

**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)	<u>File No. EM-2017-0226, et al.</u>
Westar Energy, Inc.)	

**REPLY OF GREAT PLAINS ENERGY INCORPORATED TO
THE ANSWER OF KANSAS ELECTRIC POWER COOPERATIVE, INC.
TO GPE'S OBJECTION TO MOTION TO INTERVENE**

Great Plains Energy Incorporated ("GPE"), pursuant to Missouri Public Service Commission ("Commission") Rule 4 CSR 240-2.080(13), states the following in reply to the *Answer To Objection of Great Plains Energy Incorporated To Motion To Intervene of Kansas Electric Power Cooperative, Inc.* ("KEPCo Answer").

1. In its prior Objection to KEPCo's Motion to Intervene, GPE discussed in detail how KEPCo's Motion to Intervene fails to set forth facts required by Rule 4 CSR 240-2.075 ("Intervention Rule") that would allow the Commission to grant its request, and specifically that KEPCo had not shown either how its interests could be adversely affected by a final order in this proceeding or how its interest in the proceeding has any bearing whatsoever on the public interest in Missouri. KEPCo's Answer does not remedy these fatal flaws, but certain allegations contained in KEPCo's Answer must be addressed.

2. As a generation and transmission cooperative with all of its customers based in Kansas, KEPCo attempts to defend the fact that it serves no customers in Missouri with a recitation that the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") was granted intervention in the Kansas Corporation Commission ("KCC") case. The KCC denied MJMEUC's intervention on the basis of transmission service concerns, finding that FERC was

the appropriate forum for that.¹ Rather, MJMEUC’s intervention in the KCC case was limited to its ownership interest in Iatan 2 and was granted because KEPCo—which also has a small ownership interest in Iatan 2—had already been granted intervention without opposition from GPE, Westar or KCP&L.² Nothing regarding KEPCo’s ownership interest in Iatan 2 (or that of KCP&L or GMO, for that matter) will change as a result of this proceeding. Consequently, this grant of intervention to MJMEUC is neither persuasive nor dispositive of KEPCo’s attaining the threshold requirements for meeting the intervention standards of this Commission because it does not explain how KEPCo’s alleged interest in this proceeding has any bearing on the public interest in Missouri.

3. In attempting to establish that it has an interest which may be adversely affected by a final order arising from the case, KEPCo alleges that its financial well-being is inextricably tied to that of KCP&L and Westar. (KEPCo Answer, Page 2). As a result, “any degradation in the financial health of post-acquisition GPE and KCP&L and Westar will inevitably mean higher power purchase and transmission costs, *e.g.*, higher required rates of return on equity.” (KEPCo Answer, Page 3). First and most obviously, this Commission has nothing whatsoever to do with Westar’s required return on equity and will not be determining a return on equity for Westar when the transaction closes. Second, GPE, KCP&L and GMO have already committed that the cost of capital in Missouri will not increase as a result of the transaction. (See, Stipulation and Agreement, pp. 5-6, para 7.A., filed in Case No. EE-2017-0113 on October 12, 2016). More importantly, however, KEPCo has wholly failed to explain how FERC-jurisdictional power purchase and transmission costs it experiences have any relationship to the public interest in Missouri. Because KEPCo serves only Kansas customers, has no customers in Missouri and

¹ *Order Granting Limited Intervention to Missouri Joint Municipal Electric Utility Commission*, KCC Docket No. 16-KCPE-593-ACQ, p. 3, para. 7 (issued November 29, 2016).

² *Ibid.* p. 3, paras. 6-7.

pays no Missouri jurisdictional rates, GPE, KCP&L and GMO assert that KEPCo cannot demonstrate how its alleged interest in this proceeding reflects in any way on the public interest in Missouri.

4. KEPCo also argues that it has a compelling interest in seeking that Missouri conditions are consistent with KCC conditions, and further suggests that it has “an overriding interest in the comprehensiveness and efficacy of the ring-fencing provisions that this Commission may impose if it approves this acquisition.” (KEPCo Answer, Page 4). However, this interest alleged by KEPCo is belied by the fact that the ring-fencing conditions proposed by GPE, KCP&L, GMO and Staff were filed on October 12, 2016, and KEPCo never sought intervention or took issue with them until now. Importantly, KEPCo never explains how its alleged interest in this proceeding bears on the public interest in Missouri. Because KEPCo serves no Missouri customers and pays no Missouri jurisdictional rates of KCP&L or GMO, KEPCo has no interest relevant to the public interest in Missouri. GPE respectfully submits that KEPCo’s allegations in support of its intervention continue to ring hollow, and GPE reiterates its objection to KEPCo’s intervention in this proceeding.

WHEREFORE, GPE requests that the Commission deny KEPCo's motion to intervene in this matter.

Respectfully submitted,

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CERTIFICATE OF SERVICE

A copy of the foregoing was served upon all counsel of record in these consolidated proceedings by email or U.S. mail, postage prepaid, this 7th day of March, 2017.

/s/ Robert J. Hack
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