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Witness: Brent Davis
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Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2009-0089
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2009-0089

REBUTTAL TESTIMONY

OF

BRENT DAVIS

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

**Kansas City, Missouri
March 2009**

***** [REDACTED] *** Designates "Highly Confidential" Information
Has Been Removed. Certain Schedules Attached to This Testimony
Also Contain Highly Confidential Information
And Have Been Removed
Pursuant To 4 CSR 240-2.135.**

REBUTTAL TESTIMONY

OF

BRENT DAVIS

Case No. ER-2009-0089

1 **Q: Are you the same Brent C. Davis who provided Direct Testimony in this**
2 **proceeding?**

3 A: Yes, I am.

4 **Q: What is the purpose of your Rebuttal Testimony?**

5 A: The purpose of my rebuttal testimony is to: (1) address issues and concerns related to the
6 Company's construction program related to the Comprehensive Energy Plan raised by
7 Mr. Jatinder Kumar in his Direct Testimony filed on behalf of the United States
8 Department of Energy, the National Nuclear Security Administration and the Federal
9 Agencies; and (2) address similar issues and concerns raised by Mr. James R. Dittmer in
10 his Direct Testimony filed on of the Hospital Intervenors. Finally, I will also address the
11 recommendation of the Commission Staff witness Cary G. Featherstone regarding the
12 prudence of Iatan 1 construction costs and the treatment of the Iatan 1 constructions costs
13 in this case.

14 **Q: On page 44 of his Direct Testimony, Mr. Kumar recommends that "the Commission**
15 **should investigate the details and reasonableness of the increase in [the Air Quality**
16 **Control System or "AQCS"] costs." Do you agree with this recommendation?**

17 A: Yes. I agree with Mr. Kumar that it is appropriate and reasonable for the Commission to
18 investigate the details and reasonableness of the AQCS costs in this case since the
19 Company is seeking to have these prudent costs included in rate base in this proceeding.

1 **Q: Mr. Kumar also recommends in his Direct Testimony on page 44 that the**
2 **Commission “set a cap on the AQCS cost equal to \$484.2 million.” Do you agree**
3 **with this recommendation?**

4 A: No, I do not. The Company believes that the Commission should include all prudently
5 incurred costs associated with the AQCS. The Company’s testimony will demonstrate
6 that the costs incurred related to the AQCS were prudently incurred and should be
7 included in rate base in this case.

8 **Q: In the Direct Testimony of Mr. James R. Dittmer, Mr. Dittmer indicates that he was**
9 **requested to compare and contrast the original estimates related to the Company’s**
10 **construction program with KCP&L’s current costs estimates for Iatan and other**
11 **capital projects associated with the Comprehensive Energy Plan. Do you have**
12 **comments related to Mr. Dittmer’s Direct Testimony related to the Company’s**
13 **construction program?**

14 A: Yes. Mr. Dittmer raises concerns regarding cost increases that have incurred related to
15 the construction projects associated with the Comprehensive Energy Plan, including Iatan
16 1 and Iatan 2 costs. I will address the these concerns and explain what steps that
17 KCP&L’s management have taken to ensure that the costs incurred are reasonable and
18 prudent. In particular, my testimony will: (i) describe the changes to the schedule for the
19 fall 2008 outage at Iatan Unit 1 (the “Unit 1 Outage”) and the reasons for those changes;
20 (ii) describe the latent condition with the existing Iatan Unit 1 economizer casing that was
21 discovered during the Unit 1 Outage and its resulting impact; and (iii) describe the issues
22 with the Iatan Unit 1 turbine generator that have impacted Iatan Unit 1’s return to service.

1 THE UNIT 1 OUTAGE

2 **Q: When did KCP&L bring on the start-up and commissioning manager for the Iatan**
3 **project?**

4 A: KCP&L hired an experienced start-up and commissioning manager who started on the
5 Project in July 2007, which was approximately fourteen months before the Unit 1 outage
6 was scheduled to commence.

7 **Q: Was there a benefit to filling this position early?**

8 A: Yes. The addition of the start-up and commissioning manager at this time allowed the
9 project team the opportunity to identify and resolve potential outage start-up and
10 commissioning problems well in advance of the actual outage period. In addition, the
11 start-up manager was able to determine the precise scope needed in order to return Unit 1
12 to service, and that scope included certain common facilities that were originally planned
13 to be commissioned with Iatan Unit 2. Because this scope was identified early enough,
14 the Unit 1 Outage schedule could be changed to incorporate these additional scopes of
15 work. As a result, there were no additional costs to the execution of the planned Unit 1
16 Outage work that would not have been expended whether the work was being performed
17 during the outage or at a different time.

