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Missouri Public
Service Commission

Exhibit No.: 119
Issues: Cost Recovery; FERC Negotiated Rate Approval
Witness: David Berry
Sponsoring Party: Grain Belt Express
Clean Line LLC
Type of Exhibit: Additional Direct Testimony
Case No.: EA-2014-0207
Date Testimony Prepared: June 27, 2014

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EA-2014-0207

ADDITIONAL DIRECT TESTIMONY OF

**DAVID BERRY
EXECUTIVE VICE PRESIDENT – STRATEGY AND FINANCE**

ON BEHALF OF

GRAIN BELT EXPRESS CLEAN LINE LLC

June 27, 2014

GBE Exhibit No. 119
Date 11-14-14 Reporter KF
File No. EA-2014-0207

1 **I. INTRODUCTION**

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

3 A. My name is David Berry. My business address is 1001 McKinney Street, Suite 700,
4 Houston, Texas 77002.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Clean Line Energy Partners LLC ("Clean Line") as Executive Vice
7 President – Strategy and Finance. Clean Line is the ultimate parent company of Grain
8 Belt Express Clean Line LLC ("Grain Belt Express" or "Company"), the Applicant in
9 this proceeding.

10 **Q. Have you previously submitted testimony and exhibits in this proceeding?**

11 A. Yes, I have previously submitted direct testimony, dated March 26, 2014 and
12 accompanying schedules identified as Schedules DAB-1 through DAB-8

13 **Q. What is the purpose of your additional direct testimony?**

14 A. The purpose of my direct additional testimony is twofold. First, I will address Grain Belt
15 Express' commitment not to seek regional cost allocation for the Grain Belt Express
16 Clean Line (the "Project") from Missouri ratepayers. Second, I will provide an update on
17 Grain Belt Express's federal regulatory approvals. Since the time Grain Belt Express
18 filed its Application in this proceeding, FERC has approved Grain Belt Express' "shipper
19 pays" model to subscribe capacity on the transmission line. This is the major regulatory
20 approval that Grain Belt Express requires from FERC to sell capacity through the process
21 I describe in Section II of my Direct Testimony.

22 **Q. Will Grain Belt Express commit not to seek recovery of costs for the Project from**
23 **Missouri ratepayers through MISO or SPP regional cost allocation?**

1 Yes. Grain Belt Express will commit not to seek to recover costs from Missouri
2 ratepayers through MISO or SPP regional cost allocation without a further Commission
3 proceeding and authorization. Such commitment could be reflected in a condition in the
4 Order the Commission issues in this proceeding. Specifically, Grain Belt Express would
5 agree to the following condition:

6 *Grain Belt Express will not recover any Project costs from Missouri retail*
7 *ratepayers through MISO or SPP regional cost allocation without first obtaining an*
8 *approval from the Missouri Public Service Commission in a new proceeding initiated by*
9 *Grain Belt Express. As used in the prior sentence, the Project refers to the*
10 *approximately 750 mile HVDC transmission line to be built by the Applicant, including*
11 *the HVDC converter stations.*

12 The acceptance of this condition would be consistent with Grain Belt Express'
13 business model which I described in my Direct Testimony. Grain Belt Express will pay
14 for the development, construction and operation of the Project, and it will recover these
15 costs through selling transmission service to shippers. As a result, the Project will offer
16 broad benefits to the public but will impose costs only on shippers who use the Project.
17 None of these shippers will have an obligation to buy service and will only buy service
18 because they find our service economically beneficial. Because the Project employs a
19 "shipper pays" or merchant model, none of its costs will be recovered through the cost
20 allocation process of MISO, PJM or SPP. Accordingly, none of these costs will be
21 passed through to Missouri ratepayers under a regional transmission tariff paid by load
22 serving entities or retail ratepayers.

1 Q. Since you filed your original direct testimony, have there been any new
2 developments regarding Grain Belt Express' commercial plans for the Project?

3 A. Yes. On May 8, 2014, the FERC conditionally authorized Grain Belt Express to charge
4 negotiated rates for transmission rights on the Project.¹ This authorization allows Grain
5 Belt Express to subscribe up to 100% of the Project's capacity through an open
6 solicitation process. The authorization is consistent with Section II of my direct
7 testimony, including the requirement that Grain Belt Express have a FERC-approved
8 Open Access Transmission Tariff to be administered by an RTO.

9 Q. Does Grain Belt Express have a specific timeline to begin its open solicitation for
10 capacity, as authorized by FERC?

11 A. Not yet. Grain Belt Express continues to receive expressions of interest in the Project
12 from potential customers, including wind generators with wind projects in western
13 Kansas and load serving entities. However, in order to sell long-term capacity to
14 customers, Grain Belt Express needs the certainty that comes from reaching additional
15 development milestones, including the receipt of certain regulatory approvals, and
16 additional routing and engineering work. Customers of the line want to know the Project
17 schedule and that Grain Belt Express can build the Project prior to entering into definitive
18 agreements for transmission service.

19 Q. Does this conclude your additional direct testimony?

20 A. Yes.

¹ Docket No. ER14-409-000, 147 FERC ¶ 61,098 (Order issued May 8, 2014)

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Grain Belt Express)
Clean Line LLC for a Certificate of Convenience and)
Necessity Authorizing it to Construct, Own, Control,) Case No. EA-2014-0207
Manage, Operate and Maintain a High Voltage, Direct)
Current Transmission Line and an Associated Converter)
Station Providing an Interconnection on the Maywood)
345 kV Transmission Line)

AFFIDAVIT OF DAVID BERRY

STATE OF Texas)
) ss
COUNTY OF Harris)

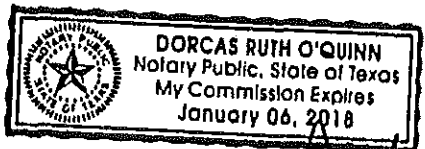
David Berry, being first duly sworn on his oath, states:

1. My name is David Berry. I am Executive Vice President – Strategy and Finance of Clean Line Energy Partners, LLC.
2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Grain Belt Express Clean Line, LLC consisting of 3 pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



David Berry

Subscribed and sworn before me this 26th day of June 2014.





Notary Public

My commission expires: Jan 6, 2018