

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Kansas City Power & Light)
Company's Request for Authority to Implement) Case No. ER-2016-0285
a General Rate Increase for Electric Service.)

**REQUEST TO TAKE OFFICIAL NOTICE
OF KANSAS CITY POWER & LIGHT COMPANY**

Kansas City Power & Light Company ("KCP&L" or the "Company") requests that the Commission take official or administrative notice of the federal funds interest rate increase ordered by the Federal Reserve Board of Governor's Federal Open Market Committee on March 15, 2017, pursuant to Section 536.070(6), Mo. Rev. Stat. (2000), as amended.

In support of this request, KCP&L states as follows:

1. On March 15, 2017, the Federal Open Market Committee raised the federal funds interest rate from a range of ½ to ¾ percent to a range of ¾ to 1 percent. See Ex. 1 (attached).
2. Under Section 536.070(6), Mo. Rev. Stat. (2000), as amended, the Commission may take "official notice of all matters of which the courts take judicial notice." Missouri courts regularly take notice of interest rates, including specifically the Federal Funds Rate.
3. Section 408.040.2 directs Missouri trial courts to set prejudgment interest in tort actions with reference to federal interest rates. "All such judgments and orders for money shall bear a per annum interest rate equal to the intended Federal Funds Rate, as established by the Federal Reserve Board, plus five percent, until full satisfaction is made."
4. In other contexts, the courts have taken judicial notice of interest rates, including whether they have increased or decreased. See Havens Steel Co. v. Randolph Engineering Co., 813 F.2d 186, 189 (8th Cir. 1987), citing Simpson v. United States, 252 U.S. 547, 550 (1920); Gershman Investment Corp. v. Danforth, 475 S.W.2d 36, 37 (Mo. en banc 1971). See also Wilkins v. St. Louis Hous. Auth., 198 F. Supp. 2d 1080, 1091 (E.D. Mo. 2001) (taking judicial

notice of average interest rates published by the Board of Governors of the Federal Reserve System in calculating prejudgment interest), aff'd, 314 F.3d 927 (8th Cir. 2002).

5. These cases are consistent with the general proposition that courts take judicial notice of data, pronouncements, and publications issued by government agencies such as the Federal Reserve Board. See Williams v. Employers Mut. Cas. Co., 845 F.3d 891, 904 (8th Cir. 2017) (no abuse of discretion in taking judicial notice of Environmental Protection Agency fact sheet); Estate of Layne v. Williams, 727 S.W.2d 157, 159 (Mo. Ct. App. 1987). See also Nebraska v. EPA, 331 F.3d 995, 998 n. 3 (D.C. Cir. 2003); City of Charleston v. A. Fisherman's Best Inc., 310 F.3d 155, 172 (4th Cir. 2002); Parsons v. United Tech. Corp., 700 A.2d 655, 665 n.18 (Conn. 1997).

WHEREFORE, Kansas City Power & Light Company requests that the Commission take official notice as set forth above.

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed or mailed, postage prepaid, this 16th day of March, 2017, to all counsel of record.

/s/ Karl Zobrist
Attorney for Kansas City Power & Light Company

Press Release

FEDERAL RESERVE press release



Release Date: March 15, 2017

For release at 2:00 p.m. EDT

Information received since the Federal Open Market Committee met in February indicates that the labor market has continued to strengthen and that economic activity has continued to expand at a moderate pace. Job gains remained solid and the unemployment rate was little changed in recent months. Household spending has continued to rise moderately while business fixed investment appears to have firmed somewhat. Inflation has increased in recent quarters, moving close to the Committee's 2 percent longer-run objective; excluding energy and food prices, inflation was little changed and continued to run somewhat below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace, labor market conditions will strengthen somewhat further, and inflation will stabilize around 2 percent over the medium term. Near-term risks to the economic outlook appear roughly balanced. The Committee continues to closely monitor inflation indicators and global economic and financial developments.

In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate to 3/4 to 1 percent. The stance of monetary policy remains accommodative, thereby supporting some further strengthening in labor market conditions and a sustained return to 2 percent inflation.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. The Committee will carefully monitor actual and expected inflation developments relative to its symmetric inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data.

The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction, and it anticipates doing so until normalization of the level of the federal funds rate is well under way. This policy, by keeping the Committee's holdings of longer-term securities at sizable levels, should help maintain accommodative financial conditions.

Voting for the FOMC monetary policy action were: Janet L. Yellen, Chair; William C. Dudley, Vice Chairman; Lael Brainard; Charles L. Evans; Stanley Fischer; Patrick Harker; Robert S. Kaplan; Jerome H. Powell; and Daniel K. Tarullo. Voting against the action was Neel Kashkari, who preferred at this meeting to maintain the existing target range for the federal funds rate.

Implementation Note issued March 15, 2017