18 **Q: What was the original schedule for the Unit 1 Outage?**

19 A: Originally, the Unit 1 Outage was scheduled to begin on September 19, 2008 and last
20 56-days from the beginning of the outage (referred to as “breaker open”) to the end of the
21 outage (referred to as “breaker close”) milestones. However, KCP&L and the performing
22 contractors recognized that due to the complexity and certain additions to the Iatan Unit 1
23 project’s scope, the originally planned outage duration would be too short and the

1 September 19, 2008 start date was too early to allow for successful completion of the
2 work.

3 **Q: Did the Unit 1 Outage increase in complexity from the original plan?**

4 A: Yes. As I previously testified in my Direct Testimony in this proceeding, the Iatan Unit 1
5 project increased in scope from what was originally planned. These scope additions
6 included: (1) addition of low NOx burners; (2) increase of economizer surface area;
7 (3) upgrades to the submerged flight conveyor; (4) change-out of the Digital Control
8 System (“DCS”); (5) rewind and maintenance of the turbine generator; (6) upgrades to
9 the coal yard; and (7) plant maintenance work. In all, this work comprised approximately
10 350,000 man-hours during the Unit 1 Outage in addition to the already planned
11 ALSTOM-related work on the AQCS equipment.

12 In addition, as I previously testified, KCP&L identified additional Common
13 Facilities that were necessary for the operation of the new AQCS equipment when Iatan
14 Unit 1 returned to service. Because the Common Facilities are essential for the operation
15 of Iatan Unit 1, the Unit 1 Outage schedule also had to be revised to reflect the
16 completion of the construction of these Common Facilities.

17 **Q: Please describe the process and the considerations used for the change to the Unit 1
18 Outage schedule.**

19 A: Representatives of KCP&L, ALSTOM Power, Inc. (“ALSTOM”), Kiewit Power
20 Construction Company (“Kiewit”), and Burns & McDonnell formed a “Tiger Team” and
21 engaged in a review of the Iatan Unit 1 project’s remaining work activities and developed
22 a recommendation regarding changes to the Unit 1 Outage schedule.

23 **Q: Were you a member of the Tiger Team?**

1 A: I was not a member of the Tiger Team, although I did participate in the Tiger Team
2 meetings on various occasions. KCP&L's representatives to the Tiger Team reported to
3 me regarding the progress and status of the Tiger Team.

4 **Q: When did the Tiger Team meet?**

5 A: The Tiger Team first met in mid-February 2008 and concluded its review of the Iatan
6 Unit 1 work with its written report dated March 19, 2008.

7 **Q: What were the general conclusions of the Tiger Team relative to the Unit 1 Outage
8 schedule?**

9 A: It had become evident that the original Unit 1 Outage duration had to be extended due to
10 both the complexity and the volume of work that was added to the outage period. The
11 Tiger Team Report recommended that the Unit 1 Outage be extended to a duration of 73
12 days and begin on October 18, 2008, approximately one month later than the original
13 schedule.

14 **Q: Was the Unit 1 Outage schedule subsequently revised to reflect the conclusions of
15 the Tiger Team?**

16 A: Yes. As stated in the Third Quarter 2008 Strategic Infrastructure Investment Report to
17 the Commission Staff and Signatory Parties to the Stipulation and Agreement in Case No.
18 EO-2005-0329 ("Signatory Parties"), the Iatan Unit 1 work was scheduled in accordance
19 with the Revised Iatan Unit 1 Schedule which was developed by KCP&L and the
20 contractors, most notably ALSTOM and Kiewit, during second quarter 2008. The parties
21 agreed to implement the Revised Iatan Unit 1 Schedule. The revised schedule was fully
22 implemented on July 15, 2008 to incorporate the goals of the Tiger Team that examined
23 the Iatan Unit 1 work as adapted to current Project status. KCP&L issued the fourth and

1 final version of the Revised Iatan Unit 1 Schedule to all contractors on the project on July
2 27, 2008. In addition, ALSTOM, Kiewit and KCP&L agreed to **

3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]**

9 **Q: Describe the impact of the Revised Iatan Unit 1 Schedule on the Project.**

10 **A:** The major contractors agreed ** [REDACTED]
11 [REDACTED]**

12 The Iatan Unit 1 Schedule was subsequently rebaselined and this revision is referred to as
13 the "Revised Iatan Unit 1 Schedule." The Revised Iatan Unit 1 Schedule incorporated
14 the contractor, primarily ALSTOM's, plans ** [REDACTED]

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

1 [REDACTED]**

2 **ECONOMIZER CASING CRACK AND TURBINE ISSUES**

3 **Q: When did the Unit 1 Outage work conclude?**

4 A: The Unit 1 Outage was scheduled to conclude on December 30, 2008. The planned
5 construction work was completed by February 2, 2009. However, as of this date, Iatan
6 Unit 1 has not returned to service due to problems that occurred during start-up activities,
7 as I describe later in my testimony.

8 **Q: Why did the Unit 1 Outage construction work finish later than planned?**

9 A: Putting aside the current problems with the turbine generator, as stated in the Fourth
10 Quarter 2008 Strategic Infrastructure Investment Report, brittle cracks in the economizer
11 casing plate material appeared on November 7, 2008. These cracks were discovered
12 during demolition work to Iatan Unit 1's existing economizer casing, which was required
13 for the SCR flue tie-in and the economizer surface addition projects. The first and most
14 prominent of these cracks is referred to herein as the "Casing Crack." This cracking was
15 a latent condition in the Unit 1 economizer's 30-year old steel casing which could not
16 have been found until the insulation and lagging was removed from the economizer's
17 exterior to reveal these cracks.

