Exhibit No.:	
Issue(s):	*General Information & Miscellaneous, and Policy*
Witness:	*Natelle Dietrich*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*EM-2018-0012*
Date Testimony Prepared:	*January 16, 2018*

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

REBUTTAL TESTIMONY

OF

NATELLE DIETRICH

GREAT PLAINS ENERGY INCORPORATED, KANSAS CITY POWER & LIGHT COMPANY, KCP&L GREATER MISSOURI OPERATIONS COMPANY AND WESTAR ENERGY, INCORPORATED

CASE NO. EM-2018-0012

Jefferson City, Missouri
January, 2018

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CASE NO. EM-2018-0012

Q. Please state your name and business address.

A. My name is Natelle Dietrich. My business address is 200 Madison Street, Jefferson City, Missouri 65101.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as Commission Staff Director.

Q. Please describe your education and relevant work experience.

A. I received a Bachelor's of Arts Degree in English from the University of Missouri, St. Louis, and a Master's of Business Administration from William Woods University. During my tenure with the Commission, I have worked in many areas of telecommunications regulation. In October, 2007, I became the Director of Utility Operations. The division was renamed the Tariff, Safety, Economic and Engineering Analysis Department in August 2011. In October 2015, I assumed my current position as Commission Staff Director. In this position, I oversee all aspects of the Commission Staff.

My responsibilities include involvement in several activities related to implementing sound energy policy in Missouri. I was the lead director for the Commission's rulemakings on such things as the implementation of the Missouri Energy Efficiency Investment Act, the

Chapter 22 rewrite, and the Commission's renewable energy standard regulations. Relevant activities relate to oversight of Staff's analysis of and positions on renewable energy, energy efficiency, demand side management, demand response and smart grid. I was a member of the Missouri Delegation to the Missouri/Moldova Partnership through National Association of Regulatory Utility Commissioners ("NARUC") and the US Agency for International Development.

I am a member of the NARUC Subcommittee on Rate Design and the Staff Subcommittee on Telecommunications. I serve on the Staff of the Federal/State Joint Board on Universal Service, serve as lead Staff for the Missouri Universal Service Board, and was a member of the Governor's MoBroadbandNow taskforce.

Q. Have you previously testified before the Commission?

A. Yes. My Case Summary is attached as Schedule ND-1.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the Stipulation and Agreement ("Agreement") between Great Plains Energy Incorporated ("GPE"), Kansas City Power & Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO") and Westar Energy, Inc. ("Westar") (collectively, "the Applicants"), the Staff of the Missouri Public Service Commission ("Staff"), Brightergy, LLC ("Brightergy"), and Missouri Joint Municipal Electric Utility Commission ("MJMEUC") that was filed on January 12, 2018.

Q. Please provide relevant background for Staff's support of the Stipulation and Agreement.

A. On August 31, 2017, the Applicants filed their *Application for Approval of Merger; Request for Variance from 4 CSR 240-20.015; and Motion for Expedited Treatment.*

With that testimony, the Applicants also filed direct testimony, including the Direct Testimony of Darrin R. Ives. In his testimony, Mr. Ives proposed several commitments and conditions. Since that time, Staff and the Applicants have had several discussions about the proposed transaction and the commitments and conditions, culminating in the Agreement filed on January 12, 2018.

Q. Please outline some of the key provisions of the Agreement.

A. The Agreement contains commitments which are grouped into the following categories: General Conditions; Employee Commitments; Financing Conditions; Ratemaking, Accounting and Related Conditions; Affiliate Transactions and Cost Allocations Manual Conditions; Quality of Service Conditions; Reporting and Access to Records Conditions; Other Parent Company Conditions; GPE's Financial Valuation Model; Load Sampling; Sharing of Synergies; and, References to Specific Commission Rules.

General Conditions

Key points of the general conditions include: maintaining the corporate headquarters in Kansas City, Missouri until 2032; continuing charitable giving and community involvement in Missouri for a minimum of five years; maintaining and promoting low income programs for at least five years; and, providing $50,000 each to several Community Action Agencies.

Employee Commitments

Key points of the employee commitments include: honoring existing collective bargaining agreements; maintaining substantially comparable employee compensation and benefit levels for two years; and no involuntary severance as a result of the merger or closing certain generation facilities.

Financing Conditions

The title of the section is "Financing and Ring-Fencing Conditions"; however, Staff believes the reference to "ring fencing" should have been

omitted. Therefore, if approved, Staff recommends the Commission clarify that it is approving "financing" conditions included in Exhibit A.

