

Exhibit No.:
Issue: Service Quality
Witness: Kevin Noblet
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Great Plains Energy
Incorporated; Kansas City Power &
Light Company; and KCP&L Greater
Missouri Operations Company
Case No.: EM-2017-0226, et al.
Date Testimony Prepared: March 27, 2017

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EM-2017-0226, et al.

SURREBUTTAL TESTIMONY

OF

KEVIN NOBLET

ON BEHALF OF

**GREAT PLAINS ENERGY INCORPORATED
KANSAS CITY POWER & LIGHT COMPANY
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri
March 2017**

SURREBUTTAL TESTIMONY

OF

KEVIN NOBLET

Case No. EM-2017-0226

I. INTRODUCTION AND PURPOSE

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

2 A: My name is Kevin Noblet. 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 Vice President of Delivery for KCP&L and KCP&L Greater Missouri
7 Operations Company (“GMO”).

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

9 A: My responsibilities include all aspects of KCP&L’s and GMO’s utility delivery
10 operations, including transmission, distribution, and customer service.

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

12 A: I received a Bachelor of Arts degree in Physics from William Jewell College in 1991, a
13 Bachelor of Science degree in Electrical Engineering from Washington University in
14 1992, and a Master degree in Business Administration from the University of Kansas in
15 1996. Prior to my current position as Vice President – Delivery, which I have held since
16 March 2016, I served as Vice President of Generation for KCP&L from June 2012 to
17 March 2016 where I was responsible for power generation plants and for KCP&L’s and
18 GMO’s energy resources, including integrated resource planning, generation dispatch,

1 off-system sales, coal procurement, and asset management for the Company's ownership
2 positions in other coal-fired plants and in the Wolf Creek Nuclear Generating Station
3 ("Wolf Creek"). My positions at KCP&L have also included Director of Risk
4 Management, 2008 to 2009; Director of Supply Services, 2009 through 2010; and Senior
5 Director of Combustion Turbines and Renewables, 2010 to 2012. I joined KCP&L in
6 2008 as part of the Aquila acquisition. I joined Aquila in 1997 as an Originator at the
7 company's Raytown, Missouri facility and held various other front office positions until
8 the acquisition by KCP&L in 2008.

9 **Q: Have you previously testified in a proceeding at the Missouri Public Service**
10 **Commission ("Commission") or before any other utility regulatory agency?**

11 A: While I have not testified before this Commission, I recently testified before the Kansas
12 Corporation Commission.

13 **Q: Are you adopting the Direct Testimony of Great Plains Energy, Inc. ("GPE")**
14 **witness Mr. Scott Heidtbrink in this Docket No. EE-2017-0113, consisting of 11**
15 **pages filed on October 12, 2016?**

16 A: Yes, I am adopting Mr. Heidtbrink's Direct Testimony in this Docket as if it were my
17 own testimony.

18 **Q: What is the purpose of your surrebuttal testimony?**

19 A: The purpose of my testimony is to respond to certain items in the rebuttal testimony of
20 City of Independence ("Independence") witness Joseph Herz. I will be addressing
21 quality of service, specifically, call center performance and electric service reliability.

1 **Q: Please provide a summary of your surrebuttal testimony.**

2 A: KCP&L and GMO have been serving Missouri customers reliably for many, many years.
3 Both companies have been and remain steadfast in our commitment to providing our
4 customers with quality service, whether that means a reliable supply of electricity or
5 responsive service when they contact us with questions. We appreciate that quality of
6 service is important to our customers and that savings from the acquisition of Westar
7 Energy, Inc. (“Westar”) by GPE (“the Transaction”) cannot come at the expense of
8 degradation in service quality or reliability.

9 **Q: Independence witness Herz suggests that there is reason to be concerned that service**
10 **quality will be put at risk because GPE, GMO and KCP&L will be pressured to**
11 **reduce costs in order to realize savings.¹ How do you respond?**

12 A: Although this has been a common concern after utility mergers are announced, there is no
13 reason to believe that the quality of service provided by GMO and KCP&L will be
14 degraded by the Transaction. This is borne out by our experience in acquiring Aquila in
15 2008. Nonetheless, KCP&L and GMO have made a number of commitments to ensure
16 that the service quality they provide to Missouri retail customers will meet or exceed
17 current levels.