18 **Q: Describe KCP&L's response to the discovery of the economizer cracking.**

19 A: KCP&L took quick action and performed a thorough root cause and extent of condition
20 analysis with the assistance of a team of external experts in metallurgy and structural
21 engineering. This team developed a plan to remediate the economizer's structure (the
22 "Economizer Remediation Plan"). The execution of this plan resulted in the mitigation of
23 potential life safety issues that these cracks could have caused, and also preserved the

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1 Unit 1 Outage schedule.

2 **Q: What impact did this event have on the Unit 1 Outage?**

3 A: As KCP&L discussed with the Commission Staff and Signatory Parties during a meeting
4 to review the Third Quarter 2008 Report, the current schedule indicated the likely breaker
5 closure date for the Unit 1 Outage was trending between January 15 and January 21,
6 2009. At that time, the full impact of the economizer was unknown.

7 As of the end of the fourth quarter, as reported in the Fourth Quarter 2008 Report,
8 it appeared that the breaker closure milestone would be met between January 25 and
9 January 30, 2009, depending on weather and the success of start-up. The actual breaker
10 close date, as stated above, was February 2, 2009 in part due to extremely cold weather
11 which impacted heat up of the boiler and the boiler chemical clean. The combined
12 impact of the Economizer Remediation Plan and the volume of work needed to be
13 accomplished during the Unit 1 Outage rendered the scheduled December 30, 2008
14 completion date impossible. Nonetheless, just as with the Crane Incident, the quick
15 action to investigate and repair the economizer casing resulted in significantly mitigating
16 the Unit 1 Outage schedule. The overall delay due to the economizer cracking and the
17 Recovery Plan was 32 days.

18 The technical team that investigated the economizer concluded that had KCP&L
19 not acted as quickly and prudently in its Economizer Remediation Plan, the Unit 1
20 Outage could have been extended by at least two to three months.

21 **Q: Did KCP&L incur any costs due to the economizer Remediation Plan?**

22 A: Yes. KCP&L incurred additional costs associated with the economizer surface area
23 contract with Babcock & Wilcox. These costs are currently estimated to be

1 approximately ** [REDACTED] ** but will be charged against the Supply Capital Budget.

2 KCP&L also incurred costs associated with the CEP Iatan Unit 1 project budget resulting

3 from a claim from ALSTOM that was resolved in early February 2009 in the amount of

4 ** [REDACTED] **

5 **Q: Subsequent to the breaker close of Iatan Unit 1, did KCP&L encounter additional**
6 **difficulties returning Iatan Unit 1 to service?**

7 A: Yes. KCP&L encountered a problem with the turbine generator during the start-up and
8 commissioning activities.

9 **Q: Describe the problem with the Iatan Unit 1 turbine generator.**

10 A: On February 2, 2009, after the unit had been fired on coal, KCP&L Operations rolled the
11 turbine to 3600 rpm, synchronized to the grid, achieved 50 MW, and tripped on turbine
12 vibration on #4 bearing. On February 4, 2009, KCP&L Operations re-established oil and
13 coal fire, synchronized to the grid, achieved 100 MW, and tripped on vibration on #2
14 bearing. Immediately following the trip, a severe vibration event occurred resulting in
15 bearings #1 thru #4 exceeding 20 mils vibration. Upon returning to turning gear
16 operation, eccentricity was in the 9 to 10 mil range (normally 2 to 3 mils) and did not
17 improve. This value was excessive and precluded restarting the unit. The eccentricity
18 measures the bow in the high-pressure turbine rotor. This new high-pressure turbine
19 rotor was installed by General Electric ("GE") during the Unit 1 Outage.

20 **Q: What actions did KCP&L take to address this issue?**

21 A: On February 5, 2009, KCP&L Operations performed various checks with the turbine
22 assembled to determine the condition of the high-pressure rotor. On February 6, 2009,
23 KCP&L Operations with assistance from GE determined the high-pressure turbine would

1 need to be disassembled and inspected, which GE began the following day. On February
2 9, 2009, the high-pressure rotor was exposed and was determined to be permanently
3 bowed in the N-1 packing area near the front of the turbine. Considerable damage to the
4 stationary components, including the shaft and blade packing, was discovered. No
5 damage was noted to blades or buckets. On February 10, 2009, GE removed the high-
6 pressure rotor and shipped it to a GE repair facility in Chicago, where it was received the
7 following day. In the meantime, the site crew continued checking turbine bearings #1
8 through #4 and checking the condition of the intermediate pressure turbine.

