

**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.)	

CITY OF INDEPENDENCE STATEMENT OF POSITION

COMES NOW the City of Independence, Missouri, by and on behalf of itself and its municipal utility, Independence Power & Light (“Independence”), and, pursuant to the procedural schedule established for this case, submits the following Statement of Position on the issues set forth in the List of Issues, Order of Witnesses, Order of Cross-Examination filed in the captioned proceeding on March 29, 2017.

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

Independence Position: The expedited procedural schedule has made it difficult for the public to meaningfully engage in this process, as evidenced by the recent withdrawal of Midwest Energy Consumers’ Group, and the absence of testimony from any other intervening party. Independence continues to review Applicants’ surrebuttal testimony, filed on Monday of this week. Among other things, Independence is concerned that the service quality of the regulated utilities may be adversely affected or placed at risk to realize the savings necessary to compensate for the significant acquisition premiums and assumption of debt involved in the proposed transaction, or that rates will have to be raised in order to maintain or improve corporate credit ratings. Independence therefore believes that the transaction may be detrimental to the public interest. If the Commission

is inclined to approve the transaction, it should not do so without adopting conditions to protect customers, ratepayers, and the state from possible adverse effects.

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

Independence Position: If the Commission is inclined to approve the transaction, it should: (a) adopt the conditions identified in the Stipulation and Agreement; (b) adopt all additional conditions identified by MPSC Staff Witness Natelle Dietrich in her surrebuttal testimony, which were proposed by Applicants in the proceeding before the Kansas Corporation Commission and include conditions identified as Nos. 4, 7, 8, 9, 11, 12, 14, 22, 24, 25, 35, 40, 42; (c) adopt additional conditions that were proposed in the KCC proceeding that MPSC Staff Witness Natelle Dietrich did not specifically propose to adopt, including the conditions identified as Nos. 17 (rate case), 18 (capital structure), 26 (provide analyses, testimony and support demonstrating compliance with assurances), 27 (file affiliate service agreements), and 32 (maintain separate books); (d) require Applicants to provide an opportunity for municipal utilities to participate in and fund portions of future transmission improvements as a means of mitigating the risk of higher capital costs of the Applicants; and (e) adopt other transparency and protective measures as may be appropriate.

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

Independence Position: The Commission should be aware of the elimination of competition that is presented by the Transaction, as well as the risk of increased rates and the possible effect on markets.

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

Independence Position: Independence is concerned about the lack of information concerning the types of transactions that would be covered by the proposed variance. Independence continues to review the information submitted by Applicants' surrebuttal testimony a few days ago.

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?

Independence Position: As noted above, Independence continues to review the information. But, if the Commission is inclined to approve the variance, then it should adopt the conditions identified above.

WHEREFORE, Independence requests that the Commission accept this Statement of Position, as filed.

Respectfully submitted,

/s/ Debra D. Roby

Alan I. Robbins, admitted *pro hac vice*
Debra D. Roby, admitted *pro hac vice*
Jennings, Strouss & Salmon, P.L.C.
1350 I Street, NW, Suite 810
Washington, DC 20005-3305
(202) 464-0539
arobbins@jsslaw.com
droby@jsslaw.com

/s/ Dayla Bishop Schwartz

Dayla Bishop Schwartz, MO #31399
City Counselor
City of Independence
111 East Maple Street
Independence, MO 64050
Tel: 816-325-7217
Fax: 816-325-7219
Email: dschwartz@indepmo.org

Counsel for the City of Independence, MO

Dated: March 30, 2017

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing document to be served upon all counsel of record on this 30th day of March 2017, by either e-mail or U.S. Mail, postage prepaid.

/s/Jennifer Spangler
Jennifer Spangler
Legal Assistant
Jennings, Strouss & Salmon, P.L.C.
1350 I Street, NW, Suite 810
Washington, DC 20005-3305
(202) 464-0572
jspangler@jsslaw.com