

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

In the Matter of an Investigation into)
the Siting and Safety of a Proposed) Case No. EO-2012-0271
Transmission Line in Platte County, Missouri)

**KANSAS CITY POWER & LIGHT COMPANY
AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

IATAN-NASHUA PROJECT QUARTERLY REPORT

Q3 2012 REPORT
SEPTEMBER 28, 2012

Table of Contents

Introduction.....	3
Project Background.....	3
Project Reporting	4
Project Components.....	6
Project Progress Summary.....	8
Safety	8
Overall Status.....	8
Engineering and Design.....	8
Procurement	9
Construction.....	9
Schedule.....	10
Status of Ownership of Iatan-Nashua Project.....	11
Current Ownership Status of Iatan-Nashua Project.....	11
Alabama-Nashua Line Transfer.....	11
Planned Transource Ownership of Iatan-Nashua Project	12
Summary of KCP&L's and GMO's Contact with the Public.....	14
Attachments	15
Attachment A – Original KCP&L Iatan-Nashua Project NTC (SPP-NTC-20042).....	16
Attachment B – KCP&L Letter to SPP Requesting NTC Modification.....	20
Attachment C – New KCP&L Iatan-Nashua Project NTC (SPP-NTC-200188).....	23
Attachment D – New GMO Iatan-Nashua Project NTC (SPP-NTC-200189)	27
Attachment E – KCP&L Response to New KCP&L Iatan-Nashua Project NTC (SPP-NTC-200188)	31
Attachment F – GMO Response to New GMO Iatan-Nashua Project NTC (SPP-NTC-200189)	34
Attachment G – Iatan-Nashua Project Map.....	37
Attachment H – Baseline Level 1 Schedule	39

Introduction

Project Background

The Iatan to Nashua 345kV Transmission Project (“Iatan-Nashua Project”) was initiated as a result of the Southwest Power Pool’s (“SPP”) Balanced Portfolio Network Upgrades. 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. SPP in 2008 to 2009 began to develop a more comprehensive approach to their transmission expansion planning, which would bring about not only traditional reliability-based benefits, but also benefits of reduced regional market congestion, lower regional generation production costs and increased operating efficiencies. The first comprehensive set of such projects were developed as the Balanced Portfolio¹ containing seven major transmission projects within the SPP region.

SPP approved this set of projects in April 2009, and one of these was the Iatan-Nashua Project. The Iatan-Nashua Project will reduce congestion on the region’s transmission system and provide essential transmission capacity for long-term efficient delivery of energy within the region. Additionally, the Iatan-Nashua Project will provide an alternate transmission route during emergencies and greater service reliability for the northwest Missouri area.

The Iatan-Nashua Project involves the construction of a new 345kV transmission line in northwest Missouri. The transmission line will extend approximately thirty (30) miles from an existing substation at the Iatan power plant near Weston, Missouri (“Iatan Substation”), to the Nashua 161kV substation near Smithville, Missouri (“Nashua Substation”). The 161kV Nashua Substation will be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua line, and the connection with the existing St. Joseph-Hawthorn 345kV transmission line, by installing a new 345/161kV autotransformer between the existing 161kV substation and the 345kV facilities at the Nashua Substation.

SPP issued a Notification to Construct (“NTC”) to KCP&L on June 19, 2009 (see [*Attachment A – Original KCP&L Iatan-Nashua Project NTC \(SPP-NTC-20042\)*](#)). SPP initially issued the NTC to KCP&L because KCP&L owns and operates both of the substations at the end points of the new 345kV transmission line. However, after spending more than a year evaluating routing options and meeting with the public, it became clear that the new 345kV transmission line would be located entirely within GMO’s service territory. As a result, at KCP&L’s request, SPP modified the Iatan-Nashua NTCs to include also include GMO as a Designated Transmission Owners (“DTOs”) for this project. KCP&L’s letter to SPP requesting this modification is contained in [*Attachment B – KCP&L Letter to SPP Requesting NTC Modification*](#).

¹ SPP’s description of the Balanced Portfolio is available at <http://www.spp.org/section.asp?pageID=120>.

On April 17, 2012, SPP issued revised NTCs to both KCP&L and GMO directing them to coordinate with each other regarding the portion of the project each company would construct. Copies of these NTCs have been provided as [Attachment C – New KCP&L Iatan-Nashua Project NTC \(SPP-NTC-200188\)](#) and [Attachment D – New GMO Iatan-Nashua Project NTC \(SPP-NTC-200189\)](#).

On June 22, 2012, KCP&L submitted a response to the revised NTC indicating it would construct the identified network upgrades at its Iatan Substation, and its 161kV Nashua Substation. As noted above, a new 345/161kV autotransformer will be installed at the Nashua Substation between the existing 161kV substation and the new 345kV facilities. On the same day, GMO also submitted a response indicating it would construct the 345kV transmission line between the substations. The Companies' responses to the revised SPP NTCs are attached as [Attachment E – KCP&L Response to New KCP&L Iatan-Nashua Project NTC \(SPP-NTC-200188\)](#) and [Attachment F – GMO Response to New GMO Iatan-Nashua Project NTC \(SPP-NTC-200189\)](#).

Project Reporting

On March 14, 2012 in Case No. EO-2012-0271², the Missouri Public Service Commission ("MPSC") issued an Order Directing Filing and Denying Motion for Local Public Hearing ("Order Directing Filing")³.

The MPSC ruled in the Order Directing Filing that "throughout the planning, design, and construction process of **Line 62⁴** [*emphasis and footnote added*] (as described in the body of this order), Kansas City Power & Light Company ("KCP&L") and KCPL Greater Missouri Operations ("GMO") shall continue the "the two-way communication, feedback, on-site visits and other meetings" as described in KCP&L and GMO's Response to the Office of the Public Counsel's Motion to Open an Investigation."