9 **Q: At this time, when do you anticipate having Iatan Unit 1 in condition to return to**
10 **service?**

11 A: Based on the best available information at this time, it appears that ALSTOM will be able
12 to once again begin its start-up sequence by the beginning of April 2009, and if there are
13 no other issues impacting the unit's return to service, KCP&L could meet the in-service
14 criteria and reach Provisional Acceptance by April 30, 2009. However, these dates are
15 subject to change depending upon the success of subsequent start-up activities.

16 **RISK & OPPORTUNITY ITEMS**

17 **Q: What are "Risk and Opportunity Analysis Sheets" and do these relate to cost**
18 **controls used for Iatan 1?**

19 A: Risk and Opportunity Analysis Sheets or "R&Os" are documents created by the Iatan
20 project team that identify potential risks and opportunities to the project that could impact
21 cost, schedule or both.

22 **Q: What is the general purpose of the Risk and Opportunity Analysis Sheets?**

23 A: The R&Os memorialize any potential impacts to the project's contingency.

1 **Q: How were the R&Os created?**

2 A: For each R&O item, the person preparing the Risk and Opportunity Analysis Sheet
3 identified the date on which the item was known, the potential cost implications, the
4 reason for the R&O, the category of the R&O, an assessed likelihood of occurrence and
5 whether the R&O would result in a change order. Each R&O was required to establish a
6 business purpose, and provide all documentation necessary for support of the item and
7 proper vetting. The project team identified such items as the project progressed and
8 recorded them in individual R&O documents. There was one such document for each
9 identified risk or opportunity that would impact the project's contingency.

10 **Q: Who created the Risk and Opportunity Analysis Sheets?**

11 A: The project's engineering managers, procurement team, contract administrations, project
12 controls, and other members of the project team created R&Os.

13 **Q: How were the R&Os vetted and by whom?**

14 A: The R&Os were vetted at the project level by project controls staff, procurement, and by
15 Schiff Hardin, LLP. The project controls staff reviewed the cost and schedule impacts.
16 After this initial vetting process, the Project's leadership team reviewed the R&Os.
17 Ultimately, all of the R&Os that existed prior to the 2008 cost reforecast were considered
18 when reviewing the appropriate changes to the control budget estimate and contingency.
19 The final assessment of the R&Os that impacted the Iatan Project's control budget was
20 presented to senior management when it approved the revised control budget in second
21 quarter 2008.

22 **Q: Based upon your observations of the KCP&L management effort related to the**
23 **construction projects of the Comprehensive Energy Plan, do you believe the**

1 **concerns of Mr. Kumar and Mr. Dittmer related to cost increases on these projects**
2 **are legitimate concerns?**

3 A: No. I believe that the KCP&L Management Team has prudently managed the various
4 construction projects discussed by Mr. Kumar and Mr. Dittmer. As explained in this
5 testimony, KCP&L Management Team has actively managed these projects to ensure that
6 all costs were prudently incurred in the completion of these projects.

7 **Q: In the Direct Testimony of Carey G. Featherstone at page 35-36, he indicates that**
8 **the Commission Staff “will not be able to complete and present the results of its**
9 **construction cost reviews for any of these projects in these rate cases either now or**
10 **in the true-up following the March 31, 2009 true-up cutoff.” Is there any reason**
11 **why the Commission Staff could not have completed its review of the construction**
12 **projects in this proceeding?**

13 A: Absolutely not. KCP&L Witness Chris Giles will address the Company’s response to
14 this assertion in detail. However, KCP&L has actively managed these projects, provided
15 the Commission Staff and Signatory Parties with periodic status reports throughout the
16 process, and has provided the Commission Staff with a multitude of information
17 requested by them to investigate these projects. I will detail the extensive efforts of the
18 Commission Staff to investigate the Iatan 1 and 2 projects below.

19 **Q: Specifically with regard to the Iatan 1 AQCS costs, do you believe these costs were**
20 **prudently incurred and should be included in rate base in this proceeding?**

21 A: Yes. As I have discussed above, the KCP&L Management Team has very actively
22 managed this process, and has taken whatever steps were prudent to manage the
23 construction environment that existed to ensure the costs of construction were reasonable

1 and prudent.

2 **Q: Has anyone from Utility Operations Staff (“MPSC Staff”) ever visited the site?**

3 A: Yes, MPSC Staff visited the site on several occasions over the course of the Unit 1
4 project. On February 9, 2007, Mike Taylor and Leon Bender came to the site to see the
5 progress made to the construction activities. I led a presentation that began with a
6 discussion of the Burns & McDonnell plans and included a complete tour of the site.
7 Then, on June 29, 2007, Dave Elliott, Warren Wood and Lena Mantle of MPSC Staff
8 toured the Iatan site and met with Iatan personnel to discuss reporting and documentation
9 expectations. At that time, we walked Staff through the cost portfolio and other
10 processes including change orders and other process documentation. Additionally, the
11 balance of plant contracting methodology was discussed, including the Limited Notice to
12 Proceed that had been given to Kiewit as well as the vetting process that was on-going
13 relative to Kiewit’s proposal. After this initial visit, KCP&L invited MPSC Staff to
14 return to the site as it felt necessary.