18 **Q: How will the Transaction affect the quality of service provided to Missouri**
19 **customers of KCP&L and GMO?**

20 A: As noted in my adopted direct testimony,

21 Service quality will be the same or improved after the Transaction. GPE
22 is committed to the continuation of the quality service KCP&L and Westar
23 have provided in the past. GPE’s utility subsidiaries, KCP&L and GMO,
24 have long standing histories of providing quality service for their

¹ Herz Rebuttal, p. 6.

1 customers, and our careful due diligence shows that Westar has also. The
2 Transaction will enable the combined organization to provide higher
3 quality service through the selection and implementation of best practices
4 in each organization to be used by the combined entity. GPE cares deeply
5 about, but also recognizes that the Commission will be interested in,
6 ensuring that this history of providing quality service continues after the
7 Transaction, and that the Commission has a mechanism in place to
8 monitor system reliability and impacts to customer service.²

9 **Q: Do you anticipate that the quality of service will improve beginning Day 1 following**
10 **the close of the Transaction?**

11 A: No. I expect it will remain consistent with recent historical levels for the first few years.
12 Both KCP&L and GMO customers have enjoyed good quality of service and I expect that
13 to continue. As noted above, improvements are expected over time from the selection
14 and implementation of best practices. It will take time to identify and implement those
15 best practices, some of which may require Commission approval to implement.
16 Integration project teams have been reviewing both companies' practices, and defining
17 the pace at which best practices can be successfully implemented, which is expected to
18 improve service in the long term.

19 **Q: Please describe GPE's approach to quality of service.**

20 A: Maintaining high quality customer service at a reasonable cost to our customers is an
21 important part of KCP&L's business. GPE's objective is to strive to be a Tier 1 provider
22 of service for our customers, meaning that KCP&L wants to be among the top quartile of
23 companies when it comes to service. KCP&L has received numerous awards for
24 reliability, and has been recognized as a Tier 1 service provider by J.D. Power. These
25 results could not be achieved without a strong commitment to overall customer service.

² Heidtbrink (Noblet) Direct, filed Oct. 12, 2016, p. 6.

1 Our approach is to understand what customer needs exist, and then work collaboratively
2 across teams that impact customer service to deliver on customer expectations.

3 **Q: Has GPE made commitments to ensure that service quality is not degraded as a**
4 **result of the Transaction?**

5 A: Yes. Consistent with the agreement approved by the Commission in the recent
6 Empire/Liberty transaction (Case No. EM-2016-0213), GPE has reached agreement with
7 Commission Staff (“Staff S&A”) and the Office of the Public Counsel (“OPC”) on a
8 number of matters related to service quality. Specifically, KCP&L and GMO have
9 committed to:

- 10 • Meet or exceed customer service and operational levels currently provided to
11 Missouri customers (Staff S&A, Para. D.1);
- 12 • Continue meeting with Staff Consumer and Management Analysis personnel
13 periodically after closing of the Transaction to review contact center and other
14 service quality performance (Staff S&A, Para. D.2.);
- 15 • Provide Staff with a current organization chart, within 30 days after closing of the
16 Transaction, of positions and names of management employees with customer
17 service responsibilities (Staff S&A, Para. D.3.);
- 18 • Ensure the availability of adequate resources during the process of integrating
19 Westar, KCP&L and GMO that will enable a smooth transition to ownership and
20 operation of Westar by GPE (Staff S&A, Para. E.1.);
- 21 • Keep Staff apprised of the status of integration implementation by meeting
22 quarterly to provide updates, including progress on organizational changes and
23 consolidation of processes affecting the customer experience and also appear

1 before the Commission on a twice yearly basis for at least two years post-closing
2 to update the Commission on integration implementation efforts (Staff S&A,
3 Para. E.2.a. and b.);

- 4 • Continue providing Staff on a monthly basis with data on contact center service
5 quality and service reliability, including specific information regarding contact
6 center operations that are either outsourced or performed by contingent labor
7 (Staff S&A, Para E.2.c. and d.);

