

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of NextEra)
Energy Transmission Southwest, LLC for a)
Certificate of Convenience and Authority to) 22-NETE-419-COC
Transact the Business of an Electric Public) Docket No. 22-____-COC
Utility in the State of Kansas.)

**DIRECT TESTIMONY OF AMANDA FINNIS
EXECUTIVE DIRECTOR, FINANCE,
NEXTERA ENERGY TRANSMISSION, LLC**

ON BEHALF OF

NEXTERA ENERGY TRANSMISSION SOUTHWEST, LLC

Docket No. 22-____-____-COC

FEBRUARY 28, 2022

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1 I. **INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Amanda Finnis. My business address is 700 Universe Blvd., Juno Beach, FL
4 33408.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by NextEra Energy Transmission, LLC (“NEET”) as Executive Director,
7 Finance.

8 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

9 A. I am submitting testimony on behalf of NextEra Energy Transmission Southwest, LLC
10 (“NEET Southwest”), a wholly-owned direct subsidiary of NEET.

11 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

12 A. I have a Bachelor of Arts in Economics from New York University. I joined NextEra
13 Energy Transmission in mid-2021, and my current position is Executive Director, Finance.
14 Prior to my current position, I have held various positions at NextEra Energy, Inc.
15 (“NextEra Energy”) and its subsidiaries, including Assistant Treasurer and Director of
16 Investor Relations. My responsibilities in these roles included execution against our
17 financing activities, as well as establishing and maintaining effective working relationships
18 with the investment and banking communities. In addition, I held multiple positions in
19 energy marketing and trading activities. Prior to joining NextEra Energy in 2005, I held
20 early career roles in finance.

21 **Q. HAS THIS DIRECT TESTIMONY BEEN PREPARED BY YOU OR UNDER**
22 **YOUR DIRECT SUPERVISION?**

23 A. Yes, it has.

1 **Q. ARE YOU SPONSORING ANY ATTACHMENTS TO YOUR DIRECT**
2 **TESTIMONY?**

3 A. Yes. I am sponsoring Confidential Exhibit AF-1, which is a guarantee commitment letter
4 from NextEra Energy Capital Holdings, Inc. (“NEECH”) for the financing of this NEET
5 Southwest transmission line project.

6 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

7 A. I will provide an explanation of NEET Southwest’s financial ability to construct, operate,
8 and maintain the Wolf Creek-Blackberry 345 kilovolt (“kV”) transmission line project
9 (“Wolf Creek-Blackberry Project” or the “Project”). I will discuss the experience and
10 success of the NextEra Energy companies in developing, financing, owning, and operating
11 new or existing transmission assets throughout the U.S. I will also describe NEET
12 Southwest’s plan to finance the Project and the effect of the Project on NEET Southwest’s
13 finances.

14 **II. NEET SOUTHWEST’S FINANCIAL CAPABILITY TO CONSTRUCT, OPERATE**
15 **AND MAINTAIN THE WOLF CREEK-BLACKBERRY PROJECT**

16 **Q. PLEASE SUMMARIZE THE CORPORATE STRUCTURE OF NEET**
17 **SOUTHWEST AND ITS RELEVANT PARENT AND AFFILIATE COMPANIES.**

18 A. As NEET Southwest witness Becky Walding testifies in her Direct Testimony, NEET
19 Southwest is a Delaware limited liability company formed in 2014 to develop, own, and
20 operate transmission assets within the Southwest Power Pool, Inc. (“SPP”) footprint.
21 NEET Southwest is a direct, wholly-owned subsidiary of NEET, which in turn is an
22 indirect, wholly-owned subsidiary of NEECH, which is wholly owned by NextEra Energy.
23 NextEra Energy is one of the largest power and utility holding companies in North
24 America. NextEra Energy’s principal businesses are Florida Power & Light Company
25 (“FPL”), which is Florida’s largest electric utility with approximately 5.7 million customer

1 accounts, and NextEra Energy Resources, LLC (“NEER”), which is the largest generator
2 of renewable energy from the wind and sun in North America.