15 **Q: Did MPSC Staff request additional visits to the Iatan site?**

16 A: Yes. In January 2008, Dave Elliott contacted KCP&L stating that he wanted to make
17 another trip to Iatan to view the construction on Iatan Unit 1 and Iatan Unit 2. Mr. Elliott
18 indicated that he wanted to discuss the schedule, cost, change orders, and progress of
19 both Iatan projects with various KCP&L personnel. This meeting occurred on February
20 6, 2008.

21 **Q: Did Mr. Elliott come to the Iatan site again after February 6, 2008?**

22 A: Yes. Mr. Elliott visited the site on April 16, 2008. Then, beginning in May 2008
23 KCP&L and MPSC Staff began a series of on-site meetings. Mr. Elliott started coming

1 to Iatan on a monthly basis.

2 **Q: When was the first monthly meeting?**

3 A: The first monthly meeting occurred on May 16, 2008.

4 **Q: How many meetings have occurred since the May 16, 2008 meeting?**

5 A: Seven. MPSC Staff attended site meetings on June 24, 2008, July 23 and 24, 2008,
6 August 29, 2008, September 23, 2008, November 21, 2008, December 19, 2008, and
7 January 16, 2009. Additionally, Mr. Elliott came to the site immediately after the crane
8 accident that occurred on May 23, 2008.

9 **Q: Who from MPSC Staff attended these on-site meetings?**

10 A: I believe Dave Elliott and Shawn Lange attended all of the monthly meetings.
11 Additionally, Mr. Mike Taylor attended the meetings on July 23 and 24, 2008, August
12 29, 2008, November 21, 2008, December 19, 2008 and January 16, 2008.

13 **Q: Who are Mr. Lange and Mr. Taylor?**

14 A: Both Mr. Lange and Mr. Taylor are Engineering Specialists with the Engineering
15 Analysis Section of the Energy Department of the Missouri Public Service Commission.

16 **Q: Who from KCP&L attended these meetings?**

17 A: Myself and Brad Lutz attended all of the meetings. We also requested participation from
18 various other KCP&L project team members as needed to provide information that was
19 the subject of the various meetings.

20 **Q: What occurred at the meeting held on May 16, 2008?**

21 A: KCP&L took Mr. Elliott and Mr. Lange on an extensive walk-through of the Unit 1 and
22 Unit 2 job sites. The first meeting was held shortly after KCP&L had completed its
23 reforecast of the Iatan budget for both Unit 1 and Unit 2. Therefore, I thoroughly

1 described the Control Budget Estimate number of \$484.2 million, and the four main
2 drivers for the increase in cost: 1) design maturation (Scope); 2) design maturation
3 (Schedule); 3) Optimization, Operation and Construction; and 4) Regulatory/External
4 Permit. I also explained the increase in contingency.

5 At this meeting, Mr. Elliott reviewed, then requested copies of approximately
6 eighteen Change Orders of value greater than \$50,000, with all supporting
7 documentation.

8 Mr. Elliott and Mr. Lange then reviewed the following: 1) all Iatan status reports
9 and contractor meeting minutes through March 2008; 2) a set of site photographs that
10 were contained on approximately twenty (20) CDs; and 3) a copy of the ALSTOM
11 contract.

12 **Q: What documents did KCP&L provide to MPSC Staff as a result of this meeting?**

13 A: KCP&L provided to MPSC Staff the following documents as a result of this meeting: 1)
14 Copies of all monthly status reports prepared by the project team, as well as all contractor
15 meeting minutes through March 2008. Additionally, KCP&L committed to provide
16 copies of all subsequent monthly status reports for the remainder of the project as they
17 were completed; 2) copies of the Change Orders and supporting documents identified by
18 Mr. Elliott during his visit. Additionally, KCP&L committed to provide copies of the
19 supporting documents for all Unit 1 related Change Orders greater than \$50,000 on a
20 going forward basis; 3) copies of all existing CDs containing site photographs, as well as
21 copies of future photos as they are formally issued; and 4) a list of all Unit 1 contracts.

22 **Q: When did the next on-site meeting with MPSC Staff occur?**

23 A: Sometime in late May of 2008.

1 **Q: What was the purpose of this meeting?**

2 A: To discuss the crane accident that occurred on May 23, 2008, and the possible
3 implications for the project.

4 **Q: The next meeting occurred on June 24, 2008?**

5 A: Yes.

6 **Q: How long was the meeting?**

7 A: The meeting began at approximately 8:30 a.m. and concluded at approximately 2:30 p.m.

8 **Q: What happened at this meeting?**

9 A: At this meeting, Mr. Elliott and Mr. Lange attended the Iatan Project coordination
10 meeting, and observed KCP&L personnel interact with contractor representatives to
11 monitor critical items and resolve coordination issues. I also discussed with Mr. Elliott
12 and Mr. Lange the crane incident and its potential impact on the Iatan project schedule. I
13 then reviewed the Critical Issues lists published in the April Unit 1 and Unit 2 Status
14 reports.

