# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In The Matter of the Application of KCP&L	)
Greater Missouri Operations Company for	)
Permission and Approval, and a Certificate of	)
Public Convenience and Necessity Authorizing it	) Case No. EA-2009-0118
to Acquire, Construct, Install, Own, Operate,	)
Maintain, and otherwise Control and Manage	)
Electrical Production and Related Facilities in	)
Certain Areas of Cass County, Missouri Near the	)
City of Peculiar.	

## **STATUS REPORT AND NOTICE OF WITNESS**

Applicant KCP&L Greater Missouri Operations Co. ("Company" or "Applicant") states the following:

- 1. The Company hereby advises the Commission and the parties to this proceeding that on Tuesday, February 3, 2009 the Board of Aldermen of the City of Peculiar adopted by a vote of 5-0 a Resolution approving the expansion of the Company's existing electrical substation at East 203<sup>rd</sup> Street and South Knight Road in the City of Peculiar that is the subject of the Stipulation & Agreement that has been filed with the Commission. A certified copy of the Resolution will be offered into evidence at the on-the-record presentation set for February 19, 2009.
- 2. Pursuant to the Notice and Order issued January 21, 2009, the Company states that it will have one witness, Scott H. Heidtbrink, present at the February 19 presentation. Mr. Heidtbrink is Senior Vice President of Supply. In his work with the Company, as well as with its predecessor Aquila, Inc. Mr. Heidtbrink became familiar with issues relating to the South Harper Plant and the Peculiar Substation. He will describe the process that led to the agreements with

Cass County and the City of Peculiar, and respond to any questions from the Commission and the other parties. His curriculum vitae is attached as Exhibit A.

WHEREFORE, KCP&L Greater Missouri Operations Co. files this Status Report and Notice of Witnesses, pursuant to the Notice and Order of January 29, 2009.

#### Respectfully submitted,

#### /s/ Karl Zobrist

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Attorneys for Applicant KCP&L Greater Missouri Operations Co.

## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on this 11<sup>th</sup> day of February, 2009 to the following:

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/s/ Karl Zobrist

## Scott H. Heidtbrink 3200 E. Ridgely Rd. Smithville, MO 64089 (Home) (816) 790-3576 (Work) (816) 467-3830

#### Education

Bachelor of Science, Electrical Engineering (1986) Kansas State University

#### **Professional Experience**

KCP&L (1/87 – Present): KCP&L serves approximately 850,000 electric customers in Kansas and Missouri. On July 14, 2008 KCP&L bought the Missouri/Kansas electric assets of Aquila, Inc. From 1/87 to 7/08 I was an employee of Aquila, Inc.

Senior Vice President Supply (12/08 – present): Responsible for the generating fleet including 3,200 MW of coal, 548 MW of nuclear, 101 MW of wind and over 2,400 MW of gas/oil. Responsibility included oversight of generation dispatch and wholesale marketing functions; management of the fleets environmental (SO2, NOx, etc.) program; and coal, rail and natural gas contracts. Accountable for over 1,200 employees; a non-fuel O&M budget of \$214 million; a fuel and purchased power budget of \$533 million and a capital budget of \$163 million.

Senior Vice President Corporate Services (7/08 – 12/08): On 7/14/08 KCP&L acquired the Aquila, Inc. Kansas and Missouri electric assets. Selected by KCP&L as the only Aquila officer to make the transition to KCP&L. Responsible for the combined company's Information Technology, Procurement, Facilities and Security functions. Successfully oversaw the integration of the two companies and successfully led the negotiation of a 23 year multi-million dollar lease that moved the company's headquarters into a new location.

Vice President Power Generation & Energy Resources, Aquila (1/06 – 7/08): 16b officer level position reporting to the Chairman/CEO responsible for Aquila's fleet of coal, gas-fired, diesel and wind power plants; integrated resource planning; generation dispatch; coal and generation fuel procurement; off-system sales and asset management of minority ownership positions in other coal fired plants. Accomplishments include:

- Successfully led the generation and energy resources operations that included 275 employees; annualized capital expenditures of \$26 million; annualized O&M of \$43 million; fuel and purchased power budget of \$400 million and off-system sales of \$16 million
- Developed and implemented environmental strategy for compliance with various SO2, NOX and mercury regulations.
- Led the operational due diligence efforts and overall strategy to acquire a 585MW combined cycle plant that was part of a bankruptcy process successful negotiation of the "stalking horse" bid.
- Led the efforts to develop a brown-field site strategy for our coal fired plants in St. Joseph and Sibley, Missouri and Canon City Colorado.

Six Sigma Deployment Champion, Operations (2/04 - 1/06): One of 5 employees chosen to develop and implement from scratch a Board of Director's initiated sigma/lean improvement program across Aquila. Responsibilities included selecting and developing infrastructure, developing and leading change management, overseeing and mentoring other sigma/lean candidates for all of Aquila's operations across seven states. Responsible for project selection and management for all areas including electric generation,

electric and gas transmission, distribution, fuel supply, appliance repair, and regulatory services. Accomplishments include:

- Completed training from the Six Sigma Academy and successfully passed the sigma/lean certification exam. Certified as a Black Belt on October 6, 2005.
- Personally led projects that have resulted in over \$1.5 million in annual savings.
- Coached and mentored 11 other sigma/lean candidates, including 20 projects that have resulted in nearly \$7 million annual savings to date.

Operating Vice President, Kansas/Colorado Gas (5/02 – 1/04): Subsequent to a reorganization from a functional to a geographic structure, was selected for this position. Responsible for all aspects of Aquila's natural gas distribution, transmission, gathering and appliance repair business in Kansas and Colorado including P&L accountability and responsibility for regulatory strategy. This position also included accountability for Aquila's gas and electric dispatch for all seven states. Accomplishments of the job included:

- Successfully developed and implemented the strategy for an operation that included \$161 million in revenue, 155,000 customers and 250 employees.
- Successfully increased the consolidated ROE from 6% to 10.23% without raising customers rates by selling an underperforming gathering system and then successfully negotiating with the Public Service Commission to keep the benefit of the reduced O&M.
- Successfully developed and gained approval by the Kansas Public Service Commission for a Weather Normalization Adjustment (WNA) that stabilizes prices for the customer and returns for Aquila.

Vice President, Gas Operations (4/01 - 4/02): Responsible for all operations, construction and maintenarce, customer service, and appliance repair activities for Aquila's gas operations in all seven states. The position also included accountability for all of Aquila's gas and electric dispatch for all seven states. Accomplishments of the job included:

- Successfully combined the previously separated operations, customer service, appliance repair and sales functions from all seven states into a single, fully integrated unit.
- Successfully managed the gas business with revenues of \$924 million, an O&M budget of \$58 million, and a capital budget of \$47 million. This included responsibility for 880,000 regulated and 120,000 appliance repair customers and an employee base of 1170 employees.

Corporate Vice President, Network Management (3/97 – 3/01): Vice-President for Network Management is the P&L owner for Aquila's 1.2 million domestic customers. Responsibilities include developing and implementing the network strategy; driving system-wide standardization; directing resource allocation; acting as a liaison with regulatory commissions and making key investment decisions. The position also has direct accountability for Aquila's gas and electric engineering functions. Accomplishments of the job include:

- Successfully managed the network business with an annual EBIT of \$100 million, \$90 million and a direct O&M budget of \$9 million. Have achieved corporate EBIT targets each year in the position.
- Led the efforts to reorganize 2,500 employees from a state-run to a corporate-wide functional structure. Successfully provided leadership and change management during the transition.

- Developed an automated asset model system that has resulted in ongoing, annual O&M savings of over \$5 million.
- Implemented Aquila's vision of unbundling the energy industry by developing the strategy and leading the project to sell the construction and maintenance business. This was the first time this has been done in the U.S.
- Managed the conversion from manual, paper system maps to an automated mapping system with automated design capabilities. Included vendor negotiations, field communications and problem resolution.
- Participated in various due-diligence activities ranging from acquisitions to partnerships
  to asset sales. Successful projects include the sale of Aquila's West Virginia properties
  and the Kansas City street lighting system; Aquila's investment position in Quanta
  Services and the pending mergers with St. Joseph Light and Power and Empire District
  Electric Company.

President & General Manager, Kansas Operations (10/94 - 3/97): Responsible for all aspects of service for Aquila's 93,000 gas and 66,000 electric customers in Kansas including operations, customer service, sales and public relations. Reported to Aquila's Corporate Managing Vice President of Operations, who oversaw the operations of Aquila's entire domestic customer base that included 1.2 million customers across eight states. Accomplishments of the job included:

- Successfully managed the transition from Aquila's Divisional structure to a state-run structure. Included blending 5 different Divisional structures and cultures into one statewide team.
- Managed the state as a profit center. Included responsibility for annual revenues of \$176 million, and a direct operating budget of approximately \$17 million.
- Balanced best-cost and quality service by managing expenditures while maintaining standards of quality. Included workforce sizing and office placement analysis, which resulted in a reduction of 117 employees and the consolidation of 14 business offices.
- Reviewed and analyzed potential acquisitions and service extensions within Kansas.
- Maintained positive image for Aquila through various contacts with key customers, regulators, civic groups and government officials regarding deregulation and other changing industry issues.
- Participated in the due-diligence of United Energy in Australia. Included a two week onsite analysis of the current operations and recommendations for future operating levels.
   The due-diligence resulted in the successful acquisition of United Energy.
- Participated in a three-month project to restructure Aquila Energy Delivery from eight separate state-run operations into a separate business unit with a functional alignment. Led the strategic planning efforts for the "Network", i.e. "wires & pipes" segment, which was one of the four major Aquila functions, along with Transmission, Marketing and Customer Service.

**Director** of **Operations, Kansas** (12/93 - 10/94): The Director of Operations for WestPlains Energy, a Division of Aquila, was responsible for all of the field operations for WestPlains Energy's 66,000 Kansas electric customers. Originally came to WestPlains Energy as the Director of Operations, Northern Region; but was promoted to cover all of the Kansas operations after a short time in the job. Accomplishments of the job include:

- Successfully managed WestPlains Energy's 11 operating districts. Included responsibility for 122 communities across a 3,450 square mile service territory.
- Received Presidential Award for exceptional performance.
- Participated on corporate Strategic Initiative Teams; developed strategy for deregulated environment.
- Reduced O&M budget by 16% (\$883,000) through a combination of job reductions (reduction of 16 employees through attrition) and process improvements
- Reduced inventory by 29%, from \$2.1 million to 1.5 million.
- Led a task force to evaluate feasibility of WestPlain's five meter shops; resulted in consolidation with Missouri Public Service (another Aquila division) meter shop and savings of \$277,399/year.
- Promoted to President after 10 months on the job.

**District Manager, Missouri Public Service, Clinton District** (12/88 - 12/93): Missouri Public Service is the founding Division of Aquila and serves 42,000 gas and 190,000 electric customers across Western Missouri. The District Manager, Clinton managed all customer service, operations and sales functions for the 10,000 electric and 4,000 gas customers in the Clinton district. Accomplishments of the job include:

- Achieved "top district" recognition for goals accomplished in 1990.
- Received highest district rating for annual gas safety audit (1992) performed by independent consultant in accordance with Public Service Commission requirements.
- Wrote and developed procedures for distribution network system (1990) which were implemented company wide and subsequently incorporated as part of company's operations procedures manual.
- Managed project to expand natural gas into unpiped towns; resulted in franchise to serve and subsequent construction of distribution system in Rolla, Missouri (population 14,000). Range of duties included City Council presentations, franchise development, construction estimates, feasibility studies, gas supply contract negotiations, development of marketing materials, etc.

District Operations Manager, Missouri Public Service, Grandview District (3/88 - 12/88): Managed construction, operation and maintenance of district electric distribution facilities to ensure reliable service; supervised 2 engineers, a District planner, and 15 union line employees. Promoted to District Manager after 9 months in the job.

**District Operations Supervisor, Missouri Public Service, Grandview** (11/87 - 3/88): Directed district operating personnel and utility crews to perform maintenance and construction activities, and to restore service in emergency situations.

Staff Engineer, Missouri Public Service, Lee's Summit (1/87 - 11/87): Provided engineering design for facilities, equipment, and systems; monitored designs for compliance with company and professional standards. Prepared design drawing and cost estimates for construction, maintenance and system improvement projects. Promoted to supervisor after 11 months on the job.