

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

DIRECT TESTIMONY OF

SCOTT H. HEIDTBRINK

ON BEHALF OF

**GREAT PLAINS ENERGY INCORPORATED
AND
KANSAS CITY POWER & LIGHT COMPANY**

**IN THE MATTER OF THE JOINT APPLICATION OF GREAT PLAINS ENERGY
INCORPORATED, KANSAS CITY POWER & LIGHT COMPANY,
AND WESTAR ENERGY, INC. FOR APPROVAL OF THE ACQUISITION OF
WESTAR ENERGY, INC.
BY GREAT PLAINS ENERGY INCORPORATED**

DOCKET NO. 16-KCPE-____-ACQ

1 **Q: Please state your name and business address.**

2 A: My name is Scott H. Heidtbrink. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Kansas City Power & Light Company (“KCP&L” or “Company”) and
6 serve as Executive Vice President and Chief Operating Officer for KCP&L and KCP&L
7 Greater Missouri Operations Company (“GMO”).

8 **Q: What are your responsibilities?**

9 A: I am responsible for all aspects of GMO and KCP&L’s utility operations, including
10 Generation, Transmission and Delivery Operations, Customer Service, major
11 construction and Critical Infrastructure Protection Standards (“CIPS”).

1 **Q: Please describe your education, experience and employment history.**

2 A: I received a Bachelor of Science degree in electrical engineering from Kansas State
3 University in 1986. I previously served as Senior Vice President – Supply for KCP&L
4 where I was responsible for power generation plants and for KCP&L and GMO’s energy
5 resources, including integrated resource planning, generation dispatch, off-system sales,
6 coal procurement, and asset management for the company’s ownership positions in other
7 coal-fired plants and in the Wolf Creek Nuclear Generating Station (“Wolf Creek”).

8 I joined Aquila in 1987 as a Field Engineer at the company’s Lee’s Summit,
9 Missouri service center and held gas and electric utility operations engineering and field
10 and customer operations management positions, including state President and General
11 Manager – Kansas, from 1994 to 1997; Vice President, Network
12 Management/Engineering, 1998 to 2000; Vice President, Aquila Gas Operations, 2001;
13 and Vice President, Kansas/Colorado Gas, 2002 to 2004. I also led the deployment of
14 Six Sigma into Aquila’s utility operations from 2004 to 2006. From 2006 to 2008, I
15 served as Aquila’s Vice President – Power Generation and Energy Resources. I joined
16 KCP&L in 2008 as part of the Aquila acquisition.

17 **Q: Have you previously testified in a proceeding at the Kansas Corporation**
18 **Commission or before any other utility regulatory agency?**

19 A: I have previously testified before both the Kansas Corporation Commission
20 (“Commission” or “KCC”) and the Missouri Public Service Commission (“MPSC”).

21 **Q: What is the purpose of your testimony?**

22 A: The purpose of my testimony is to provide support for the Joint Application (“Joint
23 Application”) filed by Great Plains Energy, Inc. (“GPE”), KCP&L and Westar Energy,

1 Inc. (“Westar”) for approval of the acquisition of Westar by GPE (the “Transaction”).
2 Westar operates a regulated electric utility in Kansas and has just over 700,000 electric
3 utility customers, both at the parent utility, Westar Energy, Inc., and at its subsidiary
4 utility, Kansas Gas and Electric Company. For simplicity, in this testimony, I will refer
5 to the entire entity as “Westar”, except where more specificity might be required. In
6 regard to the Transaction, I will describe certain operational aspects of GPE and Westar,
7 the impact of the Transaction on those operations, and why the Transaction promotes the
8 public interest.

9 **Q: Please provide an overview of GPE’s utility operations.**

10 A: Through its regulated utility subsidiaries, GPE serves over 850,000 customers in 47
11 counties in Missouri and eastern Kansas including approximately 749,400 residences,
12 98,800 commercial firms, and 2,600 industrials, municipalities and other electric utilities.
13 KCP&L alone serves approximately 530,700 customers (nearly 250,000 of which are in
14 Kansas), including approximately 468,700 residences, 59,900 commercial firms, and
15 2,100 industrials, municipalities and other electric utilities. KCP&L’s electric service
16 territory includes the Kansas City metropolitan area and surrounding cities.

17 KCP&L retail revenues – reflecting service provided to residences and businesses
18 – averaged approximately 88 percent of its total operating revenues over the last three
19 years. Wholesale firm power, bulk power sales and miscellaneous electric revenues
20 accounted for the remainder of KCP&L’s revenues. Like most electric utilities, KCP&L
21 is significantly impacted by seasonality with approximately one-third of its retail
22 revenues recorded in the third quarter.

1 To serve its customers, on a combined basis, GPE’s two current utilities, KCP&L
2 and GMO own 4,168 mega-watts (“MW”) of base load generating capacity and
3 2,232 MW of peak load generating capacity. Additionally, KCP&L owns 46 MW of
4 wind (based on accredited capacity). KCP&L and GMO combined have long-term
5 power purchase agreements for approximately 796 MW of wind and hydroelectric
6 generation which expire in 2023 through 2036.

7 KCP&L’s capacity is diversified with outright or joint ownership in four large
8 coal-fired generating stations with a combined KCP&L capacity share of over 2,500
9 MW, 549 MW (KCP&L share) of Wolf Creek, approximately 1,200 MW of natural gas-
10 and oil-fired peaking capacity, 149 MW (nameplate) of wind generating capacity located
11 in Spearville, Kansas, and almost 600 MW of wind generating capacity under contract
12 located in Kansas. KCP&L has an additional 120 MW of wind generating capacity that
13 is expected to begin operation at the end of 2016 and 180 MW that is expected to begin
14 operation before the end of 2017 located in Missouri. In April 2016, KCP&L ceased
15 burning coal at Montrose Unit 1.

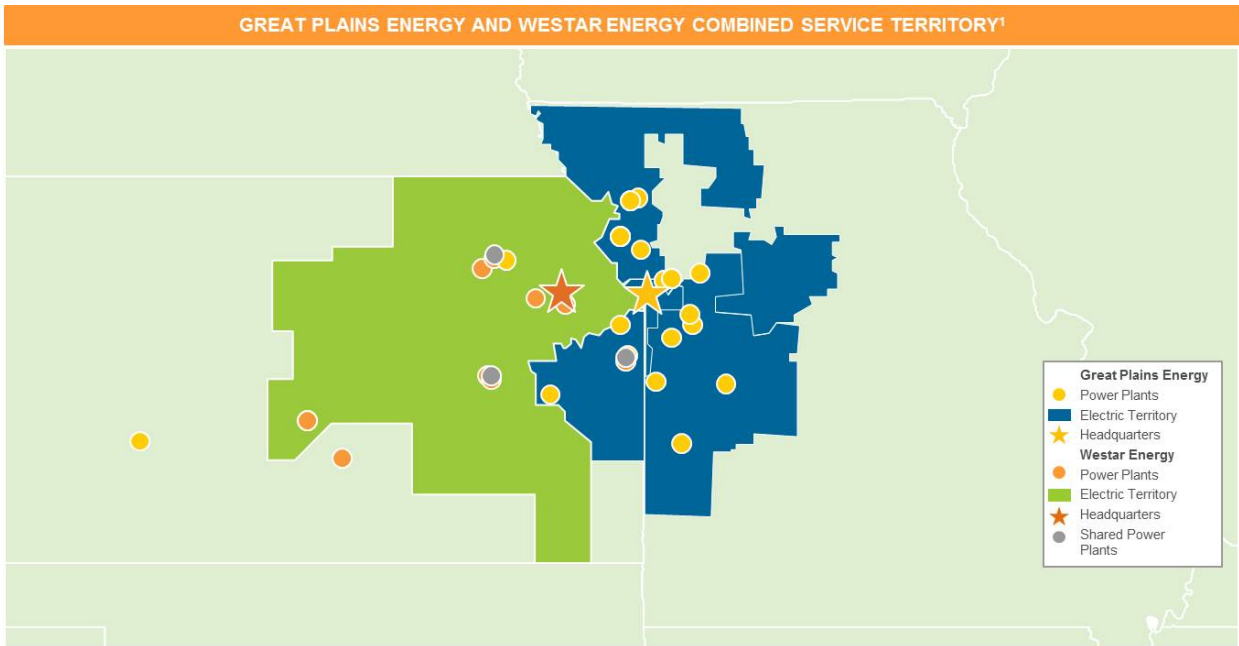
16 On a combined basis, KCP&L and GMO operate and maintain approximately
17 22,600 circuit miles of distribution lines and approximately 3,600 circuit miles of
18 transmission lines to serve customers across their service territory. KCP&L’s share of
19 lines is 12,000 miles of distribution lines and 1,800 miles of transmission lines.

20 KCP&L is one of the largest companies in the region, with just under
21 3,000 employees, including more than 1,800 union employees. These employees are
22 active in the communities we serve, fulfilling our guiding corporate principle of
23 “Improving Life in the Communities We Serve.”

1 An overview of Westar’s operations is provided in the Direct Testimony of Mark
2 Ruelle.

3 **Q: Please describe how the existing service territories and generating facilities of**
4 **Westar and GPE’s utility subsidiaries correspond to one another.**

5 A: As can be seen in the map below, the service territory of Westar (in green) abuts the
6 westernmost service territory of GPE’s utility subsidiaries (in blue).



7 1. Excludes Great Plains Energy’s Crossroads Generating Station located in Starkville, MS and Westar Energy’s Spring Creek Energy Center located in Logan County, OK.

8 As can also be seen from the map above, KCP&L and Westar jointly own and operate
9 Wolf Creek, as well as the La Cygne Station and Jeffrey Energy Center.

10 **Q: Upon closing, how will the Transaction affect Kansas customers of KCP&L and**
11 **Westar?**

12 A: From the customer’s viewpoint, the effect of the Transaction is expected to be positive in
13 light of savings and efficiencies, depth and breadth of the combined company
14 management and employee base, and the ability to leverage best practices of Westar and
15 GPE’s operating utilities. Customer rates will continue to be a function of the regulatory

1 process in Kansas, subject to the authority of the KCC. Existing tariffs and rates will
2 remain in place and change only with the approval of the KCC. Customers will continue
3 to enjoy all of the protections afforded them in the past as a function of continued
4 regulation by the KCC.

5 **Q: How will the Transaction affect the quality of service provided to Kansas customers**
6 **of KCP&L and Westar?**

7 A: Service quality will be the same or improved after the Transaction. GPE is committed to
8 the continuation of the quality service KCP&L and Westar have provided in the past.
9 GPE's utility subsidiaries, KCP&L and GMO, have long standing histories of providing
10 quality service for their customers, and our careful due diligence shows that Westar has
11 also. The Transaction will enable the combined organization to provide higher quality
12 service through the selection and implementation of best practices in each organization to
13 be used by the combined entity. GPE cares deeply about, but also recognizes that the
14 Commission will be interested in ensuring that this history of providing quality service
15 continues after the Transaction, and that the Commission has a mechanism in place to
16 monitor system reliability and impacts to customer service. Therefore, the customers of
17 both KCP&L and Westar can rest easy that every care will be taken to preserve the
18 quality of service they are accustomed to receiving after the closing of the Transaction.
19 A more detailed discussion of GPE's strategy regarding customer service and customer
20 experience is included in the Direct Testimony of Charles Caisley.

21 **Q: What mechanism does the KCC have in place to monitor customer service?**

22 A: Docket No. 02-GIME-365-GIE sets out the general obligations for Kansas utilities
23 regarding the provision of reliable service to Kansas customers. Westar and KCP&L are

1 required to comply with the findings in that docket, including a requirement to file an
2 annual report setting forth reliability metrics, outage information, and make an
3 accounting of worst performing circuits. The first of those reports was filed in 2006
4 based on 2005 data. This reporting will continue after the Transaction, providing the
5 KCC a clear measure of KCP&L's and Westar's customer experience following the
6 Transaction.

7 **Q: What can Kansas customers of KCP&L and Westar expect after the Transaction**
8 **when they need to contact the Company to establish service or request some other**
9 **service-related item?**

10 A: Customers should see the same or improved service levels as a result of the Transaction.
11 GPE is committed to supplying high levels of customer service for KCP&L and Westar
12 customers. Following the Transaction, GPE intends to maintain the existing Westar
13 contact center in Wichita while continuing to operate the existing KCP&L contact center
14 in Raytown, Missouri. The integration team will need to assess and develop plans for the
15 operation of two contact centers, but it seems obvious to me that having two separate
16 contact centers two hundred miles apart will enhance reliability of service by providing
17 significant redundancy.

18 In sum, customers will experience little if any change in their day-to-day
19 interactions with their electric service provider. We will continue to serve them safely,
20 effectively, reliably and, we expect, more efficiently by, for the most part, the same
21 employees who serve them today. The Transaction will enable the combined
22 organization to improve service through the selection and implementation of best
23 practices in each organization to be used by the combined entity.

1 **Q: Please describe the effect of the Transaction from a generation perspective?**

2 A: As mentioned earlier, the joint ownership and operation of sizeable generating units by
3 Westar and GPE provides efficiency opportunities for this Transaction that would not
4 otherwise exist. Moreover, with the addition of Westar's generation fleet, Great Plains
5 Energy will have a more diverse and sustainable generation portfolio. After the
6 Transaction closes and all wind facilities currently under contract are placed in service,
7 more than 45% of retail customer energy needs can be met with electricity that has been
8 generated with no emissions. Additionally, both KCP&L and Westar have diligently
9 undertaken extensive emission reduction efforts at their respective generating facilities
10 with the result that neither company has a backlog of such work. This will provide
11 increased flexibility to mitigate the potential customer impacts from future carbon
12 regulation or other future environmental requirements. Among investor-owned utilities,
13 the combined company will have one of the largest portfolios of wind generation in the
14 country, consisting of over 3,000 megawatts of nameplate capacity, the vast majority of
15 which will be produced with indigenous Kansas resources.

16 Also, both KCP&L and Westar participate in the Southwest Power Pool's
17 ("SPP's") integrated marketplace for the dispatching of their generating units and
18 participation in regional wholesale power markets, which should facilitate this aspect of
19 the integration process.

20 **Q: Please describe how the Transaction will affect transmission operations?**

21 A: Westar owns and has in service approximately 6,400 miles of transmission lines.
22 KCP&L and GMO combined, being more geographically compact, own and have in
23 service approximately 3,600 miles of transmission lines.

1 Both KCP&L and Westar are fully subject to regulation by the Federal Energy
2 Regulatory Commission with respect to transmission and wholesale sales and rates, and
3 will continue to be following the close of the Transaction. Both companies participate in
4 the wholesale market to sell power when the power they can generate is not required for
5 their own customers. The vast majority of these sales occur within the large market
6 managed by the SPP Integrated Marketplace. For both companies, any gains from selling
7 such wholesale power inures to the benefit of our retail customers. Both KCP&L and
8 Westar are members of the SPP Regional Transmission Organization (“RTO”) and
9 transferred the functional control of their transmission systems, including the approval of
10 transmission service, to the SPP. The SPP coordinates the operation of KCP&L and
11 Westar’s transmission systems within an interconnected transmission system that covers
12 all or portions of 14 states. The Transaction will not affect the transmission operations of
13 either KCP&L or Westar.

14 **Q. With increasing concerns about security, including cybersecurity, how will the**
15 **Transaction affect the companies?**

16 A. Kansas is uniquely positioned with regard to homeland security, intelligence analysis and
17 in particular cybersecurity. A great deal of this is due to the foresight Kansas leaders had
18 in creating the Kansas Intelligence Fusion Center (“KIFC”), and the unique public-
19 private partnerships that have been formed as a result. No other state or federal body has
20 replicated its advantages. We are aware that Westar was the first private sector
21 infrastructure partner embedded in the KIFC. While no security measures can provide a
22 perfect solution, we appreciate the importance of the KIFC partnership model as key to
23 increasing the “depth of defense” in Kansas’ infrastructure security posture. We look

1 forward to expanding that partnership to include KCP&L and Wolf Creek, as well.
2 Already we have people working to obtain the necessary credentials to participate and
3 contribute to that important work.

4 **Q: You've said Kansas customers of KCP&L and Westar will maintain their rates and**
5 **see no degradation in their day-to-day utility service as a result of the Transaction.**
6 **What benefits will the Transaction bring to KCP&L and Westar customers from an**
7 **operational perspective?**

8 A: There will be a positive impact on KCP&L and Westar's customers as we integrate the
9 two companies and combine operations. The addition of Westar and its employees to
10 GPE will provide the opportunity for all of GPE's utility subsidiaries to draw on the
11 strengths of one another, and assess and adopt best practices across all operating areas to
12 serve our customers more efficiently and effectively. Witness Steven Busser describes
13 the integration planning process in his Direct Testimony and witness William Kemp
14 addresses Transaction-related savings in his Direct Testimony. Over time, the ability to
15 draw knowledge and experience from a larger employee pool with a broader array of
16 work experience will lead to the adoption of the best practices from each organization,
17 introducing efficiencies into the day-to-day operation of GPE's utility subsidiaries and
18 leading to electric service rates that are lower than they would have been absent the
19 Transaction, as well as improved service and reliability levels. All of this is beneficial to
20 customers and enabled by the proposed Transaction we have put before the Commission.

21

1 **Q: What steps will you take to ensure the continuity of good customer service while you**
2 **undertake the integration process and capture savings?**

3 A: The GPE Board of Directors and Chief Executive Officer have made it very clear to me
4 as the KCP&L officer with primary responsibility for providing our customers with safe
5 and reliable electric service that our focus will remain on the needs of our customers.
6 Additionally, all of our employees understand the special responsibility we have in
7 providing essential electric service to our customers safely and reliably, and they take
8 great pride in doing so. Given our experience with the Aquila acquisition in 2008, in
9 which we continued to provide excellent service throughout the transition, I am confident
10 that we will continue providing safe and reliable service to our customers while the
11 organization does the hard work necessary to close the Transaction and bring its benefits
12 to our customers, our communities and our states.

13 **Q: Please describe GPE's plans regarding the use of Westar's existing headquarters**
14 **building after the Transaction closes.**

15 A: We have committed to continue using Westar's offices at 818 S. Kansas Avenue in
16 Topeka as GPE overall Kansas headquarters. This makes sense in light of the fact that,
17 following the Transaction, GPE will serve almost 950,000 customers in the State of
18 Kansas as well as the fact that Topeka is the seat of government in the state. Although
19 we have not yet developed plans regarding what specific functions and personnel will be
20 based in Topeka, GPE intends to maintain in the future the prominent and constructive
21 presence in the State of Kansas – and in Topeka – that Westar has so ably served for
22 many decades.

1 Q: Does this conclude your testimony?

2 A: Yes.

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

In the Matter of the Application of Great)
Plains Energy Incorporated, Kansas City)
Power & Light Company, and Westar) 16-KCPE- _____
Energy, Inc. for approval of the Acquisition of)
Westar Energy, Inc. by Great Plains Energy)
Incorporated)

AFFIDAVIT OF SCOTT H. HEIDTBRINK

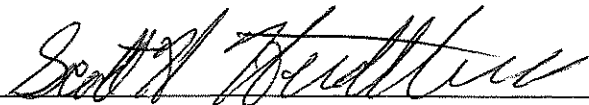
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Scott H. Heidtbrink, being first duly sworn on his oath, states:

1. My name is Scott H. Heidtbrink. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Executive Vice President and Chief Operating Officer.

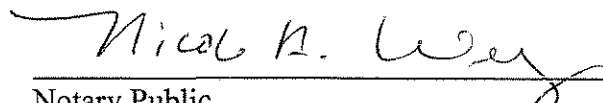
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Great Plains Energy Incorporated and Kansas City Power & Light Company consisting of twelve (12) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

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.



Scott H. Heidtbrink

Subscribed and sworn before me this 28th day of June 2016.



Notary Public

My commission expires: Feb. 4, 2019