15 As with all of MPSC's site visits, I led a job site tour, focusing on the Unit 1 SCR,
16 the Unit 2 boiler and West End areas. We also observed the area north of Iatan where the
17 sections of the dismantled Manitowic 18000 crane had been placed after the crane
18 incident.

19 **Q: What documents did KCP&L provide to MPSC Staff prior to or during this
20 meeting?**

21 A: KCP&L provided copies of final change order documentation; and copies of the site
22 photo CDs through May 2008.

23 **Q: The next meeting occurred on July 23, & 24, 2008?**

1 A: Yes.

2 **Q: What happened at this meeting?**

3 A: Over the course of the two days, MPSC Staff attended two Critical Area Schedule
4 Review & Progress Daily Meetings that were attended by KCP&L construction and the
5 various on-site contractors. We led them on two separate job tours of the jobsite, that
6 included individuals from KCP&L engineering and plant operations who could provide
7 additional information regarding specific areas. The tours included the west end areas, the
8 Unit 1 SCR, ZLD and Tank areas, all of Unit 2, the Coal Handling Systems and the coal
9 yard.

10 We also went through, in detail, the Unit 1 and Unit 2 cost summaries, schedules,
11 and performance metrics with KCP&L's Project Controls. We also discussed the
12 rebaseline of the Unit 1 schedule and our plans to rebaseline the Unit 2 schedule.

13 KCP&L and MPSC Staff then had a discussion regarding the Unit 1 in-service
14 criteria and I provided an update on tasks related to the crane incident. KCP&L's start-up
15 manager also discussed start-up planning activities and start-up documentation templates.

16 Finally, KCP&L provided MPSC Staff with a list of recent change orders. From
17 that list, MPSC Staff identified fifty-two (52) additional changes orders for duplication
18 and further review.

19 **Q: What documents did KCP&L provide to MPSC Staff as a result of this meeting?**

20 A: KCP&L provided the following: (1) the change order log as of June 20, 2008; (2) copies
21 of the May Status Reports; (3) copies of the May site photo CD; (4) Iatan Schedule –
22 Critical Area Review (for the week of July 21, 2008); (5) Iatan 2 Cost Report Summation
23 through May 2008; (6) Iatan 2 Level 1 Summary Schedule as of June 29, 2008; (7) Iatan

1 Project Unit 2 CPI/SPI Measurements through June 29, 2008; (8) Iatan 1 Cost Report
2 Summation through May 2008; (9) Iatan Unit 1, SCR, Fabric Filter, Absorber, Reagent
3 Building Milestone Schedule – dated June 7, 2008; (10) Functional Test Procedure,
4 Commissioning Procedure; and (11) System Operating Procedure, and Training Manual
5 templates.

6 **Q: The next meeting occurred on August 29, 2008?**

7 A: Yes.

8 **Q: How long was this meeting?**

9 A: The meeting began at approximately 8:00 a.m. and concluded at approximately 4:00 p.m.

10 **Q: What happened at this meeting?**

11 A: MPSC Staff attended the Iatan Construction Critical Area Schedule Review & Progress
12 Daily Meeting. This allowed them to observe KCP&L personnel interact with contractor
13 representatives to monitor critical items and resolve coordination issues in the field. I
14 then led a tour of the Iatan project, including the West End areas, Unit 1 SCR, Unit 2, and
15 Unit 2 Boiler Construction.

16 KCP&L personnel from Project Controls then reviewed Unit 1 and Unit 2 cost
17 summaries, schedules, and performance metrics with the MPSC Staff. This information
18 included outage planning activities.

19 In addition to the above, other miscellaneous issues were discussed, including an
20 update on the crane incident, (OSHA investigation, repair work and installation of the
21 duct piece that was damaged by the falling crane) and in-service criteria.

22 Finally, prior to the meeting, Dave Elliott had asked several questions regarding
23 change orders that had been previously provided to him. We reviewed and discussed the

1 supplemental data that KCP&L had gathered and provided in response to Mr. Elliott's
2 questions.

3 **Q: What documents did KCP&L provide to MPSC Staff prior to or during this**
4 **meeting?**

5 A: We provided the following: (1) Change Order Log as of June 20, 2008 (14 pages); (2)
6 Copies of the June Status Reports (provided by FedEx on August 12, 2008); (3) Nine
7 Change Orders from June 2008; 4) Iatan Schedule – Critical Area Review (for the week
8 of August 25, 2008); (5) Iatan 2 Cost Report Summation through June 2008; (6) Iatan 2
9 Level 1 Summary Schedule as of July 13, 2008; (7) Iatan Project Unit 2 CPI/SPI
10 Measurements through July 13, 2008; (8) Iatan 1 Cost Report Summation through June
11 2008; and (9) Iatan Unit 1, SCR, Fabric Filter, Absorber, Reagent Building Milestone
12 Schedule – dated July 27, 2008.