3 **Q. HOW DOES NEET SOUTHWEST PLAN TO FINANCE THE CONSTRUCTION**
4 **OF THE PROJECT?**

5 A. NEET Southwest plans to finance the construction of the project with initial funding
6 provided by NEECH, which holds direct or indirect ownership interests in and is a source
7 of funding for NextEra’s operating subsidiaries other than FPL. As shown in Confidential
8 Exhibit AF-1 to my testimony, NEECH has provided a letter of commitment of funding.
9 As set forth in more detail in its Application, to the extent the Commission believes this
10 financing arrangement falls within its jurisdiction, NEET Southwest requests that the
11 Commission approve the NEECH guarantee commitment letter.

12 **Q. PLEASE DESCRIBE NEECH’S RESOURCES AND ITS ABILITY TO FINANCE**
13 **THE CONSTRUCTION OF THE PROJECT.**

14 A. NEECH has sufficient resources to finance the construction of the Project. As of December
15 31, 2021, NEECH had approximately \$7.6 billion of net available liquidity, primarily
16 consisting of bank revolving line of credit facilities, letter of credit facilities, cash and cash
17 equivalents, less letters of credit issued under the credit facilities, and commercial paper
18 outstanding. Furthermore, NEECH has access to and regularly secures financing in public
19 and private debt capital markets on behalf of certain NextEra Energy operating
20 subsidiaries. Additionally, NEECH enjoys exceptional access to credit and the capital
21 markets to meet its capital requirements, in addition to substantial operating cash flows and
22 maintains strong investment grade credit ratings. NEECH’s corporate credit ratings as of
23 February 3, 2022 are as follows:

Company	Moody's	S&P	Fitch
NEECH	Baa1	A-	A-
Outlook	Stable	Stable	Stable

1 **Q. WHAT IS NEECH'S APPROACH TO FINANCING CONSTRUCTION**
2 **PROJECTS?**

3 A. NEECH's standard short-term approach is to utilize NEECH's general corporate funds to
4 contribute funding to the Project during the construction period and then the project may
5 pursue debt financing as part of maintaining its regulatory capital structure. Therefore,
6 customers will receive the benefit of a project constructed with strong equity support,
7 combined with the financial strength and support provided by NEECH.

8 **Q. HAS NEECH FINANCED OTHER TRANSMISSION PROJECTS?**

9 A. Yes. NEECH has financed several transmission projects in various regions of the U.S.
10 These projects have included the construction and operation of high voltage transmission
11 lines and related transmission facilities owned and operated by NEECH's subsidiaries,
12 Horizon West Transmission, LLC ("Horizon West"); New Hampshire Transmission, LLC
13 ("New Hampshire Transmission"); and Horse Hollow Generation Tie, LLC ("Horse
14 Hollow Generation Tie").

15 **Q. PLEASE DESCRIBE THESE OTHER TRANSMISSION PROJECTS.**

16 A. NEECH provided financing for two projects that are constructed or are expected to be
17 constructed, owned, and operated by Horizon West: (1) a 300 megavar ("MVar") Dynamic
18 Reactive Power Device and one-mile underground 230 kV transmission line at the existing
19 Suncrest substation in San Diego County, California; and (2) the 230/70kV Estrella
20 Substation near Paso Robles, California. NEECH also provided financing for the Seabrook

1 Substation in Seabrook, New Hampshire, which includes a 345 kV switchyard and is
2 owned by New Hampshire Transmission. Additionally, NEECH provided financing for a
3 214-mile 345 kV transmission line owned and operated by Horse Hollow Generation Tie.