The MPSC also ordered that beginning on March 30, 2012, KCP&L and GMO (collectively referred to herein as "the Company") shall file quarterly updates that include at a minimum:

² All case filings and submissions for Case No. EO-2012-0271 are available through the Electronic Filing and Information System ("EFIS") on the MSPC's website at https://www.efis.psc.mo.gov/mpsc/Filing_Submission/DocketSheet/docket_sheet.asp?caseno=EO-2012-0271&pagename=case_filing_submission_FList.asp

³ The Order Directing Filing is available through EFIS at https://www.efis.psc.mo.gov/mpsc/commoncomponents/view_itemno_details.asp?caseno=EO-2012-0271&attach_id=2012015122

⁴ The terms, "Line 62" or "Segment 62", have been used somewhat loosely in various contexts and documents, including in the March 14, 2012 Order Directing Filing in this case, to refer to the Iatan-Nashua Project as a whole. Technically, "Segment 62" refers to one of the line segment options that were evaluated and not the entire Iatan-Nashua Project. Additional discussion on this topic can be found in the Project History section of the first quarterly report (dated March 30, 2012) filed in File No. EO-2012-0271. For the purposes of the quarterly reporting in Case No. EO-2012-0271, it should be presumed that all discussion refers the Iatan-Nashua Project as a whole, unless it is specifically stated otherwise.

- The progress of the planning, design and construction of the proposed transmission line and any additional information that addresses the safety issues raised in this file
- The status of ownership of *Line 62⁵ [emphasis and footnote added]*
- A summary of KCP&L's and GMO's contact with the public during the previous quarter.

The quarterly reports contain the following quarterly update sections to satisfy the requirements of the Order Directing Filing:

Project Progress Summary

Safety

Overall Status

Engineering and Design

Procurement

Construction

Schedule

Status of Ownership of Iatan-Nashua Project

The initial report submitted on March 30, 2012 – in addition to the progress summary, owner status, and public contact information required by the Order Directing Filing – also included a summary of the Iatan-Nashua Project History. The Project History section was included in the first report in order to provide a summary of the project, especially with respect to the public interactions, from project inception to the time of the first quarterly report.

In addition to the Company's reporting in Case No. EO-2012-0271, the Company also provides project updates to SPP on a quarterly basis. The SPP quarterly project tracking reports⁶ contain information on all of the Balanced Portfolio projects, as well as other SPP projects, including Reliability, Transmission Service, Generation Interconnect, High Priority, and IPT10 upgrades. The Iatan-Nashua Project is shown in the SPP quarterly project tracking reports under three NTC IDs:

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

⁵ Id.

⁶ The SPP quarterly project tracking reports are publicly available at <http://www.spp.org/section.asp?group=1867&pageID=27>

Project Components

The Iatan-Nashua Project essentially has four components: (i) the **East Segment**; (ii) the **West Segment**; (iii) the **Middle Segment**, which together constitute the GMO portion of the Iatan-Nashua Project; and (iv) the **substation upgrades**, which constitute the KCP&L portion of the Iatan-Nashua Project. A map of the whole Iatan-Nashua Project is shown in [Attachment G – Iatan-Nashua Project Map](#) and each component is described in turn.

First, the **East Segment** begins at KCP&L’s Nashua Substation located in Clay County near Smithville, Missouri, extending in a northwesterly direction for approximately fifteen (15) miles. This segment of the new 345kV transmission line will utilize existing rights-of-way (supplemented by additional rights-of-way as needed) that currently are used for a portion of the existing 161kV Alabama-Nashua Line that was recently transferred from KCP&L to GMO⁷. This fifteen (15) mile segment of the Alabama-Nashua Line will be retired and removed and will be replaced by the new 345kV transmission line.

Second, the **West Segment** begins at the Iatan Substation located in Platte County near Weston, Missouri, extending in a northeasterly direction for about five (5) miles. This segment of the new 345kV transmission line will utilize GMO’s existing 345kV Iatan-St. Joseph transmission line rights-of-way supplemented by additional rights-of-way as needed for the new construction. To facilitate construction of the new 345kV transmission line from the Iatan Substation, the Companies intend to install new transmission structures that will be able to accommodate both GMO’s existing 345kV Iatan-St. Joseph line, as well as the West Segment of the new 345kV Iatan-Nashua line. Consequently, the existing transmission structures along approximately five (5) miles of the Iatan-St. Joseph line will be retired and removed and the existing line will be attached to the new structures. Subsequently, the West Segment of the new 345kV transmission line will be added to the new structures as part of the construction of the Iatan-Nashua Project. Both the West Segment of the new 345kV Iatan-Nashua line, and a portion of the existing Iatan-St. Joseph line, will share the new structures. At this time, we expect the existing Iatan-St. Joseph line to remain energized and in-service while it is moved from the existing structures to the new jointly used structures. Construction on this segment is expected to begin in the spring of 2013.

Third, the **Middle Segment** will connect the East and West Segments, running approximately twelve (12) miles east-to-west through an area without any existing rights-of-way/easements—i.e., the Middle Segment is “greenfield.” Negotiations with landowners in this “greenfield” area currently are scheduled to begin in the spring of 2013.

Fourth, in order to facilitate the construction and operation of the new 345kV Iatan-Nashua transmission line, certain **substation upgrades** will need to be made at each substation terminus. Notably, the existing 161kV Nashua Substation will be expanded and upgraded to accommodate both the new 345kV Iatan-Nashua line, and connection with the existing St. Joseph-Hawthorn

⁷ The transfer of the 161kV Alabama-Nashua Line is discussed in further detail in the [Status of Ownership of Iatan-Nashua Project](#) section in this report.

345kV transmission line, by installing a new 345/161kV autotransformer between the existing 161kV substation and the 345kV facilities at the Nashua Substation. Additionally, upgrades will be required to connect the new 345kV transmission line to the Iatan Substation. As previously noted, the substation upgrades will be performed by KCP&L.

Project Progress Summary

Safety

During the public meetings an issue was raised with the final route being in the proximity of petroleum or gas pipelines. Pipelines and transmission lines are located near one another in other locations in the Company's transmission system. The Company is aware of the existing ONEOK pipeline near the final route and has continued to work with ONEOK on easement and safety issues. Many of these issues cannot be totally resolved until the engineering design work is complete. The Company will follow all electric industry safety guidelines as well as those provided by ONEOK during construction of the transmission line. The Company will communicate on this particular issue in each report as the engineering work progresses until it is resolved. The Company is waiting for the acquisition of the easements along the northern route in order to complete the final location of structures and center line. The Company anticipates this work to be completed and the easements obtained during the first quarter of 2014. This detailed design information will be sent to ONEOK upon completion in order to start the development of a mitigation plan for the protection of their pipelines.

At this point, no work-related safety issues have occurred.

Overall Status

The final route has been determined, and detailed surveying of the proposed route to support the upcoming right-of-way/easement negotiations is basically complete. As such, the Company has developed and submitted to SPP a Control Budget Estimate ("CBE")⁸ against which the Company will measure the status of the project cost. The CBE incorporates the final route and other details associated with that route and will supersede the conceptual estimate communicated in the original NTC.

Engineering and Design

Detailed design engineering work continues on the project with a bulk of the work being performed in-house by the KCP&L Transmission Engineering Department.

The initial engineering and design work is focused on the east and west legs where the Company has existing rights-of-way/easements that will be utilized for the Iatan-Nashua Project and where any complications related to constructing near or removing existing equipment must be addressed. Engineering and design will not be fully finalized, however, until all of the right-of-way/easements are obtained, which is currently scheduled for first quarter 2014. Surveying work to support the ROW acquisition is basically complete.

⁸ The CBE that was submitted to SPP is a capital expenditure figure and, as such, does not include Allowance for Funds Used During Construction ("AFUDC") and property taxes.

Engineering and design work on the west leg, or Iatan end, of the line is being done to coordinate efforts and preparation for project construction work that will be performed during scheduled outages in the spring of 2013 and 2014.

Engineering work continues to support first material orders, including steel poles, conductor, insulators, and hardware.

Procurement

The Company selected Burns & McDonnell from among the bidders that responded to the Company's request for proposals ("RFP") for a contractor to negotiate and obtain the various easements required to begin construction. The Company has also contracted with Burns & McDonnell for the environmental permitting portion of the project.

Proposals were received back from the geotechnical suppliers and Alpha Omega was the successful bidder. They began performing the geotechnical work scope in August.

The RFP for the steel poles for the west leg was sent to seven bidders in June 2012 with bids due back in July. TransAmerica Power Products, Inc. ("TAPP") was selected as the winning bidder, and a contract was issued for the west leg steel poles to in September 2012. The RFP for the steel poles for the east and north legs was sent out in July 2012. Bids were received in August and the bid review is complete. We have entered negotiations with FWT Utility Poles and have identified TAPP as a backup for the north and east legs. The target date to have a contract in place for the east leg is October 2012 and August 2013 for the north leg.

The RFP for the line construction scope was sent to six prospective bidders in September 2012. A pre-bid meeting was held in September 2012 with three of the five potential bidders present. Two of the bidders chose not to bid because of current resource constraints due to work load. We anticipate having a contract in place prior to the end of the year 2012.

Conductor and OPGW (fiber optic / ground wire) RFP's were issued in September 2012 with a projected award in November 2012. The RFP for insulators was issued in September 2012 with a projected award in November 2012.

Construction

Construction is scheduled to commence on the west leg, Iatan end, of the line late 2012 with foundation work for the structures to support the outage related work in the spring of 2013.

Schedule

The overall Iatan-Nashua Project schedule was baselined on July 31, 2012. The baseline schedule is the schedule against which project status will be tracked and reported. The baseline schedule has been summarized in a Level 1 Project Schedule, included as [Attachment H – Baseline Level 1 Schedule](#). This Level 1 Project Schedule outlines the major milestones and engineering, procurement, and construction activities that will need to be completed to support the current estimated in-service date of June 2015.

Status of Ownership of Iatan-Nashua Project

The process governing the construction of transmission facilities within the SPP region and the basis for SPP issuing Notifications to Construct are set forth in Section VI of Attachment O to the SPP Open Access Transmission Tariff (“SPP Tariff”)⁹. 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.

Current Ownership Status of Iatan-Nashua Project

As discussed in the Introduction section above, both KCP&L and GMO currently are DTOs for the portions of the Iatan-Nashua Project. GMO is currently the DTO for the 345kV line components of the Iatan-Nashua Project, which includes the East Segment, West Segment, and Middle Segment of the line as described in the Introduction section above. KCP&L is currently the DTO for the substation upgrades portion of the Iatan-Nashua Project, which includes the new 345/161kV autotransformer to be installed at the Nashua Substation and the other necessary upgrades at the both the Iatan and Nashua Substations. The rationale and process for determining which portions of the Iatan-Nashua Project that each GMO and KCP&L will construct was discussed in the second quarterly report filed on June 29, 2012 (as revised July 3, 2012) in Case No. EO-2012-0271. The NTCs, requests for modification, and responses are included in Attachments A through F.

Alabama-Nashua Line Transfer

The Companies spent more than a year evaluating routing options and listening to customer concerns to aid in selecting the construction route for the Iatan-Nashua Project. Our team collected more than 300 resident surveys, conducted five public meetings with more than 400 attendees, personally spoke with hundreds of residents and business owners, and mailed almost 2,000 letters soliciting additional input and feedback. Based on the information that was gathered, there was a strong preference for utilizing existing lines, easements, and rights-of-way as a first course of action to minimize the disturbance to landowners and wildlife habitats.

In response, our team identified a portion of KCP&L’s existing 161kV transmission line between KCP&L’s Nashua Substation and GMO’s Alabama substation in St. Joseph, Missouri (“Alabama-Nashua Line”) that could be used for a portion of the Iatan-Nashua Project. A map of the Iatan-Nashua Project showing the Alabama-Nashua Line is attached as [Attachment G – Iatan-Nashua Project Map](#). It was, however, necessary to seek this Commission’s approval to transfer KCP&L’s Alabama-Nashua Line to GMO in Case No. EO-2012-0479, in order to

⁹ The full SPP Tariff as well as individual Schedules and Attachments can be found at <http://www.spp.org/tariff-viewer.asp>

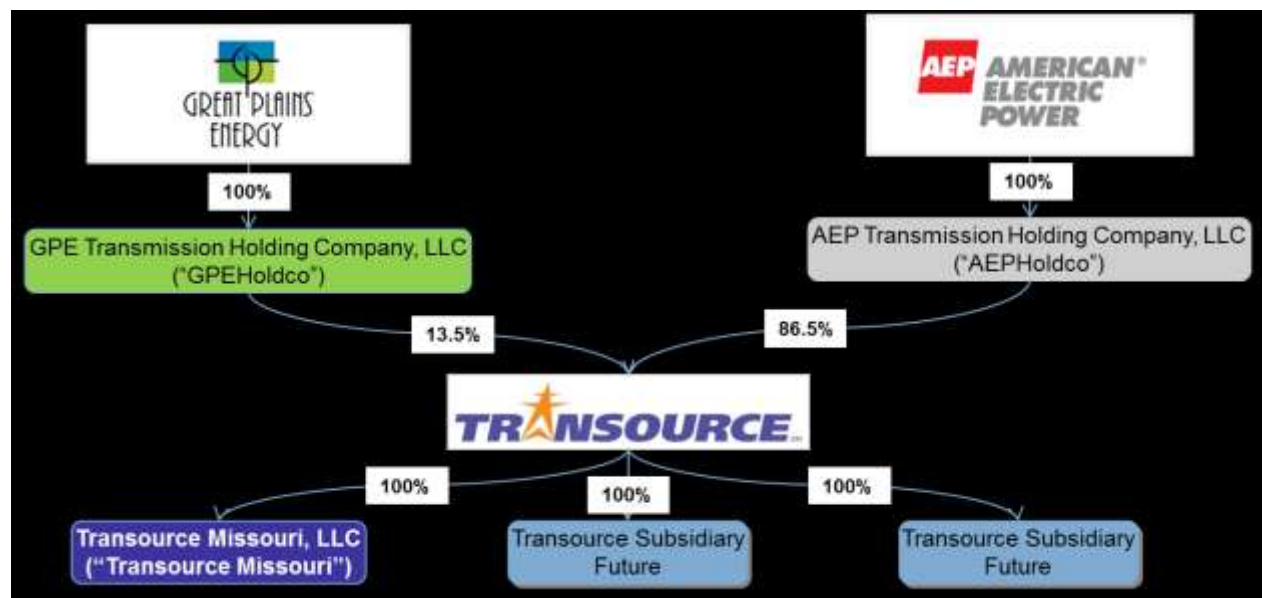
facilitate the Companies' plan to have GMO construct the entire 345kV Iatan-Nashua line because it was wholly within GMO's service area. On August 8, 2012, Commission Staff filed its recommendation in support of the Applicants' request to transfer the Alabama-Nashua Line from KCP&L to GMO. The Commission granted the Companies' application to transfer the Alabama-Nashua Line from KCP&L to GMO on August 15, 2012.

More detail regarding the Alabama-Nashua Line transfer can be found in the application that was filed in Case No. EO-2012-0479¹⁰.

Planned Transource Ownership of Iatan-Nashua Project

On April 4, 2012 Great Plains Energy ("GXP") and American Electric Power ("AEP"), announced that they had formed a company to build and invest in transmission infrastructure. The new company, Transource EnergySM LLC ("Transource")¹¹, will pursue competitive transmission projects, initially in the Southwest Power Pool ("SPP"), Midwest Independent Transmission System Operator ("MISO") and PJM Interconnection ("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 the figure below.



¹⁰ 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-2012-0479&pagename=case_filing_submission_FList.asp

¹¹ 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>

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. Specifically KCP&L and GMO plan to terminate and release their respective obligations as DTOs under the modified NTCs, and to designate Transource Missouri as the alternate DTO responsible for building and owning the Iatan-Nashua Project (and Sibley-Nebraska City Project) pursuant to Section VI of Attachment O to the SPP Tariff¹².

On August 31, 2012, in Case No. EO-2012-0367, the KCP&L and GMO filed an application with the MPSC for approval to transfer certain transmission property to Transource Missouri and for other related determinations. This request before the Commission is part of the process to help facilitate the novation of the NTCs for the Iatan-Nashua Project (and the Sibley-Nebraska City Project) to Transource Missouri. Specifically in this application, KCP&L and GMO requested that the Commission:

1. Authorize the transfer of certain electric transmission property from the Applicants to Transource Missouri under Section 393.190.1;
2. Find that no approval is required under Missouri law to novate the Notifications to Construct ("NTC") received from SPP regarding the two regional, high-voltage transmission Projects, or otherwise express no objection to or approve the Applicants' plans in this regard; and
3. Grant a waiver of or variance from the Commission's Affiliate Transactions Rule, 4 CSR 240-20.015.

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-2012-0367¹³.

Concurrent with the KCP&L and GMO's application in Case No. EO-2012-0367, Transource Missouri also filed a related application in Case No. EA-2013-0098 for a line Certificate of Convenience and Necessity ("CCN") to construct, finance, own, operate, and maintain the regional Iatan-Nashua Project (and the Sibley-Nebraska City Project).

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-2013-0098¹⁴.

¹² The full SPP Tariff as well as individual Schedules and Attachments can be found at <http://www.spp.org/tariff-viewer.asp>

¹³ 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

¹⁴ 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

Summary of KCP&L's and GMO's Contact with the Public

Throughout the surveying process there have been numerous informal interactions and communications between the Company, the affected landowners, and surveying contractors. These communications and interactions were most prevalent when the surveyors needed to access the landowner property to complete the survey work that could not be accomplished from public land and ROW. Generally the interactions during the surveying processes are quick and uneventful. If, however, it is anticipated there is a heightened sensitivity or a potential for conflict the Company and the surveying contractor take additional formal steps during the process.

Throughout the life of the Iatan-Nashua Project the Company will continue to proactively meet with citizens, local and state officials and the local news media. Citizens can continue to contact the Company through the Iatan-Nashua Project team members that they have met, through the dedicated Iatan-Nashua Project public outreach resources:

Outreach line:	1-800-541-0545 (press "6" for the Iatan-Nashua project)
Email address:	Iatan-Nashua@kcpl.com
Website:	http://www.kcpl.com/iatannashua/

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

The Company specifically has been pursuing easement negotiations on the west leg to facilitate project construction work that will be need to be performed during the Spring 2013 Iatan outage. While the Company intends to continue to negotiate with the affected landowners, on August 31, 2012 the Company did send 60-day condemnation notice letters to six individuals on the west leg to start the legal process in case condemnation proceedings are required.

Attachments

Attachment A – Original KCP&L Iatan-Nashua Project NTC (SPP-NTC-20042)



HELPING OUR MEMBERS WORK TOGETHER
TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

SPP
Notification to Construct

June 19, 2009

SPP-NTC-20042

Mr. Todd Fridley
Kansas City Power and Light Company
1201 Walnut Street
16th Floor
Kansas City, MO 64106

RE: Notification to Construct Approved Balanced Portfolio Network Upgrades

Dear Mr. Fridley:

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff ("OATT"), SPP provides this Notification to Construct ("NTC") directing Kansas City Power and Light Company ("KCPL"), as the Designated Transmission Owner, to construct the following approved Network Upgrades.

During the April 28, 2009 meeting, the SPP Board of Directors approved Balanced Portfolio 3E "adjusted" and directed the following Network Upgrades to be constructed contingent upon the approval of the Balanced Portfolio Report by the Markets and Operations Policy Committee ("MOPC"). On June 12, 2009 the MOPC approved the 2009 Balanced Portfolio Report.

Project ID: 702
Project Name: Swissvale – Stilwell Tap
Estimated In-Service Date for Project: 06/01/2012
Estimated Cost for project: \$2,000,000

Network Upgrade ID: 10934
Network Upgrade Description: Tap the Swissvale to Stilwell 345 kV line at West Gardner
Network Upgrade Owner: KCPL
MOPC Representative: Todd Fridley
Categorization: Balanced Portfolio Network Upgrade
Network Upgrade Specifications: Tap the Swissvale to Stilwell 345 kV line at the West Gardner substation.
Network Upgrade Justification: Balanced Portfolio 3E "adjusted"
Estimated In-Service Date for Network Upgrade: 6/1/2012
Estimated Cost for Network Upgrade (current day dollars): \$2,000,000
Source of funding for Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT
Source of Cost Estimate: KCPL
Date of Cost Estimate: April 2009

Project ID: 703
Project Name: Iatan – Nashua 345 kV line

415 NORTH MCKINLEY STREET, SUITE 140 | LITTLE ROCK, AR 72005 | 501-614-3200 | SPP.ORG



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Estimated In-Service Date for Project: 06/01/2015
Estimated Cost for project: \$54,444,000

Network Upgrade ID: 10935
Network Upgrade Description: 345 kV line from Iatan substation to Nashua substation
Network Upgrade Owner: KCPL
MOPC Representative: Todd Fridley
Categorization: Balanced Portfolio Network Upgrade
Network Upgrade Specifications: Construct 30 miles of 345kV, 3000 amp or greater capacity transmission line from the KCPL Iatan substation to the KCPL Nashua substation and acquire the necessary right-of-way to accommodate the 345 kV line. Upgrade the Iatan substation to include any necessary terminal equipment.
Network Upgrade Justification: Balanced Portfolio 3E "adjusted"
Estimated In-Service Date for Network Upgrade: 6/1/2015
Estimated Cost for Network Upgrade (current day dollars): \$49,824,000
Source of funding for Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT
Source of Cost Estimate: KCPL
Date of Cost Estimate: April 2009

Network Upgrade ID: 10945
Network Upgrade Description: Nashua 345/161 kV Transformer
Network Upgrade Owner: KCPL
MOPC Representative: Todd Fridley
Categorization: Balanced Portfolio Network Upgrade
Network Upgrade Specifications: Install a 345/161 kV transformer, 600 MVA at the Nashua substation. Upgrade the Nashua substation to include any other necessary terminal equipment.
Network Upgrade Justification: Balanced Portfolio 3E "adjusted"
Estimated In-Service Date for Network Upgrade: 6/1/2015
Estimated Cost for Network Upgrade (current day dollars): \$4,620,000
Source of funding for Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT
Source of Cost Estimate: KCPL
Date of Cost Estimate: April 2009

Please provide to SPP a written commitment to construct the Network Upgrades within 90 days of the date of this Notification to Construct, pursuant to Attachment O, Section VIII.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrades. Failure to provide a sufficient written commitment to construct as required by Attachment O could result in the Network Upgrades being assigned to another entity.

Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.



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On an ongoing basis, please keep SPP advised of any inability on KCPL's part to complete the approved Network Upgrades. For project tracking purposes, SPP requires KCPL to submit updates on the status of the Network Upgrades on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, KCPL shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this letter shall vary such terms and conditions.

Feel free to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in black ink that reads 'Bruce A. Rew'.

Bruce Rew
Vice President, Engineering
Phone (501) 614-3214 • Fax: (501) 821-3198 • brew@spp.org

cc: Carl Monroe, Les Dillahunt, Pat Bourne, Jay Caspary, Keith Tynes, SPPProjecttracking@spp.org,
Richard Spring, Dennis Odell, Harold Wyble

**Attachment B – KCP&L Letter to SPP Requesting NTC
Modification**



April 9, 2012

Mr. Lanny Nickell
Vice President, Engineering
Southwest Power Pool, Inc.
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020

RE: Notification to Construct ("NTC") SPP-NTC-20042

Dear Mr. Nickell,

This letter is in regards to the Notification to Construct approved Balanced Portfolio Network Upgrades (SPP-NTC-20042), dated June 19, 2009 ("NTC") issued by Southwest Power Pool, Inc. ("SPP") to Kansas City Power & Light Company ("KCP&L"). KCP&L accepted the obligation to build the upgrades associated with the NTC by letter dated September 15, 2009. For ease of reference, both letters are attached hereto.

The NTC issued by SPP pursuant to Section 3.3 of the SPP Membership Agreement and Attachment O, Section VI¹, of the SPP Open Access Transmission Tariff ("OATT") directed KCP&L to construct certain approved Balanced Portfolio 3E-"adjusted" network upgrades. The upgrade at issue is the Iatan-Nashua 345 kV line, identified in the NTC as Project ID #703 and Network Upgrade IDs #'s 10935 and 10945 (the "Project"). KCP&L accepted the obligation to construct the Project on behalf of itself as the designated owner of Nashua facility, and as the owner-operator of the Iatan substation.² While the Iatan substation is operated by KCP&L, it is physically located in GMO's service territory. As a result, the Project will traverse through GMO's service territory to connect with KCP&L's Nashua substation.

Pursuant to SPP's Membership Agreement §3.3(b) and the OATT Attachment O §VI(4) "[i]f the project forms a connection with facilities owned by *multiple* Transmission Owners, the applicable Transmission Owners will be designated to provide their respective new facilities. If there is more than one Transmission Owner designated to construct a project, the Designated Transmission Owners will agree among themselves which part of the project will be provided by each entity." As the Project forms a connection between facilities owned by multiple parties, the parties should be

¹ The NTC referenced Attachment O, Section VIII, which was correct at the time it was issued. In the current OATT, the section that governs notifications to construct SPP-approved upgrades is Attachment O, Section VI.

² The owners of Iatan Station own the Iatan substation as tenants in common, each with an undivided ownership interest. The owners of Iatan Station are KCP&L, KCP&L Greater Missouri Operations Company ("GMO"), Empire District Electric Company ("Empire"), Missouri Joint Municipal Electric Utility Commission ("MJMEUC") and Kansas Electric Power Cooperative, Inc. ("KEPCo"). KCP&L is the exclusive Operator responsible for the actual design, permitting, development, procurement, construction, operation and maintenance of Iatan Station, including the Iatan substation, subject to the direction of the Management Committee.

Mr. Lanny Nickell
Vice President, Engineering
April 9, 2012
Page 2

permitted to determine which part of the Project will be constructed by each entity. As a tenant in common in the Iatan substation with KCP&L, GMO holds a common, undivided ownership interest in the substation. Because the substation is located in GMO's service territory and because the substation is owned by both KCP&L and GMO, KCPL requests that SPP also issue the NTC to GMO to allow both KCPL and GMO to determine how the Project will be constructed.³ Doing so would allow all parties to fulfill their obligations consistently with the requirements of the Membership Agreement and the OATT, as explained herein.

Please feel free to contact me directly if you have any questions or comments regarding KCP&L's request contained herein.



Todd Fridley
Sr. Manager, Transmission Policy
Tel: (816) 654-1214
Cell: (816) 719-9709
Email: todd.fridley@kcpl.com

³ Although the other tenants in common have an undivided interest in the Iatan Substation, because the facility is located *entirely* within GMO's territory and the Project has only two points of interconnection that practically allow no more than two owner-operators of the Project, it would not be inconsistent with the Membership Agreement or the OATT to only issue the additional NTC to GMO.

**Attachment C – New KCP&L Iatan-Nashua Project NTC (SPP-
NTC-200188)**



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SPP-NTC-200188

SPP
Notification to Construct

April 17, 2012

Mr. Harold Wyble
Kansas City Power & Light Company
801-A, P.O. Box 418679
Kansas City, MO 64141-9679

RE: Notification to Construct Approved Balanced Portfolio Network Upgrades

Dear Mr. Wyble,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VI, of the SPP Open Access Transmission Tariff ("OATT"), SPP provides this Notification to Construct ("NTC") directing Kansas City Power & Light Company ("KCP&L"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

KCP&L received and accepted NTC 20042 in 2009 to construct the approved Balanced Portfolio Project ID 703, Iatan to Nashua 345 kV. On April 9, 2012, KCP&L requested SPP modify the Project to include KCP&L Greater Missouri Operations Company ("GMO") as a Designated Transmission Owner of the project. Except as otherwise described in this modified NTC, all other terms and conditions of NTC 20042, and KCP&L's acceptance of the obligation to construct Network Upgrades identified in NTC 20042, remain unchanged and in full force and effect.

Upgrades with Modifications

Previous NTC Number: 20042
Previous NTC Issue Date: 6/19/2009
Project ID: 703
Project Name: Multi - Iatan - Nashua 345 kV
Estimated Cost for Project: \$54,444,000 (this project cost contains Network Upgrades not included in this NTC)
Date of Estimated Cost: 4/1/2009
Estimated Cost Source: KCP&L

Network Upgrade ID: 10935
Network Upgrade Name: Iatan - Nashua 345 kV Ckt 1 (KCP&L)
Network Upgrade Description: Build new 345 kV line from Iatan to Nashua. The total

1

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SPP-NTC-200188

mileage of this 345 kV line is 30 miles. GMO and KCP&L shall decide who shall build how much of these Network Upgrades and shall provide such information, along with specific cost estimates for each Designated Transmission Owner's portion of the Network Upgrades, to SPP in the response to this NTC.

Network Upgrade Owner: Kansas City Power & Light Company

MOPC Representative: Todd Fridley

TWG Representative: Harold Wyble

Reason for Change: The changes reflected in this NTC are being made at the request of KCP&L, who clarified that the Iatan substation is a jointly-owned facility. An NTC is also being issued to GMO to acknowledge GMO's ownership interest in the facilities.

Categorization: Balanced Portfolio

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA, but are not limited to that amount.

Network Upgrade Justification: Balanced Portfolio 3E "adjusted"

Estimated In-Service Date for Network Upgrade: 6/1/2015

Cost Allocation of the Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this NTC, pursuant to Attachment O, Section VI.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a sufficient written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Coordination with Neighbors

KCP&L is responsible for coordinating these jointly owned projects with other constructing Designated Transmission Owners. Coordination includes, but is not limited to, construction specifications, facility ratings, interception location, and construction timing.

Notification of Commercial Operation

Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on KCP&L's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires KCP&L to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, KCP&L shall also advise SPP of any inability to comply



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SPP-NTC-200188

with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lanny Nickell'.

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 821-3198 • lnickell@spp.org

cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Todd Fridley - Kansas City Power & Light Company
Patricia Denny - Kansas City Power & Light Greater Missouri Operations Company

Attachment D – New GMO Iatan-Nashua Project NTC (SPP-NTC-200189)



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SPP-NTC-200189

SPP
Notification to Construct

April 17, 2012

Mr. Harold Wyble
KCP&L Greater Missouri Operations Company
801-A, P.O. Box 418679
Kansas City, MO 64141-9679

RE: Notification to Construct Approved Balanced Portfolio Network Upgrades

Dear Mr. Wyble,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VI, of the SPP Open Access Transmission Tariff ("OATT"), SPP provides this Notification to Construct ("NTC") directing Kansas City Power & Light Greater Missouri Operations Company ("GMO"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

Kansas City Power & Light Company ("KCP&L") received and accepted NTC 20042 in 2009 to construct the approved Balanced Portfolio Project ID 703, Iatan to Nashua 345 kV. On April 9, 2012, KCP&L requested SPP modify the Project to include GMO as a Designated Transmission Owner of the project.

New Network Upgrades

Project ID: 703

Project Name: Multi - Iatan - Nashua 345 kV

Estimated Cost for Project: \$54,444,000 (this project cost contains Network Upgrades not included in this NTC)

Date of Estimated Cost: 4/1/2009

Estimated Cost Source: KCP&L

Network Upgrade ID: 50499

Network Upgrade Name: Iatan - Nashua 345 kV Ckt 1 (GMO)

Network Upgrade Description: Build new 345 kV line from Iatan to Nashua. The total mileage of this 345 kV line is 30 miles. GMO and KCP&L shall decide who shall build how much of these Network Upgrades and shall provide such information, along with specific cost estimates for each Designated Transmission Owner's portion of the Network Upgrades, to SPP in the response to this NTC.

1

415 NORTH MCKINLEY STREET, SUITE 140 | JETTIE ROCK, AR 72205 | 501-614-1200 | SPP@SPP.ORG



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SPP-NTC-200189

Network Upgrade Owner: KCP&L Greater Missouri Operations Company
MOPC Representative: Patricia Denny
TWG Representative: Harold Wyble
Categorization: Balanced Portfolio
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA, but are not limited to that amount.
Network Upgrade Justification: Balanced Portfolio 3E "adjusted"
Estimated In-Service Date for Network Upgrade: 6/1/2015
Cost Allocation of the Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this NTC, pursuant to Attachment O, Section VI.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a sufficient written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Coordination with Neighbors

GMO is responsible for coordinating these jointly owned projects with other constructing Designated Transmission Owners. Coordination includes, but is not limited to, construction specifications, facility ratings, interception location, and construction timing.

Notification of Commercial Operation

Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on GMO's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires GMO to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, GMO shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions.



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SPP-NTC-200189

Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in black ink that reads "Lanny Nickell".

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 821-3198 • lnickell@spp.org

cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Todd Fridley - Kansas City Power & Light Company
Patricia Denny - Kansas City Power & Light Greater Missouri Operations Company

**Attachment E – KCP&L Response to New KCP&L Iatan-Nashua
Project NTC (SPP-NTC-200188)**



June 22, 2012

Mr. Lanny Nickell
Vice President, Engineering
Southwest Power Pool
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020

Re: Notification to Construct Approved Balanced Portfolio Network Upgrades (NTC-200188)

Dear Mr. Nickell,

In response to your letter dated April 17, 2012, regarding KCP&L's request to include KCP&L Greater Missouri Operations Company (GMO) as a designated Transmission Owner to construct portions of the approved Balanced Portfolio Project ID 703, Iatan to Nashua 345kV, KCP&L responds as follows:

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VI of the SPP Open Access Transmission Tariff ("OATT") KCP&L has coordinated with GMO and will construct the substation terminal portions of Project ID 703 as described below.

Previous NTC number: 20042
Previous NTC Issue date: 6/19/2009
Project ID: 703
Project Name: Mult – Iatan – Nashua 345 kV
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$64,800,000 (includes upgrades not part of this NTC)

Network Upgrade ID: 10935
Network Upgrade Name: Iatan – Nashua substation upgrades
Network Upgrade Description: Add 345 kV line terminal at Iatan; add 4 breaker 345 kV ring bus substation at Nashua with 3 line terminals (Iatan, St. Joseph, Hawthorn) and 1 345/161 kV autotransformer terminal; upgrade Nashua 161kV substation to accommodate new autotransformer terminal; increase Nashua – Nashua North tie capacity to 2000 amps or higher
Network Upgrade Owner: KCP&L
MOPC Representative: Todd Fridley
TWG Representative: Harold Wyble
Categorization: Balanced Portfolio

KCP&L P.O. Box 418679 Kansas City, MO 64141-9679 1-888-471-5275 toll-free www.kcpl.com



Network Upgrade Specification: All 345 kV substation elements must be rated for 3000 amps or higher. Upgrades to Nashua 161 kV substation must be rated 2000 amps or higher.

Network Upgrade Justification: Balanced Portfolio 3E "adjusted"

Estimated Cost for Network Upgrade (current day dollars): \$10,156,909

Cost Allocation of the Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT

Estimated Cost Source: KCP&L

Date of Estimated Cost: 6/11/2012

For the above project, KCP&L will provide the following administrative items:

- 1) Provide quarterly project status updates for each Network Upgrade as part of SPP's project tracking process.
- 2) Advise SPP of any inability on KCP&L's part to complete each Network Upgrade.
- 3) Submit a notification of commercial operation for each Network Upgrade as soon as the Network Upgrade is completed and placed into service.
- 4) Submit the total actual costs for each Network Upgrade as it is available after the construction is completed.

Please feel free to contact me directly if you have any questions or comments regarding KCP&L's response to SPP's Notification to Construct Regional Reliability Network Upgrades.

Sincerely,

Harold G. Wyble

Harold G. Wyble

Manager, Transmission Planning

Tel: (816) 654-1213 • Cell: (816) 835-9926 • Email: harold.wyble@kcpl.com

C: Bill Herdegen, Jeff Wolf, Jim McBee, Leroy Lutes, Charles Locke
Carl Monroe, Katherine Prewitt, Todd Fridley, Patricia Denny
SPPprojecttracking@spp.org

**Attachment F – GMO Response to New GMO Iatan-Nashua
Project NTC (SPP-NTC-200189)**



June 22, 2012

Mr. Lanny Nickell
Vice President, Engineering
Southwest Power Pool
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020

Re: Notification to Construct Approved Balanced Portfolio Network Upgrades (NTC-200189)

Dear Mr. Nickell,

In response to your letter dated April 17, 2012, regarding KCP&L's request to include KCP&L Greater Missouri Operations Company (GMO) as a designated Transmission Owner to construct portions of the approved Balanced Portfolio Project ID 703, Iatan to Nashua 345kV, GMO responds as follows:

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VI of the SPP Open Access Transmission Tariff ("OATT") GMO has coordinated with KCP&L and will construct the transmission line portions of Project ID 703 as described below.

Previous NTC number: 20042
Previous NTC Issue date: 6/19/2009
Project ID: 703
Project Name: Mult – Iatan – Nashua 345 kV
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$64,800,000 (includes upgrades not part of this NTC)

Network Upgrade ID: 50449
Network Upgrade Name: Iatan – Nashua 345kV Ckt 1
Network Upgrade Description: Construct new 345 kV transmission line from Iatan to Nashua approximately 30 miles
Network Upgrade Owner: GMO
MOPC Representative: Patty Denny
TWG Representative: Harold Wyble
Categorization: Balanced Portfolio
Network Upgrade Specification: 345 kV transmission line must have an emergency rating of 3000 amps or higher.
Network Upgrade Justification: Balanced Portfolio 3E "adjusted"

KCP&L P.O. Box 418679 Kansas City, MO 64141-9679 1-888-471-5275 toll-free www.kcpl.com



Estimated Cost for Network Upgrade (current day dollars): \$50,643,091
Cost Allocation of the Network Upgrade: Region-wide charge as specified by Attachment J, SPP OATT
Estimated Cost Source: GMO
Date of Estimated Cost: 6/11/2012

For the above project, GMO will provide the following administrative items:

- 1) Provide quarterly project status updates for each Network Upgrade as part of SPP's project tracking process.
- 2) Advise SPP of any inability on GMO's part to complete each Network Upgrade.
- 3) Submit a notification of commercial operation for each Network Upgrade as soon as the Network Upgrade is completed and placed into service.
- 4) Submit the total actual costs for each Network Upgrade as it is available after the construction is completed.

Please feel free to contact me directly if you have any questions or comments regarding GMO's response to SPP's Notification to Construct Regional Reliability Network Upgrades.

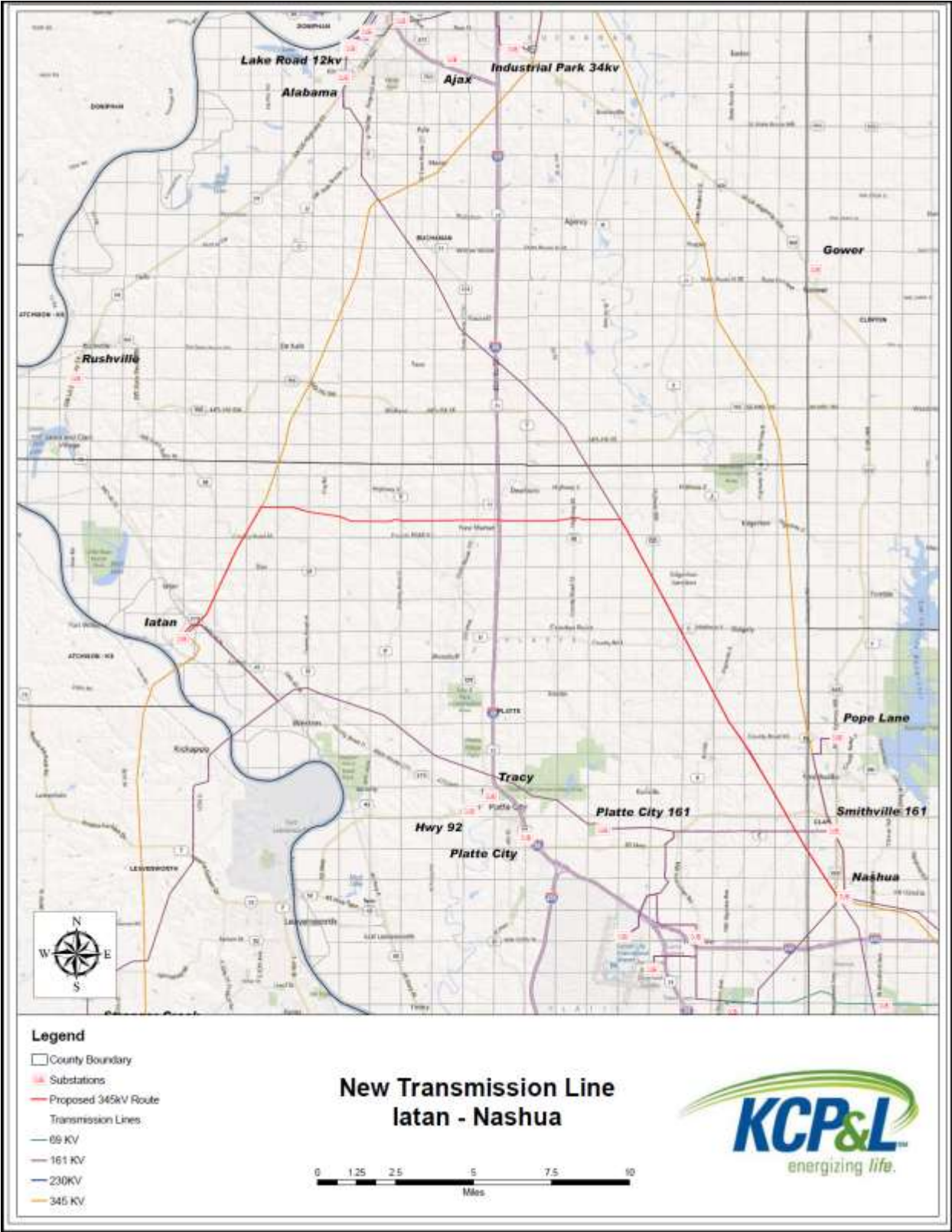
Sincerely,

Harold G. Wyble

Harold G. Wyble
Manager, Transmission Planning
Tel: (816) 654-1213 ▪ Cell: (816) 835-9926 ▪ Email: harold.wyble@kcpl.com

C: Bill Herdegen, Jeff Wolf, Jim McBee, Leroy Lutes, Charles Locke
Carl Monroe, Katherine Prewitt, Todd Fridley, Patricia Denny
SPPprojecttracking@spp.org

Attachment G – Iatan-Nashua Project Map



Attachment H – Baseline Level 1 Schedule