13 **Q: The next meeting occurred on September 23, 2008?**

14 A: Yes.

15 **Q: How long was this meeting?**

16 A: The meeting began at approximately 8:00 a.m. and concluded at approximately 4:00 p.m.

17 **Q: What happened at this meeting?**

18 A: MPSC Staff attended the Iatan Construction Critical Area Schedule Review & Progress
19 Daily Meeting. The job site tour for this meeting included contractor lay-down areas, the
20 landfill, coal reclaim area, Unit 1 SCR, Unit 1 Outage prep sites, and the Unit 2
21 Turbine/Boiler areas.

22 After the tour, we explained the details of the ALSTOM Settlement Agreement
23 and provided the relevant documentation. As a part of this discussion, we also reviewed

1 the ALSTOM contract itself. The MPSC Staff requested copies certain pages from the
2 ALSTOM contract.

3 MPSC Staff then reviewed Unit 1 and Unit 2 cost summaries with KPC&L
4 Project Controls. The usual discussion regarding schedule, metrics, and crane issues
5 were not discussed as they were covered in the CEP Quarterly Report meeting with all
6 members of the MPSC Staff and other Signatory Parties held in Jefferson City on
7 September 9, 2008.

8 During this discussion a considerable amount of time was spent discussing the
9 contingency process and its relationship to the cost reforecast. This included a discussion
10 of how KCP&L would track whether change orders were charged to remaining budget
11 amounts or to contingency.

12 MPSC Staff then reviewed KCP&L's efforts to formalize and streamline the
13 process used to provide copies of change orders to the MPSC Staff.

14 **Q: What documents did KCP&L provide to MPSC Staff prior to or during this**
15 **meeting?**

16 **A:** KCP&L provided the following: (1) copies of the July Status Reports; (2) copies of the
17 July Picture CD; (3) Iatan Construction Project Action Item List, dated September 23,
18 2008 from the Critical Issues Meeting with ALSTOM; (4) Iatan 2 Cost Report
19 Summation through July 31, 2008; 5) Iatan 2 Level 1 Summary Schedule as of July 31,
20 2008; (5) Iatan 1 Cost Report Summation and detail through July 31, 2008; (6) Iatan 1
21 Contingency Log through July 31, 2008; (7) Alstom Settlement Agreement (3
22 documents); and (8) the ALSTOM contract (review only).

23 **Q: The next meeting occurred on November 21, 2008?**

1 A: Yes.

2 **Q: How long was this meeting?**

3 A: The meeting began at approximately 8:00 a.m. and concluded at approximately 3:00 p.m.

4 **Q: What happened at this meeting?**

5 A: MPSC attended the 8:30 a.m. Daily Plan of the Day Meeting. This allowed MPSC Staff
6 to observe KCP&L personnel interact with contractor representatives to monitor critical
7 items and resolve coordination issues between and among on-site contractors. MPSC
8 Staff also attended the 10:00 a.m. Plant Outage Meeting to listen to discussions regarding
9 the outage progress, plans, and issues.

10 I then led everyone on a comprehensive job site tour. We toured the Unit 2
11 Turbine/Boiler area, walking down the structure. We also toured the Unit 1 site,
12 including the inside of the boiler, the economizer addition, the burner levels, the turbine
13 deck, the SCR tie-in, the submerged flight conveyor area, the fly ash handling areas, the
14 limestone prep building, the limestone storage areas, and the cooling tower. We also
15 examined the economizer sections stored in the contractor lay-down area.

16 Finally, the in-service criteria for Unit 2 was discussed. MPSC Staff was seeking
17 to clarify the criteria included in the Comprehensive Energy Plan Stipulation and
18 Agreement.

19 **Q: What documents did KCP&L provide to MPSC Staff prior to or during this**
20 **meeting?**

21 A: KCP&L provided the following: (1) copies of August and September Status Reports; (2)
22 the August, September and October 2008 picture CDs; (3) a hard copy of pages from the
23 ALSTOM Contract requested by MPSC Staff; (4) an updated Change Order Log excel

1 file; (5) supplemental data for fifty-nine (59) change orders from May and June 2008; (6)
2 copies of 25 change orders and supplemental data from July and August 2008; (7) an
3 updated Change Order Log excel file (created November 19, 2008); and (8) an action
4 item list from the 8:30 a.m. Daily Plan of the Day Meeting dated November 20, 2008.

5 **Q: The next meeting occurred on December 19, 2008?**

6 A: Yes.

7 **Q: Did this meeting take place at the site?**

8 A: No, it was a conference call.

9 **Q: What was discussed during this conference call?**

10 A: During this call, I discussed the Unit 1 schedule with Mr. Elliott, Mr. Lange and Mr.
11 Taylor. We discussed a possible breaker closed date at the end of January. Additionally,
12 I gave an update on the project status, including the work to repair and structurally
13 support the latent condition in the economizer casing material and start-up and
14 commissioning of the various systems.

15 **Q: What documents did KCP&L provide to MPSC Staff prior to or during this**
16 **meeting?**

17 A: Copies of the October 2008 Status Reports.

18 **Q: The next meeting occurred on January 16, 2009?**

19 A: Yes.

20 **Q: How long was this meeting?**

21 A: The meeting began at approximately 6:00 a.m. and concluded at approximately 12:30
22 p.m.

23 **Q: What occurred at this meeting?**

1 A: MPSC Staff attended the 6:30 a.m. Daily Start-up Meeting, where they could observe
2 KCP&L personnel interact with contractor representatives to prepare for the day's work
3 and coordinate tasks and issues related to start-up. I then led a tour of Iatan Unit 1
4 including the following key areas: the economizer; the burner levels; the turbine deck; the
5 SCR tie-in; the control room; and the submerged flight conveyor area. Due to the
6 weather, we had to drive by the West End facilities, rather than walk them down. After
7 the tour, the MPSC Staff attended the 8:30a.m. Daily Plan of the Day Meeting ("POD")
8 that is attended by both KCP&L construction personnel and contractor personnel to
9 coordinate the day's activities. After the POD, I took Mr. Elliott, Mr. Lange and Mr.
10 Taylor for a tour of Unit 2.

11 Members of KCP&L's Project Controls then walked through the Unit 1 and Unit
12 2 schedule reports. KCP&L reported on its Unit 2 schedule rebaseline efforts as well as
13 the 2009 cost reforecast efforts that were on-going. The meeting concluded with a
14 discussion regarding the Unit 2 in-service criteria.

15 **Q: What documents did KCP&L provide to MPSC Staff prior to or during this**
16 **meeting?**

17 A: KCP&L provided copies of the following documents: (1) copies of the November Status
18 Reports; (2) copies of Change Orders for September 2008; (3) the CD of November
19 photos; (4) copies of the October 2008 Status Reports; (5) Iatan Unit 1 CTOs remaining
20 report, printed January 16, 2009; (6) Iatan 1 Cost Report Summation through November
21 2008; (7) Iatan 1 Cost Report through November 2008 (detail); (8) Iatan 1 Level 1
22 Summary Schedule as of January 11, 2009; (9) Iatan Unit 1 Economizer and SCR Tie-in
23 Completion Schedule as of January 11, 2009; (10) Iatan Project Unit 1 CPI/SPI

1 Measurements through January 11, 2009; (11) Iatan 2 Cost Report Summation through
2 November 2008; (12) Iatan 2 Cost Report through November 2008 (detail); (13) Iatan 2
3 Level 1 Summary Schedule as of January 11, 2009; (14) Iatan Project Unit 2 CPI/SPI
4 Measurements through January 11, 2009.

5 **Q: At these meetings, did the MPSC Staff ask questions?**

6 A: Yes. Mr. Elliott, Mr. Taylor and Mr. Lange all asked, and we answered questions
7 regarding every aspect of the Iatan Project, including questions regarding schedule, cost,
8 construction and engineering issues.

9 **Q: Did the MPSC Staff ever request any documentation during these visits?**

10 A: Yes. As I discussed above, the MPSC Staff requested numerous documents that we
11 provided subsequent to their visits.

12 **Q: Do you have a list of all documents provided to Mr. Elliott as a result of these visits?**

13 A: Yes. This list is attached as Schedule BCD-3 (HC).

14 **Q: Was there ever any information requested by the MPSC Staff during these visits
15 that KCP&L refused to provide?**

16 A: No.

17 **Q: Does that conclude your testimony?**

18 A: Yes, it does.

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

In the Matter of the Application of Kansas City)
Power & Light Company to Modify Its Tariff to) Case No. ER-2009-0089
Continue the Implementation of Its Regulatory Plan)

AFFIDAVIT OF BRENT C. DAVIS

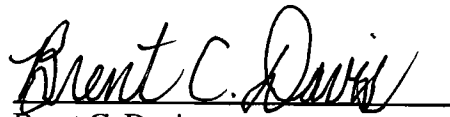
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Brent C. Davis, being first duly sworn on his oath, states:

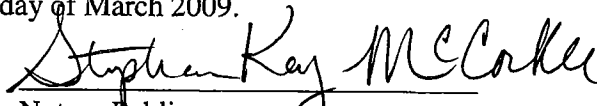
1. My name is Brent C. Davis. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Iatan Unit 1 Project Director.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Kansas City Power & Light Company consisting of twenty-four (24) pages and Schedule(s) BC-3 ~~through~~ , all of which having been prepared in written form for introduction into evidence in the above-captioned docket.

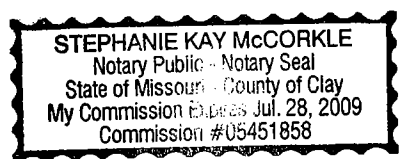
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


Brent C. Davis

Subscribed and sworn before me this 4th day of March 2009.


Notary Public

My commission expires: July 28, 2009



SCHEDULE BCD-3

**THIS DOCUMENT CONTAINS
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