

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Great Plains)
Energy Incorporated, Kansas City Power & Light)
Company and Westar Energy, Inc. for approval of the) Docket No. 18-KCPE-095-MER
Merger of Westar Energy, Inc. and Great Plains)
Energy Incorporated.)

REPLY TO KIC'S RESPONSE IN OPPOSITION TO
APPLICANTS' PROPOSED SCHEDULE

COME NOW Great Plains Energy Incorporated ("Great Plains Energy" or "GPE"), Kansas City Power & Light Company ("KCP&L"), and Westar Energy, Inc. and Kansas Gas and Electric Company (referred to herein as "Westar") (all parties collectively referred to herein as "Applicants"), and file this Reply to Kansas Industrial Consumers Group, Inc.'s (KIC) Response in Opposition to Applicants' Proposed Schedule.

1. On August 25, 2017, Applicants filed their Application seeking approval of the merger of Westar and Great Plains Energy, parent company of KCP&L. As part of the Application, Applicants agreed to work with Staff and other interested parties to develop a procedural schedule and to file a proposed schedule with the Commission by October 13, 2017.

2. On October 12, 2017, Applicants filed their Motion for Procedural Schedule, proposing a schedule that would result in a Commission order in this docket 277 days after the Application was filed. Both Staff and CURB, as well as several other parties, indicated that Applicants' proposed schedule was reasonable and provided sufficient time for their investigation.

3. On October 16, 2017, KIC filed its Motion for Procedural Schedule and Response in Opposition to Applicants' Proposed Schedule. In its Response, KIC argued that the

Commission should not shorten the procedural schedule from the maximum time allowed by statute of 300 days. KIC proposed an alternative schedule that would result in a Commission order 300 days after the Application was filed in the docket.

4. KIC offers no substantive basis for its objection to Applicants' proposed schedule. Instead, KIC simply argues that the Commission should not approve the schedule because it is less than the 300-day maximum allowed by statute. KIC indicates that there are certain issues it wishes to investigate in the docket, *see* KIC Response, ¶¶ 4-6, but does not offer any explanation of why it cannot complete that investigation within the 157 days that would be allowed for it to file Direct Testimony under the Applicants' proposed schedule. KIC also argues that it is possible that Applicants might give "non-responsive or minimally-responsive answers" to data requests. This assertion is purely hypothetical as KIC provides no specific examples of such responses. In fact, Applicants have been very cooperative and open in providing information to the parties. As is discussed below, Applicants proactively provided KIC and other parties with a very large amount of information as soon as they signed non-disclosure agreements in the docket, eliminating the need for the parties to issue data requests to gather this information.

5. Contrary to KIC's implied assertion that the statute sets the minimum time allowable for review of mergers, the statute sets the maximum time (300 days) for the issuance of an order in merger proceedings in Kansas and does not prohibit the Commission from setting a shorter schedule. In fact, the statute specifically states that the Commission is to "expeditiously process every application." The Applicants' proposed schedule is just 23 days less than the maximum review period provided for by statute.

6. There are a number of reasons that it is reasonable to set a schedule just slightly shorter than the maximum allowed by statute. First, the combination of GPE and Westar has

already been subject to a full 300-day review period once. This proceeding adds another 277-day review period and provides Staff and Intervenors 157 days (more than 5 months) to conduct their investigations before Direct Testimony is due to be filed. Much of the work done during the initial transaction proceeding provides foundation for the proceeding involving the revised merger transaction such that the maximum review period provided by statute is not necessary. This is supported by the fact that Commission Staff – the party with the broadest and statutorily-mandated review responsibilities regarding the revised merger transaction – believes that the proposed schedule provides it with sufficient time to undertake its investigation.

7. Second, Applicants have provided substantial information upfront to the parties (including financial modeling, fairness opinion materials, board materials, equity analyst reports, rating agency materials and reports, merger integration plans and savings materials, and the combined GPE-Westar integrated resource planning analysis). This information was mailed to KIC on September 20, 2017, which was coincident with KIC being accepted by the Commission as a party to the docket. Given the breadth of information that Applicants have already provided to KIC (and all of the other parties whose interventions have been granted and who have signed non-disclosure agreements) without being asked for the material by data request, Applicants have facilitated at least a 23-day reduction in the amount of time needed for the parties to undertake their reviews of the revised merger transaction.

8. Third, in addition to the substantial amounts of information Applicants have already provided in this docket and the extensive work in the prior docket, Applicants have already received and replied to significant discovery issued by KIC and other parties. They have received and are continuing to receive substantial amounts of information in this case very early in the proceeding.

9. Fourth, the slightly shortened procedural schedule allows for the achievement of customer benefits earlier, including the \$50 million in bill credits that will be provided to retail customers soon after the Commission issues its order in the docket, assuming the merger is approved.

10. Fifth, there are many different considerations at issue in designing the procedural schedule for the docket, including the schedule in the Missouri docket and the Commission's availability. The proposed schedule works with both the schedule that was proposed jointly on October 13, 2017, by the parties in Missouri – many of whom have also intervened in the Kansas docket, including Kansas Electric Power Cooperative, City of Independence, Sierra Club, and Brightergy – and with the Commission's schedule.

11. Finally, the schedule proposed by Applicants is structured to permit the revised merger transaction to close on June 1 (i.e., the very beginning of the month), which would make the closing process more efficient and with less risk than a closing during the month.

12. Applicants worked with Staff to develop their proposed procedural schedule and, after reaching agreement with Staff and CURB, sought input from the other parties. Applicants made every effort to coordinate with other parties' schedules while working to ensure that the proposed schedule worked with the Missouri schedule and with the Commission's schedule. Applicants realize that they may not have accommodated the specific details of the schedules of each and every individual involved in the proceeding but have attempted to achieve a schedule that allows parties sufficient time for investigation, balances the other considerations at issue, and recognizes the work that has already been done by parties in reviewing the proposed combination of GPE and Westar.

13. Given that KIC has not raised any specific, substantive concerns with the Applicants' proposed schedule and instead simply object on the grounds that it is shorter than the maximum allowed by statute and the fact that a large number of the parties either support or do not oppose Applicants' proposed schedule, Applicants request that the Commission enter an order adopting their proposal procedural schedule as identified in their October 12, 2017 Motion for Procedural Schedule.

WHEREFORE, Applicants respectfully request the Commission grant their Motion for Procedural Schedule and issue an order adopting their proposed procedural schedule.

Respectfully submitted,

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**ATTORNEYS FOR WESTAR ENERGY, INC. AND KANSAS GAS AND ELECTRIC
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CERTIFICATE OF SERVICE

I do hereby certify that on the 18th day of October, 2017, I electronically filed via the Kansas Corporation Commission's Electronic Filing System, a true and correct copy of the above and foregoing with a copy emailed to all parties of record.

/s/ Cathryn Dinges

Cathryn Dinges