- 8 • Provide Staff on a quarterly basis continuing for two years after closing with data
9 on employee headcounts for GPE, KCP&L, GMO and Westar (Staff S&A, Para.
10 E.2.f.);

- 11 • Provide Staff for two years after closing any reports or presentations made to the
12 GPE board of directors regarding efficiencies attained as a result of the
13 Transaction (Staff S&A, Para. E.2.g.); and

- 14 • Provide Staff for two years after closing all customer survey questions dealing
15 with customer satisfaction and experience on KCP&L or GMO's behalf (Staff
16 S&A, Para. E.2.h.).

17 **Q: How do the commitments you just described ensure that service quality provided by**
18 **KCP&L and GMO is not degraded as a result of the Transaction?**

19 A: The level of information to be provided by KCP&L and GMO on a frequent and timely
20 basis will enable Staff to have a very clear view on the quality of service GMO and
21 KCP&L are providing post-closing as well as the status of integration implementation
22 and the attainment of Transaction savings. To the extent service quality becomes
23 compromised, for whatever reason, it will be readily apparent to KCP&L/GMO and

1 Staff. GMO and KCP&L will not wait to be asked by Staff to take necessary corrective
2 actions in order to uphold their commitment to “meet or exceed the customer service and
3 operational levels currently provided to their Missouri retail customers.” (Staff S&A,
4 Para. D.1).

5 **Q: Are there other reasons why it is reasonable to expect that service quality provided**
6 **by KCP&L and GMO will not erode as a result of the Transaction?**

7 A: Yes. Both KCP&L and GMO will continue to be subject to the Commission’s ongoing
8 jurisdiction and authority after the Transaction closes, and both companies expect to file
9 rate cases in 2018. We know that service quality is always an issue that can be raised in
10 rate cases, and it is in GMO and KCP&L’s best financial interest to ensure that they
11 continue to provide good quality service after the Transaction closes.

12 **Q: Mr. Herz also expresses concern regarding savings estimates (both capital and**
13 **O&M) in the distribution area.³ How do you respond?**

14 A: These concerns are unfounded for reasons beyond the commitment to maintain or
15 improve service quality reflected in the Staff S&A. Front-line work force in the
16 distribution area (line workers and customer care advocates) will not be reduced in
17 connection with the Transaction. In addition, distribution O&M savings are quite limited
18 and will not compromise reliability. Finally, potential capital reductions in this area are
19 focused on Westar transmission projects that can be deferred and thus will not
20 compromise reliability.

21 **Q: Please summarize your conclusions.**

22 A: The primary conclusions of my testimony are:

³ Herz Rebuttal, pp. 12-13

- 1 ▪ KCP&L and GMO both have long histories of being committed to quality electric
2 reliability and customer service. That commitment to our customers will continue
3 after the companies combine.
- 4 ▪ GPE, KCP&L and GMO have made numerous commitments in the Staff S&A to
5 ensure that service quality is not degraded due to the Transaction.
- 6 ▪ Independence witness Herz' concerns regarding savings estimated in the distribution
7 area (both capital and O&M) are unfounded.
- 8 **Q: Does this conclude your testimony?**
- 9 A: Yes, it does.

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

**IN THE MATTER OF THE APPLICATION OF
GREAT PLAINS ENERGY INCORPORATED FOR
APPROVAL OF ITS ACQUISITION OF WESTAR
ENERGY, INC.**

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) **Docket No. EM-2017-0226**
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AFFIDAVIT OF KEVIN NOBLET

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

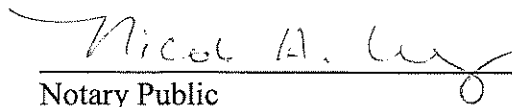
Kevin Noblet, being first duly sworn on his oath, states:

1. My name is Kevin Noblet. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President – Delivery.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Great Plains Energy Incorporated, Kansas City Power & Light Company, and KCP&L Greater Missouri Operations Company consisting of nine (9) 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.



Kevin Noblet

Subscribed and sworn before me this 27th day of March, 2017.


Notary Public

My commission expires: February 2019