Key points of the financing conditions include makeup of the board of directors to include directors predominately from Missouri and Kansas; KCP&L and GMO will not commingle assets with any other entity except as allowed by the Commission's affiliate transaction rule or Commission order; KCP&L, GMO and Westar will conduct business as separate legal entities; the present legal entity structure for regulated and unregulated business operations shall be maintained; KCP&L or GMO commit to various filings and conditions if S&P or Moody's downgrade their corporate credit rate or senior secured or unsecured debt to below investment grade; future cost of service and rates of KCP&L and GMO will not be adversely impacted as a result of the merger; the cost of capital and return on equity capital will not be adversely affected as a result of the merger; Applicants agree that all retail electric customers will receive a one-time bill credit totaling $50 million within 120 days of closing; neither KCP&L nor GMO will seek to recover any transition costs related to the merger in excess of the benefits; goodwill shall not be included in the revenue requirement of KCP&L or GMO; customers shall be held harmless from the risk or realization of any merger goodwill impairment; KCP&L and GMO will not seek recovery of transaction costs; KCP&L's and GMO's fuel and purchased power costs shall not be adversely affected; and, retail rates shall not increase as a result of the merger.

Affiliate Transactions And Cost Allocations Manual ("CAM")

KCP&L and GMO will comply with the Commission's affiliate transaction rule; intercompany charges may be recovered in the first general rate proceeding following closing at levels equal to the lesser of actual costs or the costs allowed in rate cases prior to closing; the Applicants shall maintain separate books and records, systems of accounts, financial statements and bank accounts for KCP&L and GMO; Applicants shall maintain adequate records to support centralized corporate costs allocated to KCP&L or GMO; Applicants

agree to an independent third party management audit of the new holding company, KCP&L and GMO corporate cost allocations and affiliate transaction protocols; KCP&L and GMO will not make available, sell or transfer specific Missouri customer information consistent with the Commission's decision in Case No. EC-2015-0309; and, KCP&L and GMO agree to file a new CAM reflecting changes necessitated by the merger.

Quality of Service Conditions

Key points of the quality of service conditions include a commitment to meet or exceed the customer service and operational levels currently provided to Missouri retail customers; and, KCP&L and GMO will continue to provide various quality of service reports and to meet periodically with Staff.

Reporting And Access To Records

KCP&L and GMO commit to meet with Staff and provide the Commission with merger integration updates and will provide Staff with access to various analyses and materials related to ongoing operations and compliance with merger conditions and commitments.

Other Parent Company Conditions

Applicants agree to reaffirm and honor any prior commitments made by GPE, KCP&L or GMO and that meeting capital requirements will be considered a high priority.

Q. Does Staff recommend the Commission approve the Agreement?

A. Yes. Staff recommends the Commission approve the Agreement as it provides key protections for Missouri ratepayers, helping to ensure the transaction is not detrimental to the public interest.

Q. Does this conclude your testimony?

A. Yes

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger With Westar Energy, Inc.	)))	**Case No. EM-2018-0012**

NATELLE DIETRICH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Natelle Dietrich, and on her oath states that she is of sound mind and lawful age; that she contributed to the foregoing Rebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Natelle Dietrich

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12th day of January, 2018.

Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 28, 2019
Commission Number: 15207377

Natelle Dietrich
Case Summary

Presented testimony or analysis through affidavits on the following cases and proceedings:

- Case No. TA-99-405, an analysis of the appropriateness of a "payday loan" company providing prepaid telecommunications service.
- Case No. TX-2001-73, In the Matter of Proposed New Rules on Prepaid Calling Cards.
- Case No. TO-2001-455, the AT&T/Southwestern Bell Telephone Company arbitration, which included issues associated with unbundled network elements.
- Case No. TX-2001-512, In the Matter of Proposed Amendments to Commission Rule 4 CSR 240-33.010, 33.020, 33.030, 33.040, 33.060, 33.070, 33.080, 33.110, and 33.150 (telecommunications billing practices).
- Case No. TO-2002-222, the MCI/SWBT arbitration.
- Case No. TR-2002-251, In the Matter of the Tariffs Filed by Sprint Missouri, Inc. d/b/a Sprint to Reduce the Basic Rates by the Change in the CPI-TS as Required by 392.245(4), Updating its Maximum Allowable Prices for Non-Basic Services and Adjusting Certain Rates as Allowed by 392.245(11) and Reducing Certain Switched Access Rates and Rebalancing to Local Rates as Allowed by 392.245(9).
- Case No. TX-2002-1026, In the Matter of a Proposed Rulemaking to Implement the Missouri Universal Service Fund End-User Surcharge.
- Case No. TX-2003-0379, In the Matter of Proposed Amendments to Commission Rule 4 CSR 240-3.545, formerly 4 CSR 240-30.010 (tariff filing requirements).
- Case No. TX-2003-0380, In the Matter of Proposed Amendments to Commission Rules 4 CSR 240-2.060, 4 CSR 240-3.020, 4 CSR 240-3.510, 4 CSR 240-3.520, and 4 CSR 240-3.525 (competitive local exchange carrier filing requirements and merger-type transactions).
- Case No. TX-2003-0389, In the Matter of Proposed Amendment to Commission Rules 4 CSR 240-3.530 and 4 CSR 240-3.535, and New Rules 4 CSR 240-3.560 and 4 CSR 240-3.565 (telecommunications bankruptcies and cessation of operation).
- Case No. TX-2003-0445, In the Matter of a Proposed New Rule 4 CSR 240-33.160 Regarding Customer Proprietary Network Information.
- Case No. TX-2003-0487, In the Matter of Proposed Commission Rules 4 CSR 240-36.010, 36.020, 36.030, 36.040, 36.050, 36.060, 36.070, and 36.080 (arbitration and mediation rules).
- Case No. TX-2003-0565, In the Matter of a Proposed Rulemaking to Codify Procedures for Telecommunications Carriers to Seek Approval, Amendment and Adoption of Interconnection and Resale Agreements.
- Case Nos. TX-2004-0153 and 0154, in the Matter of Proposed Rule for 211 Service (emergency and permanent rules).
- Case Nos. TO-2004-0370, IO-2004-0467, TO-2004-0505 et al, In the Matter of the Petition of various small LECs for Suspension of the Federal Communications Commission Requirement to Implement Number Portability.

- Case No. TX-2005-0258, In the Matter of a New Proposed Rule 4 CSR 240-33.045 (placement and identification of charges on customer bills).
- Case No. TX-2005-0460, In the Matter of the Proposed Amendments to the Missouri Universal Service Fund Rules.
- Case No. TO-2006-0093, In the Matter of the Request of Southwestern Bell Telephone, L.P. d/b/a SBC Missouri, for Competitive Classification Pursuant to Section 392.245.6, RSMo (2205) – 30-day Petition.
- Case Nos. TC-2005-0357, IR-2006-0374, TM-2006-0306, the complaint case, earnings investigation and transfer of assets case to resolve issues related to Cass County Telephone Company, LP, LEC Long Distance, FairPoint Communications, Inc., FairPoint Communications Missouri Inc. d/b/a FairPoint Communications and ST Long Distance Inc. db/a FairPoint Communications Long Distance.
- Case No. TC-2006-0068, FullTel, Inc., v. CenturyTel of Missouri, LLC.
- Case No. TX-2006-0169, In the Matter of Proposed New Rule 4 CSR 240-3.570 Regarding Eligible Telecommunications Carrier Designations for Receipt of Federal Universal Service Fund Support.
- Case No. TX-2006-0429, In the Matter of a Proposed Amendment to 4 CSR 240-3.545 (one day tariff filings).
- Case No. TX-2007-0086, In the Matter of a Proposed Rulemaking to Create Chapter 37 – Number Pooling and Number Conservation Efforts.
- Case No. TA-2009-0327, In the Matter of the Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Missouri for the Limited Purpose of Offering Lifeline and Link Up Service to Qualified Households.
- Case No. RA-2009-0375, In the Matter of the application of Nexus Communications, Inc. dba TSI for Designation as an Eligible Telecommunications Carrier in the State of Missouri for the Limited Purpose of Offering Wireless Lifeline and Link Up Service to Qualifying Households.
- Case No. AX-2010-0061, Office of Public Counsel's Petition for Promulgation of Rules Relating to Billing and Payment Standards for Residential Customers.
- Case No. GT-2009-0056, In the Matter of Laclede Gas Company's Tariff Revision Designed to Clarify its Liability for Damages Occurring on Customer Piping and Equipment Beyond the Company's Meter.
- Case No. ER-2012-0166, In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Electric Service. Energy Independence and Security Act of 2007 (EISA).
- Case No. ER-2012-0174, In the Matter of Kansas City Power & Light Company's Request for Authority to Implement A General Rate Increase for Electric Service. Energy Independence and Security Act of 2007 (EISA).
- Case No. ER-2012-0175, In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement A General Rate Increase for Electric Service. Energy Independence and Security Act of 2007 (EISA).
- Case No. ER-2012-0345, In the Matter of Empire District Electric Company of Joplin, Missouri Tariff's Increasing Rates for Electric Service Provided to Customers in the Missouri Service Area of the Company. Energy Independence and Security Act of 2007 (EISA).