4 **III. COSTS TO CONSTRUCT, OPERATE AND MAINTAIN THE PROJECT**

5 **Q. DOES NEET SOUTHWEST HAVE AN EXISTING TRANSMISSION RATE ON**
6 **FILE AT THE FEDERAL ENERGY REGULATORY COMMISSION (“FERC”)?**

7 A. Yes. On September 30, 2016, as amended on December 21, 2016, in FERC Docket No.
8 ER16-2720, NEET Southwest filed a formula rate template and implementation protocols
9 (“formula rate”) to determine and recover the costs of NEET Southwest’s investment in
10 transmission facilities located in the SPP region. On November 3, 2017, FERC accepted
11 NEET Southwest’s formula rate, subject to a compliance filing, to be effective once was
12 filed with the FERC to become part of SPP’s Tariff. NEET Southwest submitted the
13 required compliance filing on March 19, 2019, which FERC accepted on May 24, 2019.

14 **Q. WHAT IS THE PROPOSED COST TO CONSTRUCT THE PROJECT?**

15 A. As Ms. Walding testifies in her Direct Testimony, NEET Southwest’s proposed
16 construction cost for the Project is \$85.2 million in 2021 dollars [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] NEET Southwest proposed a number of other cost containment measures, as
21 well.

22 **Q. HOW WILL NEET SOUTHWEST RECOVER ITS COSTS TO CONSTRUCT THE**
23 **PROJECT?**

24 A. Subject to these cost containment measures, NEET Southwest will populate its formula
25 rate with its revenue requirement for providing service over the Project, which will include

1 construction costs. NEET Southwest will then coordinate with SPP to incorporate NEET
2 Southwest's formula rate into the SPP Open Access Transmission Tariff ("SPP Tariff") to
3 allow for recovery of the costs of the Project from transmission customers in the SPP
4 regions where the Project is located. The inclusion of NEET Southwest's formula rate in
5 the SPP Tariff and recovery of costs for the Project requires acceptance by FERC. NEET
6 Southwest's formula rate will be updated according to the methods set forth in NEET
7 Southwest's formula rate protocols. Upon FERC's acceptance of the proposed revisions
8 to the SPP Tariff to incorporate NEET Southwest's formula rate, NEET Southwest will
9 become a transmission-owning member of SPP. NEET Southwest and SPP will request
10 that FERC accept these revisions to the SPP Tariff after NEET Southwest has obtained all
11 required state regulatory approvals.

12 **Q. WILL CONSTRUCTION AND OPERATION OF THE PROJECT ADVERSELY**
13 **IMPACT THE FINANCIAL OUTLOOK OR CREDIT RATINGS OF NEET**
14 **SOUTHWEST OR ITS RELEVANT PARENT OR AFFILIATE COMPANIES?**

15 A. No. As noted, as of December 31, 2021, NEECH had approximately \$7.6 billion of net
16 available liquidity. As of this date, NextEra Energy's total assets were approximately \$141
17 billion. Therefore, the ratio of total assets to the total project capital cost of the Project is
18 expected to exceed 1,000:1 from the perspective of NextEra Energy. Additionally, subject
19 to the cost containment measures discussed in the Direct Testimony of Ms. Walding, the
20 costs associated with the Project will be recovered in SPP transmission rates, subject to
21 FERC oversight. NEET Southwest is not currently an entity with a stand-alone credit
22 rating.

1 IV. **NEET SOUTHWEST SATISFIES THE COMMISSION'S REQUIREMENTS FOR**
2 **ISSUING A CCN**

3 **Q. ARE YOU FAMILIAR WITH THE COMMISSION'S REQUIREMENTS FOR**
4 **ISSUING A CCN?**

5 A. Yes. As discussed in more detail in Ms. Walding's Direct Testimony, the Commission
6 requires applicants seeking a CCN to demonstrate that they have the necessary technical,
7 managerial, and financial capability to conduct the business of a public utility. In
8 reviewing CCN applications, the Commission also examines the Merger Standards
9 originally adopted in Docket Nos. 172,745-U and 174,155-U.¹

10 **Q. WHICH OF THE COMMISSION'S REQUIREMENTS DO YOU ADDRESS IN**
11 **YOUR DIRECT TESTIMONY?**

12 A. I testify that NEET Southwest satisfies the Commission's applicable requirement that
13 NEET Southwest has the financial ability to finance the Project.

14 **Q. DOES NEET SOUTHWEST HAS THE FINANCIAL ABILITY TO FINANCE THE**
15 **PROJECT?**

16 A. Yes, as provided above, NEET Southwest plans to finance the construction of the project
17 with initial funding provided by NEECH. Additionally, the ratio of total assets to the total
18 project capital cost of the Project is expected to exceed 1,000:1 from the perspective of
19 NextEra Energy.

20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes, it does.

¹ Consolidated Docket Nos. 172,745-U and 174,155-U, Order at pp. 34-35 (Nov. 4, 1991);
see also, Docket No.08-ITCE-936-COC *et al.*, Order at ¶ 52 (Dec. 18, 2008).

VERIFICATION

STATE OF FLORIDA)
) ss.
COUNTY OF PALM BEACH)

I, Amanda Finnis, being duly sworn, on oath state that I am Executive Director, Finance, of NextEra Energy Transmission, LLC and that I have read the foregoing pleading and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

By: *Amanda Finnis*
Amanda Finnis

The foregoing pleading was subscribed and sworn to before me this 25th day of February, 2022. *Personally known to me* ↙

Elizabeth Carrero
Notary Public

My Commission Expires:

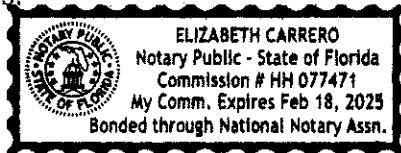


Exhibit AF-1

****Public****

NEET Southwest has redacted portions of this Exhibit as Confidential as containing commercially sensitive information.

**NEXTERA ENERGY CAPITAL HOLDINGS, INC.
700 Universe Boulevard
Juno Beach, Florida 33408**

November 15, 2021

NextEra Energy Transmission Southwest, LLC
700 Universe Boulevard
Juno Beach, Florida 33408

**Re: Financing Commitment for the Wolf Creek-Blackberry 345 kV
Transmission Line Project**

Ladies & Gentlemen:

NextEra Energy Transmission Southwest, LLC, a Delaware limited liability company (the “**Company**”), has advised its indirect parent company NextEra Energy Capital Holdings, Inc., a Florida corporation (“**NEE Capital**”), that the Company requires financing in connection with its efforts to develop, construct and operate a 95-mile transmission line project (the “**Project**”) that traverses 86 miles in Kansas and 9 miles in Missouri.

[REDACTED]

[REDACTED]

[REDACTED]

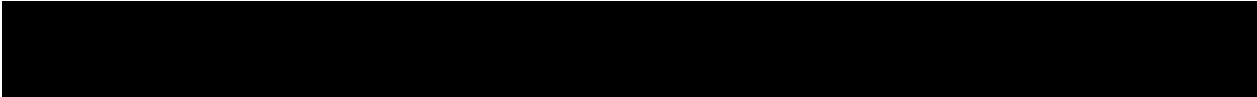
Financing Commitment Letter to the Wolf Creek-Blackberry 345 kV Project
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[REDACTED]

[REDACTED]

[REDACTED]

Financing Commitment Letter to the Wolf Creek-Blackberry 345 kV Project
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Page 3



Very truly yours,

NEXTERA ENERGY CAPITAL HOLDINGS, INC.

a Florida corporation

By: _____

Name: Paul I. Cutler

Title: Vice President and Treasurer

Agreed and accepted on November 15, 2021:

NEXTERA ENERGY TRANSMISSION SOUTHWEST, LLC,

a Delaware limited liability company

Digitally signed by Aundrea Williams
Date: 2021.11.17 09:02:24 -06'00'

By: _____

Name: Aundrea Williams

Title: President