergy and NEET employees have  
 22 been screened from seeing each other’s bid packages relating to this Project in both this

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<sup>10</sup> Ives Direct Testimony at 2-3.



1 and the Kansas proceeding, a process that was established in the Protective Order issued in  
2 this proceeding and the Kansas proceeding.

3 **Q. In the Kansas proceeding, did Evergy join in a settlement agreement that allowed**  
4 **NEET Southwest to gain approval of a CCN in Kansas?**

5 A. Yes, it did.

6 **Q. Did Evergy determine that its cost containment concerns had been addressed in the**  
7 **NEET Southwest Kansas proceeding?**

8 A. It did. In testimony supporting the Kansas Settlement Agreement, Mr. Ives testified that  
9 the settlement addressed many of Evergy's concerns, including "the integrity of the cost  
10 containment and cost cap provisions by NEET SW on the project."<sup>11</sup> Evergy stated that it  
11 was then able to view certain details of those commitments and that NEET SW also made  
12 commitments regarding future FERC rate filings and affiliated pricing standards. Mr. Ives  
13 notes that this did not address all of Evergy's concerns but that it represented a compromise  
14 among the parties.<sup>12</sup> With those additional commitments, Mr. Ives stated that the Kansas  
15 Settlement Agreement was in the public interest.<sup>13</sup>

16 **Q. Regarding Mr. Ives' concerns about landowner outreach, does Evergy provide any**  
17 **evidence that NEET Southwest's landowner interactions have caused any specific**  
18 **issues for Evergy?**

19 A. No. If I understand Mr. Ives' argument, it is that if a landowner has a negative interaction  
20 with NEET Southwest, it may hurt Evergy's ability to work with landowners in the future

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<sup>11</sup> See Darrin Ives Testimony in Support of Settlement Agreement, 22-NETE-419-COC (June 7, 2022) at 8-9.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 10.

1 if that landowner confuses NEET Southwest for Evergy. This “concern” was made in the  
2 Kansas docket and was unsubstantiated there as well as here.<sup>14</sup> Therefore, it is impossible  
3 for me to evaluate or respond directly to Mr. Ives’ implication that somehow NEET  
4 Southwest’s interactions with landowners somehow may negatively impact Evergy’s  
5 landowner relations. In any event, NEET Southwest takes its relationships with landowners  
6 and the broader communities very seriously. While we understand that not every landowner  
7 will want to participate in a transmission line project or have one located nearby, we focus  
8 on ensuring that landowners are treated with the highest levels of respect, both by our  
9 personnel and by our contractors.

10 **Q. Mr. Ives also addressed the financial support that NEET Southwest will receive from**  
11 **its indirect parent company.<sup>15</sup> Has NEET Southwest addressed Evergy’s**  
12 **recommendations in this regard?**

13 A. Yes. Mr. Ives raises very general concerns about capital markets and recommends that the  
14 Commission require NEET Southwest’s parent company to guarantee the financial  
15 performance of NEET Southwest on the Project. As Evergy is aware, NEET Southwest’s  
16 parent company, NextEra Energy Capital Holdings, Inc. (“NEECH”), has provided a  
17 financial commitment, a copy of which was provided as Confidential Schedule AF-1 to the  
18 Direct Testimony of Amanda Finnis filed in this proceeding, for the first 40 years of the  
19 Project’s life, to provide or secure equity capital injections up to \$10 million per year, as  
20 needed to maintain the financial integrity of the Project consistent with an investment-  
21 grade credit profile. Following the KCC Order, NEET Southwest filed an updated version

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<sup>14</sup> See Direct Testimony of Darrin Ives, 22-NETE-419-COC (June 7, 2022) at 17-18.

<sup>15</sup> Ives Testimony at 11-12.

1 of this commitment letter to reflect the KCC's direction that NEECH's financial support  
2 will continue to be provided by its successors and assigns. The updated version of this  
3 commitment is provided as Schedule R-BW-1 to my Rebuttal Testimony.

4 **Q. Why does this financial commitment include a term of 40 years?**

5 A. My understanding is that NEECH generally provides financial commitments for a defined  
6 period of time. In the Kansas Settlement Agreement, NEET Southwest agreed that, at the  
7 end of the 40-year period, NEET Southwest and NEECH (or any successor or assign)  
8 would review and assess whether this financial commitment remains necessary to maintain  
9 the financial integrity of the Project, consistent with an investment-grade credit profile, for  
10 the remaining depreciable life of the Project. NEET Southwest would agree to a similar  
11 condition in Missouri, as well.

12 **Q. Has Evergy recommended any conditions be established in this docket?**

13 A. Yes. In his testimony in this proceeding, Mr. Ives makes many of the same  
14 recommendations that were agreed to in the Kansas Settlement Agreement and were  
15 approved by the KCC as conditions in the KCC's CCN Order.

16 **Q. How does NEET Southwest respond to Mr. Ives's proposed conditions?**

17 A. NEET Southwest agrees with the conditions listed in Mr. Ives's testimony.

18 **Q. How do you respond to Mr. Ives's recommendations to NEET Southwest's requested  
19 variances?**

20 A. For the most part, Mr. Ives testified that Evergy agreed with Staff's recommendations on  
21 NEET Southwest's requested variances, with the exception of the waiver of the affiliate  
22 transaction reporting rules 20 CSR 4240-20.015 (3)-(7).<sup>16</sup> NEET Southwest believes

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<sup>16</sup> Ives Testimony at 9-11.

1 Staff's recommendation on this variance is appropriate and properly balances the relative  
2 interests of the parties.<sup>17</sup>

3 **IV. CONCLUSION**

4 **Q. Does this conclude your testimony?**

5 **A. Yes, it does.**

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<sup>17</sup> Compare *id.* with Staff's Report at 6.

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

In the Matter of the Application of NextEra )  
Energy Transmission Southwest, LLC for a )  
Certificate of Public Convenience and )  
Necessity to Construct, Install, Own, Operate, )  
Maintain, and Otherwise Control and Manage ) File No. EA-2022-0234  
a 345 kV Transmission Line and associated )  
facilities in Barton and Jasper Counties, )  
Missouri )

**Affidavit of Becky Walding**

1. My name is Becky Walding. I am the Executive Director, Development at NextEra Energy Transmission, LLC at 700 Universe Blvd., Juno Beach, FL 33408.

2. I have read the above and foregoing Rebuttal Testimony and the statements contained therein are true and correct to the best of my information, knowledge, and belief.

3. I am authorized to make this statement on behalf of NextEra Energy Transmission Southwest, LLC.

4. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.



\_\_\_\_\_  
Becky Walding  
Executive Director, Development  
NextEra Energy Transmission, LLC

Date: October 13, 2022