- File Nos. EO-2013-0396 and EO-2013-0431, In the Matter of the Joint Application of Entergy Arkansas, Inc., MidSouth TransCo, LLC, Transmission Company Arkansas, LLC and ITC Midsouth LLC for Approval of Transfer of Assets and Certificate of Convenience and Necessity, and Merger and, in connection therewith, Certain Other Related Transactions; and In the Matter of Entergy Arkansas, Inc.'s Notification of Intent to Change Functional Control of Its Missouri Electric Transmission Facilities to the Midwest Independent Transmission System Operator Inc. Regional Transmission System Organization or Alternative Request to Change Functional Control and Motions for Waiver and Expedited Treatment, respectively.
- Case No. MX-2013-0432, In the Matter of a Proposed Rulemaking to Revise Manufactured Housing Rules Regarding Installation and Monthly Reporting Requirements.
- Case No. TX-2013-0324, In the Matter of a Proposed Rulemaking to the Missouri Universal Service Fund.
- Case No. EO-2014-0095, In the Matter of Kansas City Power & Light Company's Filing for Approval of Demand-Side Programs and for Authority to Establish Demand-Side Programs Investment Mechanism.
- Case No. EA-2014-0207, 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, Operate, Control, Manage, and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood - Montgomery 345 kV Transmission Line.
- Case No. ER-2014-0370, In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service.
- Case No. WR-2015-0301, In the Matter of Missouri-American Water Company's Request for Authority to Implement a General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas.
- Case No. ER-2016-0156, In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service.
- Case No. ET-2016-0246, In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of a Tariff Setting a Rate for Electric Vehicle Charging Stations.
- Case No. ER-2016-0285, In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service.
- Case No. ER-2016-0179, In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase its Revenues for Electric Service.
- Case No. EE-2017-0113, In the Matter of the Joint Application of Great Plains Energy Incorporated, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company for a Variance from the Commission's Affiliate Transactions Rule, 4 CSR 240-20.015
- Case No. EA-2016-0358, 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, Operate, Control, Manage and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood-Montgomery 345kV Transmission Line

- Case No. EM-2017-0226, In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Acquisition of Westar Energy, Inc.
- Case No. GR-2017-0215, In the Matter of Laclede Gas Company's Request to Increase its Revenues for Gas Service.
- Case No. GR-2017-0216, In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to increase its Revenues for Gas Service.
- Case No. WR-2017-0259, In the Matter of the Rate Increase Request of Indian Hills Utility Operating Company, Inc.
- Actively participated in or prepared comments on numerous issues on behalf of the Commission to be filed at the Federal Communications Commission.
- Prepared congressional testimony on behalf of the Commission on number conservation efforts in Missouri.
- A principal author on Missouri Public Service Commission Comments on the Reduction of Carbon Emissions in Missouri under Section 111(d) of the Clean Air Act.
- A principal author on Missouri Public Service Commission Comments on the Environmental Protection Agency's "Emission Guidelines for Existing Stationary Sources: Electric Generating Unity".

Commission Arbitration Advisory Lead Staff for the following cases:

- Case No. TO-2005-0336, Southwestern Bell Telephone, L.P., d/b/a SBC Missouri's Petition for Compulsory Arbitration of Unresolved Issues For a Successor Interconnection Agreement to the Missouri 271 Agreement ("M2A").
- Case No. IO-2005-0468, In the Matter of the Petition of Alma Telephone Company for Arbitration of Unresolved Issues Pertaining to a Section 251(b)(5) Agreement with T-Mobile USA, Inc.
- Case No. TO-2006-0147 et al, In the Matter of the Petition for Arbitration of Unresolved Issues in a Section 251(b)(5) Agreement with T-Mobile USA, Inc. and Cingular Wireless.
- Case No. TO-2006-0299, Petition of Socket Telecom, LLC for Compulsory Arbitration of Interconnection Agreements with CenturyTel of Missouri, LLC and Spectra Communications, LLC, pursuant to Section 251(b)(1) of the Telecommunications Act of 1996.
- Case No. TO-2006-0463, In the Matter of the Petition for Arbitration of Unresolved Issues in a Section 251(b)(5) Agreement with ALLTEL Wireless and Western Wireless.
- Case No. TO-2009-0037, In the Matter of the Petition of Charter Fiberlink-Missouri, LLC for Arbitration of an Interconnection Agreement Between CenturyTel of Missouri, LLC and Charter Fiberlink-Missouri, LLC.
- Case No. WR-2017-0285, In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas