

*Exhibit No.:*  
*Issue(s):* Policy  
*Witness:* Natelle Dietrich  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal Testimony  
*Case No.:* EM-2017-0226  
*Date Testimony Prepared:* March 27, 2017

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**NATELLE DIETRICH**

**GREAT PLAINS ENERGY INCORPORATED**

**CASE NO. EM-2017-0226**

*Jefferson City, Missouri*  
*March 2017*

**OF**

**NATELLE DIETRICH**

**GREAT PLAINS ENERGY INCORPORATED**

**CASE NO. EM-2017-0226**

A. Yes, as indicated in Staff's Investigation Report filed in Case No. EM-2016-0324 on July 25, 2016, attached as Exhibit A to Staff's Response to MCEG filed on March 2, 2017 in

1 this docket and attached as Exhibit A, Staff had many of the same concerns as Mr. Herz and  
2 Mr. Gorman.

3 Q. Has Staff's concerns been mitigated?

4 A. Yes, as indicated in my Direct Testimony filed in Case No. EE-2017-0113, Staff's  
5 concerns have been mitigated by the Stipulations and Agreements between the Joint  
6 Applicants and Staff and the Joint Applicants and the Office of the Public Counsel ("OPC")  
7 filed in Case No. EE-2017-0113 on October 12, 2016, and October 26, 2016, respectively.  
8 Similarly, many of the same concerns were identified by the Kansas Corporation Commission  
9 ("KCC") staff in its rebuttal testimony filed in KCC Docket No. 16-KCPE-593-ACQ. That  
10 testimony, and a summary of Staff's analysis of that testimony with identification of the  
11 corresponding Joint Applicants/Staff or Joint Applicants/OPC condition(s) that respond to the  
12 KCC staff concerns, can be found in the Staff Report attached as Exhibit B to Staff's  
13 Response to MECG filed on March 2, 2017 in this docket. As noted in the Staff Report, the  
14 Missouri merger standard – not detrimental to the public interest – is different than the KCC  
15 merger standard – promotes the public interest. For ease of reference, the Staff Report is  
16 attached to this testimony as Exhibit B.

17 Q. Mr. Gorman, in his rebuttal testimonies, recommends additional conditions. Are there  
18 additional conditions that Staff would recommend?

19 A. Yes. Exhibit MPG-1 attached to the March 23, 2017 rebuttal testimony of Mr. Gorman  
20 and Exhibit A of the Staff Report, attached herein, includes additional conditions Joint  
21 Applicants' witness Darrin Ives committed to in response to KCC staff testimony. Staff  
22 recommends the Commission include those additional conditions in any order approving the

1 Stipulations and Agreements and the proposed transaction. Specifically, the additional  
2 conditions are summarized below:

- 3 • No. 4 – collective bargaining
- 4 • No. 7 – staff reductions through natural attrition
- 5 • No. 8 – consider targeted voluntary staffing reductions if natural attrition is not  
6 sufficient, and enhance KCPL and GMO employee severance packages
- 7 • No. 9 – maintain and promote all low-income assistance programs consistent  
8 with those in place at all operating utility companies, except as provided for in  
9 the Corporate Social Responsibility section of the Joint Applicant/OPC  
10 Stipulation and Agreement
- 11 • No. 11 – separation of assets of KCPL, GMO and Westar; conduct business as  
12 separate legal entities; maintain existing regulated and non-regulated business  
13 operations
- 14 • No. 12 – provision that KCPL/GMO or Westar will include in any debt or  
15 credit instrument any financial covenants or default triggers related to GPE or  
16 any or its affiliates
- 17 • No. 14 – provision that if the costs of returning KCPL or GMO to investment  
18 grade are above benefits, they shall be required to show and explain why it is  
19 not necessary, or cost effective, to take such actions and how they will  
20 continue to provide efficient and sufficient service in Missouri
- 21 • No. 22 – KCPL and GMO fuel and purchased power costs shall not be  
22 adversely impacted as a result of the proposed transaction

Surrebuttal Testimony of  
Natelle Dietrich

- No. 24 – the return on equity (“ROE”) of KCPL/GMO will not be adversely affected and shall be determined in future rate cases
- No. 25 – if actual utility-specific capital structure is used to set rates, Joint applicants commit to uphold that their future rates will be set commensurate with the financial and business risks
- No. 35 – Joint Applicants will maintain adequate records for audit and examination of all centralized corporate costs allocated to or directly charged to KCPL or GMO.
- No. 40 – provision that Joint Applicants will provide Staff/Commission detailed journal entries and final detailed journal entries
- No. 42 – Parent acknowledges its utility subsidiaries need significant capital to invest in energy supply and delivery infrastructure and meeting these capital requirements is a high priority.

Q. Does this complete your testimony?

A. Yes it does.

**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 Acquisition of Westar Energy, Inc.

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**Case No. EM-2017-0226**

**AFFIDAVIT OF NATELLE DIETRICH**

STATE OF MISSOURI     )  
                                  )  
COUNTY OF COLE        )

ss.

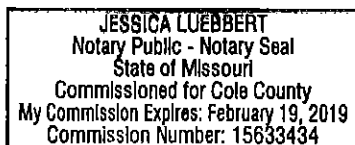
**COMES NOW** Natelle Dietrich and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

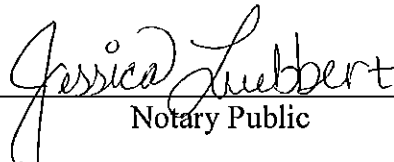
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**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 27<sup>th</sup> day of March, 2017.



  
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Notary Public