

**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.)	

MJMEUC STATEMENT OF POSITION

COMES NOW the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) and hereby offers its Statement of Position.

I. Should the Commission find that GPE’s acquisition of Westar is not detrimental to the public interest, and approve the transaction?

Position: MJMEUC recommends that the Commission deny the Application because Great Plains Energy (“GPE”) has failed to adequately show that the proposed transaction is not detrimental to the public interest. Based on its review of the Application and prefiled testimony in the case, MJMEUC has several concerns with the financial aspects of the proposed transaction: (1) The excessive purchase price; (2) The holding company leverage; (3) The nominal ratepayer benefit; (4) The large acquisition premium; and (5) The impacts on subsidiaries, the holding company, and shareholders. All of these areas pose financial risk, which in turn causes undue risks to ratepayers, transmission customers, municipal utilities and their customers, and wholesale customers.

II. Should the Commission condition its approval of GPE’s acquisition of Westar and, if so, how?

Position: If the Commission decides to approve the proposed transaction, then the Commission should impose whatever conditions are necessary to insulate ratepayers, transmission customers, and wholesale customers from any and all negative impacts that result from the transaction. The Commission should approve all of the conditions in the Stipulation and Agreement between

Kansas City Power & Light Company (“KCP&L”), KCP&L Greater Missouri Operations Company (“GMO”) and Great Plains Energy Incorporated (“GPE”) (collectively, “the Companies”) and Staff of the Missouri Public Service Commission (“Staff”) that was filed on October 12, 2016. The Stipulation and Agreement contains some conditions and commitments which serve to mitigate some potential detriments of the transaction. The Commission should also adopt the additional conditions identified by Staff Witness Natelle Dietrich in her surrebuttal testimony. However, there are additional potential detriments of the transaction that were not addressed in the Stipulation and Agreement, and the Commission should impose whatever additional conditions that are necessary to protect ratepayers, transmission customers, municipal utilities and their customers, and wholesale customers.

In addition, MJMEUC recommends that the Commission include two additional conditions to protect municipal utilities and their customers: (1) GPE will not initiate or support any effort to combine the Westar, KCP&L, and KCP&L SPP Transmission Pricing Zones for 10 years, or in the alternative, will not pass along to Missouri transmission customers any increased costs that result from a combination of such SPP Transmission Pricing Zones for 10 years; and (2) GPE will not pass along any costs that can be attributed to the merger to MJMEUC or any of the other co-owners of the Iatan 2 power station for 10 years.

III. Should the Commission address matters such as transmission and power supply services and, if so, how?

Position: Yes, MJMEUC asserts that such matters are appropriate for the Commission to address. The legal standard that the Commission will use to evaluate the proposed transaction is the “not detrimental to the public interest” standard. The Commission has never taken a narrow view for the definition of the public interest, and the Commission should consider any factor that

could affect ratepayers, transmission customers, wholesale customers, municipal utilities and their customers, and any other stakeholders that could be affected by the transaction.

IV. Should the Commission grant the limited request for variance of the affiliate transaction rule requested by GPE, KCP&L and GMO?

Position: No, unless the Commission conditions its approval as discussed under Issue V.

V. Should the Commission condition its approval of GPE's limited request for variance of the affiliate transaction rule requested by GPE, KCP&L and GMO and if so, how?

Position: If the Commission decides to grant the request for variance, MJMEUC recommends that it condition the approval on the Joint Applicants providing adequate assurances that the effect of the requested variance will not be detrimental to interested stakeholders.

Respectfully submitted,

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ATTORNEYS FOR THE
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties on the official service list for this case on this 30th day of March, 2017.

A handwritten signature in black ink, reading "Terry M. Jarrett". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Terry M. Jarrett